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JUPITER INVESTMENT TRUST PLC



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REPORT AND ACCOUNTS
for the period to 5th May 2000

JUPITER INVESTMENT TRUST PLC

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JUPITER INVESTMENT TRUST PLC

INVESTMENT POLICY

The Company's objective is to provide its shareholders
with long term capital growth.

Company Registration Number 3969011

JUPITER INVESTMENT TRUST PLC

BOARD OF DIRECTORS

***John L Duffield (Chairman)**, aged 61, was Chief Executive of Jupiter International Group PLC until May 2000. He is a director of a number of investment trusts and other companies.

***Martin Boase**, aged 68, formed the advertising agency Boase Massimi Pollitt plc in 1968, which was floated on the London Stock Exchange in 1983. He was Chairman of The Advertising Association from 1987 to 1992. He is currently Chairman of Herald Investment Trust plc, The Maiden Group plc, The Investment Trust of Investment Trusts PLC, Heals plc and Jupiter Dividend and Growth Trust PLC. His other directorships are EMAP plc and Matthew Clark PLC.

***Geoffrey Howard-Spink**, aged 56, was one of the founders in 1981 of Lowe Group Limited, one of the UK's biggest advertising groups. He is Chairman of Jupiter Split Trust PLC and a director of Chrysalis Group plc and other companies.

*Members of the audit committee.

CHAIRMAN'S STATEMENT

Your Company was launched on 2nd May 2000. By 30th June 2000, the net asset value per share had increased to 104.86p. This represents a rise of 5.3% since launch and compares to rises of 0.1% in the FTSE All-Share Index and 3.3% in the FT World Index over the same period.

As was stated in the prospectus in April, your Company would not satisfy the conditions for approval by the Inland Revenue as an investment trust in respect of the accounting period in which it was launched. The first accounting period was therefore shortened so as to end on 5th May 2000 (three days after your Company's admission to listing on the London Stock Exchange). It is for this reason that the Company is now required to produce accounts for that period and to hold its first Annual General Meeting in August of this year.

Since 6th May your board has directed the affairs of your Company so as to satisfy the conditions necessary for its approval by the Inland Revenue as an investment trust. In future years annual accounts will be made up to 30th June and copies of the annual report and accounts are expected to be despatched to shareholders in the following October.

Since launch, the investment manager of your Company has adopted a cautious approach in light of the current volatility in the market. As at 5th May 2000 the Company had invested 22.7% of the cash raised under the placing and offer for subscription, of which the majority was invested in unit trusts managed by Jupiter Unit Trust Managers Limited. It is your directors' intention to review the position when the portfolio is 50% invested.

JL Duffield
Chairman

3rd August 2000

JUPITER INVESTMENT TRUST PLC

REPORT OF THE DIRECTORS

The directors present their Report and Accounts for the period to 5th May 2000.

BUSINESS AND STATUS

The Company is an investment company within the meaning of Section 266 of the Companies Act 1985.

The Company will not satisfy the conditions for approval by the Inland Revenue under Section 842 of the Income & Corporation Taxes Act 1988 as an Investment Trust in respect of its first accounting period to 5th May 2000.

The directors are of the opinion that the Company was a close company as defined by the Income and Corporation Taxes Act 1988 for the period to 5th May 2000.

The Company intends to direct its affairs so as to enable it to seek approval from the Inland Revenue as an investment trust in respect of its second accounting period commencing 6th May 2000. The Company will be exempt from tax on capital gains on disposal of its investments for each accounting period for which approval is granted.

REVIEW OF ACTIVITIES

A Review of the Company's activities is contained in the Chairman's Statement on page 5.

RESULTS AND DIVIDENDS

Results and reserve movements for the year are set out in the Consolidated Statement of Total Return and the Notes to the Accounts.

The directors do not propose the payment of a dividend.

FIXED ASSETS

Movements in fixed asset investments are set out in Note 8 to the Accounts.

SUBSIDIARY UNDERTAKING

Hartgrade Limited, is a wholly owned subsidiary which is incorporated in England and Wales.

DIRECTORS AND DIRECTORS' INTERESTS

Directors who served during the period were as follows:

	Date of Appointment
J L Duffield	13th April 2000
M Boase	13th April 2000
G Howard-Spink	13th April 2000

The interests of the directors, as defined by the Companies Act 1985, and amended by the Companies Act 1989, in the share capital of the Company were as follows:

Held beneficially:	5th May 2000
J L Duffield	Ordinary shares 35,610,600

JUPITER INVESTMENT TRUST PLC

REPORT OF THE DIRECTORS

continued

No other director has had any interest in the capital of the Company during the period. On 2nd June 2000, following a further issue of shares, Mr. J L Duffield subscribed for 6,392,623 shares increasing his holding to 42,003,223 (38.25%).

No director has a contract of service with the Company.

The directors' interests in contractual arrangements with the Company are as detailed in Note 20 to the accounts. Subject to these exceptions, no director was a party to or had any interest in any contract or arrangement with the Company at any time during the period or subsequently.

SUBSTANTIAL INTERESTS

The directors are aware of the following interests, direct or indirect which represent 3% or more of the Company's issued share capital as at 18th July 2000 and are not aware of any changes at the date of this report.

	% of issued share capital
J L Duffield	38.25
Jupiter Asset Management Limited*	27.28
M F Heathcoat Amory	5.82
J K Roe	3.48
E Bonham Carter	3.11
A Miller	3.04

*The shares are held on behalf of clients

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the period the Company purchased and maintained liability insurance for its directors and officers as permitted by Section 310(3) of the Companies Act 1985.

MANAGERS

The Managers are referred to in Note 20 to the Accounts.

CORPORATE GOVERNANCE
THE COMBINED CODE OF PRACTICE

The Board

The board of directors comprises three non-executive directors of whom two were independent of the Investment Manager during the period. Mr J L Duffield is the Chairman. The Company has no executive directors nor any employees. The structure of the board is such that it is considered unnecessary to identify a senior non-executive director other than the Chairman. As the board is small there is no formal Nomination Committee and appointments of any new directors will be considered by the board as a whole. New directors will be subject to election by shareholders at the next Annual General Meeting following their appointment and thereafter at least at every third subsequent Annual General Meeting. The board does not therefore consider it appropriate that directors should be appointed for a specific term. No formal training is given to directors in Corporate Governance.

REPORT OF THE DIRECTORS

continued

The board will receive monthly reports and will meet at least quarterly to review the overall business of the Company and to consider matters specifically reserved for it to decide on. At these meetings the board will monitor the investment performance of the Company. The directors will also review the Company's activities every quarter to ensure that it adheres to its investment policy or, if appropriate, to recommend any changes to that policy. Directors will have access at all times to the advice and services of the Company Secretary, which is responsible to the board for ensuring that board procedures are followed and that applicable rules and regulations are complied with.

A procedure has been adopted for the directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

Directors' Remuneration

No director has a service contract with the Company and details of the directors' fees are shown in Note 5 to the Accounts. Under the Financial Services Authority listing rule 21.20 (i), where an investment trust company has no executive directors the Code's principles relating to directors' remuneration do not apply.

Shareholder Relations

All Ordinary shareholders will have the opportunity to attend and vote at the Annual General Meeting during which the directors and managers will be available to answer questions regarding the Company. The Company will seek to provide twenty working days notice of that meeting. The Notice of Meeting sets out the business of the AGM and any item not of an entirely routine nature is explained in the Directors Report. Separate resolutions are proposed for each substantive issue. Information about proxy votes held is available to shareholders attending the AGM. The Company will report to shareholders twice a year by way of the Interim Report and Annual Report and Accounts. In addition net asset values will be published on a monthly basis.

Internal Control

The board is responsible for establishing and maintaining the Company's system of internal control. Internal control systems are designed to meet the particular requirements of the Company and to manage rather than eliminate the risks of failure to achieve its objectives. The systems by their very nature can provide reasonable but not absolute assurance against material misstatement or loss. The board intends to conduct a review of the effectiveness of the Company's internal control systems including the financial, operational and compliance controls and risk management.

Audit

The board has established and approved the terms of reference of an Audit Committee of two independent non executive directors which will meet to consider the financial reporting by the Company, the internal controls and relations with the Company's external auditors. Having regard to the role of its external auditors the board does not consider that there is a need for the Company to establish its own internal audit function.

REPORT OF THE DIRECTORS

continued

Going Concern

After making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Compliance with the Combined Code

The board believes that subject to any exception explained above and the nature of the Company as an investment trust, the Company will comply with the provisions set out in section 1 of the Combined Code throughout the period ending 30th June 2001.

PAYMENT OF SUPPLIERS

It is the Company's payment policy to obtain the best possible terms for all business and therefore there is no consistent policy as to the terms used. The Company agrees individually with its suppliers the terms on which business will take place, and it is policy to abide by those terms. As the Company is an investment trust it does not have any trade creditors.

ANNUAL GENERAL MEETING

The directors are proposing as special business at the Annual General Meeting to renew the authority granted to them at the extraordinary general meeting held on 13th April 2000 to allot new Ordinary shares for cash without first offering them to existing shareholders in proportion to their holdings. The directors believe that it would be beneficial for them to be able to allot a limited number of new Ordinary shares up to an aggregate nominal value of £54,737 equivalent to 5% of the Company's existing issued Ordinary share capital, otherwise than pro rata to existing shareholders. It is the director's intention to use this authority where it would be in the best interests of the Company to issue shares for cash at not less than the net asset value per share.

The directors are also proposing to renew the authority for the Company to make purchases of up to 14.99% of the issued share capital. Such purchases will only be made within guidelines established from time to time by the board and in circumstances in which the board believes that such purchases will result in an increase in the net asset value of the remaining Ordinary shares.

AUDITORS

A resolution will be proposed at the Annual General Meeting that Ernst & Young be re-appointed as auditors to the Company.

By Order of the Board
Jupiter Asset Management Limited
Secretaries

1 Grosvenor Place
London
SW1X 7JJ
3rd August 2000

For and on behalf of
JUPITER ASSET MANAGEMENT LIMITED

.....
Secretaries

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company and of the revenue of the Company for that period.

In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with generally accepted accounting principles. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

To The Members of Jupiter Investment Trust PLC.

We have audited the accounts on pages 13 to 24, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 17.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report including, as described on page 11, the accounts. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority, and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions with the Company is not disclosed.

We review whether the statement on page 10 reflects the Company's compliance with those provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the accounts.

Basis of Audit Opinion

We conducted our audit in accordance with the Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of presentation of information in the accounts.

Opinion

In our opinion, the accounts give a true and fair view of the state of the Company's and Group's affairs as at 5th May 2000 and of the revenue of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

ERNST & YOUNG
Registered Auditor
London

3rd August 2000

JUPITER INVESTMENT TRUST PLC

CONSOLIDATED STATEMENT OF TOTAL RETURN
(INCORPORATING THE REVENUE ACCOUNT)

for the the period to 5th May 2000

	Notes	5th April 2000 to 5th May 2000		
		Revenue £'000	Capital £'000	Total £'000
Realised gains on investments		—	433	433
Unrealised appreciation of investments		—	298	298
Exchange gains		—	411	411
Income	2	72	—	72
		<hr/>	<hr/>	<hr/>
GROSS REVENUE AND CAPITAL GAINS		72	1,142	1,214
Management fees (inc VAT)	3	(7)	—	(7)
Other expenses	4	(17)	—	(17)
		<hr/>	<hr/>	<hr/>
RETURN ON ORDINARY ACTIVITIES BEFORE TAXATION		48	1,142	1,190
Tax on ordinary activities	6	(14)	(253)	(267)
		<hr/>	<hr/>	<hr/>
RETURN ON ORDINARY ACTIVITIES AFTER TAX FOR THE PERIOD		34	889	923
		<hr/>	<hr/>	<hr/>
RETURN PER ORDINARY SHARE (P)	7	0.04	0.95	0.99

The revenue column of this statement is the profit and loss account of the Group.

All revenue and capital items in the above statement derive from continuing operations.

The Company was incorporated on 5th April 2000 and the shares were listed on the London Stock Exchange on 2nd May 2000, on which date it commenced business. Consequently, the Consolidated Statement of Total Return above reflects the returns from 2nd May 2000 to 5th May 2000.

The notes on pages 17 to 24 form an integral part of these accounts.

JUPITER INVESTMENT TRUST PLC

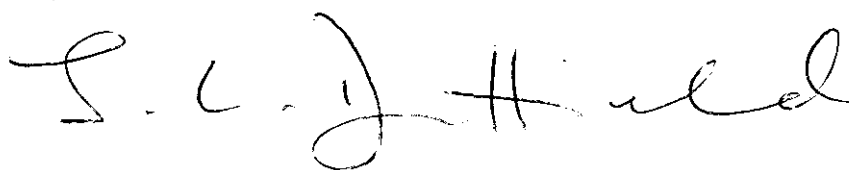
CONSOLIDATED BALANCE SHEET

as at 5th May 2000

	Notes	5th May 2000 £'000
FIXED ASSETS		
Investments	8	<u>21,298</u>
CURRENT ASSETS		
Debtors	9	32
Cash at bank		<u>94,043</u>
		94,075
CREDITORS: amounts falling due within one year	10	<u>(21,681)</u>
Net current assets		<u>72,394</u>
Total assets less current liabilities		<u><u>93,692</u></u>
CAPITAL AND RESERVES		
Called up share capital	11	932
Share premium account	12	91,837
Capital reserve — unrealised	13	298
Capital reserve — realised	13	591
Revenue reserve	14	<u>34</u>
EQUITY SHAREHOLDERS' FUNDS	15	<u><u>93,692</u></u>
Net Asset Value per Ordinary share (p)	16	<u><u>100.57</u></u>

These accounts were approved by the board of directors on 3rd August 2000 and signed on its behalf

John Duffield *Chairman*



The notes on pages 17 to 24 form an integral part of these accounts.

JUPITER INVESTMENT TRUST PLC

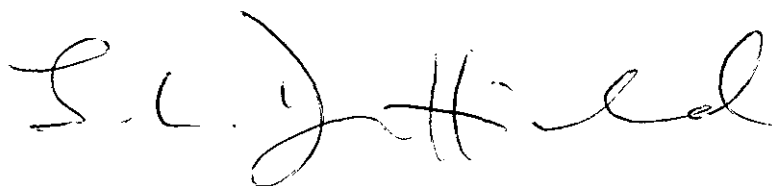
COMPANY BALANCE SHEET

as at 5th May 2000

	Notes	5th May 2000 £'000
FIXED ASSETS		
Investments	8	<u>21,298</u>
CURRENT ASSETS		
Debtors	9	32
Cash at bank		<u>94,034</u>
		94,066
CREDITORS: amounts falling due within one year	10	<u>(21,679)</u>
Net current assets		<u>72,387</u>
Total assets less current liabilities		<u><u>93,685</u></u>
CAPITAL AND RESERVES		
Called up share capital	11	932
Share premium account	12	91,837
Capital reserve — unrealised	13	298
Capital reserve — realised	13	591
Revenue reserve	14	<u>27</u>
EQUITY SHAREHOLDERS' FUNDS		<u><u>93,685</u></u>

These accounts were approved by the board of directors on 3rd August 2000 and signed on its behalf

John Duffield *Chairman*



The notes on pages 17 to 24 form an integral part of these accounts.

JUPITER INVESTMENT TRUST PLC

CONSOLIDATED CASH FLOW STATEMENT

for the period to 5th May 2000

	Notes	5th April to 5th May 2000 £'000
OPERATING ACTIVITIES		
Net cash inflow from operating activities	18	<u>430</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of fixed asset investments		(92,813)
Proceeds from the sale of fixed asset investments		<u>93,246</u>
Net cash inflow from capital expenditure and financial investment		<u>433</u>
Net cash inflow before financing		<u>863</u>
FINANCING		
Issue of loan notes		92,813
Issue of shares under offer		346
Costs of share issue		<u>(390)</u>
Net cash inflow from financing		<u>92,769</u>
Increase in cash	19	<u><u>93,632</u></u>

The notes on pages 17 to 24 form an integral part of these accounts.

NOTES TO THE ACCOUNTS

for the period to 5th May 2000

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies". The particular accounting policies adopted by the directors are described below. The accounts have been prepared in accordance with the historical cost convention except as described in Note 1(d).

- (a) *Basis of consolidation:* The consolidated statement of total return and balance sheet include the financial statements of the Company and its subsidiary made up to 5th May 2000. No revenue account is presented for the parent company as permitted by Section 230 of the Companies Act 1985.
- (b) *Revenue:* Dividends on investments are credited to the revenue account in the period in which they are quoted ex-dividend. Interest on fixed interest securities and deposits are accounted for on a time apportionment basis. Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is credited to the capital reserve.
- (c) *Expenses:* Expenses are accounted for on an accruals basis. Management fees are charged wholly to the revenue account in line with the board's expected long term split of returns. Administration and other expenses are charged wholly to the revenue account. Expenses which are incidental to the purchase or sale of an investment are included in the cost or deducted from the proceeds of the investment.
- (d) *Valuation of investments:* Fixed asset investments are valued at closing mid-market prices. The net unrealised revaluation between market value and cost is taken to the unrealised capital reserve.
- (e) *Taxation:* Withholding tax deducted from income received is treated as part of the taxation charge against income. The taxation effect of different items of revenue/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the accounting period.
- (f) *Foreign currency:* Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Foreign currency transactions are translated at the rates of exchange applicable at the transaction date. Foreign currency differences are dealt with in the capital reserve.
- (g) *Capital reserve:* The following are accounted for in this reserve:
 - gains and losses on the realisation of investments together with the related taxation effect;
 - foreign exchange gains and losses together with related taxation effect;
 - unrealised gains and losses on investments.

The capital reserve is not available for the payment of dividends.

JUPITER INVESTMENT TRUST PLC

NOTES TO THE ACCOUNTS

continued

2. INCOME	5th April to 5th May 2000 £'000
OTHER INCOME	
Deposit interest	72
TOTAL INCOME	<u>72</u>

3. INVESTMENT MANAGEMENT FEES

	5th April to 5th May 2000		
	Revenue £'000	Capital £'000	Total £'000
Investment management fee	6	—	6
Irrecoverable VAT thereon	1	—	1
	<u>7</u>	<u>—</u>	<u>7</u>

Details of the investment management contract are given in Note 20.

4. OTHER EXPENSES

	5th April to 5th May 2000 £'000
Auditors' remuneration	9
Auditors' non-audit remuneration	1
Directors' remuneration (Note 5)	—
Other	7
	<u>17</u>

In addition, as part of the preliminary expenses relating to the formation of, and the issue of shares by, the Company, the auditors were paid £150,000 plus VAT. This has been charged to share premium account.

5. DIRECTORS' REMUNERATION

The aggregate emoluments of the directors for the period to 5th May 2000 were £329. Each of the directors is paid at the rate of £10,000 per annum. The Company does not have a share option scheme or any incentive scheme. No pension contributions were made in respect of the directors.

JUPITER INVESTMENT TRUST PLC

NOTES TO THE ACCOUNTS

continued

6. TAXATION

	5th April 2000 to 5th May 2000		
	Revenue £'000	Capital £'000	Total £'000
Corporation tax at 30%	14	253	267
	<u>14</u>	<u>253</u>	<u>267</u>

7. RETURN PER ORDINARY SHARE

Revenue return per Ordinary share is based on the revenue return on ordinary activities after taxation of £34,000 and on 93,158,804 Ordinary shares, being the number of Ordinary shares in issue throughout the period. Capital return per Ordinary share is based on net capital gains for the period of £889,000 and on 93,158,804 Ordinary shares, being the number of Ordinary shares in issue throughout the period.

8. FIXED ASSET INVESTMENTS

	Group and Company 5th May 2000 £'000
Additions at cost	113,813
Disposals at cost	(92,813)
Cost at end of period	21,000
Unrealised appreciation at end of period	298
Valuation at end of period	<u>21,298</u>

Hartgrade Limited, is a wholly owned subsidiary which is incorporated in England and Wales. Hartgrade Limited is valued at £100 in the Company's balance sheet.

9. DEBTORS

	Group and Company 5th May 2000 £'000
Prepayments and accrued income	32
	<u>32</u>

JUPITER INVESTMENT TRUST PLC

NOTES TO THE ACCOUNTS

continued

10. CREDITORS: amounts falling due within one year

	5th May 2000 Group £'000	5th May 2000 Company £'000
Purchases awaiting settlement	21,000	21,000
Corporation tax	267	265
Accruals	24	24
Other creditors	390	390
	<u>21,681</u>	<u>21,679</u>

11. CALLED UP SHARE CAPITAL

	5th May 2000 £'000
Authorised	
300,000,000 Ordinary shares of £0.01 each	3,000
50,000 Redeemable shares of £1 each	50
	<u>3,050</u>
Issued and fully paid	
93,158,804 Ordinary shares of £0.01 each	932

On incorporation on 5th April 2000, the authorised share capital of the Company was £3 million divided into 300 million shares of 1p each, two of which were issued, fully paid, to the subscribers. These Ordinary shares were transferred to the manager and a representative of the manager on 13th April 2000.

By ordinary and special resolutions passed on 13th April 2000, the authorised share capital was increased to £3,050,000 by the creation of 50,000 Redeemable shares of £1. The directors were authorised to allot relevant securities up to an aggregate nominal amount of £3,049,999.98 being the whole of the Company's authorised but unissued capital.

On 13th April 2000, 50,000 Redeemable shares of £1 were allotted to the manager against its irrevocable undertaking to pay the nominal value by the earlier of the date of admission to listing or 30th June 2000. On 2nd May 2000, the nominal value was paid by the manager and the Redeemable shares were immediately redeemed.

On 28th April 2000 under the terms of the Placing, 92,812,804 Ordinary shares of £0.01 were issued in consideration for Commerzbank Loan Notes with an aggregate value of €160,409,270.84, or equivalent price per share of £1. Under the terms of the Offer for Subscription 346,000 Ordinary shares were issued for £1 each.

On 2nd June 2000, a further 16,661,222 Ordinary shares of £0.01 were issued in return for Loan Notes with an aggregate value of €27,607,973.45. The shares were issued at a price of £1.033649 being the net asset value per share at close of business on 1st June 2000.

JUPITER INVESTMENT TRUST PLC

NOTES TO THE ACCOUNTS

continued

12. SHARE PREMIUM ACCOUNT			Group and Company 5th May 2000 £'000
Premium on shares issued during the period			92,227
Costs of share issue			(390)
			<u>91,837</u>
13. CAPITAL RESERVE			Group and Company 5th May 2000 £'000
(a) Unrealised			
Unrealised appreciation of investments in period			298
End of period			<u>298</u>
(b) Realised			
Realised gains on disposal of investments			433
Exchange gains			411
Corporation tax on gains credited to capital reserve			(253)
End of period			<u>591</u>
14. REVENUE RESERVE			
	5th May 2000	5th May 2000	
	Group £'000	Company £'000	
Retained revenue for the period	34	27	
End of period	<u>34</u>	<u>27</u>	
15. RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS			5th May 2000 £'000
New share capital subscribed			93,159
Costs of share issue			(390)
Revenue return			34
Capital return			889
Closing shareholders' funds			<u>93,692</u>

NOTES TO THE ACCOUNTS

continued

16. NET ASSET VALUE PER ORDINARY SHARE

Net asset value per Ordinary share is based on net assets of £93,692,000 and on 93,158,804 Ordinary shares, being the number of Ordinary shares in issue at the period end.

17. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

Background

The Group's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income. The numerical disclosures below exclude short term debtors and creditors.

The Group has exposure to credit, cashflow and interest rate risks. Investments in the portfolio can be subject to liquidity risk. This risk is taken into account by the directors when arriving at their valuation of these items.

The principal risks the Group faces in its portfolio management activities are:

- foreign currency risk
- market price risks i.e. movements in the value of investment holdings caused by factors other than interest rate or currency movement.
- interest rate risk

The Investment Manager's policies for managing these risks are summarised below and have been applied throughout the year.

Policy

(i) Foreign Currency Risk

The Group does not normally hedge against foreign currency movements affecting the value of the investment portfolio, but takes account of this risk when making investment decisions.

(ii) Market Price Risk

By the very nature of its activities, the Group's investments are exposed to market price fluctuations. Further information on the investment portfolio and investment policy is set out in the Chairman's statement.

(iii) Interest Rate Risk

The Group takes account of this risk when making investment decisions.

(iv) Use of Derivatives

The Group may enter into derivative contracts only after careful assessment of risk.

JUPITER INVESTMENT TRUST PLC

NOTES TO THE ACCOUNTS

continued

17. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Financial Assets

	Floating Rate £'000	Non-interest Bearing £'000	Total £'000
Sterling	47,028	21,298	68,326
Euro	47,015	—	47,015
	<u>94,043</u>	<u>21,298</u>	<u>115,341</u>

The floating rate assets consist of cash deposits at call.

The non-interest bearing assets represent the equity element of the investment portfolio.

Currency Exposure

The currency denomination of the Group's financial assets and liabilities is shown above. The analysis assumes the currency of exposure to be the currency in which each financial asset is priced. Short term debtors and creditors, which are excluded, are predominantly denominated in Sterling which is the functional currency of the Group.

Primary Financial Instruments

Fixed asset investments are included in the balance sheet at market values, which represent fair values.

18. RECONCILIATION OF CONSOLIDATED REVENUE TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	5th April to 5th May 2000 £'000
Revenue before interest payable and taxation	48
Increase in prepayments and accrued income	(32)
Increase in accruals	24
Increase in other creditors	390
Net cash inflow from operating activities	<u>430</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	5th April to 5th May 2000 £'000
Increase in cash at bank	93,632
Exchange gains	411
End of period	<u>94,043</u>

NOTES TO THE ACCOUNTS

continued

20. RELATED PARTIES

During the period Mr Duffield was a director of the holding company of Jupiter International Group PLC and a director of Jupiter International Group PLC and its subsidiaries, Jupiter Asset Management Limited and Jupiter Administration Services Limited who receive investment management fees and administration fees pursuant to the agreements detailed below.

These agreements are:

1. A Management Agreement between the Company and Jupiter Asset Management Limited whereby Jupiter Asset Management Limited has agreed to act as Investment Manager to the Company (subject to termination by not less than three months' notice by either party) for a quarterly fee (exclusive of Value Added Tax) payable in arrears equal to 3/16th% per quarter of the total assets of the Company and its subsidiaries (as defined in the Management Agreement). This fee will be waived in respect of the proportion of the Company's total assets which are invested in other trusts, open ended funds or investment companies managed by associates of Jupiter International Group PLC. The management fee payable for the period to 5th May 2000 amounted to £7,011 inc VAT and was outstanding at 5th May 2000.
2. An Administration Agreement between the Company and Jupiter Administration Services Limited in respect of the provision of accounting and administration services to the Company (subject to termination by not less than three months' notice by either party) for an annual fee of £25,000 (exclusive of value added tax) which is subject to indexation and is payable quarterly in advance.

The Company invests in other funds managed by Jupiter International Group PLC or its subsidiaries.

NOTICE OF MEETING

Notice is hereby given that the first Annual General Meeting of the Company will be held at The Inter Continental Hotel, 1 Hamilton Place, Hyde Park Corner, London W1V 0QY on 30th August 2000 commencing at 2.30 p.m. for the purpose of considering the following business:

1. To receive the Report and Accounts for the period to 5th May 2000 together with the reports of the directors and the auditors thereon.
2. To elect J. L. Duffield as a director.
3. To elect M. Boase as a director.
4. To elect G. Howard-Spink as a director.
5. To re-appoint the auditors Ernst & Young and to authorise the directors to determine their remuneration.
6. To consider and, if thought fit, pass the following Resolution:
That the directors be empowered, pursuant to section 95 of the Act, to allot equity securities (within the meaning of section 94 of the Act) pursuant to the authority conferred by the special resolution passed at the extraordinary general meeting of the Company held on 13th April 2000 as if section 89(1) of the Act did not apply, such power to be limited to:
 - (a) the allotment of equity securities in connection with an offer of such securities open for acceptance for a period fixed by the directors of the Company to holders on the register on a record date fixed by the directors of Ordinary Shares in proportion (as nearly as may be) to their holdings of Ordinary Shares but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with any legal or practical problems under the laws of any overseas territory or in relation to fractional entitlements or by virtue of shares being represented by depository receipts or otherwise however; or
 - (b) the allotment of equity securities (otherwise than pursuant to paragraphs (a) above) up to an aggregate nominal amount of £54,737 representing 5 per cent of the allotted and fully paid share capital of the Company

provided always that such power expires at the conclusion of the next annual general meeting of the Company following the passing of the resolution (unless renewed, varied or revoked by the Company) or 31 December 2001, if earlier, save that the Company may before such expiry, or the expiry of any renewal of the authority, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

NOTICE OF MEETING

continued

7. To consider and, if thought fit, pass the following Special Resolution:

That the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 163 of the Act) of up to 14.99 per cent of the issued Ordinary Share capital of the Company at a minimum price of 1p per Ordinary Share and a maximum price equal to the maximum amount permitted to be paid in accordance with the rules of the London Stock Exchange in force as at the date of the purchase, such authority to expire at the conclusion of the next annual general meeting of the Company or, if earlier, on 31 December 2001, unless such authority is renewed prior to such time.

Registered office:
1 Grosvenor Place
London
SW1X 7JJ
3rd August 2000

By Order of the Board
Jupiter Asset Management Limited
Secretaries

Notes:

1. Members entitled to attend and vote at the meeting are entitled to appoint a proxy, who need not be a member, to attend and vote in their place. A form of proxy for the use of shareholders appears on page 27 of this report which, if required, should be completed and despatched in accordance with the instructions set out therein.
2. No director has a contract of service with the Company.

JUPITER INVESTMENT TRUST PLC

FORM OF PROXY

I/We, (Full names) (block capitals) please

of (address)

being (a) member(s) of the above named Company and entitled to vote, hereby appoint the

Chairman of the meeting

(see note 1 below) to act as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 30th August 2000 and at any adjournment thereof. On a poll the proxy is to vote in the manner shown below on the resolutions set out in the Notice of Annual General Meeting dated 30th August 2000.

RESOLUTIONS

	For	Against
1. To receive the Report and Accounts.	<input type="checkbox"/>	<input type="checkbox"/>
2. To elect J. L. Duffield as a director.	<input type="checkbox"/>	<input type="checkbox"/>
3. To elect M. Boase as a director.	<input type="checkbox"/>	<input type="checkbox"/>
4. To elect G. Howard-Spink as a director.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint the auditors Ernst & Young and to authorise the directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
6. Power to allot Ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>
7. Power to purchase Ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>

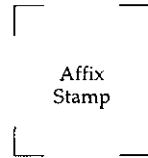
Dated 2000 Signature

Notes:

1. Delete the words 'the Chairman of the meeting' if it is desired to appoint any other person and insert the relevant name and address. A shareholder is entitled to appoint a proxy of his own choice who need not be a member of the Company.
2. Please indicate by inserting X in the appropriate box how the proxy is to vote. Unless so instructed, the proxy will at his discretion vote as he thinks fit or abstain from voting.
3. To be valid, this form of proxy must be lodged with Jupiter Asset Management Limited, 1 Grosvenor Place, London SW1X 7JJ not later than 48 hours before the time fixed for the meeting.
4. A corporation should execute this instrument under its common seal or under the hand of an attorney or a duly authorised officer of the corporation.
5. In the case of joint holdings, the vote of the senior joint holder to tender a vote shall be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. Completion and return of the proxy will not preclude Ordinary shareholders from attending and voting at the meeting should they subsequently decide to do so.



2nd Fold



JUPITER INVESTMENT TRUST PLC
JUPITER ASSET MANAGEMENT LIMITED
1 GROSVENOR PLACE
LONDON SW1X 7JJ

1st Fold

3rd Fold and tuck in