Highlights

27 July 2018

- 80% of mutual fund assets under management outperforming the median over three years
- Net fund outflows of £2.3bn
- Assets under management down 4% to £48.2bn
- Profit before tax increased by 3% to £96.5m
- Basic earnings per share increased by 3% to 17.3p
- Net management fees up 7% to £199.2m[1]
- Interim dividend per share increased by 16% to 7.9p.

	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Assets under management (AUM) (£bn)	48.2	46.9	50.2
Net (outflows)/inflows (£bn)	(2.3)	3.6	5.5
Net management fees[1] (£m)	199.2	186.5	392.4
Profit before tax (£m)	96.5	93.9	192.9
Basic earnings per share (p)	17.3	16.8	34.5
Interim dividend per share (p)	7.9	6.8	6.8
Adjusted cost/income ratio[1]	54%	54%	54%

[1] *The Group's use of alternative performance measures is explained on page 7.*

Maarten Slendebroek, Chief Executive, commented:
"The first half of 2018 reflected a more challenging operating environment against a more volatile global geopolitical backdrop. Despite net outflows in the period, it is clear our resilient business model and strong balance sheet continue to deliver for all our stakeholders. In 2018 we reaffirmed our strategy of delivering active outperformance for our clients through a diversified operating model based on a culture of accountability, high performance and independent thinking."

Analyst presentation

There will be an analyst presentation at 9.00am on 27 July 2018.

The presentation will be held at The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ and is also accessible via a live audiocast for those unable to attend in person. To attend the presentation, please contact Matthew Attwood at Powerscourt on +44 (0)20 3328 9383 or at Matthew.Attwood@powerscourt-group.com. Alternatively, sign up online to access the live audiocast using the following link: https://secure.emincote.com/client/jupiter/jfm007

The interim report and accounts will be available on the Group's website at: https://www.jupiteram.com/Global/en/Investor-Relations/Reports-and-results.

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Forward-looking statements

This announcement contains forward-looking statements with respect to the financial condition, results of operations and businesses of the Group. Such statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this announcement. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.

Chief Executive's statement

The first half of 2018 reflected a more challenging operating environment against a more volatile global geopolitical backdrop. Despite net outflows in the period, our resilient business model continues to deliver for all our stakeholders through strong active outperformance, client-led solutions and products and solid financial returns.

This challenging start to the year led to net outflows during the six months to 30 June 2018 totalling £2.3bn, versus the inflows of £3.6bn recorded in the first half of 2017. Mutual fund outflows of £1.9bn (H1 2017: £3.4bn inflows) were driven by redemptions from a single product within our fixed income strategy, reflecting both the fund's current defensive positioning and a wider industry trend of fixed income outflows in most markets. Excluding this single product, gross inflows remained strong across the rest of our range. The European Fund saw healthy inflows in the first half of 2018 and 11 of our mutual funds are over £1bn in size, together accounting for £32.6bn of invested assets.

Our net outflows, partially offset by positive market movements and alpha generation by our fund managers, resulted in a 4% decrease in AUM to £48.2bn.

Performance

Delivering performance after fees for our clients is what we do as a business. Three-year investment performance after all fees remains a key indicator for future flows. In the three years to 30 June 2018, 80% of mutual fund AUM was above median after all fees. This compares with an equivalent level of 81% recorded at the end of 2017.

Business development

We have a straightforward active asset management strategy within which delivering investment outperformance to clients remains the key driver of our business and continued diversification through products and geographical reach is the enabler of future growth. We launched the Global Sustainable Equities, Global Value and Merlin Real Return funds in the period in response to strong client demand and expanded our Multi-Asset and Alternative capabilities by hiring two new fund managers in these areas. As part of our continued geographical diversification, we opened an office in the Netherlands. Our continued investment for growth means that our upgraded infrastructure is already delivering benefits.

Financial results

Profit before tax was £96.5m compared with £93.9m at the end of June 2017 while basic earnings per share were 17.3p, 3% higher than the 16.8p recorded in the first half of 2017. Our continual focus on an efficient operating model allows us to use business growth to continuously invest in the business whilst maintaining earnings growth.

Net revenues during the first six months of 2018 totalled £214.8m, up 10% on the £195.4m reported in the first half of 2017. This reflects strong growth of 7% in management fees to £199.2m (H1 2017: £186.5m) driven by higher average asset values due to strong asset appreciation from markets and investment outperformance. Net initial charges accounted for £1.5m of revenues, of which box profits were £0.7m. This portion of our revenues is significantly lower than in H1 2017 following the pricing changes we announced in February 2017 with box profits ceasing during January of this year. Performance fees of £14.1m crystallised during the period against £0.8m in the first half of 2017.

The net management fee margin dropped 3bps from 86bps to 83bps at the end of June 2018, a natural consequence of our changing business mix, driven both by our continually changing product mix as well as the difference in price between assets being brought onto the overall book and those assets being redeemed. Longer-term, we continue to guide to revenue margins declining by 1-2 basis points a year.

We have maintained our disciplined approach to cost management, making further investments in our business as we grow and diversify, both to enable future growth and to ensure the range of new regulations being introduced across the asset management industry can be implemented effectively. Fixed costs as a proportion of revenues remained broadly stable in this period of investment, with headline costs totalling £73.4m (37% of net management fees) against £63.3m in the first half of 2017 (34% of net management fees). If the effect of bringing research costs onto our own account is excluded, this ratio would be at 35%. As is usual for a business such as ours, we would expect our fixed costs to trend higher in the second half of 2018.

Variable staff costs remain within guidance with our variable compensation ratio hovering around 30%. Total variable staff costs were £42.1m in the first half of 2018 against £38.2m in the first half of 2017.

Our adjusted cost/income ratio, as a measure of our overall operating margin, remains stable at 54% and is in line with our expected longer-term ratio of around 55%.

Capital management

Jupiter's balance sheet remains resilient with a healthy indicative capital surplus of £87m after providing for dividends and a robust free cash position. We are actively managing our seeding portfolio, with £80m of our own capital deployed in this way at 30 June 2018, and further investments expected as part of supporting new fund launches in the second half of the year.

Our balance sheet strength enables us to maintain our progressive dividend policy, which targets a full year ordinary pay-out of 50% of our underlying earnings per share and a special dividend payment which distributes capital not needed elsewhere in the business. As per last year, we continue our practice of putting a significant weighting of the ordinary dividend into our interim payment, which remains at just under 50% of the 2017 ordinary dividend.

Outlook

In 2018 we reaffirmed our strategy of delivering active outperformance for our clients through a diversified operating model based on a culture of accountability, high performance and independent thinking. We believe that this strategy will continue to deliver growth in AUM and earnings over the cycle resulting in progressive returns for our shareholders.

Maarten Slendebroek
Chief Executive Officer

26 July 2018

Business review

Assets under management ("AUM") and flows

Movement in AUM by product across the period	31 December 2017 £m	Q1 net flows £m	Q2 net flows £m	Market movement £m	30 June 2018 £m
Mutual funds	43,745	(929)	(995)	177	41,998
Segregated mandates	5,208	(306)	(17)	76	4,961
Investment trusts	1,227	(15)	(5)	69	1,276
Total	**50,180**	**(1,250)**	**(1,017)**	**322**	**48,235**

AUM decreased by 4% to £48.2bn as at 30 June 2018 (31 December 2017: £50.2bn) as a result of net outflows of £2.3bn partially offset by positive market movements.

Net mutual fund outflows were £1.9bn during the period. Our Fixed Income strategy, responsible for the majority of 2017's inflows, experienced two quarters of outflows, with clients withdrawing a net £2.3bn of assets in the period. Several other strategies contributed net inflows in the period, with European Growth and Value Equities experiencing the biggest net sales. Geographically, mutual fund flows in the UK were broadly flat, but we saw net outflows in Asia and Europe. Segregated mandates were impacted by a single institutional client rebalancing its portfolio in the first quarter.

Investment performance

At 30 June 2018, 80% of our mutual fund AUM had delivered above-median performance over three years (31 December 2017: 81% of mutual fund AUM). Measured over one year, 58% of mutual fund AUM (31 December 2017: 47% of mutual fund AUM) delivered above median performance.

Financial review

RESULTS FOR THE PERIOD

Net revenue	Six months ended 30 June 2018 £m	Six months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Management fees	224.3	210.0	441.6
Fee expenses	(25.1)	(23.5)	(49.2)
Net management fees	199.2	186.5	392.4
Initial charges and commissions (excluding box profits)	1.2	1.7	3.1
Commission expenses	(0.4)	(0.8)	(1.5)
Net initial charges (excluding box profits)	0.8	0.9	1.6
Performance fees	14.1	0.8	1.9
Net revenue before box profits	214.1	188.2	395.9
Box profits	0.7	7.2	13.6
Total	214.8	195.4	409.5

Net revenue for the period was £214.8m (2017 H1: £195.4m), up 10% on 2017 H1 as higher average AUM boosted management fees and performance fees outweighed the loss of box profits (which ceased in January 2018) following the Group's decision to move to single pricing in its unit trust range.

	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Net management fees (£m)	199.2	186.5	392.4
Average AUM (£bn)	48.6	43.8	46.2
Net management fee margin (bps)	83	86	85

Net management fees increased to £199.2m (2017 H1: £186.5m) as a result of higher average AUM principally driven by strong asset appreciation from markets and investment outperformance.

The Group's net management fee margin for the period was 83 basis points, down by 3 basis points on the first half of 2017 as a result of the 2018 impact of growth in our lower margin fixed income product range in the second half of 2017. We continue to expect net management fee margins to decline by 1-2 basis points a year for product mix reasons.

Net initial charges (before box profits) of £0.8m (2017 H1: £0.9m) decreased marginally. Performance fees of £14.1m (2017 H1: £0.8m) were principally earned in a single fund.

Administrative expenses

	Six months ended 30 June 2018 £m	Six months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Fixed staff costs	29.5	26.9	54.3
Other expenses	43.9	36.4	77.8
Operating expenses	73.4	63.3	132.1
Variable staff costs	42.1	38.2	82.7
Administrative expenses	115.5	101.5	214.8

Administrative expenses of £115.5m (2017 H1: £101.5m) were £14.0m higher than 2017 H1. Operating expenses of £73.4m (2017 H1: £63.3m) increased 16% primarily due to costs associated with investments in our operating platform and the recognition of research costs in the Group's income statement for the first time, as explained in our 2017 Annual Report and Accounts.

The increase in fixed staff costs of £2.6m relates to new hires in the fund management and distribution teams and other structural changes to our workforce.

	Six months ended 30 June 2018 £m	Six months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Cash bonus	22.2	22.7	41.6
Other variable compensation	19.9	15.5	41.1
Total	42.1	38.2	82.7
Variable compensation ratio	29.8%	28.9%	29.8%
Total compensation ratio	33.3%	33.3%	33.5%

At the half year, variable staff costs of £42.1m (2017 H1: £38.2m) are calculated based on expected full-year variable compensation ratios. The charge relates to both the amortisation of deferred awards made in prior years and also to future compensation expected to be awarded. This cost therefore may change, dependant on results in the second half of the year. Accrued cash bonus costs at £22.2m are in line with the prior year (2017 H1: £22.7m). Other variable compensation charges have increased by £4.4m to £19.9m because of increased charges for deferred awards from prior years, partially offset by lower accruals for social security costs on unexercised share awards.

Variable compensation as a proportion of net revenue less operating expenses is 29.8% (2017 H1: 28.9%), in line with 2017 as a whole. We expect the variable compensation ratio to remain in the mid to high 20% range over the medium term. The equity-settled nature of previously awarded deferred bonus and LTIP schemes means that their costs are fixed at the time of grant and subsequently do not change if future earnings rise or fall, although social security costs vary with the Group's share price.

Other income statement movements

Amortisation of £1.0m (2017 H1: £1.5m) relates primarily to amortisation of intangible assets in 2018.

Profit before tax (PBT)

PBT for the period increased by 3% to £96.5m (2017 H1: £93.9m) as the anticipated reduction in box profits from £7.2m to £0.7m and the recognition of research costs of £2.7m were more than offset by increased management and performance fees.

Tax

The effective tax rate was 19.7% (2017 H1: 19.8%, 2017: 19.8%) against a headline corporation tax rate of 19% (2017 H1: 19.25%, 2017: 19.25%).

Earnings per share (EPS)

EPS was up 3% on 2017 H1 at 17.3p (2017 H1: 16.8p). Underlying EPS, defined as underlying profit after tax divided by the number of shares in issue (see page 7), is used by the Board to determine the ordinary dividend and was up 2% at 17.1p (2017 H1: 16.7p).

CASH FLOW

The Group generated positive operating cash flows after tax in 2018 H1 of £113.3m (2017 H1: £78.2m). £115.6m was spent on final and special dividend payments to shareholders in respect of the previous year's profit and £13.3m of shares were purchased by the Employee Benefit Trust to avoid future dilution from compensation schemes. The net decrease in cash in the period was £12.3m.

ASSETS AND LIABILITIES

Balance sheet

At 30 June 2018, the Group held cash of £221.9m (31 December 2017: £234.2m), as trading profits were offset by the payment of the 2017 compensation round and the final and special dividends. We continue to expect a high percentage of earnings from the Group's operations to result in cash inflows.

The Group has no debt (31 December 2017: £nil). The revolving credit facility of £50m was not drawn in the period.

Seed investments

We deploy seed into funds to ensure an effective launch and to accelerate the timescale over which the funds can pass through critical size thresholds. As at 30 June 2018, we had a total investment at fair value of £83.4m in our own funds (31 December 2017: £96.6m). This excludes £18.9m of investments in our own funds 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 investments, with all seed investments either hedged or invested in absolute return or fixed income 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

Total shareholders' equity increased by £13.7m to £596.4m between 30 June 2017 and 30 June 2018, with the continued profitability of the Group being substantially offset by distributions to shareholders, in line with the Group's dividend policy below. The Group maintains a comfortable surplus over its regulatory requirements and its strategy for capital management is unchanged.

From 1 January 2019, a new accounting standard requires us to capitalise our operating leases, creating an additional illiquid asset which is required to be deducted from our available capital. We are expecting this additional deduction to be in the region of £50m.

Dividends

Jupiter has a progressive ordinary dividend policy, and our intention is for the ordinary dividend pay-out ratio to be 50% of underlying EPS across the cycle. The Board then expects to retain up to 10% of earnings for investment and growth; the remaining balance, after taking account of any specific events, will be returned to shareholders. In current market conditions, shareholders have indicated that their preferred method of capital return is a special dividend.

The Board considers the dividend on a total basis, taking into account our resilient balance sheet and our long-term approach to running the business. In looking to maintain an appropriate balance between interim and full-year dividends, the Board has declared an increased interim dividend of 7.9p (2017 H1: 6.8p).

THE USE OF ALTERNATIVE PERFORMANCE MEASURES ("APMs")

The Group uses the following APMs:

APM	Definition	Reconciliation	Reason for use
Adjusted cost/income ratio	Administrative expenses divided by net revenue before box profits	Not applicable	C
Net management fee margin	Net management fees divided by average AUM	Page 4	A
Net management fees	Management fees less fee expenses	Page 4	A
Net revenue	Revenue less fee and commission expenses	Page 8	A
Operating expenses	Administrative expenses less variable staff costs	Page 5	C
Ordinary dividends per share	Interim and final dividends (does not include any "special" dividends)	Not applicable	B
Total compensation ratio	Total staff costs as a proportion of net revenue	Page 5	C
Underlying EPS	Profit before tax less tax at the weighted average UK corporation tax rate divided by the number of issued shares	Not applicable	D
Variable compensation ratio	Variable staff costs as a proportion of net revenue less operating expenses	Page 5	C

*Amortisation arising from acquisitions and non-recurring costs were nil in H1 2018 (H1 2017: £0.7m; FY 2017: £0.7m).

A. to draw out meaningful subtotals of revenues and earnings, together with ratios derived from such measures, 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.

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

C. 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 and efficiency in the Group and in predicting future variable cost and therefore profit levels.

D. used by the Board to determine the Group's ordinary dividend. Also used in the measurement of one of the criteria for legacy share-based awards to senior staff with performance conditions.

All APMs relate to past performance.

Changes in the use of APMs

1. In prior periods, the adjusted cost/income ratio used net management fees as its denominator. The advantage of using this measure rather than net revenue is that it excludes box profits, which did not generally vary in line with costs and which were therefore not a meaningful contributor to the ratio. In the current period, we have changed the denominator to net revenue before box profits. This enables us to continue to exclude box profits (although these ceased in January 2018), but also include performance fees, which significantly impact administrative expenses. The change in measure has no impact on previously reported comparative ratios.
2. The Group has previously used underlying administrative expenses, underlying profit before tax (PBT) and underlying EPS as performance measures, principally 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. There are currently no material differences between Jupiter's underlying APMs and actual IFRS measures. As a result, underlying administrative expenses and underlying PBT have been removed as performance measures. We have retained the use of underlying EPS as it is a component in the calculation of the Group's ordinary dividends per share.
3. We have discontinued the use of operating earnings as an APM. This measure, defined as net revenue less administrative expenses, had been used as a subtotal on the face of the Group's income statement but, because it was not widely used internally to assess the Group's performance or as a component of other APMs, the Group feels it is not necessary to continue using or quantifying this term.

Section 1: Results for the period

Consolidated income statement for the period ended 30 June 2018

	Notes	Six months ended 30 June 2018 £m	Six months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Revenue	1.1	240.3	219.7	460.2
Fee and commission expenses	1.1	(25.5)	(24.3)	(50.7)
Net revenue	1.1	214.8	195.4	409.5
Administrative expenses		(115.5)	(101.5)	(214.8)
Other (losses)/gains	1.3	(1.7)	1.5	0.6
Amortisation of intangible assets	3.2	(1.0)	(1.5)	(2.3)
Operating profit		96.6	93.9	193.0
Finance income		-	0.1	0.1
Finance costs		(0.1)	(0.1)	(0.2)
Profit before taxation		96.5	93.9	192.9
Income tax expense	1.4	(19.0)	(18.6)	(38.1)
Profit for the period		77.5	75.3	154.8
Earnings per share				
Basic	1.5	17.3p	16.8p	34.5p
Diluted	1.5	16.9p	16.3p	33.7p

Consolidated statement of comprehensive income for the period ended 30 June 2018

	Notes	Six months ended 30 June 2018 £m	Six months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Profit for the period		77.5	75.3	154.8
Items that may be reclassified subsequently to profit or loss				
Exchange movements on translation of subsidiary undertakings	4.2	-	(0.1)	(0.2)
Other comprehensive income/(loss) for the period net of tax		-	(0.1)	(0.2)
Total comprehensive income for the period net of tax		77.5	75.2	154.6

Notes to the Group financial statements – Income statement

INTRODUCTION

Jupiter Fund Management plc (the Company) and its subsidiaries (together, the Group) offer a range of asset management products. Through its subsidiaries, the Group acts as an investment manager to authorised unit trusts, SICAVs, investment trust companies, pension funds and other specialist funds. The Group has offices in the United Kingdom, Germany, Luxembourg, the Netherlands, Singapore, Hong Kong, Switzerland, Austria, Sweden, Spain and Italy.

The Group's financial statements have been split into sections to assist with their navigation and align with the Financial review. The basis of preparation, accounting policies and principal risks and mitigations are within Section 5.

1.1 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 to our funds. 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. Box profits, discontinued in early 2018, represented profits earned on dealing within the unit trust manager's box.

	Six months ended 30 June 2018 £m	Six months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Management fees	224.3	210.0	441.6
Initial charges and commissions	1.2	1.7	3.1
Performance fees	14.1	0.8	1.9
Revenue	239.6	212.5	446.6
Fee and commission expenses	(25.5)	(24.3)	(50.7)
Net revenue before box profits	214.1	188.2	395.9
Box profits	0.7	7.2	13.6
Total net revenue	214.8	195.4	409.5

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.

1.3 OTHER (LOSSES)/GAINS

	Six months ended 30 June 2018 £m	Six months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Dividend income	0.2	0.2	0.5
Other	(1.9)	1.3	0.1
Total other (losses)/gains	(1.7)	1.5	0.6

1.4 INCOME TAX EXPENSE

Analysis of charge in the period:

	Six months ended 30 June 2018 £m	Six months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Current tax – UK corporation tax			
Tax on profits for the period	17.7	17.4	40.2
Adjustments in respect of prior periods	(0.2)	-	(1.1)
	17.5	17.4	39.1
Deferred tax			
Origination and reversal of temporary differences	1.5	1.2	(2.2)
Adjustments in respect of prior periods	-	-	1.2
	1.5	1.2	(1.0)
Total income tax expense	19.0	18.6	38.1

The weighted average UK corporation tax rate for the period ended 30 June 2018 was 19% (2017 H1: 19.25%, 2017: 19.25%).

1.5 EARNINGS PER SHARE

Basic EPS is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period, 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 period by the weighted average number of ordinary shares outstanding during the period used in calculating 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 periods reported. The weighted average number of ordinary shares used in the calculation of EPS is as follows:

Number of shares (all weighted averages)	Six months ended 30 June 2018 Number m	Six months ended 30 June 2017 Number m	Year ended 31 December 2017 Number m
Issued share capital	457.7	457.7	457.7
Less: own shares held	(8.5)	(9.0)	(8.9)
Number of ordinary shares for the purpose of basic EPS	449.2	448.7	448.8
Add: dilutive potential shares	10.6	11.3	10.9
Number of ordinary shares for the purpose of diluted EPS	459.8	460.0	459.7

Earnings per share	Six months ended 30 June 2018 p	Six months ended 30 June 2017 p	Year ended 31 December 2017 p
Basic	17.3	16.8	34.5
Diluted	16.9	16.3	33.7

Section 2: Consolidated statement of cash flows

Consolidated statement of cash flows for the period ended 30 June 2018

	Notes	Six months ended 30 June 2018 £m	Six months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Cash flows from operating activities				
Cash generated from operations	2.1	128.2	97.7	233.3
Income tax paid		(14.9)	(19.5)	(38.7)
Net cash inflows from operating activities		113.3	78.2	194.6
Cash flows from investing activities				
Purchases of property, plant and equipment	3.3	(0.9)	(0.3)	(0.9)
Purchase of intangible assets	3.2	(0.9)	(2.3)	(4.3)
Purchase of financial assets at fair value through profit or loss (FVTPL)		(68.6)	(21.2)	(125.7)
Proceeds from disposal of financial assets at FVTPL		77.7	20.0	65.1
Dividend income received		1.4	0.2	2.2
Finance income received		-	0.1	0.1
Net cash inflows/(outflows) from investing activities		8.7	(3.5)	(63.5)
Cash flows from financing activities				
Dividends paid	4.3	(115.6)	(101.7)	(132.2)
Purchase of shares by EBT		(13.3)	(13.2)	(26.4)
Finance costs paid		(0.1)	(0.1)	(0.2)
Third-party subscriptions into consolidated funds		26.1	2.3	21.3
Third-party redemptions from consolidated funds		(30.5)	(0.7)	(17.7)
Distributions paid by consolidated funds		(0.9)	(0.1)	(0.6)
Net cash outflows from financing activities		(134.3)	(113.5)	(155.8)
Net decrease in cash and cash equivalents		(12.3)	(38.8)	(24.7)
Cash and cash equivalents at beginning of the period		234.2	258.9	258.9
Cash and cash equivalents at end of the period	3.5	221.9	220.1	234.2

Notes to the Group financial statements – Consolidated statement of cash flows

2.1 CASH FLOWS GENERATED FROM OPERATING ACTIVITIES

	Six months ended 30 June 2018 £m	Six months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Operating profit	96.6	93.9	193.0
Adjustments for:			
Amortisation of intangible assets	1.0	1.5	2.3
Depreciation of property, plant and equipment	1.1	1.1	2.1
Other losses/(gains)	1.6	(3.3)	(8.4)
Share-based payments	10.4	9.6	27.0
Cash inflows on exercise of share options	0.3	0.3	1.5
Decrease/(increase) in trade and other receivables	14.3	(49.7)	(21.5)
Increase in trade and other payables	2.9	44.3	37.3
Cash generated from operations	128.2	97.7	233.3

2.2 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Notes	Six months ended 30 June 2018 £m	Six months ended 30 June 2017 £m	Year ended 31 December 2017 £m
Brought forward at 1 January	3.4	36.4	13.0	13.0
Changes from financing cash flows		-	0.1	3.0
Changes arising from obtaining or losing control of subsidiaries		4.4	2.6	15.4
Changes in fair values		2.3	2.2	5.0
	3.4	43.1	17.9	36.4

Section 3: Assets and liabilities

Consolidated balance sheet at 30 June 2018

	Notes	30 June 2018 £m	30 June 2017 £m	31 December 2017 £m
Assets				
Non-current assets				
Goodwill	3.1	341.2	341.2	341.2
Intangible assets	3.2	5.9	4.8	6.0
Property, plant and equipment	3.3	7.4	8.1	7.6
Deferred tax assets		10.8	11.3	16.6
Trade and other receivables		0.7	0.9	0.7
		366.0	366.3	372.1
Current assets				
Investments in associates	3.4	14.4	6.8	32.2
Financial assets at FVTPL	3.4	127.7	78.6	110.4
Trade and other receivables		127.3	147.4	141.3
Cash and cash equivalents	3.5	221.9	220.1	234.2
		491.3	452.9	518.1
Total assets		857.3	819.2	890.2
Equity attributable to shareholders				
Share capital	4.1	9.2	9.2	9.2
Own share reserve	4.2	(0.2)	(0.2)	(0.2)
Other reserve	4.2	8.0	8.0	8.0
Foreign currency translation reserve	4.2	2.6	2.7	2.6
Retained earnings		576.8	563.0	620.7
Total equity		596.4	582.7	640.3
Liabilities				
Non-current liabilities				
Trade and other payables		14.4	7.4	9.5
Deferred tax liabilities		0.4	0.4	0.3
		14.8	7.8	9.8
Current liabilities				
Financial liabilities at FVTPL	3.4	43.2	17.9	36.6
Trade and other payables		187.5	198.7	189.6
Current income tax liability		15.4	12.1	13.9
		246.1	228.7	240.1
Total liabilities		260.9	236.5	249.9
Total equity and liabilities		857.3	819.2	890.2

Notes to the Group financial statements – Assets and liabilities

3.1 GOODWILL

Goodwill relates to the 2007 acquisition of Knightsbridge Asset Management Limited.

	30 June 2018 £m	30 June 2017 £m	31 December 2017 £m
Goodwill	341.2	341.2	341.2
	341.2	341.2	341.2

The Group has determined that it is a single cash generating unit for the purpose of assessing the carrying value of goodwill. No additional goodwill was recognised in the period (2017 H1: £nil, 2017: £nil).

3.2 INTANGIBLE ASSETS

	30 June 2018 £m	30 June 2017 £m	31 December 2017 £m
Computer software	5.9	4.8	6.0
	5.9	4.8	6.0

The amortisation charge for the period was £1.0m (2017 H1: £1.5m, 2017: £2.3m). The Group acquired software during the period with a value of £0.9m (2017 H1: £2.3m, 2017: £4.3m).

3.3 PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment at 30 June 2018 was £7.4m (2017 H1: £8.1m, 2017: £7.6m). During the period, the Group acquired property, plant and equipment with a value of £0.9m (2017 H1: £0.3m, 2017: £0.9m).

3.4 FINANCIAL INSTRUMENTS HELD AT FAIR VALUE

As at 30 June 2018, the Group held the following classes of financial instruments measured at fair value, which arise from the Group's investments in seed capital (see note 5.1):

	30 June 2018 £m	30 June 2017 £m	31 December 2017 £m
Investments in associates	14.4	6.8	32.2
Financial assets at FVTPL	127.7	78.6	110.4
Financial liabilities at FVTPL – non-controlling interests	(43.1)	(17.9)	(36.4)
Financial liabilities at FVTPL – derivatives	(0.1)	-	(0.2)
	98.9	67.5	106.0

3.5 CASH AND CASH EQUIVALENTS

	30 June 2018 £m	30 June 2017 £m	31 December 2017 £m
Cash at bank and in hand	214.2	183.2	195.8
Short-term deposits	-	30.0	30.0
Cash held by EBT and seed capital subsidiaries	7.7	6.9	8.4
	221.9	220.1	234.2

Section 4: Equity

Consolidated statement of changes in equity for the period ended 30 June 2018

	Share capital £m	Own share reserve £m	Other reserve £m	Foreign currency translation reserve £m	Retained earnings £m	Total £m
At 1 January 2017	9.2	(0.2)	8.0	2.8	590.6	610.4
Profit for the period	-	-	-	-	75.3	75.3
Exchange movements on translation of subsidiary undertakings	-	-	-	(0.1)	-	(0.1)
Other comprehensive income	-	-	-	(0.1)	-	(0.1)
Total comprehensive income	-	-	-	(0.1)	75.3	75.2
Vesting of ordinary shares and options	-	0.1	-	-	0.3	0.4
Dividends paid	-	-	-	-	(101.7)	(101.7)
Purchase of shares by EBT	-	(0.1)	-	-	(13.1)	(13.2)
Share-based payments	-	-	-	-	9.6	9.6
Current tax	-	-	-	-	1.0	1.0
Deferred tax	-	-	-	-	1.0	1.0
Total transactions with owners	-	-	-	-	(102.9)	(102.9)
Balance at 30 June 2017	9.2	(0.2)	8.0	2.7	563.0	582.7
Profit for the period	-	-	-	-	79.5	79.5
Exchange movements on translation of subsidiary undertakings	-	-	-	(0.1)	-	(0.1)
Other comprehensive income	-	-	-	(0.1)	-	(0.1)
Total comprehensive income	-	-	-	(0.1)	79.5	79.4
Vesting of ordinary shares and options	-	-	-	-	1.1	1.1
Dividends paid	-	-	-	-	(30.5)	(30.5)
Purchase of shares by EBT	-	-	-	-	(13.2)	(13.2)
Share-based payments	-	-	-	-	17.1	17.1
Current tax	-	-	-	-	0.5	0.5
Deferred tax	-	-	-	-	3.2	3.2
Total transactions with owners	-	-	-	-	(21.8)	(21.8)
Balance at 31 December 2017	9.2	(0.2)	8.0	2.6	620.7	640.3
Profit for the period	-	-	-	-	77.5	77.5
Exchange movements on translation of subsidiary undertakings	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	77.5	77.5
Vesting of ordinary shares and options	-	0.1	-	-	0.3	0.4
Dividends paid	-	-	-	-	(115.6)	(115.6)
Purchase of shares by EBT	-	(0.1)	-	-	(13.2)	(13.3)
Share-based payments	-	-	-	-	10.3	10.3
Current tax	-	-	-	-	1.1	1.1
Deferred tax	-	-	-	-	(4.3)	(4.3)
Total transactions with owners	-	-	-	-	(121.4)	(121.4)
Balance at 30 June 2018	9.2	(0.2)	8.0	2.6	576.8	596.4

Notes to the Group financial statements – Equity

4.1 SHARE CAPITAL

	30 June 2018 £m	30 June 2017 £m	31 December 2017 £m
457.7m ordinary shares of 2p each	9.2	9.2	9.2
	9.2	9.2	9.2

4.2 RESERVES

(i) Own share reserve
At 30 June 2018, 7.2m (2017 H1: 7.7m, 2017: 9.5m) ordinary shares, with a par value of £0.2m (2017 H1: £0.2m, 2017: £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 (2017 H1: £8.0m, 2017: £8.0m) relates to the conversion of Tier 2 preference shares in 2010.

(iii) **Foreign currency translation reserve**
The foreign currency translation reserve of £2.6m (2017 H1: £2.7m, 2017: £2.6m) is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

4.3 DIVIDENDS

On 6 April 2018 the Group paid a full-year dividend for 2017 of 10.3p per ordinary share and a special dividend for 2017 of 15.5p per ordinary share. This amounted to a total payment of £115.6m after taking into account the £2.4m dividends waived on shares held in the EBT.

The Board has declared an interim dividend for the period of 7.9p per ordinary share. This dividend will be paid on 30 August 2018 to ordinary shareholders on the register at close of business on 4 August 2018.

Section 5: Other notes

Notes to the Group financial statements – Other

Within this Interim Report and Accounts, all current and comparative data covering periods to (or as at) 30 June are unaudited. Data given in respect of the year ended 31 December 2017 is audited.

5.1 BASIS OF PREPARATION

These condensed interim financial statements for the period ended 30 June 2018 have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority and with IAS 34 Interim Financial Reporting, as adopted by the European Union. The condensed interim financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2017 were approved by the Board on 26 February 2018 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The condensed interim financial statements have been reviewed, not audited.

The Group has access to the financial resources required to run the business efficiently and 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 even given the uncertainty inherent within future market levels and investment performance. As a consequence, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for a period of at least 12 months from the balance sheet date. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Changes in the composition of the Group

The Group is required to consolidate seed capital investments if it is deemed to control them. The following change has been made to the consolidation of the Group since 31 December 2017:

Included in consolidation
Jupiter Global Sustainable Equities Fund

New and forthcoming standards applicable to the Group

IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers became applicable from 1 January 2018. Neither standard has had a significant impact on the Group's financial statements.

IFRS 16 Leases will become applicable from 1 January 2019. In implementing the standard, the Group intends to use the 'practical expedients' available to apply the new standard solely to leases previously identified in accordance with IAS 17 and IFRIC 4, to not recognise leases whose term ends within 12 months of the date of initial application (1 January 2019) and to apply a single discount rate to leases with similar characteristics. The Group will apply the modified retrospective approach to implementation, ie 2018 comparative amounts will not be restated. The expected impact of this standard is that the Group will capitalise previously unrecognised assets and net liabilities on that date in the region of £50m and that the total income statement charge in respect of leases will increase moderately.

5.2 ACCOUNTING POLICIES

The accounting policies applied, including those arising from the adoption of IFRS 9 and IFRS 15 on 1 January 2018, are consistent with those described in the Group's annual financial statements for the year ended 31 December 2017.

5.3 FINANCIAL INSTRUMENTS

Financial instruments held at fair value are carried at a value which represents the price to exit the instruments at the balance sheet date. The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. Where a quoted market price is not available, the Group establishes fair value using valuation techniques such as recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

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 30 June 2018, 30 June 2017 and 31 December 2017, materially all financial instruments held by the Group were classified as Level 1.

5.4 RELATED PARTY TRANSACTIONS

All related party transactions during the period are consistent with those disclosed in the Annual Report and Accounts for the year ended 31 December 2017 and have taken place on an arm's length basis. Other than the consolidation of Jupiter Global Sustainable Equities Fund (as set out in note 5.1 above), no new related parties or related party transactions that materially affect the financial position or performance of the Group existed during the period.

5.5 PRINCIPAL RISKS AND MITIGATIONS

The Board has ultimate responsibility for risk management across the Group and for determining an appropriate risk appetite, as well as 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. 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.

On at least an annual basis, the Board formally considers its appetite for risk with particular regard to the Group's strategic plans, the wider business environment and the current and future condition of the Group's business and operations. The Group has a comprehensive approach to identifying, monitoring, managing and mitigating risk through our Enterprise Risk Management framework. This 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 Board. An update on the top 10 risks is detailed below.

	Current impact rating
INVESTMENT RISK	
• **Sustained fund underperformance** 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 over a prolonged period.	**LOW**
STRATEGIC RISKS	
• **Failure to deliver strategy** The risk of failure to achieve our strategic objectives, through internal or external factors, which would impair our ability to deliver value to our stakeholders.	**LOW**
• **Ability to attract and retain critical staff** The risk of failure to attract or retain the people critical to successfully delivering investment outperformance to our clients and all other aspects of our strategy.	**LOW**
• **Ineffective product, client and geographic diversification** The risk that our product range, distribution partnerships, client type or geographic diversification are ineffective at growing AUM particularly in light of continued change and disruption in the competitive landscape.	**MEDIUM** NEW
• **Sustained market decline** The risk of a severe market and economic downturn which affects all fund managers and all asset types across all geographic markets.	**MEDIUM**
OPERATIONAL RISKS	
• **Brexit** Due to the uncertainty regarding the implications of Brexit, the risk that we are not ready to comply with post-Brexit requirements which could restrict our ability to operate within the EU.	**MEDIUM** NEW
• **Operational control environment** We could suffer a material error executing a key business process, or from our systems or business premises being unavailable.	**MEDIUM**
• **Failure of critical outsource partner** 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.	**HIGH**
• **Cyber crime** 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.	**MEDIUM**
• **Regulatory change** 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.	**MEDIUM**

A summary of those areas in focus during 2018 is detailed below.

Product, client and geographic diversification
We experienced challenging flows in the first six months of 2018, primarily driven by redemptions from a single product. Our diversification strategy is progressing to plan as we continue to broaden our product offering through the launch of new investment strategies and the expansion of our international distribution capabilities.

Brexit contingency planning
We continue to proactively manage the potential impact of Brexit through the launch of a Luxembourg-domiciled Management Company. Conducting Officers have been successfully recruited, office premises have been secured and the Management Company application process is on track to ensure that our preparations will be completed before March 2019.

Critical outsource partners
We perform oversight on our critical outsource providers based on key risk principles defined within our supplier management framework. This ensures an appropriate level of scrutiny is given to those suppliers and services that are critical to Jupiter. A risk weighted approach is applied and, where concerns are identified (e.g. financial stability, operational control effectiveness, strategic direction, etc.), analysis specific to the supplier and issue is undertaken to gain assurance and to determine mitigating actions.

Cyber security
We continue to invest in our IT infrastructure and employee training and awareness initiatives to ensure our resilience to a potential cyber-attack remains robust. This is complemented by the use of external cyber security specialists and our participation in industry and regulatory-led forums so we are aware and able to respond to the latest threats and industry trends. This defence in depth approach ensures we remain well positioned to mitigate the increasingly complex and sophisticated threat and is complemented by scenario testing and covered by specific cyber insurance in case of loss.

Section 6: Directors' responsibility statement

We confirm that to the best of our knowledge:

- The condensed interim set of financial statements has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union and gives a true and fair view of the assets, liabilities, financial position and profits of the Group for the period ended 30 June 2018.

- The interim report includes a fair review of the information required by:
  a) DTR 4.2.7R of the Guidance, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  b) DTR 4.2.8R of the Guidance, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last Annual Report and Accounts that could have a material effect on the financial position or performance of the Group in the past six months of the current financial year.

- A list of the Directors of Jupiter Fund Management plc can be found in the Annual Report and Accounts for the year ended 31 December 2017. A current list of Directors is maintained on the website at www.jupiteram.com.

On behalf of the Board

Maarten Slendebroek
Chief Executive Officer

26 July 2018

Independent review report to Jupiter Fund Management plc

Report on the consolidated interim financial statements

Our conclusion

We have reviewed Jupiter Fund Management plc's consolidated interim financial statements (the 'interim financial statements') in the interim report and accounts of Jupiter Fund Management plc for the 6 month period ended 30 June 2018. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- The Consolidated balance sheet as at 30 June 2018;
- The Consolidated income statement and the Consolidated statement of comprehensive income for the period then ended;
- The Consolidated statement of cash flows for the period then ended;
- The Consolidated statement of changes in equity for the period then ended; and
- The explanatory notes to the interim financial statements.

The interim financial statements included in the interim report and accounts have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 5.1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim report and accounts, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report and accounts in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim report and accounts based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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 a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and accounts and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
26 July 2018