

Jupiter Fund Management plc

Annual Report & Accounts 2011



Our vision

Adding value for our clients and shareholders through long-term outperformance.

Contents

1–5

Introduction

- 1 Highlights
- 2 In brief
- 4 Chairman's statement
- 5 Chief Executive's statement

7–28

Business review

- 8 Value creation, strategy and performance
- 10 Operating model
- 12 Market review
- 15 Operational review
- 18 Financial review
- 22 Principal risks and mitigations
- 24 Corporate responsibility report
- 28 Awards

29–56

Governance

- 30 Risk management and internal controls report
- 33 Directors' responsibility statement
- 34 Directors' profiles
- 36 Corporate governance report
- 40 Remuneration report
- 50 Audit Committee report
- 52 Nomination Committee report
- 53 Directors' report

57–106

Financial statements

- 58 Independent Auditors' report on the financial statements of the Group
- 59 Consolidated income statement
- 60 Consolidated statement of comprehensive income
- 61 Consolidated balance sheet
- 62 Consolidated statement of changes in equity
- 63 Consolidated statement of cash flows
- 64 Notes to the consolidated financial statements
- 99 Independent Auditors' report on the financial statements of the Company
- 100 Company balance sheet
- 101 Company statement of changes in equity
- 102 Company statement of cash flows
- 103 Notes to the Company financial statements

107–111

Other information

- 108 Historical summary (unaudited)
- 109 Shareholder information
- 110 Glossary of terms

Highlights

Improved financial performance coupled with balance sheet resilience.

Assets under management

£22.8bn

(2010: £24.1bn)

-£1.3bn

Net sales

£0.7bn

(2010: £2.3bn)

-£1.6bn

EBITDA*

£134.9m

(2010: £124.6m)

+£10.3m

EBITDA margin*

54 per cent.

(2010: 54 per cent.)

=

Profit before tax

£70.3m

(2010: £42.4m)

+£27.9m

Underlying EPS*

19.1p

(2010: 17.6p)

+1.5p

Net cash

£7.4m

(2010: net debt £62.7m)

+£70.1m

Total dividend per share

7.8p

(2010: 4.7p)

+3.1p

*non-GAAP

In brief

A focused, active fund manager with a well-known brand and an established track record.

Our business

We are an active fund manager seeking to add value for our clients through the delivery of investment outperformance over the medium to long term.

We focus primarily on managing equity investments on behalf of retail, institutional and private client investors across a wide range of products including UK and offshore mutual funds, segregated mandates and investment trusts.

Our core strengths in equity and multi-manager products are complemented by a growing presence in the multi-asset, fixed income and absolute return sectors.

Our strategy

We seek to:

- maintain a distinctive investment culture, focused on generating value for our clients;
- sell our expertise through products suited to our distribution strengths;
- deliver attractive returns to shareholders.

Our performance in 2011

This was our first full year of operating as a publicly owned company, post our Listing in June 2010. Despite a challenging market environment, we have continued our track record of delivering value to our clients and shareholders.

Highlights

- Strong investment performance in a challenging year, with 74 per cent. of our mutual fund assets above median over the past three years.
- Net sales of £746m despite the significant headwinds presented by the Eurozone crisis and the increased pressure on household finances.
- EBITDA increased eight per cent. to £134.9m, driven by higher revenues and continued operational efficiencies.
- A resilient balance sheet, having traded into net cash by year end.
- Our progressive dividend policy, when combined with our growth in profits, has seen an increase in the total dividend to 7.8p.

How we differentiate ourselves

We have a clear focus on the management of mutual funds for retail and institutional clients. We aim to offer products where we can deliver superior returns to our clients over the medium to long term.

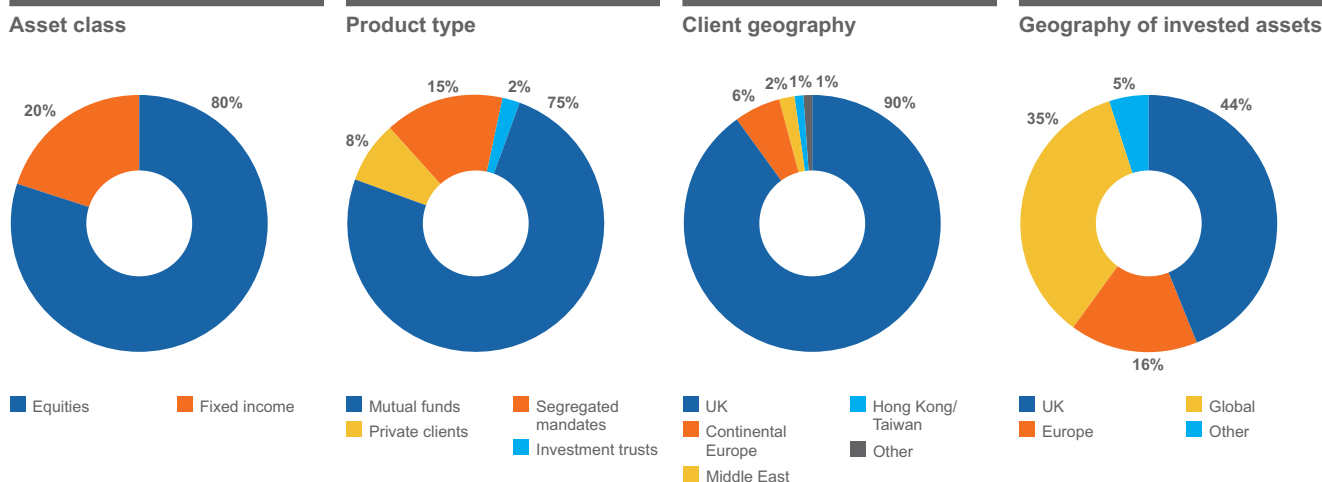
Our distinct investment culture is built on allowing talented fund managers the freedom to pursue their own individual investment approach. This culture has helped build a strong track record of investment outperformance with 74 per cent. of our assets above median over three years.

We are well-established as one of the leading fund groups in the UK retail market due to our consistent investment outperformance, strong brand and multi-channel distribution approach. We are consistently ranked in the top five sellers of retail products through UK fund distribution platforms and as one of the top five fund management brands in the UK.

We have a record of attracting flows across the market cycle, with net inflows of £6.2bn over the last five years. This has allowed us to grow our revenues significantly ahead of comparable market growth.

Our scalable operating platform and consistent focus on business efficiency allows us to grow our revenues without having to increase our fixed costs at the same rate. This allows us to provide attractive returns to our shareholders.

Split of 31 December 2011 AUM – £22.8bn



Chairman's statement

We have a strong balance sheet, with considerable capacity to invest in growth.



2011 was Jupiter's first full year since its Listing in June 2010. Profit before tax increased to £70.3 million (2010: £42.4 million) and the Board is recommending a final dividend of 5.3p, an increase of 13 per cent. over 2010, which will bring the total dividend in respect of 2011 to 7.8p.

Healthy positive cash flows from our operations throughout 2011 allowed us to halve the size of our remaining debt facility to £143 million during the year and to move into a net cash position by year end. We have a strong balance sheet, with considerable capacity to invest in growth. Our focus will continue to be on the organic development of the business, building on Jupiter's core strengths, and we will be careful to preserve an appropriate balance between reinvesting in our franchise and our intention to pursue a progressive dividend policy.

Delivering value for customers who invest in our funds is at the heart of Jupiter's brand and strategic intent. We believe that both retail and institutional investors will continue to seek out high-conviction, talented managers who aim to deliver excess returns across a challenging market cycle. I am pleased to report that as at the year-end, 74 per cent. of our assets had delivered above median performance to our customers over the past three years, and 72 per cent. over five years.

Jupiter has a long history of employee share ownership and equity incentivisation, dating from well before the MBO in 2007. This continues today with a large part of our variable compensation being granted in the form of options over shares and over 75 per cent. of all our staff investing in Jupiter stock through the Sharesave plan. Following our Listing in 2010, staff ownership stood at 38 per cent. of the Company's issued share capital. By the last year end it was 29 per cent. It is entirely to be expected that as remaining MBO shares vest over the three years from Listing, the current high level of employee ownership will further reduce. Maintaining an appropriate level of staff ownership will however remain an important aim for the Board, and our remuneration policy since Listing has underpinned this.

As a people business, Jupiter also pays close attention to succession planning. All our principal funds have either joint managers or an alternative fund manager with the appropriate experience and track record to run the fund in question. Some of our leading fund managers are particularly well known, and with justification, but what may not be so widely appreciated is how fortunate we are to have real breadth and depth of fund management talent. It is a continuing focus of the Board and management to build on this resilience and we believe we have made good progress in doing so in 2011.

We recently completed our first externally facilitated review of Board effectiveness. We are now fully compliant with the Code in all material respects, other than in matters affected by the fact that two of our non-executive Directors are nominees of TA Associates, L.P. and, while continuing to make a strong contribution to the Board, are not considered to be independent for Code purposes.

In September 2011, we welcomed Jon Little to the Board as a fourth independent non-executive Director. His skills and experience in markets relevant to Jupiter and the wider asset management industry complement and strengthen what I believe is already a strong and diverse Board.

We believe that demand for Jupiter's services will continue to grow, though as the second half of 2011 has demonstrated, the path will not be smooth. Our task is to combine the delivery of outperformance in investment management with strong distribution and an effective and scalable operating platform. I am hopeful that in 2012 we will make further progress in developing each of these pillars of our strategy.

Jamie Dundas
Chairman
23 March 2012

Chief Executive's statement

We remain focused on delivering strong fund performance for our clients and investing in our business to capitalise on these opportunities when sentiment improves.



Edward Bonham Carter

2011 was a positive year for Jupiter, despite the significant headwinds presented by the Eurozone crisis and decline in the propensity to save.

Financial markets endured significant volatility during the year with sentiment impacted early in the year by concerns over Japan's earthquake and tsunami and the Arab Spring. However, it was the sovereign debt crisis in Europe that dominated the year, with the lack of a credible solution to the region's problems and the generally unhelpful backdrop of rising unemployment and inflation resulting in significant market volatility and a worsening environment for asset managers across Europe.

In Continental Europe, investors withdrew some €90bn of assets from UCITS funds during 2011 (2010: invested €172bn). UK retail investors proved more resilient for most of the year but there was a marked retrenchment in fund sales in the second half, with equity funds in net outflow for each of the last four months of the year. This included November, where overall net retail sales were only £267m – the lowest monthly net sales since October 2008 – and with the largest equity net outflows on record.

Despite the challenges presented by market conditions, Jupiter continued to make progress, delivering cumulative net inflows of £746m during the year on the back of strong performance and the benefits of continued investment in our brand and distribution capabilities. This enabled us to maintain our market share on fund distribution platforms and assets under management were just shy of £23bn at the end of the year. This is pleasing in the context of the wider market environment and the bias of our AUM towards equities.

The defensive positioning adopted by many of our fund managers early in the year proved beneficial as market conditions deteriorated, enabling us to maintain our strong performance record. Over three years to 31 December 2011, 26 of our 41 mutual funds (63 per cent.) outperformed their benchmarks, with 11 in the first quartile and 15 in the second quartile. Over the year to 31 December 2011, 27 of our 51 mutual funds (53 per cent.) outperformed their benchmarks with 10 in the first quartile and 17 in the second quartile.

Our investment team is at the heart of our ability to maintain our culture and performance. We believe our approach to developing the team successfully balances the requirement for experience and fresh talent, ensuring we are able to deliver investment outperformance for our clients over the long term. In this regard, we appointed two further investment professionals to our fund of funds team and widened the responsibilities of a number of individuals over the year. The team, 18 of whom have worked at Jupiter for more than 10 years, continue to achieve recognition for their investment skills and in February, independent fund analysts Financial Express awarded 'Alpha' manager status to 12 Jupiter managers – more than any other manager in the UK.

We refined our product range during the year, extending our UK mutual fund range with the launch of the Jupiter Global Energy Fund and rolling two hedge funds into alternative products in recognition of the trend for clients to buy regulated products with similar investment strategies. This led to a decision in the fourth quarter to close our office in Bermuda in 2012.

Building out our distribution capabilities remains a key focus and during 2011 we introduced 'I' classes on a number of our unit trusts to meet demand from institutional investors and registered our SICAV in Belgium, the Netherlands and Portugal, as well as five of its sub-funds in Hong Kong. Our success in developing our European distribution in recent years led us to create a new sales role to cover German-speaking Switzerland during 2011 and to extend our existing third party distribution agreement in France to French-speaking Switzerland.

Financial results

Our financial performance and balance sheet continued to strengthen during 2011. Revenues increased eight per cent., which was ahead of the four per cent. rise in average market levels, boosting EBITDA by eight per cent. over 2010. During the year, we continued to degear the business, halving the size of our gross debt. This allowed us to pay our first interim dividend of 2.5p and increase our total dividend to 7.8p. We have also moved to a net cash position and, while we do have a competitively priced debt facility, we will continue to assess our level of debt and balance this with the need to maintain an efficient capital structure.

Net revenue, at £248.5 million, was eight per cent. ahead of the £230.5m recorded in 2010, while EBITDA was £134.9m, an increase of eight per cent. compared to 2010. Our EBITDA margin remained stable at 54 per cent.

Outlook

While financial markets have rebounded since the start of 2012 on the back of the ECB's long term refinancing operation and signs of economic stability in the US and China, the significant public and private debt issues faced by Western economies will take some years to unwind and are likely to cause some volatility yet. Fund flows are likely to remain subdued in the near term as a result.

Despite this recent turbulence, the structural growth drivers for the savings market remain intact and the growth opportunities for a highly-regarded brand such as Jupiter are considerable. As we have previously demonstrated, success in this regard requires consistent investment through the market cycle, a focus on retaining and attracting outstanding talent who can deliver the continued investment outperformance that is the hallmark of our brand as well as continuing to develop our distribution presence in both the UK and abroad. Such an approach will enable us to capture the benefits of our scalable platform.

By building on the strong foundations we have established over the past decade, Jupiter can continue to grow and prosper to the benefit of clients and shareholders.



Edward Bonham Carter
Chief Executive
23 March 2012

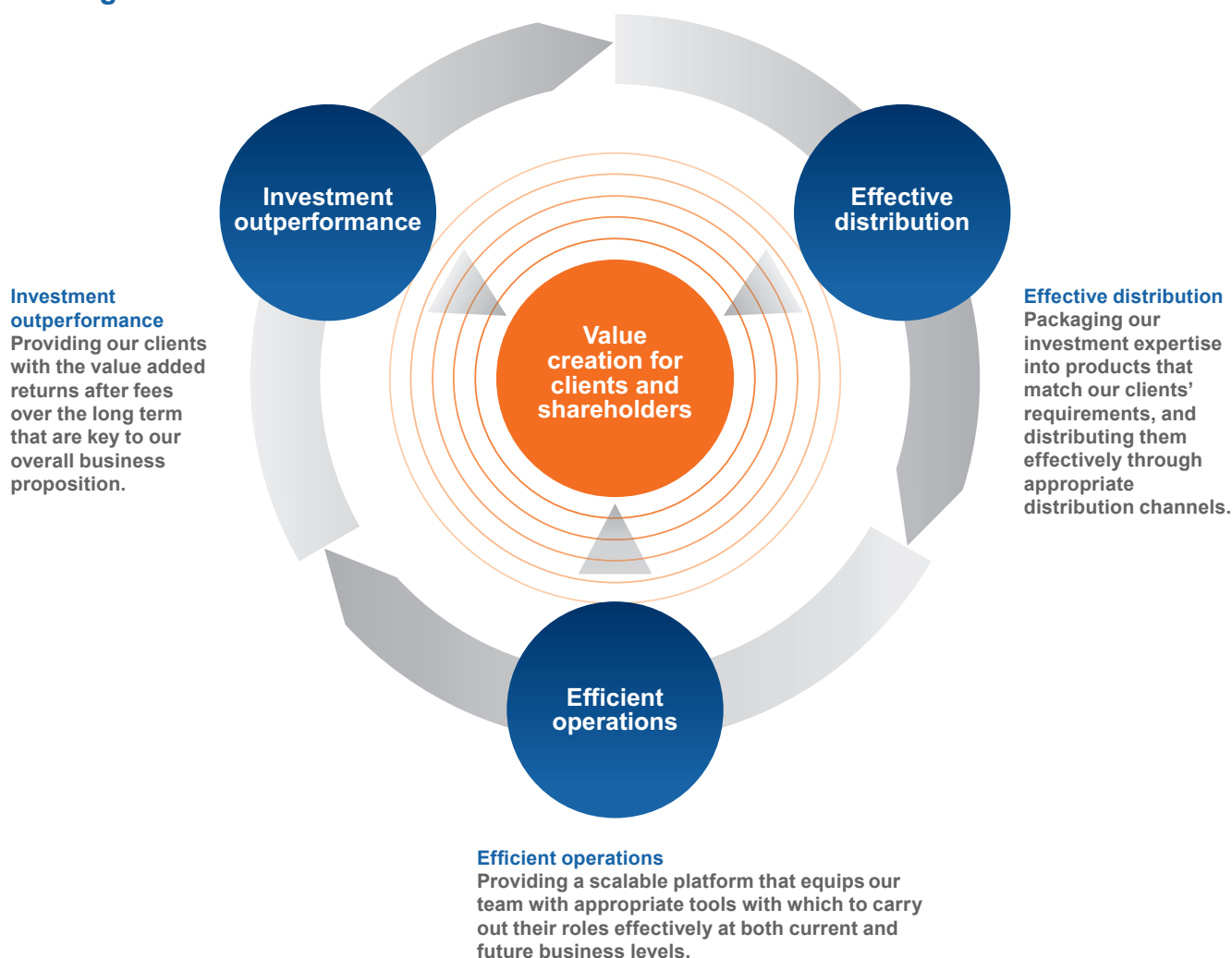
8	Value creation, strategy and performance
10	Operating model
12	Market review
15	Operational review
18	Financial review
22	Principal risks and mitigations
24	Corporate responsibility report
28	Awards

Value creation, strategy and performance

Delivering investment outperformance to clients, combines with a focused product range distributed across a scalable platform, to provide attractive returns for shareholders.

Our business model

Beating the market



Investment philosophy

Our view is that talented fund managers perform best if they are given the freedom to invest as they see fit, within the parameters of individual fund objectives. As such, we have no investment committee process or house view on market direction; rather we

have established a positive culture in which our fund managers work together as a team but have individual responsibility for their portfolio performance. We believe this philosophy has driven our record of consistent long-term outperformance.

Delivery against objectives

Our focus on delivering value to clients and shareholders over the long term translates into our strategic objectives.

Strategic objectives

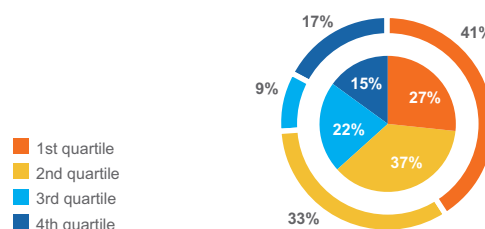
Investment outperformance

Value creation for clients

Our business is centred on the strength of our investment team and is reliant on the quality and reputation of our fund managers. We are focused on preserving a culture of investment freedom, individual responsibility and accountability. The key metric in this regard is three year investment performance.

KPIs

3 year investment performance (As at 31 December 2011)*



Effective distribution

Delivering our expertise to clients

Our investment expertise is provided to clients under a single brand through a range of products and a variety of distribution channels. We seek to offer and develop products that are suited to the distribution channels and markets in which we have, or can establish, a strong presence. Our goal is to capture net inflows by building out our market position in the UK retail mutual fund market and developing our international distribution capabilities.

Net inflows/(outflows) by product

	2011 £m	2010 £m
Mutual funds	528	1,886
Segregated mandates	96	359
Private clients	122	121
Investment trusts	–	(46)
TOTAL	746	2,320

Efficient operations

Capturing the rewards of growth

Our business model benefits from economies of scale, resulting in attractive EBITDA margins. Our existing platform is capable of supporting significantly higher levels of AUM at proportionately lower levels of incremental cost. To grow the business substantially over the long term, we will selectively invest in developing our people, brand and operations according to market conditions and income levels at the time.

EBITDA margin



Value creation

Returns to shareholders

Our dividend policy is progressive. We look to balance the requirements of delivering a long term return to shareholders alongside deleveraging our balance sheet and investing for future growth. The level of dividend paid per share (DPS) measures the immediate return of value to shareholders for the year under review.

DPS year on year**

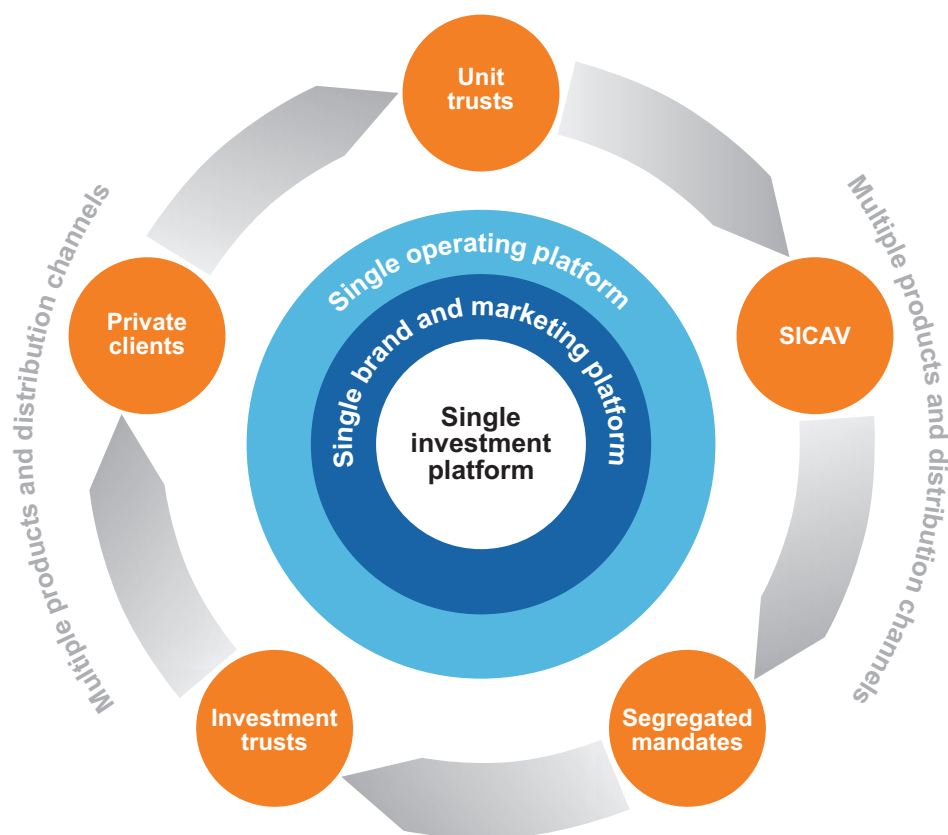


*Source: Financial Express; pie chart in centre: performance weighted by number of funds; ring around pie chart: performance weighted by AUM.

**2010 shows final dividend only as no interim dividend was paid in 2010.

Operating model

Our operating model comprises three interdependent activities – fund management, distribution and infrastructure.



Benefits of a single platform

Operating on a single platform gives us the flexibility to allocate our resources across products and distribution channels with the ability to change the relative focus in any area as market trends or

business demands evolve. It also underpins our ability to grow business volumes across existing or new product lines with limited cost increases.

Our operating model:

1

Fund management

We have a single investment platform comprising 39 fund managers, who manage a range of funds for a variety of clients. Private client assets are managed separately by 13 dedicated private client managers. Our investment philosophy seeks to generate investment outperformance against relevant benchmarks over the medium to long term without exposing our clients to unnecessary risk.

While our fund managers work as a closely knit team, sharing stock ideas and debating market prospects, each manager has individual responsibility for their own portfolios and is held accountable for the investment performance of the funds they manage. We also believe that fund management is an industry where experience counts and we are always looking to balance the requirement for experience with the necessary focus on the development of fresh talent.

2

Distribution

While we operate across a number of different geographies and markets, each of which has its own characteristics, we maintain a consistent brand and distribution approach and structure our distribution efforts on a product neutral basis.

Our current UK distribution effort is primarily focused on the intermediary, with our advertising effort designed to build brand awareness amongst both intermediaries and end clients. Our market share is particularly strong among IFAs and on fund platforms. Given the predominance of bank distribution internationally, our approach outside the UK is focused on building relationships with wealth managers in our chosen territories, such as France and Germany.

3

Infrastructure

We operate a single infrastructure platform, designed to support a growing business and its governance requirements while implementing operational efficiencies where appropriate, such as outsourcing or improved technologies.

This single platform ensures the fund management, distribution and marketing areas have the appropriate tools with which to do their jobs, provides executive management with the performance and risk monitoring information required to manage the business and supports the requirements of external stakeholders such as clients, shareholders and regulators.

Market review

2011 saw both the long term savings market and the wider economy facing significant headwinds from the Eurozone crisis and a declining propensity to save.

Financial markets

During 2011, financial markets suffered some of their worst performance since the height of the financial crisis as a series of geopolitical issues impacted on already fragile economies and volatility increased sharply in the second half of the year.

Equities struggled to maintain the positive tone of late 2010 as the 'Arab Spring' took hold in February and suffered sharp, albeit temporary, falls after Japan's devastating earthquake and tsunami ruptured supply chains in March. Both events caused the oil price to climb.

Concerns about the European sovereign debt crisis re-emerged in the spring, but it was only in late July, when Greece was forced to accept a second bail out, that sentiment took a sharp decline, as investors questioned the ability of Western leaders to grapple with state and banking insolvency problems. Sovereign debt concerns also impacted the US where political wrangling over the raising of the debt ceiling led to the country's first ever downgrade.

After such a turbulent summer, renewed optimism in October that EU leaders could solve some of the Eurozone's problems caused one of the sharpest rallies seen since 2009. However, this soon ebbed away, as bond markets systematically repriced the sovereign debt of the single currency's members, particularly in Italy and Spain, leading to further concerns over the stability of Europe's banking sector. The European Central Bank reacted by injecting large amounts of liquidity into the frozen banking system while Europe's politicians hammered out a new treaty in a bid to improve confidence.

Amid heightened investor nervousness, emerging markets suffered disproportionately in 2011 from higher interest rates and investors switching out of these perceived riskier assets into supposedly safer areas such as government bonds.

Given the indebtedness of many Western governments and the impact of inflation, it has become a subject of debate as to how safe these bonds are. Even so, the yield on US Treasuries fell below two per cent. during the year while yields on UK gilts at one point fell below those of Germany, making them one of the best investments of the year.

Most equity markets ended the year in negative territory with the FTSE 100 at 5,572.3 – six per cent. below 2010's close of 5,900 – and the MSCI World Index falling seven per cent. However, the US ended the period up, with the Dow Jones Industrial Average rising six per cent. to 12,217.6.

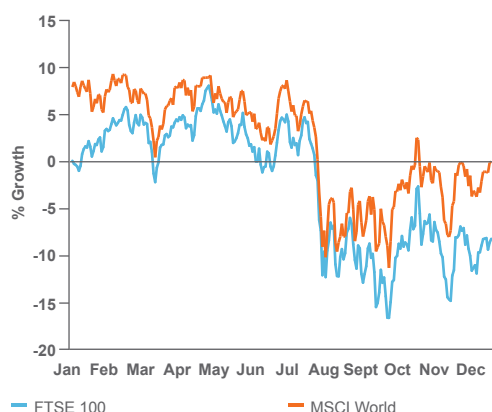
The US dollar appreciated 0.44 per cent. against sterling during the year while the euro fell 2.73 per cent. Brent crude rose 13 per cent. to close the year at \$107.4.

Savings environment

Historically, there have been attractive dynamics in the long-term savings markets of the UK, Europe and many other economies. Individuals are increasingly aware that demographic changes mean that governments and corporates cannot continue to fund pension provision at today's levels. These structural changes have been highlighted in the UK during the past year by the UK government's attempts to reform public sector pensions (resulting in a significant backlash from union members), and its admission that the timetable for raising the state pension age to 67, currently scheduled for 2036, is too slow. In the corporate sector, Shell announced the closure of its final salary pension scheme to new members – the last FTSE 100 company to do so. Only 19 per cent. of final salary pensions in the UK are now open to new members, down from 88 per cent. in 2000.

Despite these increased indicators of the need to save, the financial crisis and resulting economic slowdown in Western economies have delayed the development of this trend, particularly over the past year, as households have grappled with the impact of higher inflation,

FTSE 100 and MSCI World Indices during 2011



Source: Bloomberg

The key trends continuing to influence long-term savings behaviours are:

- Demographics
- State withdrawal from pension provision
- Move from DB to DC pension provision
- Shift towards transparent products
- Pressure on insurance products
- Inflation protection
- Tax changes

particularly in key consumables such as oil and foodstuffs. Spending cuts, tax increases and rising unemployment in the UK and in the Eurozone, combined with low interest rates and stock market volatility have contributed significantly to the reluctance/inability of households to increase their savings.

Looking at the actual levels of savings during 2011, deposits from households remained at historically low levels, with an increase of £30.6bn over the year, down from the pre-crisis peak of £77.0bn in 2007.

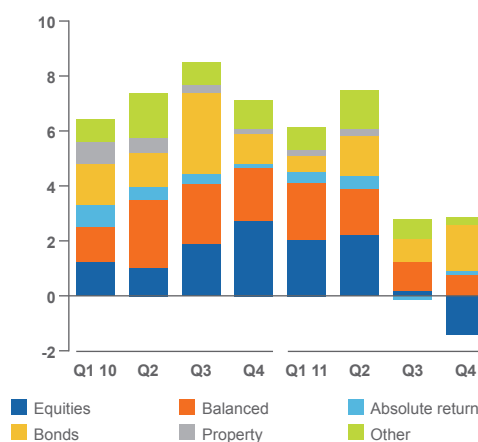
Net sales of mutual funds in the UK and Europe were also under increased pressure. In Europe, investors withdrew some €90bn of assets from UCITS funds during 2011 (2010: invested €172bn), according to EFAMA, with the last net monthly inflow seen in May. The turnaround in flows was particularly dramatic in 2011. In contrast to the first half, where steady inflows were seen, the second half of the year saw substantial withdrawals across all asset classes.

UK retail investors proved more resilient than their European counterparts for most of the year, investing £18bn in unit trusts and OEICs during 2011 compared with £29bn for 2010, according to the Investment Management Association. However, there was a marked retrenchment in fund sales in the second half of the year, (as shown below) with November recording net retail sales of £267m – the lowest monthly net sales since October 2008.

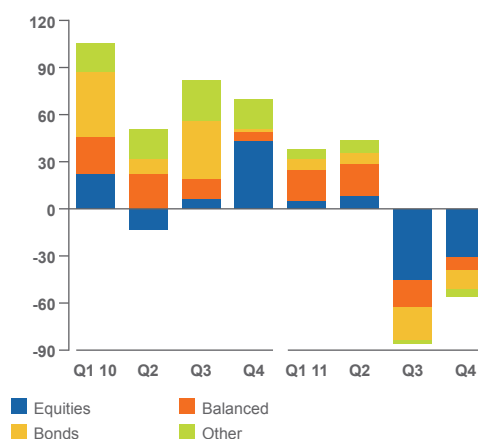
In the second half of 2011, there was a fall off in amounts being saved, with equity products seeing negative flows. This was partially compensated by the continued popularity of balanced and bond products. This pattern was similar in Europe, where equities were the major source of outflows across the industry.

In the UK, equity funds saw their largest outflow on record in November, with net outflows of £864m in November, compared to a monthly average inflow of £506m for the previous 12 months. Private investors also sold direct equity investments in late 2011.

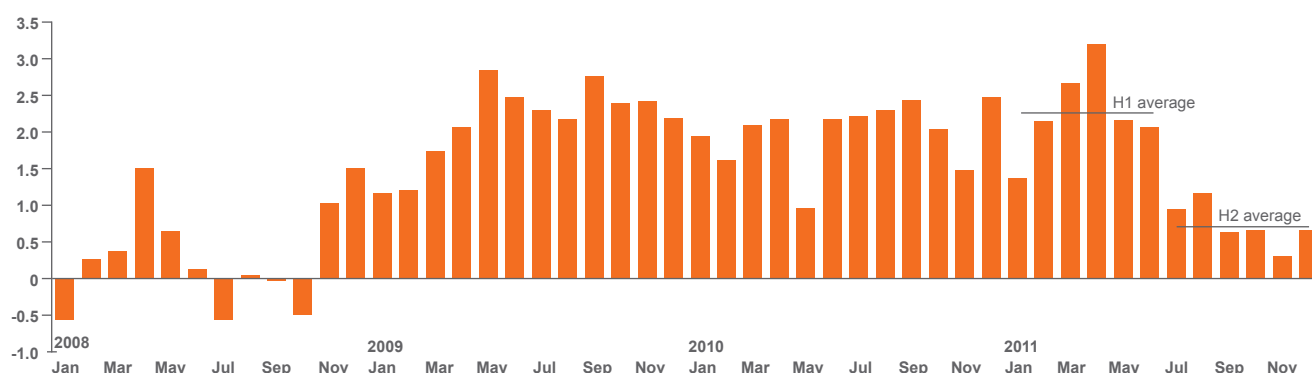
UK: net sales by asset class (£bn)



Europe: net UCITS sales by asset class (£bn)



UK net retail sales by month (£bn)



Source: IMA

Distribution trends

Across the geographies we operate in, there are a variety of ways in which consumers access our products.

UK

In general, the UK consumer is financially literate but dependent on advice. This is usually provided by independent financial advisors, with only 13 per cent. of mutual fund sales derived directly from investors. IFAs predominantly recommend their clients use online fund supermarkets, as this provides the customer with an aggregated portfolio view and the advisor with consolidated commission payments. As a result, fund platforms have enjoyed substantial growth in the UK during the past decade.

The UK government encourages long-term savings by enabling mutual funds to be bought in a number of tax-advantaged forms. Examples of this are Individual Savings Accounts (ISAs) or Self-Invested Pension Plans (SIPPs), which allow individuals access to a wide range of investment products and control over their portfolio decisions. The allowances for these products are considerable, with individuals able to make annual post-tax contributions of up to £10,680 into ISAs and annual pre-tax contributions of up to £50,000 into pension plans. Increases in the ISA allowance are now linked to inflation and the ISA limit will rise to £11,280 for the 2012/13 tax year.

The UK's Retail Distribution Review (RDR) is due to be implemented on 1 January 2013. Its stated objectives are: to improve the clarity with which firms describe their services to consumers; address the potential for advisor remuneration to distort consumer outcomes; and increase the professional standards of investment advisors. As a result, IFAs will no longer be able to accept trail commission on new sales or advice and will have to agree their fees upfront on every transaction with their customers. However, despite the imminent effective date, a number of rules are still to be finalised.

This lack of clarity has resulted in considerable uncertainty about RDR's exact impact. However, many commentators expect distribution consolidation, with smaller IFAs either leaving the industry or joining larger networks. This will increase further the use of platforms and is likely to result in greater focus on fund managers with recognised brands and strong performance track records. Use of ETFs or passive products will rise over time, but we believe that there will continue to be demand for fund managers offering high-alpha, active funds that deliver demonstrable outperformance after fees.

Europe

Although UCITS products can be sold across Europe, each country has different investor behaviours and buying patterns. However, the typical European consumer is generally less financially aware than their UK counterpart and used to buying products through their bank. The equity culture is less embedded on the Continent and there is a distinct pattern of pro-cyclical behaviour by investors.

Demographic projections and fiscal trends across Europe are largely unfavourable. Although governments are still grappling with the consequences, this may well drive later retirement ages and an increased need for self-provision by consumers. We believe this is helpful for mutual fund companies as it should raise levels of financial knowledge and confidence in using a wider range of products and asset classes over the long-term.

Independent advice and platforms are already present across Europe however, and there are considerable assets controlled and managed by private banks and discretionary managers. These have enabled a number of independent and foreign fund management companies to access higher net worth investors successfully and build scale within Europe.

Operational review

A positive year, especially when set against the challenging market environment.

Despite a challenging market environment, we have continued our track record of delivering value to our clients and shareholders.

In addition to delivering on our strategic objectives in the short term, it is critical we invest in our people and operations in order to ensure the business is best placed to meet its strategic objectives in the future. During 2011, we made investments across the business and implemented a number of improvements to strengthen our business and build the foundations for further growth.

Fund management

The delivery of investment outperformance across our product range remains one of our fundamental business objectives. In the key three year investment period, at 31 December 2011, 26 mutual funds representing approximately 74 per cent. of mutual funds, by AUM, had delivered first and second quartile investment performance (31 December 2010: 22 mutual funds representing approximately 66 per cent. of mutual fund AUM). Looking across the shorter term period of 2011 only, in a period of high market instability – as discussed in the Market Review section – our funds continued to perform well with 26 mutual funds above median in the one year performance record, representing 82 per cent. of mutual fund AUM as at the year end (31 December 2010: 22 funds representing 63 per cent. of AUM).

Jupiter does not have a house view as we believe that giving our fund managers the freedom to invest as they see fit within our risk control framework and their fund objectives results in better outcomes for investors. However, the investment approach adopted by many of our managers does mean that our funds tend to perform better during periods of market uncertainty, as demonstrated by the pattern of returns during 2011. During the early stages of the year, many of our fund managers took a similarly defensive view of markets, concerned that the risk of market shocks was increasing due to continued sovereign debt issues in Europe and the US, together with subdued recoveries in the US and UK and concerns over growth in other important economies, such as China.

This hurt performance in the early part of the year as confidence remained high and investors continued to back risk assets. However, sentiment deteriorated during July as doubts over the ability of policymakers to resolve Europe's crisis resurfaced, benefiting many of our funds, including larger strategies such as the Jupiter Merlin Fund of Funds portfolios, the Jupiter European Fund, the Jupiter Absolute Return Fund and the Jupiter Global Convertibles Fund. The Jupiter Income Trust, which has had some performance issues in recent years, improved markedly during the year, particularly during the second half as market uncertainty encouraged investors to favour defensive stocks.

People

Jupiter is a people based business whose success is predicated on the skills and motivation of its employees. As such, we continually seek to invest appropriately in our people, develop new talent and strengthen our investment teams. In recent years we have nurtured a number of talented individuals in the fund management area who are now highly regarded in their sectors, including Cedric de Fonclare, manager of the Jupiter European Special Situations Fund, Ariel

Bezalel, manager of the Jupiter Strategic Bond Fund and Philip Matthews, manager of the Jupiter Growth & Income Fund. We have also attracted experienced talent from outside the business, such as convertibles and absolute return managers Miles Geldard and Lee Manzi and emerging markets manager Kathryn Langridge.

We continued with this approach during 2011, building out our highly successful fund of funds offering with two additional appointments and increasing the responsibilities of two managers by appointing them as lead managers of additional portfolios. We also continued to progress with our objective of nurturing talented individuals and strengthening our investment teams by adding co-managers or deputy managers to funds where appropriate. All of our principal funds now have joint or alternative managers with appropriate experience and track record to run the funds in question.

It was also pleasing that many of our less senior fund managers performed well during this difficult period. Our fund managers continued to achieve recognition for their performance during the year, winning numerous awards. In early 2012, independent fund analysts Financial Express announced that 12 Jupiter managers had been awarded 'Alpha' manager status – more than any other asset manager.

Product development

Our investment expertise is provided to clients under a single brand through products that are suited to the distribution channels and markets in which we have, or can establish, a strong position. In some years this may result in us not launching new products, but, over the medium-term, we have developed a competitive and broad UK and international mutual fund offering.

Following a strong year for product development in 2010, our focus in 2011 was on building out existing product franchises and rationalising products where necessary. We launched only one new fund during the year – the Jupiter Global Energy Fund – under the management of resources specialist, Derek Pound.

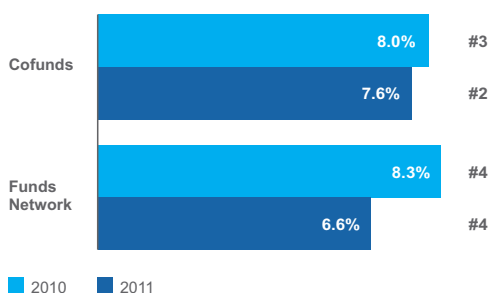
Our hedge fund area underwent significant change during 2011. Demand for hedge fund investments has been in decline for some time due to the impact of the 2008 credit crisis, which had a significant impact on hedge fund flows across the industry. Clients have increasingly shifted into regulated funds that are able to follow a similar investment strategy and we have enjoyed considerable success in raising assets in our UCITS absolute return funds. We have responded to this structural change in demand by rationalising our hedge fund range. Two hedge funds were successfully rolled over into products with similar strategies during 2011 and at the start of 2012 we submitted proposals to roll over our two remaining hedge funds.

Distribution

Approach

In our core UK market, distribution of any marginally complex financial services product is dominated by intermediaries, which for most consumers means turning to an IFA for advice on purchasing decisions. Our UK mutual fund distribution remains focused on the IFA, with our brand designed to reach both intermediaries and clients. Over 60 per cent. of our gross sales come from IFAs, either direct or via platforms, or nearly 80 per cent. when we consider that life companies we deal with are often simply providing a different wrapper through which IFAs can buy our funds. This has resulted in us maintaining our strong market share on platforms.

We consistently rank in the top five in terms of sales through leading market platforms.



Jupiter's brand is well-regarded in the UK market, once again ranking in the top five. We believe brand is, and will continue to be, a source of competitive advantage within retail mutual fund distribution, particularly in a post-RDR environment.

Historically, our funds have been less well-represented within the UK wealth manager segment. We, however, believe that this segment is well placed to prosper and will manage increasing asset volumes in the years to come.

Our international mutual fund distribution efforts are focused on wealth managers. We have tailored approaches according to each individual country we are targeting, for example with a local presence on the ground in Germany and a distributor relationship in France.

Distribution channel development

While we operate across a range of different geographies and markets, each with its own characteristics, we seek to maintain a consistent brand and distribution approach and structure our distribution efforts on a product-neutral basis.

During 2011, we made a number of targeted enhancements to our UK and international distribution efforts, either refocusing existing efforts or adding additional capability in new markets. In our core UK market, we repositioned our UK wholesale distribution team, in order to boost resource in the wealth management sector, which we believe is likely to constitute a more significant element of the residual adviser market in the UK following the implementation of the Retail Distribution Review. Furthermore, our decision to introduce institutional share classes on a number of our unit trust funds during September ensured that our fund range will remain attractive to this client set.

We also took steps to develop further our international distribution capabilities. During 2011, we were able to attract net sales through a combination of marketing funds with strong investment performance, such as in European equities, and bringing innovative products with well-regarded managers to wider audiences, such as Global Convertibles. Alongside this, and following the appointment of a French public relations agency in 2010, we took steps to support our growing presence in Germany, Austria and German-speaking Switzerland by appointing a PR agency in Germany.

Looking forward, we intend to deepen our international presence in both Europe and Asia. For example, in March 2012 we opened a sales office in Zurich to complement our existing office in Germany; we have broadened the remit of our French distributor to include Geneva and extended the registration of The Jupiter Global Fund to Hong Kong.

Sales

We realised £0.7bn (£2.3bn) of net inflows into our products during the year ended 31 December 2011, predominantly driven by strong UK sales in mutual funds during the first part of the year. Towards the latter part of 2011 – as discussed in the Market Review section – the challenging market environment as well as the loss of a single segregated mandate led to a reduction in net sales.

Net inflows/(outflows) by product (£m)	31 December 2011	31 December 2010
Mutual funds	528	1,886
Segregated mandates	96	359
Private clients	122	121
Investment trusts	–	(46)
Total	746	2,320

Mutual funds were the main product contributor with net sales of £0.5bn (2010: £1.9bn), reflecting net inflows into our Merlin Fund ranges and a first full year of our Global Convertibles fund, as well as increasing sales from our international distribution channels.

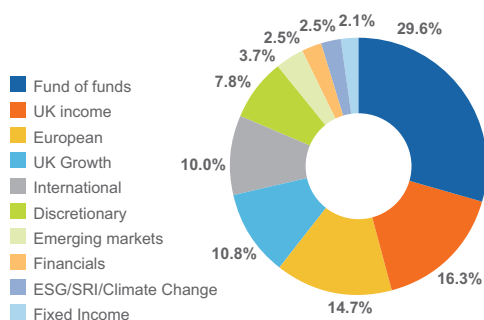
During the year, segregated fund net inflows were £0.1bn (2010: £0.4bn), driven by new mandate wins and additional assets from existing customers, but hampered by the loss of a single segregated mandate from an institutional client following a strategic asset allocation change and outflows from hedge funds. During the year, our hedge fund net outflows included the merger of our largest hedge fund into the Europa SICAV and, in order to simplify our disclosure, we are reporting our hedge fund AUM within segregated mandates going forward. Private client flows of £0.1bn (2010: £0.1bn) were in-line with the previous year. There were no corporate actions relating to investment trusts during the year and none of the investment trusts which we manage reach the end of their planned lives before 2014.

AUM

AUM by product line (£m)	31 December 2011	31 December 2010
Mutual funds	17,219	18,418
Segregated mandates	3,338	3,440
Private clients	1,731	1,693
Investment trusts	519	527
Total	22,807	24,078

The Group's AUM is predominantly made up of mutual funds, which at 31 December 2011 was £17.2bn (31 December 2010: £18.4bn), representing 75 per cent. of total AUM (31 December 2010: 76 per cent.). We were the fifth largest fund manager of UK retail mutual funds by AUM at 31 December 2011.

This chart shows the breakdown of Jupiter's AUM as at 31 December 2011 by investment franchise, demonstrating a broad spread across strategies, providing a positive level of diversification within our business model.



Infrastructure

We operate a single infrastructure platform, designed to support a growing business and its governance requirements while implementing operational efficiencies where appropriate, such as outsourcing or improved technologies.

We constantly review our infrastructure platform to capture efficiencies from economies of scale, outsourcing or investment in new technologies. This takes place alongside continual investment across the platform in line with prevailing income levels so that we can maintain its scalability and capacity to manage further growth.

Infrastructure platform development

After the outsourcing of our unit trust administration to IFDS in 2010, we closed our Kent office in early 2011 and relocated a number of employees to the London office. The roles undertaken by those who relocated have changed from operational activity to monitoring and oversight. The overall effect has been to better match our cost base to activity levels by switching internal fixed staff costs to an external provider, thereby improving our scalability and efficiency.

Following on from the change in roles within the Unit Trust Administration area, from operational to oversight activity, we consolidated into this area the oversight responsibilities for our SICAV operations into a single team, creating a single Mutual Funds Administration team.

In December 2011 we took the decision to close our Bermuda office in 2012. This followed a significant reduction in the administration required to be undertaken by the office due to the rationalisation of our hedge fund range.

We upgraded the company wide IT desktop infrastructure, hardware and software, both in order to improve our current capability and ways of working within the business, as well as preparing the IT environment for further investment in the IT platform in 2012. This is part of our continual investment in the IT platform.

Following a review of our business continuity and operational resilience we are investing in additional dedicated offsite capability and additional software for offsite working.

Financial review

Improved financial performance coupled with increased balance sheet resilience.

Overview

Our financial performance and balance sheet continued to strengthen during 2011.

Revenues increased eight per cent., which was ahead of the four per cent. rise in average market levels, boosting EBITDA by eight per cent. over 2010. During the year, we continued to degear the business, halving the size of our gross debt. This allowed us to pay our first interim dividend of 2.5p and increase our total dividend to 7.8p. We have also moved to a net cash position and, while we do have a competitively priced debt facility, we will continue to assess our level of debt and balance this with the need to maintain an efficient capital structure.

Financial highlights

	2011	2010
Net revenue (£m)	248.5	230.5
EBITDA* (£m)	134.9	124.6
EBITDA margin (per cent.)	54	54
Profit before tax (£m)	70.3	42.4
Total dividend (p/share)	7.8	4.7

*Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") is a non-GAAP measure which the Group uses to assess its performance. It is defined as operating earnings excluding the effect of depreciation and the charge for options over pre-Listing shares.

EBITDA

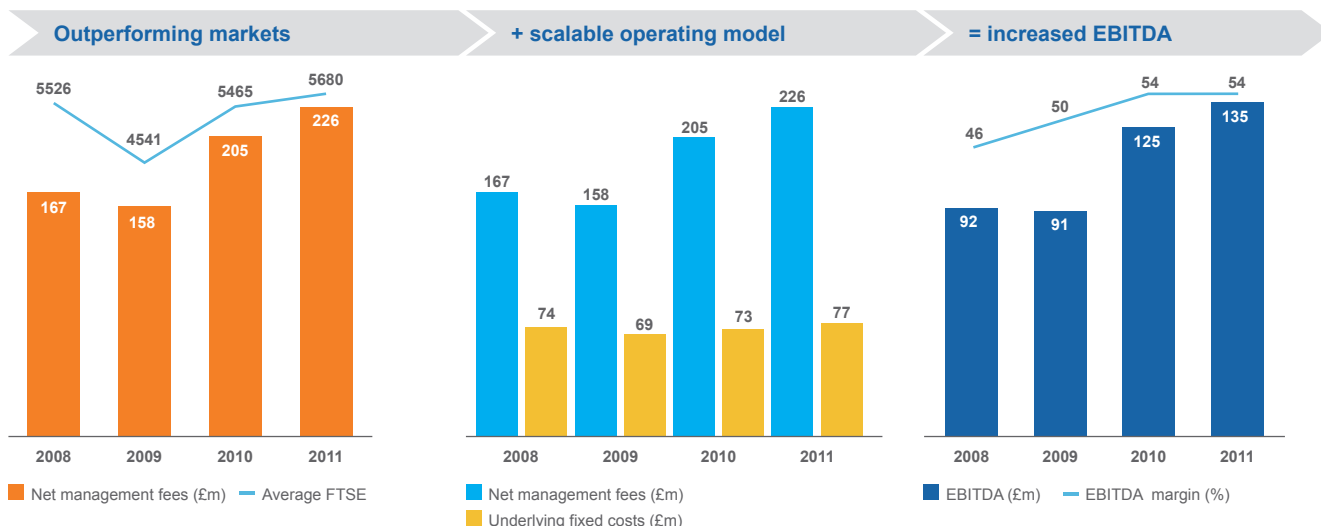
EBITDA was £134.9m for the year (2010: £124.6m), an eight per cent. increase on the prior year, primarily as a result of the scalability of our business model as net revenues rose alongside a more modest increase in fixed costs. The Group's disclosed EBITDA includes a £0.8m charge in relation to the planned closure in 2012 of our Bermuda office.

The Group maintained its EBITDA margins at 54 per cent., successfully absorbing the expected increase in variable costs due to the introduction of new incentive schemes post-Listing.

EBITDA up 8 per cent.



Strong financial delivery



Net revenue

Net revenue for the year was £248.5m (2010: £230.5m), eight per cent. ahead of 2010. This was mainly due to an increase of 10 per cent. in net management fees, reflecting four per cent. higher average market levels (the FTSE 100 averaged 5,680 compared to 5,465 in 2010) and the contribution from net inflows over the last two years.

Net management fees	2011	2010
Net management fees (£m)	226.0	204.7
Average AUM (£bn)	23.8	21.1
Net management fee margin (bps)	95	97

Net management fees continue to contribute the majority of our net revenues (2011: 91 per cent., 2010: 89 per cent.). The net management fee margin for the year was 95 basis points, slightly below the 2010 margin of 97 basis points, but in-line with our expectations and previous market guidance. This reduction was primarily due to the unfavourable interaction between daily market levels, being the basis on which we invoice the majority of fees, and the month-end market levels, being the basis on which the majority of mutual fund rebates, fees and commissions are paid, and new flows being written at a lower margin than within the back book. Countering this was the one-off recognition of £3.2m of management fees on the disposal of our private equity business.

We continue to expect net management fee margins to decline slowly over time, as distributors look to take an increasing share of fees and the effects of the Retail Distribution Review take shape, although the rate and angle of any such decline is still uncertain.

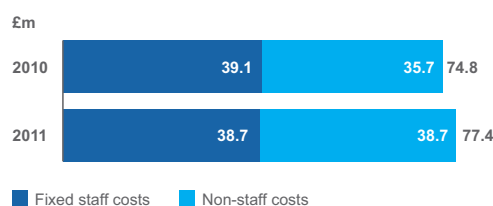
Net revenues (£m)	2011	2010
Net management fees	226.0	204.7
Net initial charge	17.2	20.1
Net performance fee	5.3	5.7
Total	248.5	230.5

Administrative expenses

Costs by category (£m)	2011	2010
Fixed staff costs	38.7	39.1
Other expenses	38.7	35.7
Total fixed costs	77.4	74.8
Variable staff costs	36.8	32.5
Charge for options over pre-Listing shares	9.6	7.8
Administrative expenses	123.8	115.1

Administrative expenses of £123.8m rose by £8.7m compared to £115.1m in 2010, with an increase in variable staff costs of £4.3m primarily due to the compensation schemes introduced post the Listing. Fixed staff costs of £38.7m decreased slightly (2010: £39.1m), due to the full year effects of the headcount reductions in 2010 from outsourcing UTA operations to IFDS. The impact of this outsource (which effectively switches these costs from fixed staff costs to other expenses) was the main driver for the increase in this line during 2011.

Fixed costs up 3 per cent.



Variable staff costs increased in 2011 compared with 2010 due to the higher profitability of the business, together with the first year of awards under the LTIP scheme and the second full year of the accounting charge for the Deferred Bonus Plan. Of the £4.3m increase against 2010, £3.0m related to share based charges on these new schemes. Variable compensation as a proportion of pre-variable compensation operating earnings was 22 per cent. (2010: 21 per cent.). This excludes a £9.6m charge (2010: £7.8m) in respect of options granted prior to the Listing over the remaining shares in the pool established for employees at the time of the MBO in June 2007. We expect the variable compensation ratio to rise to the mid to high twenty per cents range over the medium-term as the incentive schemes put in place as part of our Listing build to maturity.

Amortisation of intangible assets

Amortisation of £39.9m (2010: £39.8m) included £38.7m (2010: £38.7m) relating to intangible assets acquired as part of the MBO on 19 June 2007 at a value of £276.7m. These assets relate to the investment management contracts (acquired for £258.0m) and the Jupiter brand name (acquired for £18.7m), and are being amortised on a straight line basis over seven and ten years respectively. The remaining £1.2m relates to the amortisation of acquired computer software.

Exceptional costs

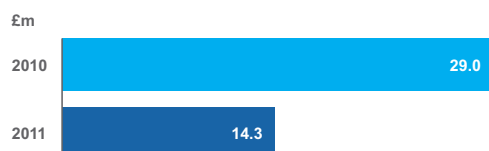
There were no costs arising in 2011 which the Group consider to be exceptional.

During 2010 the Group recognised two exceptional costs, being a charge of £1.6m relating to expenses associated with the Listing and a charge for the contribution of £5.2m made by the Group to the Financial Services Compensation Scheme (FSCS) second interim levy for 2010/11. The FSCS continues to look into the final resolution of this levy, but no further charge or credit for 2010/2011 has yet been announced.

Finance expenses

Finance expenses decreased by £14.7m to £14.3m (2010: £29.0m) due to the combined effects of eliminating the MBO capital structure at Listing in June 2010 and the reduction in the outstanding bank loan through the repayment of £140m during 2011. The positive effect of this repayment was partially offset by an acceleration in the recognition of the debt issuance costs of £1.6m (2010: £1.2m).

Finance expenses reduced due to balance sheet restructuring



Profit before tax ("PBT")

PBT for the year was £70.3m (2010: £42.4m). This increase of 66 per cent. was driven by increased operating earnings, the absence of exceptional costs and a reduction in finance expenses.

Tax expense

The effective tax charge for 2011 is 27 per cent. (2010: 23 per cent.). The effective tax rate for 2011 is higher than the standard rate of corporation tax of 26.5 per cent. due to the non-tax deductible capital losses, partially offset by the effect of adjusting the opening deferred tax balances in light of the forthcoming changes to the standard rate of corporation tax.

Earnings per share ("EPS")

The Group's basic and diluted EPS measures were 15.6p and 15.0p respectively in 2011, compared to 10.8p and 7.6p in 2010. Underlying profit before tax and underlying EPS are non-GAAP measures which the Board believes provide a more useful representation of the Group's trading performance than the statutory presentation.

	2011 £m	2010 £m
Underlying EPS*		
Profit before tax	70.3	42.4
Adjustments:		
Amortisation of acquired investment management contracts and trade name	38.7	38.7
Charge for options over pre-Listing shares	9.6	7.8
Exceptional Listing costs	–	1.6
FSCS Levy exceptional cost	–	5.2
Pre-Listing loan amendment fees	–	3.8
Finance expense relating to pre-Listing capital structure	–	12.5
	48.3	69.6
Underlying profit before tax	118.6	112.0
Tax at statutory rate of 26.5 per cent (2010: 28 per cent.)	(31.4)	(31.4)
Underlying profit after tax	87.2	80.6
Actual shares on post vesting basis (m)	457.7	457.7
Underlying EPS	19.1p	17.6p

*Underlying EPS is a non-GAAP measure which the Group uses to assess its performance

The 2011 underlying EPS was 19.1p (2010: 17.6p). This increase is the result of the improved trading performance of the Group.

Underlying EPS increased in line with increased profitability



Cash and net debt

Helped by the deleveraging of the balance sheet during 2010, the generation of significant cash amounts through trading and reducing financing costs, the Group moved into a net cash position at 31 December 2011 of £7.4m (2010: net debt of £62.7m). During 2011, the Group's gross cash decreased by £69.9m to £150.4m (2010: £220.3m) as cash generated from operating activities was used for the repayment of £140m of bank debt and the payment of £31.7m in respect of our maiden final and interim dividends.

Looking at our current financing structures within the Group, the bank facility remains attractive in the light of potentially available financing in both rate and terms. It contains no financial covenants and is not due for repayment until June 2015. Despite this horizon, we believe it would be sensible to pay down the debt in tranches ahead of 2015 as there are no penalties for early repayment. This was demonstrated by the repayments made in March 2011 of £80m and October 2011 of £60m. However, there is no specific timetable for any further repayments and the Board will continue to monitor the level of debt in combination with the level of cash generated.

Seed capital investments

The Group deploys seed capital into funds to assist them in building a track record from launch or to give small but strongly performing funds sufficient scale to attract external money. As at 31 December 2011, we had a total investment of £39.1m in our own funds (2010: £53.2m). 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 into liquid funds and chooses to hedge market and currency risk on the majority of its holdings of seed capital investments, with 99 per cent. of seed capital either hedged or invested in absolute return products. As a result, the value of these investments is stable and available to improve the Group's cash balances and liquidity if required.

Shareholders' equity

Total shareholders' equity increased by £33.9m as a result of the Group's continued profitability, partially offset by the maiden final and interim dividends of £20.7m and £11.0m respectively. During the year, the share premium account of £255.7m and the capital redemption reserve of £54.1m were cancelled with the sanction of the Court and the balances on these accounts were transferred to retained earnings as distributable reserves.

In February 2012, the Group was granted a new investment firm consolidation waiver. This will run for the three years from June 2012 to June 2015. The FSA's policy is not to grant waivers in respect of periods where projections do not support the requirement. However, the FSA have confirmed that should market or other conditions change prior to June 2015 such that a consolidation waiver may be required, a new application would be considered in the usual way.

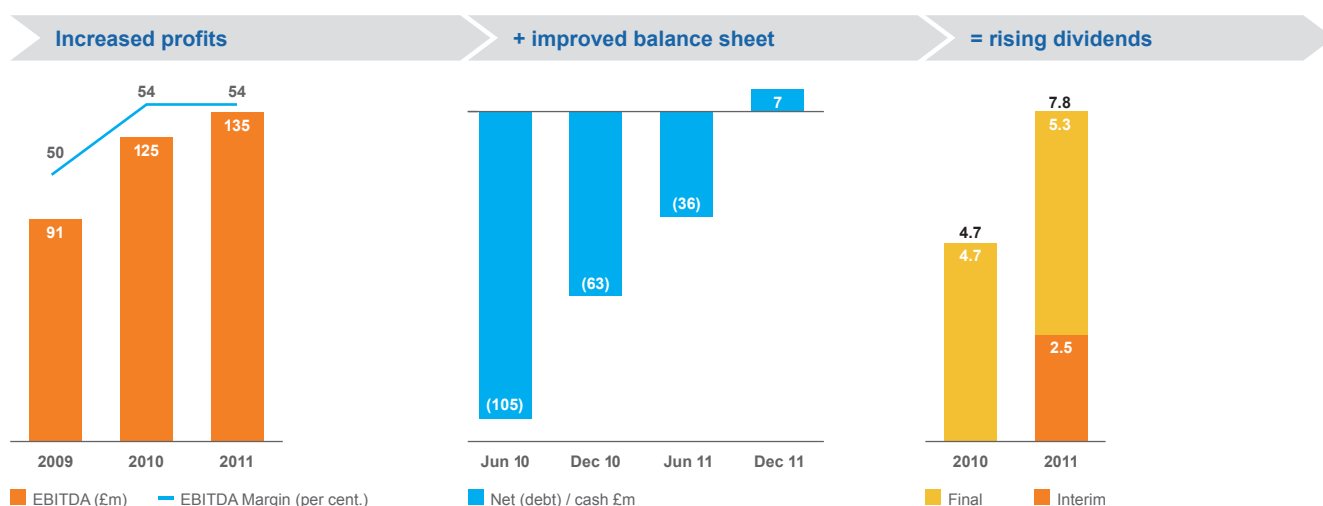
Dividend

The Board recommends an increased final dividend for the year of 5.3p per share (2010: 4.7p) to ordinary shareholders, making a total payment for the year of 7.8p. As the Group did not pay an interim dividend in 2010 due to the Listing, there is no comparable prior year total dividend amount.

The Board has implemented a progressive dividend policy, with dividends determined taking into account historic and anticipated profits, cash flow and balance sheet position, with the split between the interim and final dividend weighted towards the final dividend.

This payment is subject to shareholders' approval at the Annual General Meeting and, if approved, will be paid on 22 May 2012 to shareholders on the register on 16 March 2012.

Attractive returns to shareholders



Principal risks and mitigations

The robust management of risk is fundamental to Jupiter's culture.

We recognise that risk is inherent in the Group's business and in the markets in which we operate, and the robust management of risk is fundamental to the Group's culture.

In this section, we have set out those risks with the greatest potential for preventing us achieving our strategic objectives. Risks are

categorised and managed according to the strategic objective which they have the potential to affect, and are considered by Jupiter's management in this context. A fuller description of the risk management and internal control framework is set out in the Governance section. This outlines the various responsibilities within the Company for risk and the internal processes followed.

Strategic Objective	Risk	Mitigations
Investment performance	Sustained underperformance	There is a risk that our clients' investment portfolios will not meet their investment objectives due to underperformance. We adhere to a clearly defined investment process which seeks to meet investment targets within stated risk parameters. We use tools and governance principles within our investment risk framework and we review performance that lies outside expectations. Fund performance is monitored as part of the investment performance risk management process and is formally overseen by a portfolio review committee which meets quarterly.
	Retention of key staff	We are a human capital business and our staff are a significant component of successfully executing our strategy. We believe that high levels of employee engagement and equity ownership drive business outperformance and we strive to ensure we have an attractive working environment and a competitive remuneration structure. We also develop, monitor and maintain succession planning for all key roles throughout the organisation.
	Significant mandate breach	Our funds are managed in accordance with investment mandates and restrictions agreed with our clients. If investments are made or managed in breach of an investment mandate, we may be required to unwind the relevant transactions and could be liable for any losses suffered by an affected party in doing so. Compliance functionality is coded onto the order management system to allow the pre and post trade monitoring of investment activity.
	Regulatory non-compliance	We conduct all of our business activities according to the standards defined in the regulatory environment within which the Group operates. Our Compliance department conducts a robust programme of internal monitoring to ensure that internal regulatory controls are adhered to. Our risk governance structure and whistleblowing policy are designed to ensure that any regulatory issues can be escalated to senior management in an open and timely way, ensuring the maximum appropriate amount of regulatory protection for clients.

Strategic Objective	Risk	Mitigations
Effective distribution	Changes in distribution and product trends	Distribution risks arise from relationship management across different distribution channels and products. The risks reflect potential future changes in our fee structures, or in the appetite of our clients to invest in our products. The broad range of distribution channels and a diversified client base mitigates against a key dependency on any particular channel or client.
Efficient operations	Operational error or fraud	We rely on efficient and well-controlled processes. The potential impact and likelihood of processes failing and operational risks materialising is assessed by each operational area on a regular basis. Where these likelihoods are felt to be outside our appetite for risk, management actions and/or control improvements are identified in order to bring each potential risk back to within acceptable levels.
	Failure of third party supplier	All third parties to whom we outsource material aspects of our business are subject to ongoing oversight, ensuring that we can maintain assurance that they are of the required standard.
	Business continuity incident	Continuity and business resumption planning is in place across the business. Alternative premises, equipped with all key portfolio management and support systems, are accessible by the firm within four hours of our normal business premises becoming unavailable.
	Counterparty failure	We face credit risk as a result of counterparty exposure in the management of the Group's liquid assets. In order to manage this risk we actively monitor counterparty creditworthiness and operate within limits expressed in terms of value and term to maturity. We seek to diversify our exposure across different counterparties. All counterparties are reviewed on a regular basis and limits are amended following any relevant changes to their financial performance. We actively monitor market data and rating agency outputs in assessing counterparties.

Corporate responsibility report

We believe that corporate responsibility is integral to commercial success.

We appreciate the role that we play as a company in:

- reducing the impact of our business on the environment;
- ensuring quality of service to our customers;
- engaging with the companies in which we invest and exercising our voting rights with care;
- providing support to the community through charitable giving; and
- providing a healthy and rewarding working environment for employees.

We believe that corporate responsibility is integral to commercial success and we are committed, wherever practicable, to implementing environmental good practice throughout our business activities.

Overall responsibility for environmental and corporate responsibility resides with Edward Bonham Carter, our Chief Executive.

1

Marketplace

As a leading asset manager, we believe it is important to integrate environmental and social issues into our corporate governance and voting policy through a programme of constructive dialogue and engagement across our investment portfolios.

Number of companies engaged with to discuss governance and/or sustainability issues. These meetings included fund managers and/or members of the Sustainable Investment and Governance team.

162

companies

2

Workplace

As a people focused business whose success is directly related to the quality and competence of our employees, we believe it is important that we are an organisation where people want to work and with which they want to be associated. We have a high level of employee share ownership.

Percentage of employees participating in the Sharesave plan.

78

per cent.

3

Environment

As a major UK corporate we believe it is important that we understand our impact on the wider environment and look to reduce this wherever possible. To help us assess this we have commissioned a 2012 study of our carbon footprint as a follow-up to our study last year so that we can assess progress and set appropriate targets.

We will review this area following the results of the study.

2012

study

4

Community

Our charitable giving is driven by individual employee choice with all employees eligible to join a matched giving payroll scheme. The majority of our charitable giving comes through matching employee contributions to this scheme, which empowers employees to direct donations to their nominated charities and ensures that it is spread across a wide range of charitable activities.

Percentage of employees taking part in the Give As You Earn Scheme.

24

per cent.

1 Marketplace

Transparency, accountability and sustainability are essential to the success of our business and have become increasingly prominent in the light of market events in recent years.

Our customers

As a customer focused business, we believe that it is important to present clearly to customers the services we are providing and our ongoing responsibilities to them. This is reinforced by the regulatory environment within which we operate.

We are committed to dealing with investors in our products and our clients honestly, openly, competently and with integrity. Where appropriate, we have an informed understanding of their needs.

Treating Customers Fairly (TCF) is a core FSA principle intended to promote the fair treatment of customers from product inception, through to post-sales support. We have worked hard to embed TCF into our culture and we want all our employees to think about TCF, not as a regulatory initiative, but as a common sense principle.

Product design – Products are designed to suit our target customer markets and distribution is tailored accordingly in the following ways:

- fund literature provides guidance as to the intended target market and outlines in a transparent manner the potential risks and benefits to the end customer; and
- where appropriate, new product concepts are tested prior to launch to ensure that they are suitable for the target audience.

Marketing and intermediary assistance – Customers are provided with clear information about our products and are kept appropriately informed. The following steps are taken to ensure that intermediaries understand how our products work:

- sales and marketing material is set out in a manner which can be both understood and acted upon;
- intermediaries are provided with sufficient information to understand fully our products in order to give suitable advice to their customers;
- fund information is clear, fair and not misleading. It balances the potential benefits of the product against the risks of investment;
- where required, we provide training and additional material to intermediaries to aid their understanding of our products; and
- feedback is sought periodically on the effectiveness and clarity of the Group's product design and communications and service delivery.

After sales support – Customers are kept regularly informed about their investments:

- professional intermediaries advising clients have access to monthly manager reports and fund factsheets;

- investors in Jupiter funds receive biannual statements and private and institutional clients are issued with periodic valuation statements to keep them up to date with the progress of their investments;
- investment profiles are issued to private and institutional clients each year to ensure continued suitability. Service review meetings are also offered to clients;
- complaints are investigated and addressed in a consistent, professional and impartial manner. Where a complaint is not resolved to the customer's satisfaction, the customer is directed to the Financial Ombudsman Service; and
- errors made in the processing of customer transactions are identified, escalated and rectified in a timely manner. Compensation is paid where appropriate.

Stewardship

At Jupiter, we aim to act in the best interests of all our stakeholders by engaging with the companies in which we invest and by exercising our voting rights with care. Not only is this commensurate with good market practice, it goes hand in hand with ensuring the responsible investment of our clients' assets. Equally, we ask companies to present us with their plans for maintaining social and environmental sustainability within their business.

As appropriate, we will engage and vote on issues affecting the long-term value of a company in which we have invested. Issues may include, but are not limited to, business strategy, acquisitions and disposals, capital raisings and financing operations, internal controls, risk management, Board succession, shareholder rights, corporate and social responsibility and remuneration.

A new UK Stewardship Code was introduced during the year to encourage investors to engage with the companies in which they have invested and, where necessary, hold them to account. We support the aims and principles of the UK Stewardship Code and an explanation of our compliance with the new guidelines is published on Jupiter Asset Management Limited's website at www.jupiteronline.co.uk

As a leading asset management group, we recognise our responsibility in ensuring that we engage with companies to assess not only the financial risks but also the environmental, social and governance (ESG) risks that can impact long-term value. Details of our policy in this area can be found in the Corporate Governance and Voting Policy section of our website at www.jupiteronline.co.uk

We are also a signatory to the United Nations Principles for Responsible Investment which serves to reinforce our commitment to integrating ESG issues into our investment decision-making. We participate in a number of joint investor networks and initiatives to promote sustainable investment and good governance, including the following:

- **Carbon Disclosure Project** We are a founding signatory of CDP, which was launched in 2000 and conducted its first survey in 2003. CDP conducts a survey which charts how the world's largest companies are addressing the challenges of climate change. The survey rates companies on the depth and scope of their disclosures and the quality of their reporting.
- **CDP Water Disclosure Project** We are a founding signatory to this new project that aims to help institutional investors better understand the business risks and opportunities associated with water scarcity and other water-related issues by increasing the availability of high quality information on this issue. In 2011 selected companies from the FTSE Global Equity Index Series (Global 500), the Australian Securities Exchange (Australia 100) and the Johannesburg Stock Exchange (South Africa 100) were invited to respond to the second annual CDP Water Disclosure information request because they operate in sectors which are water intensive or exposed to water-related risk.
- **Investor statement on a global agreement on climate change** This statement was launched by the Institutional Investors Group on Climate Change in 2006 and we have been a signatory since 2008. The statement, supported by investment institutions, concludes that clear, credible long-term policy signals are critical for investors to integrate climate change considerations into their decision-making process and to support investment flows into a low-carbon economy.
- **Climate communiqués** Bali 2007; Poznan 2008; Copenhagen 2009; Cancun 2010 and 2°C Challenge 2011 – Jupiter has been a signatory of all five communiqués, which call on world leaders to agree “an ambitious, robust and equitable global deal on climate change that responds credibly to the scale and urgency of the crisis facing the world today”.

Jupiter is also active in building multi-stakeholder initiatives in relation to good corporate practice, for example in relation to the issue of diversity and women on Boards through our involvement in the 30% Club investor group.

ESG research into the corporate responsibility performance of companies is incorporated in our investment process and we engage with companies where their ESG practices fall short of acceptable standards.

During 2011, Jupiter voted at over 2,300 shareholder meetings worldwide (approximately 1,000 in the UK and 1,300 overseas). Jupiter voted against management, or abstained, on at least one resolution at 19 per cent. of UK meetings. We engaged with a total of 162 companies on sustainability and governance issues. Full details of our voting and engagement activity can be found in our Voting and Engagement report which is available on our website at www.jupiteronline.co.uk

2 Workplace

As a people business, we value our employees and aim to create a positive environment in which employees can work and develop their skills. Our culture gives employees the opportunity to perform and develop as individuals within a structured control and governance framework.

Diversity

We believe that a diverse workforce is better able to service the needs of our clients. We have an equal opportunities policy and it is the Company's policy to treat all job applicants and employees fairly and equally, irrespective of gender, marital or civil partnership status, race, colour, national or ethnic origin, disability, religious belief, sexual orientation, or age. We aim to support staff with families through enhanced maternity pay and childcare vouchers. We also offer the option of additional unpaid time off. 40 per cent. of Jupiter's total workforce is female, with approximately 25 per cent. in senior executive positions.

Personal development/training

We place a high value on personal development and we are keen to encourage the ongoing training and development of our employees. All employees take part in our six-monthly appraisal process, during which training and development needs can be identified. Where regulatory and legal requirements stipulate specific training, we provide tailored programmes to meet these requirements and employees are regularly assessed to ensure they have maintained their Continued Professional Development and have demonstrated competence for the role they perform.

In this way, we are able to equip employees with the necessary tools to allow them to maximise their performance in their role and assist them in the achievement of objectives. We also support employees who wish to gain a relevant professional qualification, both through on the job training and through sponsorship of external courses.

Health and safety

The Board has the responsibility to ensure that all reasonable precautions are taken to provide and maintain working conditions which are safe and healthy and that comply with all statutory requirements and all legally binding codes of practice.

Our Health and Safety policy aims to prevent accidents and to maintain the health of employees whilst at work. The prime responsibility for a safe and healthy place to work rests with the Company, however, each employee also has a personal responsibility in this respect.

3 Environment

In common with service industry companies in general, the direct environmental effects of our operations largely relate to facilities management.

Energy: Jupiter has implemented energy-saving and recycling initiatives within the workplace. All staff have been encouraged to shut down computers and switch off printers, faxes and photocopiers at the end of each working day, or when they will not be used for an extended period of time. This includes unplugging unused chargers and switching off computer monitors not in use for 20 minutes or longer.

In August 2011 a Printer Management System was implemented. Jupiter introduced 28 energy-efficient multi-purpose machines, which incorporated scanners, photocopiers and printers. These replaced 98 older, less energy-efficient machines.

Video and audio conferencing is in use to reduce staff travel. Cycle racks, showers and changing facilities are provided to encourage employees to cycle to work, as well as a Ride2work scheme.

During 2011, most light fittings were fitted with energy efficient light bulbs and in 2011 all the hot water boilers in the meeting room suite and kitchenettes were replaced with more energy-efficient models and fitted with electronic on/off timers.

Materials: Default double-sided printing is in place.

Waste: In 2011, 105 tonnes of waste was recycled out of the 210 tonnes produced by the whole building. In addition, approximately 9 tonnes of paper waste was recycled by Jupiter. All staff kitchens were fitted with recycling bins in February 2010, allowing staff more easily to recycle cans, plastic bottles, glass and batteries. All printer and toner cartridges are recycled. ICT equipment is disposed of either through a third party ('Icex', applying the WEEE directive).

Carbon survey: We have recently commissioned an update to the 2011 carbon footprint study. This will help us to minimise our carbon emissions.

4 Community

Charitable giving

Our charitable giving is focused on employees being able to direct giving rather than being driven by corporate level decisions. We operate a company-wide matched giving scheme, for which all UK employees are eligible. We encourage our employees to make direct contributions to their nominated charities. This has the benefit of ensuring our giving is spread across a wide range of charitable activities and organisations with which our employees have a close affinity.

Our matched giving programme operates through both a GAYE scheme (which is double-matched) and by matching funds raised through participating in fund raising events for charity. We are extending the double matching scheme into the 2012/13 tax year and this will enable employees to double-match charitable donations up to a total contribution from Jupiter of £800 per employee per year.

In 2011 Jupiter employees worked together to raise funds for many charities. Jupiter's Movember team raised over £70,000 for the Movember charity, making Jupiter the highest fund-raising UK team for this event. Employees were also involved with initiatives as diverse as the Jupiter Bake-Off for the Oxfam East Africa appeal, the 8 hour Cyclothon race for the RFU's Injured Players Foundation, the London Poppy Day Appeal and the Japan Tsunami Appeal. Along with our regular programme of activity, including the Crisis at Christmas Card Challenge and Jeans for Genes, in 2011 donations totalled £86,000 (2010: £64,000).

Awards

We have built a reputation for outperformance and meeting the needs of our clients.

Our reputation has enhanced our position as one of the biggest brands in the UK asset management sector. Our fund managers continue to achieve independent recognition for their capabilities, both in the UK and increasingly, in international markets.

In February 2012, fund analysts Financial Express announced that 12 Jupiter managers had been awarded 'alpha manager' status, more than any other UK asset manager.

The managers of the Jupiter Merlin fund of fund portfolios won several accolades during the year, including the Money Marketing Best Multi-manager/multi-asset provider award – the third year in a row they have achieved this. The team also won the Best Multi Asset Provider in the Professional Adviser awards and were recognised as OBSR's outstanding investors of 2011 – an award that can only be won once in an individual's career.

Our European equity team won several awards during 2011, both in the UK and Europe. Cedric de Fonclare won the Morningstar Cash Fund Awards Europe Small & Mid Cap Equity award, the Lipper Equity Europe award (five years) and was awarded two gold medals by Sauren for his management of the Jupiter European Growth fund (SICAV). He also won the Morningstar European Equities Fund Manager of the Year award and the Lipper Equity Europe ex UK award over 10 years for his management of the Jupiter European Special Situations unit trust.

Alexander Darwall, head of the European equities team at Jupiter also picked up a number of awards. He won both the Investment Week Investment Trust of the Year award and the Moneywise Investment Trust award for his management of the Jupiter European Opportunities Trust. He also won two gold medals in the 2011 Sauren awards.

Miles Geldard, who joined Jupiter in 2010 achieved significant recognition in the Sauren awards, winning the coveted Golden Award for 'Comeback of the Year', with a further three medals in the Convertibles category and two gold medals in the Absolute Return category. In addition, Philip Gibbs won three gold medals in both the Absolute Return and Financial Equities categories while Elena Shaftan won one gold medal in the Emerging Europe category.

In October, our private client team won the 'Best Medium-sized Firm' in the Citywire Wealth Manager Investment Performance Awards 2011 – the second year in a row. This followed their award for Best Growth Manager in the FT/Investors Chronicle Wealth manager awards.

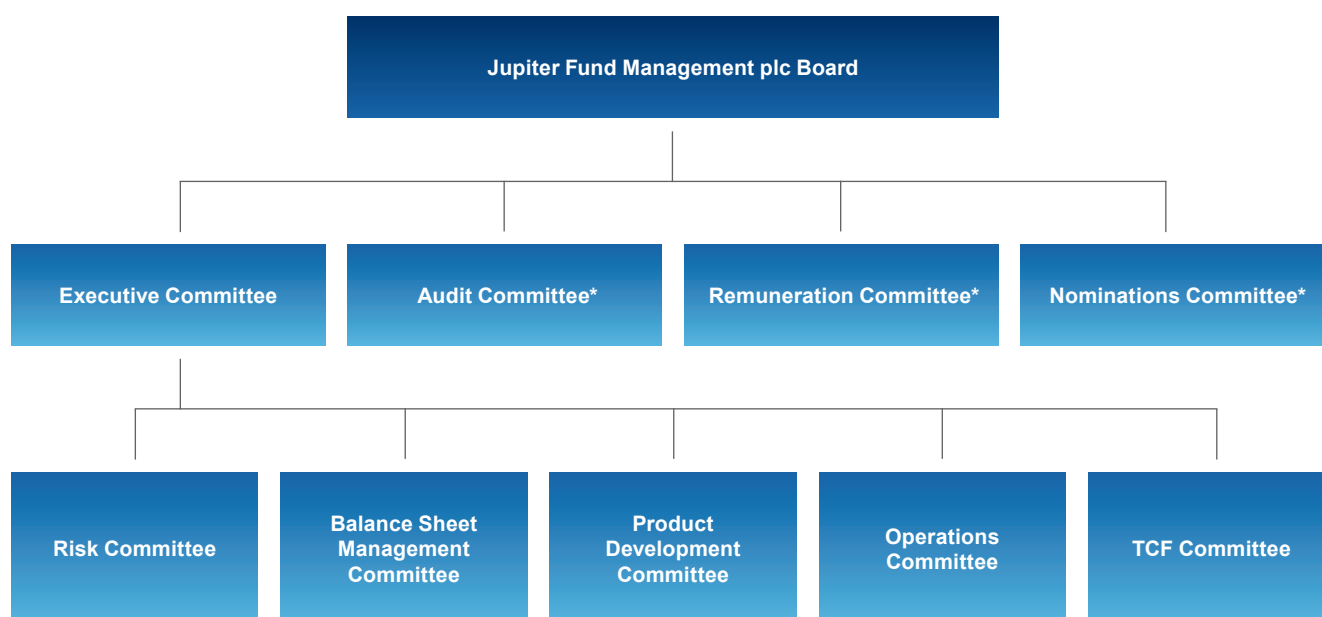
Our communications team was also recognised during 2011, winning the CorpComms Financial and Business Media award for successfully transitioning from a predominantly retail investment-focused PR team to a fully-fledged corporate communications department following our Listing in June 2010.

These awards underpin our reputation as a highly respected and world class investment management business. The strength of our investment culture and our ability to attract and retain some of the most talented fund managers in the UK ensures our focus remains on delivering significant value to our investors and shareholders.

30	Risk management and internal controls report
33	Directors' responsibility statement
34	Directors' profiles
36	Corporate governance report
40	Remuneration report
50	Audit Committee report
52	Nomination Committee report
53	Directors' report

Risk management and internal controls report

The Board is accountable for risk and is responsible for oversight of the risk management process.



* Board Committees composed of non-executive Directors of Jupiter Fund Management plc.

Risk management and internal controls report

Risk management framework

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

The Board has established a committee structure to assist in the discharge of its responsibilities, namely the Audit, Remuneration and Nomination Committees. Details of each of these Board Committees and the members, roles and activities thereof are detailed in separate reports. Each Committee reports to, and has terms of reference approved by the Board. The minutes of the Committee meetings, where appropriate, are circulated to, and reviewed by, the Board.

The Executive Committee has operational responsibilities for developing the business in accordance with the strategy and objectives set by the Board. In late 2010, it formed an executive Risk Committee chaired by the Chief Financial Officer, to oversee the risk and control framework within the Group and the independent monitoring and reporting of risk and controls.

The Risk Committee is attended by all members of the Executive Committee, together with the Heads of Compliance, Operational Risk and Investment Risk and is responsible for the oversight of strategic, operational and investment and counterparty risks within a coherent and manageable structure. During 2011, it established a separate Counterparty Review Group to assist with monitoring counterparty exposures and setting limits, at both a corporate and fund level.

Executive committee structure

A description of each of the individual executive committees involved in the oversight of risk is set out below.

Executive Committee

The purpose of the Committee is to provide an efficient forum for discussion and decision making regarding the development of the business in accordance with the strategy and objectives set by the Board. The minutes from this meeting are made available to the Chairman of the Board. The Committee meets weekly with one meeting every fortnight having a formal agenda and minutes. The following committees report to the Executive Committee.

- Risk Committee
- Balance Sheet Management Committee
- Product Development Committee
- Operations Committee
- TCF Committee

Risk Committee

The Committee provides support to the Executive Committee on the establishment, implementation and maintenance of adequate risk management policies and procedures. In particular, it advises the Executive Committee on:

- the appropriate level of risk to be tolerated by the Group ("risk appetite/tolerance");
- the management of risks within the determined risk tolerances; and
- the effectiveness of risk management processes across the business, including compliance with such policies and any remedial action, where required.

The Committee reviews the Group's primary risk exposures (with consideration of impact and probability assessments) in the context of the Board's tolerance thresholds and ensures that the governance arrangements within the Group are effective in the mitigation of risk.

The scope of the Committee's remit encompasses risk control issues facing the Group in relation to operational risk, investment risk (including counterparty) and new product risks (competency and capacity aspects).

The Risk Committee is supported by the Operational Risk department, which provides assurance to internal and external stakeholders on the Group's risk management activities. It is an independent function that supports and challenges the business on their assessment of risks and controls.

Balance Sheet Management Committee

The Balance Sheet Management Committee provides support to the Executive Committee on the establishment, implementation and maintenance of adequate balance sheet management policies and procedures. It advises the Executive Committee, on both a current and forecast basis, on the areas under its remit, as well as reviewing the risk and control issues facing the Group in those areas.

Product Development Committee

The purpose of the Committee is to ensure that the proposals submitted for approval have been adequately considered to enable a decision in principle to proceed or not proceed, as the case may be. TCF is an integral part of the Committee's deliberations in respect of sign off, implementation and post launch analysis. This applies to all of Jupiter's product range, including UK unit trusts, SICAVs, hedge funds and investment companies.

Operations Committee

The purpose of the Committee is to provide a forum through which senior operational management from across the business can discuss operational issues and changes to the business. The Committee considers any significant errors occurring during the year and any pertinent risk assessment findings from the Operational Risk function. The Committee reviews Health & Safety risks and practices and any incidents that have occurred.

TCF Committee

Through its sub-committees, the Committee seeks to ensure that funds managed by the Group and services provided to private clients are operated and undertaken in a manner consistent with TCF obligations. The TCF (Funds) sub-committee considers the extent to which product launches and enhancements have met the Group's TCF obligations. It meets quarterly and considers available management information (including performance, target audience, distribution approach, market share analysis, subscription and redemption patterns, administrative statistics and complaint data) to consider whether the products continue to meet the general needs of the target audience they were designed for and whether the performance is in line with what we expected and communicated to distributors at the time of sale. The TCF (Clients) sub-committee considers the private client reporting arrangements to ensure that services being provided to private clients are consistent with TCF objectives and that poor customer outcomes are being avoided. It meets quarterly and receives a pre-determined suite of reports and management information.

Approach to risk

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

1. Strategic risk: the risk that the Group is unable to meet its strategic objectives due to matters inherent in the nature of our business or the markets in which we operate;
2. Operational risk: the risk of loss caused by weaknesses or failures in the Group's systems and controls, related to people, systems and process. These include risks arising from failing properly to manage key outsourced relationships;
3. Liquidity risk: the risk that the Group may be unable to meet its financial obligations;
4. Capital risk: the risk that the Group may lack sufficient capital to be able to continue to operate as a going concern;
5. Counterparty/credit risk: the risk of loss caused by the corporate failure of one of the trade, prime brokerage or treasury counterparties to which the Group may be exposed, or by a custodial institution with which the Group has a relationship; and
6. Regulatory/reputational risk: the risk of censure due to the Group's failure to meet its regulatory obligations, which may lead to reputational damage, a monetary fine or, ultimately, the withdrawal of its licence to carry on business.

Depending on the risk category, the monitoring of these internally will be owned by the Risk Committee or the Balance Sheet Management Committee. If the latter has any concerns, these will then be considered by the Risk Committee as well.

Internal control

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

The Board, with the assistance of the Audit Committee, carried out its annual assessment of the effectiveness of internal controls during 2011 using the following to support its conclusion:

- reports from the Compliance Director on the control environment within the Group, highlighting any major instances of non-compliance and the actions being taken to remedy such non-compliance;
- reports provided by the Compliance Director setting out the key risks faced by the Group and, where appropriate, quantifying these exposures and the corresponding control mitigation in place within the Group;
- an annual report from the Compliance Director on the effectiveness of the risk assurance arrangements in place within the Group;
- reports from the Group General Counsel outlining the Group's legal and litigation risks;
- reports from the Internal Audit function on key control and governance issues arising from their review programme;
- an annual report from the MLRO on the anti-money laundering and fraud prevention (financial crime) measures in place within the Group;
- a report from an external audit firm on the internal control framework in place within the Group (AAF01/06).

The Board is of the view that there is an ongoing process for identifying, evaluating and managing the Group's significant risks that:

- was in place for the year ended 31 December 2011 and up to the date of approval of the Annual Report and Financial Statements;
- is regularly reviewed by the Board and complies with the Financial Reporting Council's revised guidance for Directors on internal control.

The Board is also of the view that:

- necessary actions have been, or are being, taken to remedy any significant failings identified as part of the ongoing risk management process.
- no significant weaknesses were identified during the year.

Key contracts

Jupiter has three material outsourced relationships with third-party organisations: The Northern Trust Company ('Northern Trust'), International Financial Data Services ('IFDS') and HSBC Security Services ('HSBC').

HSBC provides services relating to trading, reconciliation, reporting and record keeping, foreign exchange, corporate action and income entitlement activities.

IFDS provides a number of services, including dealing and registration processing, box management, agent and distributor services, enquiries handling, client accounting and reconciliations, distribution processing and tax and regulatory reporting.

Northern Trust provides custody and transfer agency services.

The activities of these third parties are defined in service level agreements and the organisations are closely monitored to ensure that service delivery standards are met.

Additionally, the Group entered into a facilities agreement with The Royal Bank of Scotland plc on 17 March 2007. Further details of this agreement can be found in the loans and borrowings note in the financial statements.

Assurance process

The control environment in place across the Group is reviewed during the course of a year by one or more of the three assurance functions (Compliance, Operational Risk and Internal Audit) and assurance reports provided to senior management, the Board and Audit Committee as appropriate.

On an annual basis, Jupiter commissions the external audit firm to perform testing of integrity of aspects of the Group-wide control environment. Jupiter has adopted the International Standard on Assurance Engagements (ISAE) 3402 together with AAF 01/06 as recommended by the Institute of Chartered Accountants of England and Wales in the November 2010 technical release of AAF 01/06. The results of this testing, including any exceptions identified, are made available to our institutional and investment trust clients.

Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and Accounts, the Directors' Remuneration report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and parent Company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. In preparing these financial statements, the Directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs, as adopted by the European Union and IFRSs issued by IASB, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulations. They are also responsible for safeguarding the assets of the Company and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed in the Directors' profiles, confirms that, to the best of his or her knowledge:

- the Group and Company financial statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group; and
- the Directors' report contained in the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

In accordance with Section 418, Directors' reports shall include a statement, in the case of each Director in office at the date the Directors' report is approved, that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Philip Johnson
Chief Financial Officer
23 March 2012

Directors' profiles

Jamie Dundas



Lorraine Trainer



Edward Bonham Carter



Matteo Dante Perruccio



John Chatfeild-Roberts



Michael Wilson



Jon Little



Philip Johnson



Liz Airey



Richard I. Morris Jr.



Jamie Dundas**Non-executive Chairman**^{R,N}

Jamie Dundas was appointed as non-executive Chairman of the Group in January 2008. Jamie is a non-executive Director of Standard Chartered plc and is Chairman of its Board Risk Committee. He was a non-executive Director of J Sainsbury plc between 2000 and 2007 and of Drax Group plc between 2005 and 2010. After being called to the Bar, Jamie's early career was in banking at Morgan Grenfell, where he became Head of Corporate and International Banking. He was subsequently Finance Director of the Hong Kong Airport Authority and Chief Executive of UK-based property company, MEPC. He is deputy President (formerly Chairman) of Macmillan Cancer Support.

Edward Bonham Carter**Group Chief Executive**

Edward Bonham Carter joined Jupiter in 1994 as a UK fund manager after working at both Schroders (1982-1986) and Electra Investment Trust (1986-1994). Edward was appointed Chief Investment Officer in 1999 and Joint Group Chief Executive of Jupiter Investment Management Group Limited in May 2000. Edward became Group Chief Executive of the Company in June 2007 and relinquished his role as Chief Investment Officer in February 2010.

John Chatfeild-Roberts**Chief Investment Officer**

John Chatfeild-Roberts joined Jupiter in March 2001 to establish and lead the team running the Jupiter Merlin portfolios; he also managed the Jupiter Global Managed Fund from November 2001 to November 2010. He started his fund management career at Henderson Administration plc (1990-1995) where latterly he ran the fund of funds unit. This was followed by a move to Lazard Brothers Asset Management; here he established their multi-manager team before joining Jupiter. John was appointed Chief Investment Officer in February 2010.

Jon Little**Independent non-executive Director**^A

Jon Little was appointed a non-executive Director of the Company in September 2011. He started his asset management career at Fidelity from 1991 until 1997, when he joined JP Morgan Investment Management as Vice President, Head of International Funds and European Sub-advisory. In 2000 he joined Mellon Financial and, following the merger of Mellon with Bank of New York in 2007, he became Vice Chairman of BNY Mellon Asset Management. Between 2007 and 2008 Jon was Chairman of West LB Mellon Asset Management – BNY Mellon's Joint Venture with West LB and, from January 2007 to 2008, he was also Chairman of the Dreyfus Corporation in New York, a BNY Mellon subsidiary. Jon is a partner and founder of Northill Capital, a private investment business backed by one of Europe's largest family offices. Jon is also a non-executive Director of Alpha Strategic plc – an AIM listed investor in hedge fund managers.

Liz Airey**Senior non-executive Independent Director**^{A,N}

Liz Airey was appointed as the non-executive senior independent Director of the Company in May 2010. She served as Finance Director of Monument Oil and Gas plc from 1990 to 1999, when it was sold to Lasmo plc. She is currently a non-executive Director and Chairman of the audit committee of Tate & Lyle plc and Dunedin Enterprise Investment Trust plc and Chairman of the Unilever UK Pension Fund.

Lorraine Trainer**Independent non-executive Director**^{R,A}

Lorraine Trainer was appointed as a non-executive Director of the Company in May 2010 and has been a non-executive Director of the Board of Aegis Group plc since August 2005. She has held a number of human resource leadership roles in international organisations, focusing on performance and development. These include Citibank NA, the London Stock Exchange and Coutts, then part of the NatWest Group. She currently runs a business in Board advisory work and development.

Matteo Dante Perruccio**Independent non-executive Director**^R

Matteo Dante Perruccio was appointed a non-executive Director of the Company in October 2008. He started his career in financial services in 1986, spending six years at San Paolo IMI before moving to American Express Bank in 1992 as executive Director, Head of EMEA. In 2000, he moved to Pioneer Investment Management to head up the firm's international business before moving to work in Milan, a posting that culminated in his appointment in 2005 as CEO International/CEO Pioneer Investment Management SGR, Milan. Matteo left Pioneer in 2006 to take up the role of Co-Chief Executive at Olympia Capital Management in Paris and left in 2008 to found Hermes BPK Partners LLP, where he is currently Chief Executive and Founding Partner.

Michael Wilson**Non-executive Director**^{R,N}

Michael Wilson was appointed a non-executive Director of the Company in 2007 having been nominated by TA Associates, L.P. He is a managing Director of TA Associates, L.P. and formerly served on the Boards of Advisory Research, Chartered Marketing Services, EYP Mission Critical Facilities, K2 Advisors and United Pet Group. Prior to joining TA Associates, L.P. in 1992, Michael worked in Morgan Stanley's Telecommunications Group. In 1994, he joined Affiliated Managers Group, a TA-backed asset management platform company, as Vice President and a member of the founding management team. Michael currently also serves on the Board of Numeric Investors.

Philip Johnson**Chief Financial Officer**

Philip Johnson joined Jupiter as Chief Financial Officer in October 2009, with responsibilities for finance, tax, treasury, compliance, risk and investor relations. He started his career at Coopers & Lybrand, where he qualified as a chartered accountant. He left in 1996 to work in Prudential plc's group head office before transferring to M&G Limited in 2000. He spent eight years at M&G, with the last five as Group Finance Director, after which he worked at Marshall Wace LLP as Finance Director for a year, before joining Jupiter.

Richard I. Morris Jr.**Non-executive Director**

Richard Morris, Jr. was appointed a non-executive Director of the Company in 2007 having been nominated by TA Associates, L.P. He was previously Chief Operating Officer, President, and finally Vice Chairman of Putnam Lovell Securities Inc. (now part of Jefferies International) which he joined in 1997. Prior to joining Putnam Lovell, Richard served as President and Chief Executive Officer of Cursor Alliance LLC, a unit of Alliance Capital Management LP (now AllianceBernstein LP). Richard is currently a non-executive Director of Arrowstreet Capital LP, DNCA Finance SA and serving as an adviser to TA Associates, L.P.

^R Member of the Remuneration Committee^A Member of the Audit Committee^N Member of the Nomination Committee

Corporate governance report

Jupiter's ordinary shares are listed on the London Stock Exchange. The Corporate Governance rules that applied to the Company during the year are contained in the UK Corporate Governance Code (the 'Code'), as adopted by the Financial Reporting Council ('FRC') in 2010 (www.frc.org.uk/corporate). The Financial Services Authority Listing rules require the Company to set out how it has applied the main principles of the Code and explain any non-compliance.

The report, including the reports from the Audit Committee, Remuneration Committee and Nomination Committee, describes how the Board has applied the principles of the Code during the year.

Statement of Compliance

Throughout the year the Company has applied the main principles and complied with the provisions of the Code, with the following exceptions:

- The Code recommends that at least half the members of the Board (excluding the Chairman) should comprise independent non-executive Directors. The Board currently consists of ten members, being three executive and seven non-executive Directors, four of whom (excluding the Chairman) are regarded as independent. The Board do not consider Richard I. Morris, Jr. and Michael Wilson to be independent under B.1.1 of the Code. Jon Little was appointed as an independent non-executive Director on 12 September 2011 and this moves the proportion of independent non-executive Directors closer to meeting this Code requirement.
- The Code recommends that non-executive Directors should be appointed for specific terms. However, Richard I. Morris, Jr. and Michael Wilson, who were both nominated by TA Associates, L.P., have been appointed as non-executive Directors of the Company for indefinite periods, subject to three months' notice of termination by either the Company or the non-executive Director. Further details of their appointments are set out on page 35.
- The Code recommends that the Chairman of the Board should not be the Chairman of the Remuneration Committee. Jamie Dundas chaired the Remuneration Committee until 19 May 2011, (in addition to being Chairman of the Board), when he was replaced by Lorraine Trainer as Chairman.
- The Code recommends that at least three members of the Remuneration Committee should be independent non-executive Directors. The Remuneration Committee comprises two independent non-executive Directors, the Chairman of the Board, who was independent at the time of appointment for the purposes of the Code, and Michael Wilson.
- The Code recommends that the majority of the Nomination Committee should be independent non-executive Directors. The Nomination Committee comprises one independent non-executive Director, the Chairman, who was independent at the time of appointment for the purposes of the Code, and Michael Wilson.

Where the Company has not complied with the Code, the Board considers that it is not practical to do so, given the provisions of the Relationship Agreement between TA Associates, L.P. and the Company, without having a Board of unwieldy size.

The Board

Role

The Board is responsible for the leadership and success of the Company. It provides entrepreneurial leadership within a framework of effective controls which allows risk to be assessed and managed. The Board has ultimate responsibility for setting the overall strategy and long-term direction of the Company. It has a formal schedule of matters reserved for its decision. The roles of the Chairman and Chief Executive are separate and there is a clear division of responsibilities between the two roles. The Chairman is primarily responsible for leading the Board, ensuring its effectiveness and setting its agenda, whereas the Chief Executive is responsible for the day-to-day management of the Company's business. Certain responsibilities are delegated to Board committees which assist the Board in carrying out its functions.

Beneath the Board there is in place a clear and appropriate apportionment of responsibilities amongst the executive Directors and senior managers so that the business can be effectively managed and monitored.

Board balance and independence

The Board is made up of ten members, comprising the Chairman, three executive Directors and six other non-executive Directors. The biographical details of the Directors appear in the Directors' profiles section. Four members of the Board – Liz Airey, Jon Little, Lorraine Trainer and Matteo Dante Perruccio – are free of any relationship which could materially interfere with the exercise of their independent judgement and have been identified as independent, as was the Chairman on appointment, for the purposes of the Code. Liz Airey is the Senior Independent Director. Jon Little was appointed as an independent non-executive Director on 12 September 2011.

Richard I. Morris, Jr. and Michael Wilson, each of whom was nominated by TA Associates, L.P. (which held 19.03 per cent. of the issued share capital of the Company as at 14 March 2012) are the only non-executive Directors who do not meet the criteria of independence set out in the Code.

The Board considers each of its non-executive Directors to be independent in both character and judgement and no one individual or group of individuals dominates the Board's decision making. The non-executive Directors constructively challenge and help develop proposals on strategy, and bring strong independent judgement, knowledge and experience to the Board's deliberations.

Diversity

It is seen as a prerequisite that each member of the Board must have the skills, experience and character that will enable each Director to contribute individually, and as part of the Board team, to the effectiveness of the Board and the success of the Company. Subject to that overriding principle, diversity of experience and approach, including gender diversity, amongst Board members is of great value, and it is the Board's settled policy to give careful consideration to issues of overall Board balance and diversity in making new appointments to the Board. Women Directors currently constitute 20 per cent. of the Board. Subject to overriding principles and other factors, the Board will aim to maintain female representation on the Board at least at the current level, and increase the level if appropriate candidates are available when Board vacancies arise. A copy of the full statement on Board Diversity is available at www.investorsjupiteronline.co.uk

Operation of the Board and Meeting attendance

The Board meets regularly during the year, as well as on an ad hoc basis as necessary. A rolling 12-month programme of items for discussion by the Board is prepared to ensure that all key issues and statutory matters are considered during the year, which includes approving the Group's strategy and annual budget. The Board held nine scheduled meetings during the year.

To enable the Board to function effectively and to assist Directors to discharge their responsibilities, a comprehensive set of papers is provided for Board and Committee meetings. These include regular business progress reports, budgets, financial statements and shareholder information. In addition, non-executive Directors meet with senior management on a regular basis. The Company Secretary manages the provision of information to the Board, in consultation with the Chairman and Chief Executive. He facilitates the induction of new Directors and assists with their personal development as required. He also seeks to ensure Board procedures are complied with, that applicable rules and regulations are followed and reports to the Chairman on matters of corporate governance.

The Board requires all Directors to devote sufficient time to their duties and to use their best endeavours to attend meetings. The attendance of each Director at Board and Committee meetings in 2011 is detailed in Table 1. The Chairman held two meetings during the year with the non-executive Directors without the executive Directors present.

Conflicts of Interest

The Articles of Association permit the Board to consider, and if thought fit, to authorise situations where a Director has a conflict or potential conflict of interest in relation to the Group. The Board has established a formal system whereby conflicts, and potential conflicts, can be recorded by each Director and authorised by the Board. Conflicts of interest are included as an agenda item at each Board meeting. When authorising conflicts or potential conflicts of interest, the Director concerned is required not to take part in the Board's decision making. Non-conflicted Directors are required to act in a way they consider would be in the best interests of the Company and most likely to promote the success of the Company. These procedures on conflicts of interest have been followed throughout the year and the Board considers that they have operated effectively.

Board Committees

Audit, Remuneration and Nomination Committees

The Board has established a committee structure to assist in the discharge of its responsibilities. Details of each of the Audit, Remuneration and Nomination Committees, and the members, roles and activities thereof are detailed in separate reports. Each Committee reports to, and has terms of reference approved by, the Board. The minutes of the Committee meetings, where appropriate, are circulated to, and reviewed by, the Board.

The current members of the Audit Committee are Liz Airey, Jon Little and Lorraine Trainer, all being independent non-executive Directors. Liz Airey is Chairman of the Committee. Jon Little was appointed to the Audit Committee on 13 October 2011 and Matteo Dante Perruccio stepped down as a member on the same day. The attendance of the individual Committee members at Audit Committee meetings in 2011 is detailed in Table 1.

The Remuneration Committee comprises four non-executive Directors, namely Lorraine Trainer, Matteo Dante Perruccio, Jamie Dundas, the Chairman of the Board (who was independent at the time of appointment for the purposes of the Code) and Michael Wilson, a non-executive Director nominated by TA Associates, L.P. Lorraine Trainer replaced Jamie Dundas as Chairman of the Committee on 19 May 2011 after the Annual General Meeting. The attendance of the individual Committee members at Remuneration Committee meetings in 2011 is detailed in Table 1.

The Nomination Committee comprises three non-executive Directors, namely Jamie Dundas, (who was independent at the time of his appointment for the purposes of the Code), Liz Airey and Michael Wilson, a non-executive Director nominated by TA Associates, L.P. The attendance of the individual Committee members at Nomination Committee meetings in 2011 is detailed in Table 1.

The terms of reference of the Audit, Remuneration and Nomination Committees are available on the Company's website www.investorsjupiteronline.co.uk.

Board effectiveness

Appointments

There is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. Candidates are identified and selected on merit against objective criteria and with due regard to the benefits of diversity on the Board, including gender. This process was followed during the recruitment of Jon Little, described in the Nomination Committee report set out on page 52.

Induction and development

On appointment, Directors are given an introduction to the business, including meetings with senior management and advisers. The Chairman is responsible for ensuring that induction and training programmes are provided. Specific training requirements of Directors are met either directly or by the Company through legal/regulatory updates. Non-executive Directors also have access to externally run programmes. Individual Directors are also expected to take responsibility for identifying their training needs and take steps to ensure that they are adequately informed about the Company and their responsibilities as a Director.

Directors have access to independent professional advice at the Company's expense where they judge this to be necessary to discharge their responsibilities as Directors. All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with, and to the Chairman on matters of corporate governance.

Evaluation

The Board recognises that a continuous and constructively critical evaluation of its performance is an important component of the Group's success.

This year, the Board decided to commission an externally facilitated review of its own effectiveness. This was carried out in December 2011 and January 2012, and was led by Sheena Crane, an external consultant with wide experience in Board review matters. The review process covered not only the Board, but also the Audit, Remuneration and Nomination Committees. All Directors, executive and non-executive, participated in one-to-one interviews. The results were discussed by the Board, and will form the basis for our action plan to further develop the Board's effectiveness. In the context of what was found to be a well-structured Board and governance system, several themes for improvement emerged from the review. In particular, the action plan will focus on maximising the effectiveness of the annual strategy development process; alignment between executive risk management processes and Board approved risk appetite; and on Board involvement in succession planning and talent management. Elements of the action plan will fall within the remit of the main Board Committees. As well as the major themes highlighted above, the review suggested a range of procedural improvements around such matters as continuing training or induction for non-executive Directors and the structure of Board papers and agenda. All of these matters are addressed in an action plan to further develop the Board's effectiveness that will be implemented during the current year.

With regard to the performance of individual Directors, relevant input from the Board Effectiveness review was fed in to the Nomination Committee process described on page 52. The Chairman's performance was reviewed by non-executive Directors taking into account the views of the executive Directors. These processes fully supported the recommendations that all Directors should be proposed for re-election at the forthcoming Annual General Meeting.

Number of Meetings (Table 1)

	Board 9	Audit 7	Remuneration 8	Nomination 3
Jamie Dundas	9(9)	–	8(8)	3(3)
Liz Airey	9(9)	7(7)	–	3(3)
Edward Bonham Carter	9(9)	–	–	–
John Chatfeild-Roberts	8(9)	–	–	–
Philip Johnson	9(9)	–	–	–
Jon Little**	2(2)	1(1)	–	–
Matteo Dante Perruccio*	9(9)	4(6)	7(8)	–
Lorraine Trainer	8(9)	7(7)	8(8)	–
Richard I. Morris Jr.	9(9)	–	–	–
Michael Wilson	9(9)	–	8(8)	3(3)

Note: maximum possible number of meetings to be attended in brackets.

*stepped down as Audit Committee member on 13 October 2011.

**appointed to the Board on 12 September 2011 and became an Audit Committee member on 13 October 2011.

Succession planning and Board appointments

The Nomination Committee is responsible for both executive and non-executive Director succession planning and recommends new appointments to the Board. When making Board appointments, the Board seeks to ensure that there is a diverse range of skills, background and experience, including industry experience.

Director re-election

All Directors appointed by the Board are required by the Company's Articles of Association and the Code to be elected by shareholders at the first Annual General Meeting following their appointment by the Board. Jon Little will seek election at the Annual General Meeting having been appointed to the Board during the year. In addition, and in accordance with the Code, all the remaining Directors will seek re-election at the Annual General Meeting. Following the performance evaluation described above, the Board believes that the individuals continue to be effective members of the Board and to demonstrate commitment to their roles and that their respective skills complement each other to enhance the overall operation of the Board.

Shareholder relations

Communication with shareholders is given a high priority and the Company undertakes a regular dialogue with major shareholders, fund managers and analysts. The Chief Executive and the Chief Financial Officer meet with major shareholders, as appropriate, during the course of the year, in particular following the announcement of the year-end and interim financial results. The Chairman stands ready to maintain a dialogue with shareholders on strategy, corporate governance and Directors' remuneration as required. The Chairman has communicated with major shareholders to ascertain whether there were any issues that shareholders wished to be communicated to the Board. Communication with shareholders ensures that members of the Board, and in particular the non-executive Directors, develop an understanding of the views of the major shareholders about the Company.

Presentations to analysts are simultaneously posted on the Company's website at www.investorsjupiteronline.co.uk. The Senior Independent Director is available to meet shareholders on request if they have concerns that contact through the normal channel or communication through the Chairman has failed to resolve, or for which such a contact is inappropriate.

The Directors receive a report at Board meetings giving information on the changes in shareholders and any feedback from the Company's brokers and investors.

The Annual General Meeting provides the Board with an opportunity to communicate with, and answer questions from, private and institutional shareholders and the Board will be available at the meeting for shareholders to ask questions. The Chairman of each of the Audit, Remuneration and Nomination Committees will be available at the Annual General Meeting to answer questions.

Internal control and risk management

The Board is responsible for establishing and maintaining the Group's system of internal control and for reviewing its effectiveness on a regular basis. A report describing the existing systems of internal control the Group has in place is set out in the Risk management and internal control report. In accordance with the Code, the Board and the Audit Committee have reviewed the effectiveness of the internal control system, including financial, operational and compliance controls and risk management, for the period 31 December 2011 to 23 March 2012 (the date of approval of the annual report). No significant failings or weaknesses were identified during this review. However, had there been any such failings or weaknesses, the Board confirms that necessary actions would have been taken to remedy them.

Remuneration report

Introduction by the Chairman of the Remuneration Committee

I am pleased to present the Remuneration Report for 2011, Jupiter's first full year as a listed company. It is also my first report as Chairman of the Remuneration Committee following my taking on the Chairmanship from Jamie Dundas in May 2011.

2011 was a positive year for Jupiter. Despite the challenges presented by market conditions, Jupiter continued to make progress in terms of asset gathering, fund performance and business development.

Our emphasis on variable pay through the bonus scheme and employee equity participation to reward employees for the success of Jupiter and align employees' interests with those of shareholders has served the Company well for many years and this has continued following Listing.

The Remuneration Committee believes that the variable pay structure addresses many of the concerns surrounding executive pay. Jupiter rewards good performance and ensures that employee remuneration is in line with achievements. To this end, fixed pay at Jupiter continues to be targeted at the market median and is also subject to a salary cap of £250,000 per annum. By keeping fixed costs down and rewarding through variable pay, employees' interests are aligned with those of shareholders.

Bonuses are paid for performance and individuals will receive no bonus if their performance is poor. Given its salary policy, Jupiter does not cap bonus amounts payable to any one individual as this enables high performers to be rewarded in line with the market on a total cash basis. The bonus pool is linked to, and effectively capped by, the profits of the Company. While individual levels of pay and bonus reflect the contribution of each employee to Jupiter, all other contractual benefits are standard for all employees, including the level of pension contributions.

It has long been Jupiter's practice to require employees to defer a significant element of large bonuses and it is intended that this practice will continue.

A number of senior employees, including the executive Directors, have large equity holdings under pre-Listing arrangements. These pre-Listing holdings relate to the MBO of the Company in 2007 and, while included in the Remuneration report in accordance with statutory requirements, represent personal investment by the employees in relation to the MBO rather than being part of listed company remuneration. For the sake of clarity, the MBO shares (Tables 6 and 7) and the post-Listing LTIP (Table 8) are identified separately in the report.

Ongoing equity participation for senior employees following the Listing is provided through the LTIP. Employee equity participation has continued following Listing with the Sharesave 2011 invitation increasing employee participation in the Sharesave to 78 per cent. of eligible employees. We believe that employee equity participation through the LTIP and Sharesave will continue to motivate our employees, support the delivery of our strategic growth objectives and help to attract additional talent.

This report describes Jupiter's remuneration policy in further detail and gives information on the compensation arrangements for Directors for the year ended 31 December 2011. This report has been prepared on behalf of the Board in accordance with the requirements of the Companies Act 2006, Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 and the UK Corporate Governance Code (the "Code").

Lorraine Trainer
Chairman of the Remuneration Committee

Role, composition and practice of the Remuneration Committee

Role of the Remuneration Committee

The Committee assists the Board in discharging its responsibilities in relation to remuneration, including:

- determining and agreeing with the Board the overarching policy for the remuneration of the Group's employees and ensuring it is structured in a way that aligns reward with performance and shareholder interests, as well as promoting effective risk management;
- determining the overall size of the annual incentive pool, taking into account all relevant factors, including the profitability of the business, the performance of the Group, the assessment of the Group's financial and non-financial performance against targets and any constraints around total remuneration spend. These factors include the level of risk taken to achieve performance;
- approving the design of, determining targets for and monitoring the operation of, the performance related pay schemes operated by the Group and approving the total annual payments made under such schemes;
- determining the individual remuneration and benefits package of each of the Chairman of the Company, the executive Directors, each member of the Executive Committee and such other senior executives and fund managers as the Remuneration Committee may designate; and
- reviewing objectives, considering performance and approving bonus proposals for FSA Remuneration Code Staff. FSA Remuneration Code Staff include senior management, heads of control functions and other significant risk-takers, including those registered with the FSA as persons who perform a Significant Influence Function (as defined in the FSA Rules).

The remuneration of all non-executive Directors other than the Chairman is a matter for the Chairman and the executive members of the Board.

The Committee's terms of reference are available on the Company's website and the Chairman of the Committee will be available at the Annual General Meeting to answer any questions about the work of the Committee.

Composition of the Remuneration Committee

Lorraine Trainer is the Chairman of the Remuneration Committee, having been appointed in the place of Jamie Dundas from 19 May 2011. The Remuneration Committee comprises two non-executive Directors (namely, Matteo Dante Perruccio and Lorraine Trainer) who have been identified as independent, Jamie Dundas, the Company's Chairman (who was independent at the time of appointment for the purposes of the Code), and Michael Wilson, a non-executive Director nominated by TA Associates, L.P. Michael Wilson is a member of the Remuneration Committee by virtue of the agreement with TA Associates, L.P. whereby they are entitled to nominate a non-executive Director to the Remuneration Committee until the earlier of: (i) the percentage of the ordinary shares of the Company in issue from time to time owned by TA Associates, L.P. (together with its Associates) on an aggregated basis falls below 10 per cent.; and (ii) 24 months after Listing.

Frequency of meetings

In the year to 31 December 2011 the Remuneration Committee held eight meetings. The Committee's normal agenda and activities are planned on the basis of five scheduled meetings in each year.

Details of attendance at the Remuneration Committee meetings are set out in the Corporate Governance report.

Advisers

The Committee does not currently have external advisers, but is authorised to appoint such advisers if it considers this appropriate.

Remuneration policy

Jupiter recognises the importance of its employees to the success of the business. Consequently, Jupiter's remuneration policy is designed to be market competitive in order to motivate, aid staff retention, improve individual and corporate performance and align employee behaviour with the interests of shareholders. The remuneration policy is, therefore, a key driver of performance and a central element of corporate strategy. Benchmarking is used to ensure that total compensation is market competitive. Total cash (base salary plus annual cash bonus) and total compensation (total cash plus long-term incentive) are benchmarked to between market median and upper quartile. A range of benchmark data is used based on comparable investment management businesses.

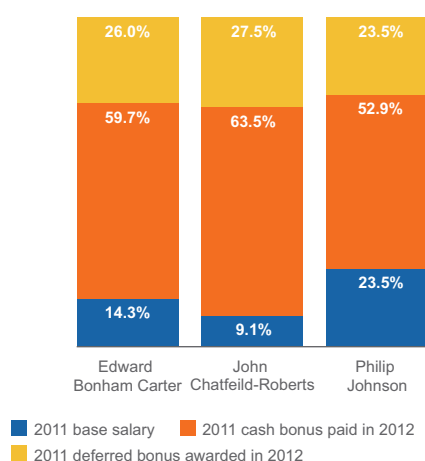
Jupiter's remuneration philosophy has a strong focus on variable compensation because the Directors believe that employees' and shareholders' interests are best served by containing fixed costs and increasing the proportion of total compensation that is directly performance related and, therefore, aligned with shareholders' interests. Risk is an important factor in the performance review process and is taken account of in the measurement of individuals' performance. In setting Directors' remuneration, the Committee also takes into account the pay and employment conditions of all Jupiter employees. In particular, this includes considering the bonus pool split between all functions of the Group.

The Remuneration Committee has considered the Remuneration Policy in the light of Environmental, Social and Governance risks and does not believe that it inadvertently motivates irresponsible behaviour.

The remuneration policy which applies to Directors and employees is based on the following key principles:

- a single remuneration policy is applied across the Group;
- alignment to effective risk management;
- the need to provide market competitive total compensation;
- differentiation by performance;
- an emphasis on variable, performance-driven remuneration to ensure affordability with salary generally at market median levels and bonus payments funded from retained profits;
- consistency with the FSA Remuneration Code;
- alignment with shareholders' interests through significant and widespread equity ownership; and
- clarity, transparency and fairness of process.

2011 Remuneration (Figure 1)



To illustrate how the remuneration policy works in practice, Figure 1 above identifies the executive Directors' 2011 remuneration split between fixed and variable elements and identifies the part of the remuneration which is deferred. The chart shows salary, cash bonus and DBP awards. For the avoidance of doubt, the LTIP award granted to Philip Johnson during 2011 is excluded from the chart.

Elements of reward

Consistent with these principles, the elements of Jupiter's total compensation package are:

Base salaries

The emphasis on variable pay will continue at Jupiter, with the aim of positioning base salaries at, generally, no more than what the Directors believe is median in the market. Salaries are reviewed annually against market benchmarks. Jupiter has a policy of capping base salaries at £250,000 per annum, with competitive positioning of total compensation achieved through the use of short and long-term incentives.

Annual bonus

Jupiter does not explicitly link incentive awards to a multiple of base salary, believing that any such linkage provides an incentive to increase base salaries, and thus fixed costs. The annual bonus policy is, and will continue to be, sufficiently flexible to allow for years of good and poor performance. Jupiter's policy is that the size of the bonus pool should be based on Jupiter's profitability. The Directors believe that this ensures that bonuses are affordable. When the performance of Jupiter, or of an individual, is such that no bonus is merited then the policy allows for the payment of no bonus.

Individual bonuses for all employees are determined based on a number of factors relating to the individual's role and performance. These include role specific measures such as investment performance for fund managers and sales performance for sales staff. Other measures are also applied more widely and, where appropriate, include risk and compliance behaviour, financial and non-financial measures, including profitability and cost control and individual, departmental and corporate performance against objectives and strategic goals.

Following Listing, deferrals have been and will continue to be effected through the DBP or as otherwise determined by the Remuneration Committee. Under the DBP significant proportions of senior management bonuses are deferred. The DBP offers the flexibility to allow deferrals into awards over ordinary shares or units in Jupiter's funds to ensure alignment of future risk exposure between management and shareholders. Awards will fully vest three years after the date of grant subject to a continuing employment requirement. No further performance conditions apply to DBP awards as, in determining the original bonus amount, the Remuneration Committee has been satisfied that performance objectives have been met. There is no matching award element to the DBP awards.

The percentage of bonus which is deferred is determined by the Remuneration Committee. For all staff, for the financial year ended 31 December 2011, there was a mandatory deferral of 100 per cent. of bonus between £100,000 and £150,000 and 30 per cent. of bonus in excess of £150,000.

The awards granted under the DBP in 2011 (in respect of 2010 performance) took the form of nil cost options to acquire ordinary shares, which are exercisable for three months following the vesting date.

Performance fee incentives

A number of fund managers have a contractual entitlement to a share of any performance fees they generate on the funds they run. This arrangement aligns the interests of the Group, its clients and fund managers. No Director is eligible to receive performance fee incentives.

LTIP

The LTIP was adopted by the Board in June 2010, in preparation for Listing.

All employees, including executive Directors of Jupiter, are eligible to participate in the LTIP. Awards are made at the discretion of the Remuneration Committee and may be granted in the form of options (either at market value or nil-cost), restricted shares or conditional share awards over ordinary shares. Awards will normally vest on or after the third anniversary of the date of grant subject to a continuing employment requirement and the satisfaction of performance conditions. Performance conditions are set at the date of grant of the award by the Remuneration Committee and generally comprise a combination of corporate and individual measures. The overall dilution limit over which LTIP awards may be granted in any 10-year period is 15 per cent. of the issued share capital of the Company.

The LTIP awards granted in 2011 took the form of nominal cost options to acquire ordinary shares. The LTIP awards granted in 2011 vest (i.e. become exercisable) three or more years from the date of grant. Vesting is subject to continued employment and the satisfaction of performance conditions. Once vested, the LTIP awards are exercisable for two years. It is currently intended that these LTIP awards and future LTIP awards will be settled with newly issued shares.

In determining the level of the LTIP awards granted in 2011, an LTIP pool was determined to establish the total initial value of awards that would be granted. The LTIP pool was then distributed with awards made to particular individuals after careful consideration by the Remuneration Committee, with the aim to incentivise strong performance, but also to complement and extend the alignment and retention benefits arising from existing unvested share interests in order to maintain the long-term retention of key employees.

No LTIP awards were granted in 2011 to Edward Bonham Carter or John Chatfield-Roberts as it was considered that their existing equity holdings (held subject to the vesting arrangements set out in the Prospectus issued in connection with Listing) provide sufficient alignment with shareholder interests. Therefore, of the executive Directors, only Philip Johnson received an LTIP award in 2011. Whilst Jupiter's annual grant policy is still developing as a listed company, the Remuneration Committee has a policy for key individuals to hold awards with a retention value at any one time of at least 100 per cent. of annual salary.

The performance conditions attached to Philip Johnson's 2011 LTIP award are underlying Earnings Per Share ("EPS"), net sales and strategic goals (see below for further details). These were determined after consultation with major shareholders and were chosen as it is considered that delivery against these conditions would be in line with shareholder interests.

The performance conditions attached to the LTIP award granted to Philip Johnson in 2011 apply as follows:

- One third shall vest dependent upon Jupiter's underlying EPS performance against a comparator index, as detailed in the table below:

Excess of Jupiter's underlying compounded EPS change over the change in the comparator index	Proportion of the award subject to the underlying compounded EPS performance condition that shall vest
Less than 5% per annum	0%
5% per annum	30%
Between 5% and 10% per annum	Pro rata between 30% and 100%
10% or more per annum	100%

The comparator index will be determined by the Remuneration Committee based on indices that are appropriate in light of the assets managed by Jupiter over the performance period.

- One third shall vest dependent upon Jupiter's net sales against net sales performance targets, as detailed in the table below:

Jupiter's net sales compared against net sales targets	Proportion of the award subject to the net sales performance condition that shall vest
Less than 80% of target	0%
80% of target	30%
Between 80% and 100% of target	Pro rata between 30% and 65%
100% of target	65%
Between 100% and 125% of target	Pro rata between 65% and 100%
125% or more of target	100%

The net sales target for each year is set by the Remuneration Committee and is intended to be sufficiently robust and stretching.

- One third shall vest dependent upon meeting the following strategic goals: (i) the maintenance of an appropriate risk control environment; (ii) maintaining long-term investment performance; (iii) developing existing employees and recruiting new talent to provide the performance products and service required by clients; and (iv) broadening the client base in the UK and internationally. It is anticipated that, of the shares subject to the strategic goals, 25 per cent. would vest for each of the strategic goals, although the Remuneration Committee retain the discretion to determine that none of the shares subject to the strategic goals performance condition would vest if an appropriate risk control environment has not been maintained.

The performance periods over which these conditions will be measured are as follows:

- For options vesting in April 2014: the three financial years from 1 January 2011 to 31 December 2013; and
- For options vesting in April 2015: the four financial years from 1 January 2011 to 31 December 2014.

Sharesave plan

The Group's management has always promoted an entrepreneurial spirit among its employees and emphasised the importance of widespread employee share ownership in building a strong corporate culture. To encourage share ownership among employees, Jupiter introduced the HMRC approved Sharesave Plan following Listing for which all UK tax resident employees are eligible.

Under the Sharesave Plan, employees who wish to participate must enter into a savings contract under which they will contribute payments of between £10 and £250 per month. Participants are granted an option to acquire ordinary shares out of the repayment made under that contract.

The invitations were issued to employees in September 2010 and September 2011. Following the Sharesave 2011 invitation, 78 per cent. of eligible employees participate in the plan.

Pre-Listing share plan

Prior to Listing on 21 June 2010, the Company operated a plan (the "Pre-Listing share plan") pursuant to which employees were granted options and/or restricted or contingent share awards. At Listing, approximately 98 per cent. of employees held Jupiter shares or options that had been granted under that plan. The Company does not intend to make any further grants under this plan.

Under the arrangements set out in the Prospectus issued in connection with Listing, senior Jupiter employees hold shares which will vest in equal instalments. The first tranche vested in June 2011 with the majority of the remainder due to vest in June 2012 and June 2013. Some of these senior employees also hold options which become exercisable in the period up to 2015, a proportion of which are subject to performance conditions. Pre-Listing share plan awards made prior to 2010 were subject to performance conditions, the majority of which were satisfied at Listing.

Pre-Listing retention bonus plan

Prior to Listing, the Group operated a retention bonus plan whereby a proportion of larger bonus amounts were deferred for two years. The retention bonus award took the form of units in a Jupiter unit trust or cash. One third of the award vested in March 2011 and the balance in March 2012.

Pension contributions

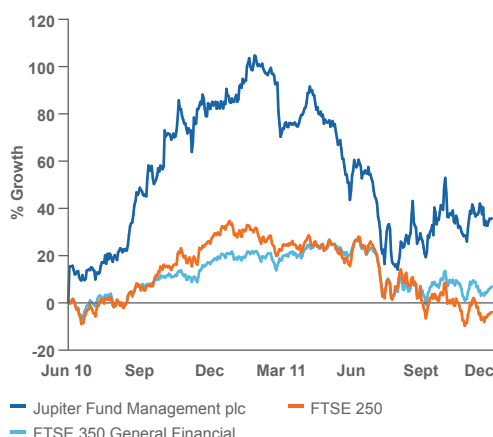
All UK employees who have been with Jupiter for at least 6 months are eligible to participate in a defined contribution (money purchase) pension scheme, the Jupiter Pension Scheme. Employer contributions to the scheme are at the same rate for all UK employees (including executive Directors), a rate of 15 per cent. of base salary.

Although the other executive Directors receive the benefit of the employer contributions into the Jupiter Pension Scheme, a pension allowance in lieu of pension contributions is payable directly to Edward Bonham Carter (net of employer's national insurance) rather than into a pension scheme, because he has previously reached the lifetime allowance.

Other benefits

Jupiter provides all of its employees with a number of other benefits, including private medical cover, life assurance, dependants' pension and an income protection scheme to cover long-term illness.

Share price performance (Total Shareholder Return) (Figure 2)



Source: Bloomberg.

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

Directors' shareholding requirement

The Remuneration Committee has a policy that executive Directors should maintain a significant holding of shares in the Company. The policy therefore provides that executive Directors should hold shares in the Company equivalent to 150 per cent. of base salary. As shown in Table 2, each of the executive Directors met this requirement in 2011.

Directors' service agreements and emoluments

Directors' service agreements and letters of appointment

The Company entered into service agreements on 1 June 2010 with each of the executive Directors, being Edward Bonham Carter, John Chatfeild-Roberts and Philip Johnson. None of the service agreements has a fixed term and each is terminable by not less than six months' written notice by either party.

The Committee's policy is that service agreements for executive Directors should not contain any provision for compensation on early termination and that the Company and its Directors should instead each rely on the position under law. In the event that compensation for early termination is payable, the Committee's policy is to seek to keep such compensation to an appropriate level. There are no specific provisions in the service agreements providing for compensation payable by the Company on termination without cause or on change of control.

Details of the terms of appointment of the non-executive Directors are set out in Table 1.

For Jamie Dundas, Liz Airey, Matteo Dante Perruccio, Lorraine Trainer and Jon Little, the appointments are for a fixed term of three years from the respective commencement dates unless renewed or unless terminated by either party on three months' written notice. For Richard I. Morris, Jr. and Michael Wilson, the appointments are for an indefinite period unless terminated by each of these Directors on three months' written notice to the Company, or by the Company on three months' written notice to the Director which may be given at any time if: (1) in respect of Richard I. Morris, Jr., the percentage of the ordinary shares of the Company in issue from time to time owned by TA Associates, L.P. (together with its Associates) on an aggregated basis falls below 15 per cent. and (2) in respect of Michael Wilson, the percentage of the ordinary shares of the Company in issue from time to time owned by TA Associates, L.P. (together with its Associates) on an aggregated basis falls below 10 per cent.). Non-executive Director fee levels are reviewed annually by the Chairman and executive Directors.

Terms of appointment of non-executive Directors (Table 1)

Name	Title	Date of appointment	Annual fee as at 31 December 2011	Roles and Committee responsibilities
Jamie Dundas	Independent Chairman	28 January 2008, renewed 1 June 2010	£150,000	Remuneration Nomination
Liz Airey	Independent non-executive Director	17 May 2010	£65,000	Audit Nomination Senior Independent Director
Matteo Dante Perruccio ¹	Independent non-executive Director	9 September 2008, renewed 1 June 2010	£50,000	Audit (to 13 October 2011) Remuneration
Lorraine Trainer ²	Independent non-executive Director	17 May 2010	£65,000	Remuneration Audit
Richard I. Morris, Jr.	Non-executive Director	19 June 2007	£45,000	—
Jon Little	Independent non-executive Director	12 September 2011	£50,000	Audit (from 13 October 2011)
Michael Wilson	Non-executive Director	19 June 2007	Nil	Remuneration Nomination

1. At his request, Matteo Dante Perruccio's fees have been paid to Hermes BPK Partners LLP rather than to him personally. The annual additional fee of £5,000 payable to Matteo Dante Perruccio in respect of being a member of the Audit Committee no longer applies from 13 October 2011 as he stepped down from his position on that Committee and Jon Little was appointed in his place.

2. Lorraine Trainer received an annual fee increase on 19 May (following the 2011 Annual General Meeting) to reflect her taking on the role of Remuneration Committee Chairman in place of Jamie Dundas.

Directors' share interests

A significant proportion of the shares held by the executive Directors are subject to vesting and lock-in arrangements pursuant to which shares vest and are released from the lock-in arrangements on each anniversary of the Listing up to the third anniversary. Therefore, a proportion of these shares were released from lock-in on 21 June 2011, the first anniversary of the Listing. Shares held by Jamie Dundas and Matteo Dante Perruccio are subject to lock-in obligations over the same timescale, as they were awarded in relation to their pre-Listing service.

The interests of the Directors and their connected persons in shares of the Company at 31 December 2011 are set out in Table 2.

Interests in shares (Table 2)

Directors	Ordinary shares held at 31 December 2010	Options over ordinary shares held at 31 December 2010	Ordinary shares held at 31 December 2011	Options over ordinary shares held at 31 December 2011
Jamie Dundas	1,250,000	—	1,250,000	—
Edward Bonham Carter	14,555,103	4,663	14,000,000	190,321
John Chatfeild-Roberts ¹	8,372,743	1,562,500	5,303,750	1,816,467
Philip Johnson	1,760,000	4,663	1,700,000	255,127
Liz Airey	45,450	—	45,450	—
Matteo Dante Perruccio	250,000	—	230,000	—
Lorraine Trainer	24,242	—	24,242	—
Richard I. Morris Jr.	653,645	—	653,645	—
Michael Wilson ²	217,978	—	185,947	—
Jon Little	N/A	N/A	—	—

1. Includes connected person's holding.

2. Shares in which Michael Wilson has a pecuniary interest.

There have been no changes to the above interests between the year end and 14 March 2012 (the latest practicable date before the printing of the Annual Report and Accounts).

Audited section of the remuneration report

Share price

As at 31 December 2011, the Company's share price was £2.17. The highest closing price during 2011 was £3.37 and the lowest was £1.85.

Summary of LTIP performance conditions

The performance conditions attached to the LTIP award granted to Philip Johnson in 2011 are as follows:

- One third shall vest dependent upon Jupiter's underlying EPS performance against a comparator index;
- One third shall vest dependent upon Jupiter's net sales against net sales performance targets; and
- One third shall vest dependent upon meeting strategic goals.

Directors' emoluments

Directors' emoluments (Table 3)

The aggregate remuneration (excluding awards subject to vesting conditions as shown in Tables 4 and 5 below), and benefits in kind receivable by each of the Directors and former Directors of the Company in respect of the year under review were as follows:

Directors	2011 base pay/fee £	2011 cash bonus (to be paid in 2012) ¹ £	Benefits in kind ² £	2011 allowances ³ £	Total 2011 £	2011 pension contributions £	Total 2010 £	2010 pension contributions £
Jamie Dundas ⁴	150,000	–	–	–	150,000	–	153,077	–
Edward Bonham Carter	250,000	1,045,000	2,079	33,245	1,330,324	–	1,504,996	–
John Chatfeild-Roberts	249,038	1,745,000	2,079	–	1,996,117	37,356	1,922,905	36,923
Philip Johnson	200,000	450,000	–	–	650,000	30,000	820,000	30,000
Liz Airey	65,000	–	–	–	65,000	–	40,192	–
Matteo Dante Perruccio ⁵	53,925	–	–	–	53,925	–	45,000	–
Lorraine Trainer ⁶	62,013	–	–	–	62,013	–	33,936	–
Richard I. Morris Jr.	45,000	–	–	–	45,000	–	23,885	–
Michael Wilson	–	–	–	–	–	–	–	–
Jon Little ⁷	14,814	–	–	–	14,814	–	–	–
Total	1,089,790	3,240,000	4,158	33,245	4,367,193	67,356	4,543,991	66,923

1. In addition to the 2011 cash bonus, the deferred portion of the 2011 bonus is £455,000 for Edward Bonham Carter, £755,000 for John Chatfeild-Roberts and £200,000 for Philip Johnson, as disclosed in Table 5. As a result, the total emoluments including the deferred portion of the 2011 bonus are £1,785,324 for Edward Bonham Carter, £2,751,117 for John Chatfeild-Roberts and £850,000 for Philip Johnson.

2. BUPA.

3. Pension allowance.

4. Remuneration Committee chairman until 19 May 2011.

5. Member of the Audit Committee until 13 October 2011.

6. Remuneration Committee chairman from 19 May 2011.

7. Appointed on 12 September 2011, member of the Audit Committee from 13 October 2011.

No Director agreed to waive any emoluments in 2011 and/or for any future years.

Long-term incentive schemes

Pre-Listing retention bonus plan awards (Table 4)

Directors	Fund awards held as at 1 January 2011 ¹ £	Fund awards vesting in 2011 ² £	Fund awards held as at 31 December 2011 £	Price per unit at grant date	Latest vesting date
Edward Bonham Carter	375,000	125,000	250,000	103.98p	March 2012
John Chatfeild-Roberts	750,000	250,000	500,000	103.98p	March 2012
Philip Johnson	–	–	–	–	–

1. Retention awards made in the form of Jupiter Merlin Balanced Portfolio accumulation units.

2. The figures shown in Table 4 are the gross of income tax and employee's National Insurance Contributions ("NIC") figures, whereas only the net of income tax and NIC amount was invested in Jupiter Merlin Balanced Portfolio accumulation units in 2010 when the pre-Listing retention bonus plan awards were made. This resulted in units worth £78,183 vesting in 2011 for Edward Bonham Carter and units worth £156,366 vesting in 2011 for John Chatfeild-Roberts.

DBP awards (Table 5)

Directors	DBP awards in respect of 2011 ¹ £	Latest vesting date
Edward Bonham Carter	455,000	April 2015
John Chatfeild-Roberts	755,000	April 2015
Philip Johnson	200,000	April 2015

1. The number of share options granted under the DBP in respect of 2011 stated in the above table will be determined at the grant date, expected to be no later than mid-April 2012.

Pre-Listing: Directors' interests in shares under the Pre-Listing share plan (Table 6)

Directors	Ordinary shares held as at 1 January 2011 subject to vesting (excluding connected persons)	Ordinary shares awarded during 2011	Ordinary shares vested during 2011	Ordinary shares held as at 31 December 2011 subject to vesting (excluding connected persons)	Shares vesting on 21 June 2012	Shares vesting on 21 June 2013
Edward Bonham Carter ¹	11,812,500	–	3,937,500	7,875,000	3,937,500	3,937,500
John Chatfeild-Roberts ¹	6,750,000	–	2,250,000	4,500,000	2,250,000	2,250,000
Philip Johnson ²	1,600,000	–	533,333	1,066,667	533,333	533,334

The vesting of the shares shown in Table 6 is no longer dependent upon the satisfaction of performance conditions.

1. These shares are restricted shares that are derived from B ordinary shares acquired in the Management Buy-Out in 2007 for £1 per B ordinary share, which was equivalent to the market value of the B ordinary shares at that time.

2. These shares are restricted shares that are derived from B ordinary shares acquired on joining the company in 2009 for £1 per B ordinary share, which was equivalent to the market value of the B ordinary shares at that time.

Pre-Listing: Directors' interests in options under the Pre-Listing share plan (Table 7)

Directors	Plan	Number of options held as at 1 January 2011	Number of options awarded during the year	Number of options exercised during the year	Number of unexercised options lapsed during the year	Number of options held at 31 December 2011	Exercise price	Earliest exercise date	Latest exercise date
John Chatfeild-Roberts ¹	Pre-Listing share plan	250,000	–	–	–	250,000	£0.02	21 June 2011	–
	Pre-Listing share plan	333,375	–	–	–	333,375	£0.02	21 June 2012	–
	Pre-Listing share plan	333,375	–	–	–	333,375	£0.02	21 June 2013	–
	Pre-Listing share plan	645,750	–	–	–	645,750	£0.02	21 June 2014	–

1. Prior to Listing, John Chatfeild-Roberts was granted an option under the Pre-Listing Share Plan over 1,562,500 ordinary shares which, subject to satisfaction of performance conditions relating to the performance and level of the funds he manages, together with his overall performance during the period from grant to 21 June 2014, become exercisable between 21 June 2011 and 21 June 2014. The exercise price of 2p per share was paid on the grant of the option (£31,250 in total). The performance conditions focus on the key deliverables of fund performance and asset growth as well as his wider contribution to Jupiter. They will be measured by the Remuneration Committee with reference to the performance of the funds John Chatfeild-Roberts manages, the growth in assets and his wider contribution as Chief Investment Officer and as a Director of the Company.

Post-Listing: Directors' interests in options under the DBP, LTIP and Sharesave (Table 8)

Directors	Plan	Number of options held as at 1 January 2011	Number of options awarded during the year ²	Number of options exercised during the year	Number of unexercised options lapsed during the year	Number of options held at 31 December 2011	Exercise price	Earliest exercise date	Latest exercise date
Edward Bonham Carter ¹	Sharesave	4,663	–	–	–	4,663	£1.93	1 December 2013	31 May 2014
	DBP (2011 grant in respect of 2010)	–	185,658	–	–	185,658	–	18 April 2014	18 July 2014
John Chatfeild-Roberts	DBP (2011 grant in respect of 2010)	–	253,967	–	–	253,967	–	18 April 2014	18 July 2014
Philip Johnson ¹	Sharesave	4,663	–	–	–	4,663	£1.93	1 December 2013	31 May 2014
	DBP (2011 grant in respect of 2010)	–	75,314	–	–	75,314	–	18 April 2014	18 July 2014
	LTIP (2011)	–	87,575	–	–	87,575	£0.02	18 April 2014	18 April 2016
	LTIP (2011)	–	87,575	–	–	87,575	£0.02	18 April 2015	18 April 2017

1. By virtue of their participation in the Sharesave Plan (in relation to which each is saving £250 per month over a 3 year term) each of Edward Bonham Carter and Philip Johnson has an option over an additional 4,663 ordinary shares. Provided they remain employed by Jupiter at the end of the 3-year term and maintain their monthly contributions, those options become exercisable between December 2013 and May 2014 at a cost of £1.93 per ordinary share.

2. The options awarded during the year comprise options granted under the DBP to Edward Bonham Carter, John Chatfeild-Roberts and Philip Johnson (in respect of 2010) and options granted under the LTIP to Philip Johnson.

On behalf of the Board



Lorraine Trainer
Chairman of the Remuneration Committee
23 March 2012

Audit Committee report

Year in review

During the period under review, the Audit Committee completed its first cycle of work in line with the agreed calendar of items for consideration, the UK Corporate Governance Code and other regulatory requirements. This included oversight of the Group's complete external reporting cycle, its internal assurance functions and responsibility for the reappointment of both internal and external auditors. A fuller list of the Committee's activities is included later in this report. The Audit Committee continually seeks to improve its understanding of the Group's business and control environment. As a result, during the year, it identified several topics for in-depth review, focusing on key systems and processes relied upon by management and their future scalability. These topics included management of investment risk, disaster recovery arrangements and the management of outsourced relationships. This process has also helped raise awareness of the Committee's activities and increased its exposure to key management at all levels across the Group.

As intended, the Committee undertook its first formal annual review of effectiveness during 2011. The Committee concluded that good progress had been made in improving the quality, depth and focus of papers and presentations made to it thereby facilitating the Committee's oversight activities and deepening its understanding of Jupiter's internal control environment and management of risk. Together with a review of its terms of reference and associated meeting procedures, the Committee concluded that it had carried out its duties in an effective manner during the period under review, although some useful enhancements were identified for 2012 and beyond.

Summary of the Committee's work during the year

The Audit Committee's role is to assist the Board in discharging its responsibilities by:

- overseeing the Group's financial reporting processes;
- reviewing the Group's internal controls and risk management systems;
- reviewing the external and internal audit work plans, their findings and their effectiveness; and
- overseeing the appointment, remuneration, independence and performance of the Group's internal and external auditors.

In performing this role the specific functions carried out by the Audit Committee during the period under review included reviewing the following:

- the critical accounting policies, financial reporting issues and judgements, including going concern, made in relation to the annual and half-year financial statements, together with the reports on them from the external auditors;
- Interim Management Statements and trading updates prior to their release;

- the effectiveness of the internal control, regulatory compliance and risk management environments in the light of reports thereon from management;
- the Group's whistleblowing arrangements – as a result of which the Company appointed an independent third party to provide a confidential helpline for employees and Jupiter's principal third party suppliers (to date there have been no calls made to the helpline);
- the Group's tax strategy and associated controls;
- the Group's processes for the management of outsourced contracts; and
- the Group's disaster recovery and business continuity plans.

The ultimate responsibility for reviewing and approving the annual and half-year financial statements remains with the Board.

The Committee's terms of reference are available on the Company's website and the Chairman of the Committee will be available at the Annual General Meeting to answer any questions about the work of the Committee.

Meetings of the Committee

The work cycle agreed by the Audit Committee requires it to meet at least four times a year to carry out its routine work and it meets otherwise as necessary. While only members of the Committee have the right to attend Committee meetings, representatives of the Group's external and internal auditors, the Chief Financial Officer, the Chief Operating Officer, the Compliance Director, the Head of Operational Risk and other relevant members of the senior management team as appropriate, are usually required to attend all routine meetings and (unless otherwise specifically determined) ad hoc meetings of the Committee. In addition, the Group Chief Executive and the Chief Investment Officer are invited to attend all or relevant parts of the meetings of the Committee. The Chairman of the Board has a standing invitation to attend all Committee meetings. As detailed within the Corporate Governance report, the Committee held seven meetings during the period under review with two of those meetings being single agenda items concerning a proposed trading update and Interim Management Statement respectively. The Committee also met with the internal and external auditors without Jupiter management present.

The current Audit Committee members are Liz Airey (Chairman), Jon Little and Lorraine Trainer, all of whom have been identified as independent non-executive Directors. All the members of the Committee (whose profiles on page 35 provide further details of their qualifications) are considered as being appropriately experienced and qualified to fulfil their duties. Liz Airey is the Chairman and is considered by the Board to have recent and relevant financial experience.

Internal audit function

Ernst & Young LLP were appointed to provide the Group's internal audit function in the second half of 2008. During the period under review, the Audit Committee reviewed the performance and effectiveness of the internal auditors and reappointed them. The current internal audit plan runs until December 2012, in advance of which date the Committee will consider the continued appointment of Ernst & Young LLP as the Group's internal auditors.

The internal auditors report directly to the Audit Committee and, in addition to submitting status papers for each Committee meeting, provide the Committee members with copies of any individual, department specific reports completed between meetings. The Committee works with the internal auditors to help ensure that their work is co-ordinated with that of the external auditors.

The Committee continues to review the effectiveness of the internal audit function on an annual basis and is currently of the view that outsourcing this to a specialist independent provider is appropriate and helps to ensure that the function is adequately resourced.

External auditors

The Group's external auditors remain PricewaterhouseCoopers LLP. During the year, the Audit Committee reviewed and approved the terms of engagement and the proposed audit fee for the 2011 audit.

In line with its annual work cycle, a full review of the effectiveness of the external auditors was carried out by the Committee following the 2010 audit and as part of the process the Smith guidelines were followed in looking at the following four areas of external auditor performance: (i) qualification; (ii) expertise and resources; (iii) effectiveness; and (iv) independence. As a result of the review, the Committee is satisfied that PricewaterhouseCoopers LLP have the necessary qualification, expertise, resources and independence to perform the Jupiter audit. Accordingly, although this is always kept under review and (other than in respect of the appointment of Ernst & Young LLP as Jupiter's internal auditors) there are no contractual obligations restricting Jupiter's choice of external auditor, the Committee has not considered it necessary to instigate any competitive tender for the audit work.

In conjunction with the Committee, the Company has developed and implemented a policy to safeguard the objectivity and independence of the external auditors. This policy is reviewed regularly and sets out certain disclosure requirements by the external auditors to the Committee, restrictions on the employment of the external auditors' former employees, partner rotation and procedures for the approval of non-audit services provided by the auditors. The Committee now receives a regular report setting out the non-audit services provided by the external auditors during the year and the fees charged; an

analysis of fees paid in respect of audit and non-audit services provided by PricewaterhouseCoopers LLP is provided within the administrative expenses note of the financial statements. During the year under review, the majority of non-audit fees paid to the external auditors came from three main pieces of work: the half yearly review; the Jupiter Report on Controls in accordance with ISAE 3402 together with AAF 01/06 and implementing the Group's post-Listing remuneration arrangements. The Committee is satisfied that the external auditors were best placed to provide these services because of their familiarity with the relevant areas of Jupiter's business and that the arrangements in place between Jupiter and the external auditors are sufficient to ensure that PricewaterhouseCoopers LLPs' objectivity and independence have been safeguarded.

The policy referred to in the preceding paragraph provides that certain types of non-audit services are pre-approved, whilst others are prohibited and not permitted under any circumstances – the prohibited services being those where the associated threats to auditor independence are considered unacceptable. Those services which are pre-approved are those in relation to which the threats to auditor independence are considered low but, nonetheless, still need the Committee's approval if the expected fee exceeds £50,000. Any proposed services which are neither pre-approved nor prohibited need to be approved by the Committee in advance and in such circumstances the Committee will need to be persuaded that it is in Jupiter's best interests for the external auditors to be appointed and that the use of the external auditors will not impair their independence and objectivity.

Based on the work described above carried out by the Committee to assess the performance of the auditors and safeguard their independence, the Committee considers that it is in the best interests of the Group that PricewaterhouseCoopers LLP continue to act as the Group's auditors and has recommended this to the Board. Accordingly, a resolution will be proposed to the shareholders at the Annual General Meeting that they be reappointed as the Group's external auditors for 2012.

Liz Airey
Chairman of the Audit Committee
23 March 2012

Nomination Committee report

The Nomination Committee comprises Jamie Dundas (who was independent at the time of appointment for the purposes of the Code), Liz Airey, (who has been identified as independent) and Michael Wilson, a non-executive Director appointed by TA Associates, L.P. Jamie Dundas is the Chairman. All Directors served on the Committee throughout the year. The Committee has formal terms of reference which are available for inspection on the Company's website www.investorsjupiteronline.co.uk.

The Committee's responsibilities include:

- reviewing the structure, size and composition of the Board and making recommendations to the Board with regard to any changes;
- considering succession planning for Directors and other senior executives;
- identifying and nominating, for approval by the Board, candidates to fill Board vacancies as and when they arise;
- evaluating the balance and skills, knowledge and experience on the Board and identifying the capabilities required for a particular appointment;
- keeping under review the leadership needs of the Group, both executive and non-executive; and
- reviewing annually the time required from non-executive Directors.

During 2011 the Nomination Committee met formally on three occasions. The Committee has maintained a focus on the structure, size and composition of the Board on a rolling basis. The Committee recommended in the first half of the year that the Board would benefit from the appointment of an additional independent non-executive Director. Following a thorough search using external headhunters the Committee recommended that the Board should appoint Jon Little, who duly joined the Board on 12 September 2011 and is also serving on the Audit Committee.

Following the Board Effectiveness Review (see page *) and conversations between the Chairman and each individual Director, the Committee has reviewed the performance of all Directors and has recommended to the Board that all Directors should be proposed by the Board for re-election at the forthcoming AGM.

Another important matter for the Committee has been to review executive succession planning and the processes supporting this. This has covered both Executive Committee posts and senior management roles. The Committee has worked with the Chief Executive and HR leadership to bring additional rigour to this agenda. This was followed by the Board considering a more structured talent development process.

Other activities during the year included a review of the report to be included in the Annual Report and Accounts, the development of a new diversity policy for adoption by the Board, a review of Directors' conflicts of interest and a review of time spent on Company business by non-executive Directors. Details of attendance at Committee meetings are set out in the Corporate Governance report.

The Committee formally reports to the Board on its proceedings and will make recommendations where it deems appropriate on any area within its remit where action or improvement is needed.

The Committee has the right to appoint external advisers where it believes that to be appropriate. This includes legal and professional advice. It may also seek any information that it requires from any officer or employee of the Group.



Jamie Dundas
Chairman
23 March 2012

Directors' report

The information contained in the Business review and Governance sections of this Annual Report and Accounts, together with Note 28 of the financial statements, form part of this Directors' report.

Company Number 6150195

Share capital and voting rights

As at 14 March 2012 there were 457,699,916 fully paid ordinary shares of 2p each in issue and listed on the Official List maintained by the FSA in its capacity as the UK Listing Authority. There have been no changes to the share capital during the year.

At the Annual General Meeting in 2011 a resolution was passed approving the cancellation of the whole of the amount standing to the credit of the share premium and capital redemption reserve which arose as a result of the repurchase by the Company and cancellation on 22 December 2010 of the 2,705,497,660 deferred shares. On 9 June 2011, the Company's share premium and capital redemption reserves were, with the sanction of the Court, cancelled and an amount of £309.8m transferred to a distributable reserve.

The Company has one class of ordinary shares which carry the right to attend, speak and vote at general meetings of the Company. In addition, the holders of ordinary shares have the right to receive dividends according to their respective rights and interests in the profits of the Company and to the return of capital on a winding-up of the Company. Full details of the deadlines for exercising voting rights in respect of the resolutions to be considered at the Annual General Meeting to be held on 16 May 2012 are set out in the Notice of Annual General Meeting.

Appointment and replacement of Directors

The rights and obligations attaching to the Company's ordinary shares, as well as the powers of the Company's Directors, are set out in detail in the Company's Articles of Association.

The Articles of Association of the Company provide that Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next Annual General Meeting. The Company's Articles of Association have detailed provisions regarding the retirement of Directors by rotation. However, in accordance with the requirements of the Code, all Directors will offer themselves for election or re-election at the Annual General Meeting in May 2012.

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

Substantial share interests

The Company had received notifications from the following substantial shareholders (3 per cent. or more) of their indirect and/or direct interests in the ordinary share capital of the Company, in accordance with the Disclosure Rules and Transparency Rules of the UK Listing Authority. The Directors are not aware of any other material interests amounting to 3 per cent. or more in the share capital of the Company.

Substantial share interests

Name	Number of shares held as at 31 December 2011	Percentage interest	Number of shares as at 14 March 2012	Percentage interest
TA Funds	87,079,760	19.03	87,079,760	19.03
Jupiter Employee Benefit Trust*	48,101,586	10.51	48,089,086	10.51
BlackRock Inc	45,215,125	9.87	52,094,485	11.38
Baillie Gifford & Co Ltd	16,861,547	3.68	16,042,648	3.50
Lansdowne Partners Ltd	15,021,308	3.28	9,592,715	2.10
Edward Bonham Carter	14,000,000	3.06	14,000,000	3.06
Invesco Ltd	N/A	N/A	13,900,940	3.04

*held by Royal Bank of Canada

Directors' interests

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

CREST

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

Restrictions on transfer of shares

At the time of Listing certain employees undertook, through lock-in agreements, not to sell or transfer any ordinary shares to which they were beneficially entitled during the 12 months following Listing. These undertakings expired on 21 June 2011. In addition, certain employees (beneficially owning approximately 35 per cent. of the Company's issued ordinary shares at that time) agreed to restrictions on the sale and transfer of their ordinary shares during the three years following Listing. The overall effect of these arrangements is that:

- following the first anniversary of Listing (21 June 2011), approximately 15 per cent. of the ordinary shares in issue became capable of being sold by such persons;
- following the second anniversary of Listing (21 June 2012), approximately a further 10 per cent. of the ordinary shares in issue will be capable of being sold; and
- following the third anniversary of Listing (21 June 2013), approximately a further 10 per cent. of the ordinary shares will be capable of being sold.

No member shall be entitled to vote at any general meeting or class meeting in respect of any shares held by him or her if any call or other sum then payable by him or her in respect of that share remains unpaid. Currently all shares are fully paid. Save as described above, there are no restrictions on the voting rights attached to the Company's ordinary shares or any other restrictions on the transfer of the securities in the Company.

TA relationship agreement

The Company and TA Associates, L.P. have entered into an agreement which regulates the ongoing relationship between the Company and TA Associates, L.P. (the 'Relationship Agreement'). TA Associates, L.P. and the Company have agreed, inter alia, that TA Associates, L.P. is entitled to nominate for appointment: (i) two non-executive Directors to the Board whilst it (and/or any of its associates) owns, on an aggregated basis, 15 per cent. or more of the ordinary shares in issue from time to time; and (ii) one non-executive Director to the Board whilst it (and/or any of its associates) owns, on an aggregated basis, 10 per cent. or more of the ordinary shares in issue from time to time.

In addition, TA Associates, L.P. is entitled to nominate one such non-executive Director to each of the Nomination Committee and Remuneration Committee during the period from 2 June 2010 to the earlier of: (i) the date on which TA Associates, L.P. (and/or any of its associates) ceases to own, on an aggregated basis, 10 per cent. or more of the ordinary shares in issue from time to time; and (ii) 24 months after Listing (21 June 2012).

The Relationship Agreement will terminate once the aggregate interest of TA Associates, L.P. and its associates in ordinary shares falls below 10 per cent.

Employees

Details of the Company's employment practices can be found in the corporate responsibility section of the Business review.

Dividends

The Directors have recommended a final dividend of 5.3p per ordinary share. This payment is subject to approval by shareholders at the Annual General Meeting and, if approved, will be paid on 22 May 2012 to shareholders on the register at 16 March 2012.

Authority to issue shares

A special resolution was passed at the Annual General Meeting in 2011 authorising the Directors to allot new ordinary shares. The Directors intend to seek shareholders' approval for the renewal of this authority at the Annual General Meeting to allot and grant rights to subscribe for ordinary shares up to an aggregate nominal amount of £6,102,664, representing approximately two-thirds of the Company's issued share capital as at 14 March 2012, of which an aggregate nominal value of £3,051,332 (representing approximately one-third of the Company's issued share capital) may only be allotted pursuant to a fully pre-emptive rights issue. If approved, this authority will expire at the conclusion of the Annual General Meeting in 2013, or if earlier, on 29 June 2013.

Subject to the terms of the authority noted above, a resolution will also be proposed at the Annual General Meeting to empower the Directors to allot equity securities for cash other than pro rata to existing shareholders, until the Annual General Meeting to be held in 2013 or, if earlier, until 29 June 2013. This authority will be limited to the allotment of equity securities for cash, up to an aggregate nominal amount of £457,699, being 5 per cent. of the share capital issued at the date of this report. The Directors currently have no intention to issue ordinary shares, other than pursuant to the Company's employee share schemes and any share dividend alternatives.

Authority to purchase shares

At the Annual General Meeting in 2011, shareholders approved a resolution for the Company to make purchases of its own shares up to a maximum of 45,769,991 ordinary shares. This resolution remains valid until the conclusion of the next Annual General Meeting on 16 May 2012. As at 14 March 2012 the Directors have not used this authority. A special resolution will be proposed at the Annual General Meeting to renew the Director's limited authority to purchase the Company's ordinary shares. The authority will be limited to a maximum of 45,769,991 ordinary shares (approximately 10 per cent. of the Company's issued share capital at the date of this report) and sets out the minimum and maximum prices which may be paid for any such purchase by the Company.

Independent auditors and audit information

PricewaterhouseCoopers LLP are willing to continue as the Group's auditors and resolutions concerning their reappointment and the determination of their remuneration will be proposed at the Annual General Meeting.

In accordance with section 418 of the Act, the Directors who held office at the date of approval of the Directors' report confirm that, so far as each of them is aware, there is no relevant audit information (as defined by section 418 (3) of the Act) of which the Group's auditors are unaware and each Director has taken all steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Going concern

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

The Group has access to the financial resources required to run the business efficiently and has a strong gross cash position. The Group's forecasts and projections, which are subject to rigorous sensitivity analysis, show that the Group will be able to operate within its available resources.

As a consequence, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Change of control

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

Creditor payment policy

It is the Group's payment policy to obtain the best terms for all business and, therefore, there is no consistent policy as to the terms used. In general, the Group agrees with its suppliers the terms on which business will take place and it is the Group's policy to abide by these terms. Unit trust creditors are settled within four working days. The average number of trade creditor days for the Group was 28.2 (2010: 27.4).

Directors' indemnities

The Company's Articles of Association permit the provision of indemnities to the Directors. In accordance with its Articles of Association, the Company has granted a deed of indemnity (which is a qualifying third party indemnity provision under the Act) to each Director pursuant to which each Director was granted the right to indemnification as permitted under the Act. These arrangements were in place throughout the year and up to the date of approval of the financial statements. In addition, during the year the Company has maintained liability insurance for Directors.

Charitable and other donations

The Group made contributions of approximately £86,000 during the year (2010: £64,000) for charitable purposes. The principal charitable donation was to the Charities Aid Foundation in respect of matched giving (£54,000). No political donations were made in 2011 (2010: nil).

Annual general meeting

The Annual General Meeting will take place on 16 May 2012. All shareholders are invited to attend and will have the opportunity to put questions to the Board. The Notice of the Annual General Meeting will be circulated to all shareholders at least 20 working days before the meeting and the details of the resolutions to be proposed will be set out in that Notice. This document will be available on the Company's website at www.investorsjupiteronline.co.uk.

Adrian Creed

For and on behalf of the Board
Adrian Creed
 Company Secretary
 23 March 2012



58	Independent Auditors' report on the financial statements of the Group
59	Consolidated income statement
60	Consolidated statement of comprehensive income
61	Consolidated balance sheet
62	Consolidated statement of changes in equity
63	Consolidated statement of cash flows
64	Notes to the consolidated financial statements
99	Independent Auditors' report on the financial statements of the Company
100	Company balance sheet
101	Company statement of changes in equity
102	Company statement of cash flows
103	Notes to the Company financial statements

Independent Auditors' report on the financial statements of the Group

To the Members of Jupiter Fund Management plc

We have audited the Group financial statements of Jupiter Fund Management plc for the year ended 31 December 2011 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibility statement set out on page 33, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2011 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Directors' report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, in relation to going concern;
- the part of the Corporate governance report relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Other matter

We have reported separately on the Company financial statements of Jupiter Fund Management plc for the year ended 31 December 2011 and on the information in the Directors' remuneration report that is described as having been audited.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 March 2012

Consolidated income statement

For the year ended 31 December 2011

	Notes	2011 £m	Restated 2010 £m
Revenue	3	346.9	318.8
Fee and commission expenses	3	(98.4)	(88.3)
Net revenue	3,4,5	248.5	230.5
Administrative expenses	6	(123.8)	(115.1)
Operating earnings		124.7	115.4
Other (losses)/gains		(1.2)	1.7
Amortisation of intangible assets	15	(39.9)	(39.8)
Operating profit before exceptional costs		83.6	77.3
Exceptional costs	7	–	(6.8)
Operating profit		83.6	70.5
Finance income	9	1.0	0.9
Finance expense	10	(14.3)	(29.0)
Profit before taxation		70.3	42.4
Income tax expense	11	(18.9)	(9.9)
Profit for the year		51.4	32.5
Earnings per share			
Basic	12	15.6p	10.8p
Diluted	12	15.0p	7.6p

Consolidated statement of comprehensive income

For the year ended 31 December 2011

	Notes	2011 £m	2010 £m
Profit for the year		51.4	32.5
Other comprehensive income			
Exchange movements on translation of subsidiary undertakings	25	(0.1)	0.2
Changes in the fair value of available for sale investments	17	1.1	10.3
Other comprehensive income for the year		1.0	10.5
Total comprehensive income for the year		52.4	43.0

Consolidated balance sheet

At 31 December 2011

	Notes	2011 £m	2010 £m
Non-current assets			
Goodwill	14	341.2	341.2
Intangible assets	15	103.5	142.4
Property, plant and equipment	16	1.6	1.1
Available for sale investments	17	24.6	20.2
Deferred tax assets	18	11.3	11.0
Trade and other receivables	19	17.3	11.2
		499.5	527.1
Current assets			
Investments in associates	17	13.6	13.6
Financial assets at fair value through profit or loss	17	25.5	45.3
Derivative financial instruments	17	–	0.9
Trade and other receivables	19	78.6	110.5
Cash and cash equivalents	20	151.3	220.3
		269.0	390.6
Total assets		768.5	917.7
Equity attributable to owners of the parent			
Share capital	24	9.2	9.2
Share premium	25	–	255.7
Capital redemption reserve	25	–	54.1
Own share reserve	25	(2.1)	(2.9)
Other reserve	25	8.0	8.0
Available for sale reserve	25	11.4	10.3
Foreign currency translation reserve	25	7.4	7.5
Retained earnings	25	390.7	48.8
Total equity		424.6	390.7
Non-current liabilities			
Loans and borrowings	22	141.4	281.5
Trade and other payables	21	27.5	17.1
Deferred tax liabilities	18	25.8	39.6
		194.7	338.2
Current liabilities			
Financial liabilities at fair value through profit or loss	28	–	7.0
Trade and other payables	21	132.4	170.6
Provisions	23	–	2.0
Current income tax liability		16.2	9.2
Derivative financial instruments	17	0.6	–
		149.2	188.8
Total liabilities		343.9	527.0
Total equity and liabilities		768.5	917.7

The financial statements on pages 59 to 98 were approved by the Board of Directors and authorised for issue on 23 March 2012. They were signed on its behalf by



Philip Johnson
Chief Financial Officer

Consolidated statement of changes in equity

For the year ended 31 December 2011

	Share capital £m	Share premium £m	Deferred share capital £m	Capital redemption reserve £m	Own share reserve £m	Other reserve £m	Available for sale reserve £m	Foreign currency translation reserve £m	Retained earnings £m	Total £m
At 1 January 2010	32.3	–	–	–	–	–	–	7.3	6.9	46.5
Profit for the year	–	–	–	–	–	–	–	–	32.5	32.5
Exchange movements on translation of subsidiary undertakings	–	–	–	–	–	–	–	0.2	–	0.2
Changes in the fair value of available for sale investments	–	–	–	–	–	–	10.3	–	–	10.3
B shares conversion	3.7	–	–	–	(2.9)	–	–	–	–	0.8
Tier 1 preference share conversion	(30.5)	–	30.5	–	–	–	–	–	–	–
Tier 2 preference share conversion	0.4	–	23.6	–	–	8.0	–	–	–	32.0
Acquisition of Preferred Finance Securities	0.6	48.4	–	–	–	–	–	–	–	49.0
New ordinary shares issued	2.7	217.6	–	–	–	–	–	–	–	220.3
Share issue expenses	–	(10.3)	–	–	–	–	–	–	–	(10.3)
Cancellation of deferred shares	–	–	(54.1)	54.1	–	–	–	–	–	–
Share-based payments	–	–	–	–	–	–	–	–	7.8	7.8
Deferred tax on share-based payments	–	–	–	–	–	–	–	–	1.6	1.6
At 31 December 2010	9.2	255.7	–	54.1	(2.9)	8.0	10.3	7.5	48.8	390.7
Profit for the year	–	–	–	–	–	–	–	–	51.4	51.4
Exchange movements on translation of subsidiary undertakings	–	–	–	–	–	–	–	(0.1)	–	(0.1)
Changes in the fair value of available for sale investments	–	–	–	–	–	–	1.1	–	–	1.1
Cancellation of share premium and capital redemption reserve	–	(255.7)	–	(54.1)	–	–	–	–	309.8	–
Vesting of ordinary shares	–	–	–	–	0.8	–	–	–	–	0.8
Dividends paid	–	–	–	–	–	–	–	–	(31.7)	(31.7)
Share-based payments	–	–	–	–	–	–	–	–	12.7	12.7
Deferred tax on share-based payments	–	–	–	–	–	–	–	–	(0.3)	(0.3)
At 31 December 2011	9.2	–	–	–	(2.1)	8.0	11.4	7.4	390.7	424.6

Consolidated statement of cash flows

For the year ended 31 December 2011

	Notes	2011 £m	Restated 2010 £m
Cash flows from operating activities			
Cash generated from operations	30,31	133.5	109.8
Income tax paid		(26.4)	(1.7)
Net cash inflows from operating activities		107.1	108.1
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(1.1)	(0.9)
Purchase of intangible assets	15	(1.0)	(0.5)
Purchase of seed capital investments		–	(44.5)
Proceeds from disposal of seed capital investments		8.3	51.3
Purchase of available for sale investments		(3.3)	–
Proceeds from disposal of available for sale investments		–	4.3
Finance income received		0.8	0.8
Dividend income received		0.2	–
Net cash inflows from investing activities		3.9	10.5
Cash flows from financing activities			
Dividends paid	13	(31.7)	–
Net proceeds on issue of ordinary shares		–	220.3
Net payments on redemption of the Preferred Finance Securities		–	(192.9)
Finance expense paid		(9.2)	(56.2)
Repayment of bank loans	22	(140.0)	(80.0)
Listing and equity issuance expenses		–	(11.9)
Net cash outflows from financing activities		(180.9)	(120.7)
Net decrease in cash and cash equivalents		(69.9)	(2.1)
Cash and cash equivalents at beginning of year		220.3	223.4
Exchange loss on cash and cash equivalents		–	(1.0)
Cash and cash equivalents at end of year	20	150.4	220.3

Notes to the consolidated financial statements

1. Introduction

The principal activity of Jupiter Fund Management plc (the "Company") is to act as a holding company for a group of investment management companies. The Company and its subsidiaries (together the "Group") offer a range of asset management products. Through its subsidiaries, the Group acts as investment manager to authorised unit trusts, SICAVs, investment trust companies, pension funds, private clients and other specialist funds. The Group has offices in the United Kingdom, Bermuda, Germany, Jersey and Singapore. Jupiter Fund Management plc is a company incorporated and domiciled in England and Wales and is the ultimate parent of the Group.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and IFRIC Interpretations ("IFRS as adopted by the EU") and with the provisions of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies have been applied consistently to all periods presented in the financial statements.

The financial statements have been prepared on a going concern basis using the historical cost convention modified by the revaluation of certain available for sale financial assets, financial assets and financial liabilities (including derivative financial instruments) that have been measured at fair value through the statement of comprehensive income and the income statement respectively. After reviewing the Group's current plans and forecasts and financing arrangements, as well as the current trading activities of the Group, the Directors consider that the Group has adequate resources to continue operating for the foreseeable future.

Basis of accounting

The consolidated financial information for the year ended 31 December 2011 includes the consolidated financial statements of the Company and its subsidiaries for the years ended 31 December 2010 and 31 December 2011. The accounting policies that follow set out those policies that have been applied consistently in preparing the financial statements, with no new policies adopted for the year ended 31 December 2011. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed later in this note within the section titled critical accounting estimates, judgements and assumptions.

Operating earnings

Operating earnings are defined as net revenue less administrative expenses and do not include investment income and returns, other gains/(losses), amortisation of intangible assets or exceptional costs. These are items which the Group considers are not indicative of the ongoing income and costs of its operations. The Group believes that operating earnings, while not a GAAP measure, gives relevant information on the profitability of the Group and its ongoing operations. Operating earnings may not be comparable with similarly titled measures used by other companies.

Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities, generally accompanying a shareholding of more than one half of the voting rights.

Uniform accounting policies are applied across all Group companies and intra-group transactions, balances, income and expenses are eliminated on consolidation.

Seed capital investments in closed-ended funds, open-ended investment companies and unit trusts are accounted for as subsidiaries, associates or other financial investments depending on the holdings of the Group and on the level of influence and control that the Group exercises. The transactions and balances of subsidiaries are consolidated in these financial statements from the date that control commences until the date that control ceases.

2. Accounting policies continued

When the Group holds controlling interests in certain mutual funds and similar entities these are accounted for as subsidiaries. The funds have issued redeemable shares to the Group and external investors who have the ability to put the redeemable shares back to the funds. In accordance with IAS 32, puttable financial instruments and obligations arising on liquidation, non-controlling interests in redeemable shares issued by these funds accounted for as subsidiaries represent the portion of profit or loss and net assets that is not held by the Group or its subsidiaries and are included within other gains/(losses) in the income statement and as liabilities at fair value through profit or loss in the balance sheet. This is due to the ability of the external shareholders in these funds to put the shares back to the funds. Such instruments are liabilities of the Group in accordance with IAS 32, Financial instruments: presentation.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies and are usually accompanied with a shareholding between 20 per cent. and 50 per cent. of the voting rights. Investments that are held as part of the Group's investment portfolio in mutual funds and similar entities are carried in the balance sheet at fair value even though the Group may have significant influence over those companies as permitted by IAS 28, Investment in Associates, with changes in fair value recognised in the consolidated income statement. The fair value of investments in associates is determined by reference to the quoted bid prices or net asset value of the underlying investments at the close of business on the balance sheet date. The Group has no investment in associates other than these and, therefore, no associates are currently equity accounted.

Foreign currency

(i) Functional and presentational currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in sterling (£), which is both the Company's functional and presentational currency as well as the currency in which the majority of the Group's revenue streams, assets and liabilities are denominated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement within administrative expenses.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the consolidated income statement as part of other gains/(losses).

(iii) Group companies

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each consolidated income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Revenue recognition

(i) **Revenue** comprises the fair value of the consideration received or receivable for the provision of investment management services. Revenue is shown net of any value added tax, rebates and discounts. Revenue primarily consists of the following:

- **Management fees**, recognised in the period in which the service is performed and calculated as a percentage of net fund assets managed, in accordance with individual management agreements.
- **Performance fees**, calculated as a percentage of the appreciation in the net asset value of a fund above a defined hurdle. These are recognised when the fee amount can be estimated reliably and it is probable that the fee will be receivable. Such fees are normally recognised at the end of the relevant performance period.
- **Initial charges on sales of unit trusts** are deferred and amortised over the anticipated period of the provision of investment management services. Initial charges also include income from the sale of units and profits earned on dealing within the unit trust manager's box, calculated as the difference between the cost of purchasing redeemed units at cancellation prices and reselling them at creation prices. Such box profits are recognised when the related transaction occurs.

(ii) **Interest** on cash and cash equivalents is recognised on an accruals basis using the effective interest rate method.

(iii) **Dividend income** from investments is recognised on the date when shareholders' rights to receive payment have been established.

(iv) **Gains and losses on financial assets at fair value through profit or loss** are recognised in the income statement within other gains/(losses).

(v) **Gains and losses on revaluation of available for sale investments** are initially recognised through the consolidated statement of comprehensive income. Upon disposal, any gain or loss previously taken through other comprehensive income is reversed and the full gain or loss since purchase, after any impairment charge previously recognised, is reclassified to the consolidated income statement.

2. Accounting policies continued

Fee and commission expenses

Fee and commission expenses paid to third parties for ongoing services under distribution agreements are charged to the income statement over the period in which the service is expected to be provided. The services provided include the provision of access to a basket of fund products, information on financial products, promotional materials, ongoing services to customers and transaction processing.

Net revenue is stated after fees and commission expenses to intermediaries for ongoing services under distribution agreements.

Other gains/(losses)

Other gains/(losses) comprise gains and losses on:

- investments in seed capital held at fair value where gains/(losses) are recognised in profit or loss; and
- total return swap contracts held to hedge against losses on some of the Group's seed capital investments.

Finance expense

Interest payable is charged on an accruals basis using the effective interest method.

Debt issue costs relating to the raising of loans and borrowings are deducted from the carrying value of the loans and borrowings and are amortised over the term of the loan using the effective interest method. Finance costs, reported within finance expense, include ancillary charges for commitment fees, non-utilisation fees and margin reduction fees that are charged as incurred.

Dividends on Tier 2 preference shares are treated as a finance expense following the treatment of these shares as debt rather than equity.

Employee benefits

(i) Pension costs

The Group provides employees with post-retirement benefits through defined contribution schemes. Contributions made by the Group are charged to the consolidated income statement as they become payable in accordance with the rules of the schemes.

(ii) Incentive plans

The Group recognises a provision for bonuses and incentive schemes, based on a formula that takes into consideration the operating profitability of the Group. At the end of each financial year, the Group recognises a liability for bonuses accrued but not yet paid, in respect of service attributable to that year. Retention bonus expense is recognised in the income statement over the appropriate performance and vesting period, with a corresponding liability or equity being recognised in the Group's balance sheet.

In certain periods prior to the Group's Listing, the Group made retention awards to employees by making payments to the Group's employee benefit trust, which were used to buy fund units on behalf of the employee. These transactions do not constitute share-based payments. The assets, which vest after the satisfaction of certain conditions, are recognised on the Group's balance sheet until vesting. The expense is recognised in the income statement over the appropriate performance and vesting period.

Share-based payment transactions

The Group engages in share-based payment transactions in respect of services receivable from certain employees, by granting the right to acquire either shares or options over shares, subject to certain vesting conditions. These have been accounted for as equity settled share-based payments.

The difference between the fair value of the employee services received in respect of the shares or share options granted and the price payable is recognised as an expense over the appropriate performance and vesting period. The corresponding credit is recognised in retained earnings within total equity. The fair value of services is calculated using the market value on the date of award, discounted for dividends foregone over the holding period of the award, and is adjusted for expected and actual levels of vesting. Where options lapse they are credited to the income statement in the year in which they lapse.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to the investment in subsidiary undertakings, with a corresponding credit to equity in the Company financial statements.

Business combinations

Business combinations are accounted for using the purchase method (acquisition accounting). The cost of a business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, equity instruments issued by the acquirer and any costs directly attributable to the business combination. This cost is allocated at the acquisition date by recognising the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria, at their fair values at that date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

2. Accounting policies continued

Goodwill

Goodwill arising on acquisitions, being the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is capitalised in the consolidated balance sheet. The carrying value of goodwill is cost less provision for impairment. The carrying value of goodwill is not amortised but is tested annually for impairment or more frequently if any indicators of impairment arise.

Impairment

Assets that have an indefinite useful life – for example, goodwill – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses on goodwill are not reversed.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The intangible assets currently recognised by the Group are its trade name, individual management contracts and software.

The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any provision for impairment.

In both cases, the useful lives are assessed as being finite and they are, therefore, amortised over their useful economic lives and assessed for impairment whenever there is an indication of impairment. The amortisation period and the amortisation method for these assets is reviewed at least at each financial year end. The useful economic lives of the trade name and individual management contracts acquired are currently assessed as a maximum of ten years and seven years, respectively. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement on a straight line basis.

Computer software licences acquired are capitalised at the cost incurred to bring the software into use and are amortised on a straight line basis over their estimated useful lives, which are estimated as being between three and five years. Costs associated with developing or maintaining computer software programs that do not meet the capitalisation criteria under IAS 38 are recognised as an expense as incurred.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying value of the asset. The difference is then recognised in the income statement.

Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and any provision for impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenditures are charged to the income statement during the financial period in which they were incurred. Depreciation is calculated on a straight line basis to allocate the cost of each asset over its estimated useful lives as follows:

(i) Leasehold property/improvements	Shorter of 10 years and the remaining period of the lease
(ii) Office furniture and equipment	3-5 years
(iii) Motor vehicles	4 years

The assets' useful economic lives and residual values are reviewed at each financial period end and adjusted if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the income statement in the year the item is sold or retired.

Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of an instrument, at fair value adjusted for transaction costs, except for financial assets classified as at fair value through profit or loss (FVTPL) where transaction costs are immediately recognised in the income statement. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability has been discharged, cancelled or has expired.

2. Accounting policies continued

Financial assets

Financial assets are classified as financial assets as at FVTPL (held for trading or designated as financial assets at FVTPL), loans and receivables and available for sale financial assets. The classification adopted by the Group depends on the purpose for which the financial assets were acquired and is determined at initial recognition.

The Group's financial assets include cash and short term deposits, trade and other receivables, quoted and unquoted seed capital investments and derivative financial instruments (that are not designated as hedges).

(i) Financial assets at fair value through profit or loss

Financial assets at FVTPL include investments in closed ended funds, open ended investment companies and unit trusts which are designated as fair value through profit or loss, as they are managed and evaluated on a fair value basis, in accordance with documented strategy. A financial asset is classified in this category if it has been acquired principally for the purpose of selling in the short term. This category also includes those derivative financial instruments entered into by the Group.

Financial assets at FVTPL are carried at fair value with gains and losses recognised in the income statement within other gains/(losses) in the period in which they arise. 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. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables, including loans to employees, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except where they have maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included within trade and other receivables in the balance sheet. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When a trade receivable is uncollectible, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited in the income statement.

(iii) Available for sale investments

Available for sale investments are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management actively intends to dispose of the investment within 12 months of the balance sheet date. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income until the security is disposed of or is impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the income statement for the accounting period. Where a fall in the value of an equity investment is deemed to be significant or prolonged, this is considered an indication of impairment under IAS 39, Financial Instruments: Recognition and Measurement. In such an event, the investment is written down to fair value and the amounts previously recognised in equity in respect of market value movement on the investment are recognised in the income statement as an impairment charge. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

For unquoted available for sale investments, the Group establishes fair value using valuation techniques such as recent arm's length market transactions, reference to current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

(i) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently remeasured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. A financial liability is derecognised when the obligation under the liability has been discharged, cancelled or has expired. Certain share awards made to employees include conditions which, prior to them vesting, may require the Group to repurchase the shares at nominal value. Accordingly, these amounts are shown within trade and other payables.

2. Accounting policies continued

(ii) Loans and borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(iii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Derivative financial instruments

The Group has entered into a total return swap contract over part of its investment portfolio. Gains or losses on the swap are recognised in the income statement in accordance with the fair value movements in the swap over the period of the contract. At the balance sheet date, any cash settlement due from, or to, the counterparty is recorded within current assets or current liabilities as appropriate.

The Group has also entered into interest rate swap contracts in order to reduce its exposure to movements in interest rates on its bank facility loan exposure. Gains or losses on such contracts are recognised within finance expense in the income statement.

Cash and cash equivalents

Cash amounts represent cash in hand and short-term deposits. Cash equivalents are short-term deposits which have an original maturity of 90 days or less. Overdrafts are included within trade and other payables.

Provisions

Provisions which are liabilities of uncertain timing or amount, are recognised when; the Group has a present obligation, as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Taxation

The Group provides for current tax according to the tax laws of each jurisdiction in which it operates, using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided, using the liability method, on temporary differences at the financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and, therefore, recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax relating to items recognised in other comprehensive income is recognised in other comprehensive income and not in the income statement. Deferred tax that has arisen in respect of equity items is recognised in equity and not in the income statement.

Expenses and assets are recognised net of the amount of value added tax, except where this tax is not recoverable, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of expenses. Receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Operating leases

Operating leases are leases where the lessor retains substantially all the risks and benefits of ownership of the asset. All of the Group's leases are operating leases and rental payments are charged to the income statement on a straight line basis over the term of the lease.

2. Accounting policies continued

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Own shares

The Group operates an Employee Benefit Trust for the purpose of satisfying certain retention awards to employees. The holdings of this trust include certain shares that have not vested unconditionally in employees of the Group. These shares are classified as own shares. They are held for the short term to meet future award requirements and are recorded, at cost, as own shares.

Dividend recognition

Dividend distributions to the Company's shareholders are recognised in the accounting period in which the dividends are paid and, in the case of final dividends, when these are approved by the Company's shareholders.

Exceptional items

Exceptional items are those significant items which are required to be separately disclosed due to their size or incidence in order to enable a better understanding of the Group's financial performance.

Critical accounting estimates, judgements and assumptions

The preparation of the financial information requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgement at the date of preparation of the financial information, deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The areas where assumptions and estimates are significant to the Group financial statements are discussed below.

(i) Impairment of goodwill

Goodwill is reviewed for impairment annually or more frequently if changes in circumstances indicate that the carrying value may be impaired. For this purpose, management prepares a calculation of the recoverable amount of the asset. The carrying amount of goodwill is detailed in the goodwill note.

(ii) Impairment of acquired intangibles

An assessment is made at each reporting date as to whether there is any indication that an asset in use may be impaired. If any such indication exists and the carrying values exceed the estimated recoverable amount at that time, then the assets are written down to their recoverable amount. The recoverable amount is measured as the greater of fair value less costs to sell and value in use.

(iii) Impairment of available for sale financial investments

Available for sale financial assets are reviewed for impairment in accordance with the guidance on impairment set out in IAS 39. In specific cases, where a quoted market price or fair value is not available, significant judgement is exercised by management in determining the extent of impairment of available for sale financial assets. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, as well as the financial health of and business outlook for the investee, including factors such as industry and sector performance and operational and financing cash flow.

(iv) Accrued income and expenses

Accrued income and expenses are based on latest available information and therefore involve a degree of estimation. The most significant expense accruals at year end relate to bonus and other variable remuneration scheme costs.

(v) Share-based payments

The charge to the income statement in respect of share based payments is calculated using assumptions including estimation of the number of eligible employees leaving the Group and the number of employees satisfying the relevant performance conditions. These estimates are reviewed regularly and the charge to the income statement is adjusted appropriately. At a minimum, this is adjusted at the end of the relevant scheme.

2. Accounting policies continued

New standards and interpretations

The Group has continued to apply the accounting policies used for its 2010 financial statements.

Standards not affecting the reported results nor the financial position

The following new and revised standards and interpretations have been adopted in the current year. Their adoption has not had any significant impact on amounts reported in the financial statements:

Various	Annual improvements to IFRSs (Issued by IASB in May 2010)
IAS 24 (revised)	Related Party Disclosures
Amendments to IFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

New standards and interpretations not applied

The International Accounting Standards Board and IFRS Interpretations Committee have issued number of new accounting standards, amendments to existing standards and interpretations. The following new standards are not applicable to these financial statements but are expected to have an impact when they become effective. The Group plans to apply these standards in the reporting period in which they become effective.

Not yet endorsed	Summary	Effective date
IFRS 9 Financial Instruments	Proposes revised measurement and classification criteria for financial assets.	1 January 2015
IFRS 10 Consolidated Financial Statements	Defines the principle of control, and establishes control as the basis for consolidation in the preparation of consolidated financial statements.	1 January 2013
IAS 27 (revised) Separate Financial Statements		
IFRS 12 Disclosures of Interests in Other Entities	Includes the disclosure requirements for all forms of interests in other entities, such as joint arrangements, associates and other off balance sheet vehicles.	1 January 2013
IFRS 13 Fair Value Measurement	Aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.	1 January 2013
IAS 1 (revised) Presentation of Items of Other Comprehensive Income	Revise the way other comprehensive income is presented: requiring separate subtotals for those elements which may be 'recycled' to the income statement and those elements that will not.	1 July 2012

The Group is assessing the impact of the above standards on the Group's future financial statements.

3. Restatement of revenue and fee and commission expenses

The financial statements include a prior period restatement in relation to the classification of revenue and fee and commission expenses. This restatement does not have a cash effect and does not impact net revenue, profit for the financial year attributable to the owners of the parent, earnings per share or total equity.

In preparing the current year financial statements, the Directors have reviewed the substance of contractual arrangements in relation to rebates, which are netted off against revenue, and fee and commission expenses, which are shown separately. As a result of this review, certain items in relation to the prior year have been reclassified between revenue and fee and commission expenses to ensure consistency with the current year presentation. The impact of the prior year restatement is shown below:

	As previously reported £m	Difference £m	As restated £m
Revenue	271.1	47.7	318.8
Fees and commission expenses	(40.6)	(47.7)	(88.3)
Net revenue	230.5	–	230.5

4. Segmental reporting

The Group operates only as a single operating segment, investment management.

The Group acts as an investment manager to authorised unit trusts, SICAVs, investment trusts, pension funds, private clients, hedge funds and other specialist funds and has offices in the United Kingdom, Bermuda, Germany, Jersey, and Singapore.

The Group offers different fund products 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, this information is not used by the Board to make decisions on an aggregated basis. The information used to allocate resources and assess performance is reviewed for the Group as a whole. On this basis, the Group considers itself to be a single-segment investment management business.

Management monitors the operating earnings of its operating segment for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

	2011 £m	2010 £m
Net revenue by location of clients		
UK	223.6	208.2
Continental Europe	18.3	15.5
Bermuda	5.6	6.6
Rest of the world	1.0	0.2
Total net revenue by location	248.5	230.5

The net revenue information above is based on the location of the customer. The Group did not have any single customer or distributor contributing more than 10 per cent. of net revenues during the year (2010: nil).

	2011 £m	2010 £m
Non-current assets by domicile		
UK	463.6	495.8
Bermuda	–	0.1
	463.6	495.9
Financial instruments	24.6	20.2
Deferred tax assets	11.3	11.0
Total non-current assets	499.5	527.1

5. Net revenue

	2011 £m	Restated 2010 £m
Management fees	316.8	286.3
Initial charges and commissions	24.8	26.8
Performance fees	5.3	5.7
Fees and commission expense	(98.4)	(88.3)
Total net revenue	248.5	230.5

6. Administrative expenses

The following items have been included in administrative expenses:

	2011 £m	2010 £m
Staff costs (Note 8)	85.1	79.4
Depreciation of property, plant and equipment (Note 16)	0.6	1.4
Auditors' remuneration (see below)	0.8	0.9
Operating lease rentals for land and buildings	1.9	2.7
Other operating expenses	35.4	30.7
Total administrative expenses	123.8	115.1

Auditors' remuneration

	2011 £m	2010 £m
Fees payable to the Company's auditors for the audit of the Company's annual accounts	0.1	0.2
Fees payable to the Company's auditors and their associates for other services to the Group		
Audit of the Company's subsidiaries	0.3	0.2
Total audit fees	0.4	0.4
Other services pursuant to legislation	0.1	0.2
Tax services	0.1	0.1
Other services	0.2	1.2
Total non-audit fees	0.4	1.5
Total auditors' remuneration	0.8	1.9

In the prior year the following amounts for auditors' remuneration were included in exceptional costs and share premium:

Other services (included in exceptional costs)	—	0.6
Other services (included within share premium account)	—	0.4
Included outside of administrative expenses	—	1.0

In 2010, other services included work in relation to the Group's Listing.

7. Exceptional costs

There were no costs arising in 2011 which the Group consider to be exceptional.

During 2010, the Group recognised two exceptional costs, being a charge of £1.6m relating to expenses associated with the Listing and a charge for the contribution of £5.2m made by the Group to the Financial Services Compensation Scheme (FSCS) second interim levy for 2010/11. The FSCS continues to look into the final resolution of this levy, but no further charge or credit has yet been announced.

	2011 £m	2010 £m
Keydata	–	5.2
IPO costs	–	1.6
	–	6.8

8. Staff costs

	2011 £m	2010 £m
Wages and salaries	59.3	61.3
Share-based payments (Note 27)	12.7	7.8
Social security costs	8.8	6.8
Pension costs	3.6	3.5
Redundancy costs	0.7	–
	85.1	79.4

The Group contributes to a number of defined contribution pension schemes for the benefit of its employees. Contributions in respect of the UK employees (at the rate of 15 per cent. of gross salary) are made into the Jupiter Pension Scheme whose financial statements are available from the trustees at the registered office of the Company. No liability is included in the balance sheet as no obligations were outstanding at the balance sheet date.

The monthly average number of persons employed by the Group during the period, including executive Directors, by activity:

	2011	2010
Fund management	70	65
Distribution and marketing	74	73
Infrastructure and operations	265	306
	409	444

Information regarding Directors' emoluments is given in the Remuneration Report.

9. Finance income

	2011 £m	2010 £m
Interest on bank deposits	0.8	0.8
Dividend income	0.2	0.1
	1.0	0.9

10. Finance expense

	2011 £m	2010 £m
Interest payable on bank borrowings	9.5	19.9
Amortisation of debt issue costs (Note 22)	2.5	2.3
Fair value movement on interest rate swaps	1.6	(9.6)
Interest payable on interest rate swaps	0.4	–
Other finance costs	0.3	0.1
Interest on Preferred Finance Securities	–	10.9
Loan amendment costs	–	3.8
Dividends on Tier 2 preference shares treated as debt	–	1.6
	14.3	29.0

During the year, £140.0m (2010: £80.0m) of the senior debt was repaid. This resulted in an acceleration of £1.6m (2010: £1.2m) in the amortisation of the debt issue costs.

Interest rate swaps

In November 2010, the Group entered into two interest rate swaps, both with a notional value of £35.0m with interest settling quarterly. One is for a period of three years paying a fixed interest rate of 1.33 per cent., the other is for a period of four years paying a fixed interest rate of 1.6175 per cent.

In 2007, the Group entered into a £300m amortising interest rate swap, at an interest rate of 6.2475 per cent. From 2009 until maturity in August 2010 the notional amount of the swap was £212.5m.

Finance expense relating to pre-Listing structure

Prior to the Listing, the Group was partially funded by Preferred Finance Securities ("PFS") and Tier 2 preference shares. These were treated as debt instruments in the financial statements. The PFS accrued interest at 10 per cent. per annum, compounding on 31 March each year if no interest had been paid. The Tier 2 preference shares carried the right to a fixed preferential dividend of 10 per cent. per annum of the issue price of £1 per share, compounding if no payment had been made. Prior to the Listing the PFS were repaid and the Tier 2 preference shares were converted to ordinary and deferred shares.

11. Income tax expense

	2011 £m	2010 £m
Current taxation – UK corporation tax		
Tax on profits for the year	33.3	21.4
Adjustment in respect of prior years	–	(0.3)
	33.3	21.1
Deferred taxation		
Origination and reversal of temporary differences	(13.9)	(10.6)
Impact of changes in corporation tax rate	(1.7)	–
Adjustment in respect of prior years	1.2	(0.6)
Total deferred tax (Note 18)	(14.4)	(11.2)
	18.9	9.9

Total tax expense

The weighted average UK corporation tax rate for the year ended 31 December 2011 was 26.5 per cent. (2010: 28 per cent.). The tax charge in the year is higher (2010: lower) than the standard rate of corporation tax in the UK and the differences are explained below:

Factors affecting tax expense for the period	2011 £m	2010 £m
Profit before taxation	70.3	42.4
Taxation at the standard corporation tax rate (2011: 26.5 per cent.; 2010: 28 per cent.)	18.6	11.9
Non-taxable income	(0.5)	(0.3)
Disallowable expenses	0.8	2.0
Other permanent differences	0.5	(1.9)
Adjustment to current tax charge in respect of prior years	–	(0.3)
Adjustment to deferred tax charge in respect of prior years	1.2	(0.6)
Impact of tax rate change on deferred tax balances	(1.7)	(0.9)
Total tax expense	18.9	9.9

12. Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, less the weighted average number of own shares held.

Diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during that year 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.

In 2010, the profit for the year was reduced by the catch up entitlement of £10.4m on the Tier 1 preference share conversion at Listing.

	2011 £m	2010 £m
Net profit attributable to owners of the parent		
Profit for the year attributable to owners of the parent	51.4	32.5
Deduction of the catch up entitlement of £10.4m on the Tier 1 preference share conversion at Listing in 2010	–	(10.4)
Net profit attributable to owners of the parent	51.4	22.1

Since the Listing, the number of ordinary shares in issue has been 457.7m. For the purposes of calculating EPS, the share capital of the parent is calculated as the weighted average number of ordinary shares in issue over the years reported. 2010 calculations take retrospective account of the restructuring of the Company's share capital at Listing. The weighted average number of ordinary shares during the year used for the purposes of calculating EPS is as follows:

	2011 Number m	2010 Number m
Weighted average number of shares		
Issued share capital	457.7	368.7
Less own shares held	(129.1)	(164.2)
Weighted average number of ordinary shares or the purpose of basic EPS	328.6	204.5
Add back weighted average number of dilutive shares	13.2	88.2
Weighted average number of ordinary shares for the purpose of diluted EPS	341.8	292.7

The weighted average number of own shares is deducted from the weighted average number of ordinary shares. 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.

	2011 p	2010 p
Earnings per share		
Basic	15.6	10.8
Diluted	15.0	7.6

13. Dividends

	2011 £m	2010 £m
Final dividend 2010 (4.7p per ordinary share)	21.5	–
Interim dividend 2011 (2.5p per ordinary share)	11.4	–
	32.9	–

Dividends of £1.2m (2010: £nil) were paid on shares held in the EBT, beneficially owned by the Company. Net dividends paid were therefore £31.7m. A final dividend for 2011 of 5.3p per share (2010: 4.7p) will be proposed at the Annual General Meeting on 16 May 2012 and will be accounted for in 2012.

14. Goodwill

On 19 June 2007, the Group acquired the entire share capital of Knightsbridge Asset Management Limited (formerly Comasman Limited) which gave rise to a goodwill asset being recognised.

	2011 £m	2010 £m
Goodwill	341.2	341.2
	341.2	341.2

No additional goodwill was recognised in the year (2010: £nil).

The Group has determined that it has a single cash generating unit (CGU) for the purpose of assessing the carrying value of goodwill.

Goodwill is subject to an annual impairment review. This recoverable amount was based on a fair value less costs to sell calculation using the Company's year end share price. No impairment was implied.

15. Intangible assets

In 2007, the Group acquired the entire share capital of Knightsbridge Asset Management Limited (formerly Comasman Limited). This acquisition gave rise to the recognition of intangible assets relating to investment management contracts and trade name of the Group. The other intangible assets relate to computer software.

The Directors have reviewed the intangible assets as at 31 December 2011 and have concluded there are no indicators of impairment.

	Investment management contracts £m	Trade name £m	Computer software £m	Total £m
2011				
Cost				
At 1 January	258.0	18.7	6.3	283.0
Additions	–	–	1.0	1.0
Disposals	–	–	(0.4)	(0.4)
At 31 December	258.0	18.7	6.9	283.6
Accumulated amortisation				
At 1 January	130.3	6.6	3.7	140.6
Charge for the year	36.8	1.9	1.2	39.9
Disposals	–	–	(0.4)	(0.4)
At 31 December	167.1	8.5	4.5	180.1
Net book value at 31 December	90.9	10.2	2.4	103.5
2010				
Cost				
At 1 January	258.0	18.7	5.8	282.5
Additions	–	–	0.5	0.5
Disposals	–	–	–	–
At 31 December	258.0	18.7	6.3	283.0
Accumulated amortisation				
At 1 January	93.5	4.7	2.6	100.8
Charge for the year	36.8	1.9	1.1	39.8
At 31 December	130.3	6.6	3.7	140.6
Net book value at 31 December	127.7	12.1	2.6	142.4

16. Property, plant and equipment

	Leasehold improvements £m	Office furniture & equipment £m	Motor vehicles £m	Total £m
Cost				
At 1 January 2010	2.4	2.9	0.1	5.4
Additions	0.5	0.3	0.1	0.9
Disposals	–	(0.1)	(0.1)	(0.2)
At 31 December 2010	2.9	3.1	0.1	6.1
Additions	0.1	1.0	–	1.1
Disposals	(2.4)	(0.3)	–	(2.7)
At 31 December 2011	0.6	3.8	0.1	4.5
Accumulated depreciation				
At 1 January 2010	1.7	2.0	0.1	3.8
Charge for the year	0.8	0.5	0.1	1.4
Disposals	–	(0.1)	(0.1)	(0.2)
At 31 December 2010	2.5	2.4	0.1	5.0
Charge for the year	0.2	0.4	–	0.6
Disposals	(2.4)	(0.3)	–	(2.7)
At 31 December 2011	0.3	2.5	0.1	2.9
Net book value				
At 31 December 2011	0.3	1.3	–	1.6
At 31 December 2010	0.4	0.7	–	1.1

17. Financial instruments held at fair value

Financial instruments held at fair value consist of seed capital investments and derivatives. Where the Group holds 20-50 per cent. of the share capital, the investment is classified as an investment in associate. Details on the seed capital investments where the Group holds more than 20 per cent. are given below:

Name	Country of incorporation	Principal activities	Percentage of ordinary shares held	
			2011	2010
Jupiter Global Fund SICAV: Asia Pacific	Luxembourg	SICAV sub-fund	49	54
Jupiter Global Emerging Markets Fund	England & Wales	Unit trust	27	30
Alon Technology Ventures Ltd	British Virgin Islands	Investment company	40	40

The Group used the following hierarchy for determining and disclosing the fair value of financial instruments:

17. Financial instruments held at fair value continued

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs).

As at 31 December 2011, the Group held the following financial instruments measured at fair value:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2011				
Available for sale investments	–	–	24.6	24.6
Investments in associates	13.3	0.3	–	13.6
Financial assets at FVTPL	25.5	–	–	25.5
Derivative financial instruments	–	(0.6)	–	(0.6)
	38.8	(0.3)	24.6	63.1

As at 31 December 2010, the Group held the following financial instruments measured at fair value:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2010				
Available for sale investments	–	–	20.2	20.2
Investments in associates	13.2	0.4	–	13.6
Financial assets at FVTPL	45.3	–	–	45.3
Derivative financial instruments	–	0.9	–	0.9
	58.5	1.3	20.2	80.0

There were no transfers between Levels in either 2011 or 2010.

The table below reconciles the carrying values of Level 3 financial instruments at the beginning and end of the year:

	2011 £m	2010 £m
At 1 January	20.2	13.2
Purchases	3.3	–
Disposals	–	(3.3)
Gains recognised in other comprehensive income	1.1	10.3
At 31 December	24.6	20.2

17. Financial instruments held at fair value continued

The Level 3 financial instruments relate to investments in Cofunds Holdings Limited ("Cofunds") and iO Adria Limited (formerly Jupiter Adria Limited). Both are available for sale investments.

At 31 December 2011 and 2010, the Group held 9.68 per cent. of the "A" ordinary shares in Cofunds. During the year no "A" ordinary shares were disposed of (2010: 13,186,760). At 31 December 2011, the Group revalued the holding and a £1.7m (2010: £10.3m) gain was recognised in other comprehensive income.

During 2011, the Group invested in iO Adria Limited, a company investing in Croatian property. At year end the Group revalued the holding and a £0.6m loss was recognised in other comprehensive income.

Calculation of fair value

Available for sale investments

The fair value is based on an internally calculated value of the entity. This takes into account factors such as expected future cash flows or the net assets of the investment. Liquidity discounts are included where considered relevant.

Investments in associates and financial assets at FVTPL

These relate to seed capital investments in funds and investments made through a subsidiary undertaking, Jupiter Investment Management Group Limited.

The fair value of quoted equity shares classified as Level 1 is determined by reference to published price quotations in an active market. Investments classified as Level 2 are units in unquoted investment funds. The fair value of a fund's unit is determined to be a proportion of the net asset value of the fund. If there are significant liquidity discounts applied (e.g. when the funds have redemption gates or lock-up periods), the effect of the adjustments will be to put the fair value in Level 3. There are no such discounts applied at 31 December 2011 or 2010.

Derivative financial instruments

The Group does not trade in derivatives. Derivatives are held to hedge specific exposures and have maturities designed to match the exposures they are hedging. The derivatives are held at fair value which represents the price to exit the instruments at the balance sheet date. Movements in the fair value are included in the income statement.

Interest rate swaps

The Group uses interest rate swaps to manage its exposure to interest rate movements on its interest-bearing loans and borrowings. The fair value of these contracts is recorded in the balance sheet and is determined by discounting future cash flows at the prevailing market rates at the balance sheet date. No contracts are designated as hedging instruments, as defined in IAS 39, and consequently all changes in fair value are taken to the income statement within finance expense.

Further information on the interest rate swaps is included in Note 10.

Total return swaps

The Group has entered into four total return swap arrangements to hedge certain of its seed capital investments. Gains and losses are recognised and settled monthly in accordance with the terms of the contract. At 31 December 2011, the notional value of the swaps was £32.5m (2010: £38.7m). The settlement amount at 31 December 2011 was £39,000 (2010: £1.6m) and is included within trade and other payables.

18. Deferred tax

Analysis of the Group's deferred tax assets and liabilities is shown below:

	Intangible assets £m	Retention bonus £m	Deferred income/ expense £m	Debt issue costs £m	Share-based payments £m	Other £m	Less than one year £m	More than one year £m	Total £m
Assets	–	2.2	5.0	–	3.2	0.6	–	11.0	11.0
Liabilities	(38.0)	–	–	(1.1)	–	(0.5)	–	(39.6)	(39.6)
At 31 December 2010	(38.0)	2.2	5.0	(1.1)	3.2	0.1	–	(28.6)	(28.6)
Assets	–	0.9	3.7	–	5.9	0.8	3.9	7.4	11.3
Liabilities	(25.4)	–	–	(0.4)	–	–	(9.9)	(15.9)	(25.8)
At 31 December 2011	(25.4)	0.9	3.7	(0.4)	5.9	0.8	(6.0)	(8.5)	(14.5)

Movements in temporary differences between the balance sheet dates have been reflected in the income statement and the statement of changes in equity as follows:

	Intangible assets £m	Interest costs £m	Retention bonus £m	Deferred income/ expense £m	Debt issue costs £m	Share-based payments £m	Other £m	Total £m
At 1 January 2010	(50.0)	0.6	2.0	5.8	(1.8)	–	2.0	(41.4)
Credited/(charged) to the income statement	12.0	(0.6)	0.2	(0.8)	0.7	1.6	(1.9)	11.2
Credited to equity	–	–	–	–	–	1.6	–	1.6
At 31 December 2010	(38.0)	–	2.2	5.0	(1.1)	3.2	0.1	(28.6)
Credited/(charged) to the income statement	12.6	–	(1.3)	(1.3)	0.7	3.0	0.7	14.4
Charged to equity	–	–	–	–	–	(0.3)	–	(0.3)
At 31 December 2011	(25.4)	–	0.9	3.7	(0.4)	5.9	0.8	(14.5)

The other deferred tax assets at 31 December 2011 relate to differences between depreciation and capital allowances and deferred tax on the fair value of the interest rate swaps.

In the year ended 31 December 2011, subsidiaries of the Group have unused capital tax losses for which no deferred income tax asset has been recognised in the balance sheet amounting to £nil (2010: £nil).

As the year end is after substantive enactment date (20 July 2010) of the Finance Act 2010 and after the substantive enactment dates (29 March 2011 and 5 July 2011) of the March 2011 UK Budget Statement changes, these financial statements account for the change in tax rate from 28 per cent. to 26 per cent. with effect from 1 April 2011 and the change in tax rate from 26 per cent. to 25 per cent. with effect from 1 April 2012. As a result, the rate at which deferred tax is calculated has changed and deferred tax is measured at 25 per cent. or a blended rate of 26 per cent. or 25 per cent. depending on when the deferred tax is expected to unwind. Consequently within the analysis of the deferred tax charge and the tax reconciliation, there is a separate line item disclosing the impact of the change in tax rate on the opening deferred tax balances.

A number of further changes to the UK corporation tax system have been announced but not yet enacted including a reduction in the corporation tax rate by 1 per cent. per annum to 23 per cent. by 1 April 2014. These proposed reductions are expected to be enacted separately each year. As the future changes from 1 April 2012 have not been substantially enacted at the balance sheet date, their impact is not included in the closing deferred tax balances.

19. Trade and other receivables

	2011 £m	2010 £m
Current		
Trade receivables	57.4	83.1
Prepayments and accrued income	14.3	13.6
Deferred acquisition and commission costs	6.9	13.8
	78.6	110.5
Non-current		
Deferred acquisition and commission costs	17.3	11.2
	17.3	11.2

At 31 December 2011, cash collateral of £0.6m (2010: £nil) was pledged against a decrease in the fair value of the interest rate swaps. This amount has been included within trade receivables in the note above.

Trade receivables are non-interest bearing and are generally collected within four working days. An analysis of the ageing profile of trade receivables is disclosed in Note 28.

20. Cash and cash equivalents

	2011 £m	2010 £m
Cash at bank and in hand	17.2	24.1
Short-term deposits	132.5	195.8
Cash held by EBT and seed capital subsidiaries	1.6	0.4
Cash and cash equivalents per the balance sheet	151.3	220.3
Overdraft (Note 21)	(0.9)	—
Cash and cash equivalents for purposes of the statement of cash flows	150.4	220.3

Cash at bank earns interest based at the current prevailing daily bank rates. Short-term deposits are made for varying periods of between one day and three months, depending on the forecast cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The overdraft in 2011 arose during the ordinary course of business and relates to a settlement timing difference over the year end.

21. Trade and other payables

Current	2011 £m	2010 £m
Trade payables	67.5	82.1
Accruals	42.0	39.5
Deferred income	12.5	27.0
Social security and other taxes	7.5	4.5
Due to employees in respect of share and option awards	1.9	—
Overdraft	0.9	—
Other payables	0.1	17.5
	132.4	170.6

Due to employees relates to conditions attached to some of the ordinary shares and options over ordinary shares. In certain circumstances these require the Group to repurchase the instruments at 2p, being the original issue cost. At 31 December 2011, 82.5m (2010: 130.2m) shares and 14.8m options were subject to these restrictions. In 2010 these were shown within Note 22 Loans and borrowings.

Non-current	2011 £m	2010 £m
Deferred income	26.6	16.1
Other payables	0.9	1.0
	27.5	17.1

22. Loans and borrowings

	2011 £m	2010 £m
Bank loan	141.4	278.9
Due to employees in respect of share awards	–	2.6
	141.4	281.5

In 2011, Due to employees in respect of share awards is shown in Note 21 Trade and other payables.

The Group has a syndicated loan which is repayable on or before 19 June 2015. The loan is secured by a charge over the assets of a subsidiary company, Jupiter Asset Management Group Limited. The restrictions which arise under the terms of the loan facility prevent intercompany loans between certain subsidiaries and prohibit assets being sold, leased or disposed of other than in the ordinary course of business.

As shown below, the carrying value of the loan is disclosed net of unamortised debt issue costs which were capitalised on issue.

	2011 £m	2010 £m
Bank loan	143.0	283.0
Unamortised debt issue costs (Note 10)	(1.6)	(4.1)
	141.4	278.9

The movement on the carrying value of the loan is shown below:

	2011 £m	2010 £m
At 1 January	278.9	356.6
Voluntary prepayments made in the year	(140.0)	(80.0)
Amortisation of debt issue costs (Note 10)	2.5	2.3
At 31 December	141.4	278.9

Interest was payable at a rate per annum of three month LIBOR plus a margin of 2.125 per cent. until the Listing and is now payable at a rate per annum of 3 month LIBOR plus a margin of 3.75 per cent. The Group has two interest rate swaps in place to hedge its floating rate exposure. Details on these are given in Note 10 Finance expense.

Under the facility agreement, the Group also has access to a revolving credit facility of £10m. This was not utilised during the year.

23. Provisions

	2011 £m	2010 £m
At 1 January	2.0	–
Charged to income statement	0.4	2.0
Utilisation	(2.4)	–
At 31 December	–	2.0

The balance at 1 January 2011 related to the Group's office in West Malling. In 2010, the Group exercised a break clause on the lease, resulting in expiry of the lease in 2011. In 2010 the Group provided for onerous lease and dilapidation costs of £2.0m as the office space was underutilised throughout 2011. During 2011, a further £0.4m of costs were incurred. All expected payments had been settled by 31 December 2011.

24. Share capital

	2011 £m	2010 £m
Issued, allotted, called-up and fully paid		
457.7m ordinary shares of 2p each	9.2	9.2
	9.2	9.2

25. Reserves

(i) Share premium	2011 £m	2010 £m
At 1 January	255.7	–
Arising on issue of ordinary shares on acquisition of PFS	–	48.4
Arising on issue of ordinary shares to new subscribers	–	217.6
Expenses arising on issue of equity shares	–	(10.3)
Cancelled in year and transferred to retained earnings	(255.7)	–
At 31 December	–	255.7

The share premium account represented amounts received on the issue of share capital in excess of nominal value and was not a distributable reserve. On 9 June 2011, the Company's share premium reserve was, with the sanction of the Court, cancelled and an amount of £255.7m was transferred to a distributable reserve.

(ii) Capital redemption reserve	2011 £m	2010 £m
At 1 January	54.1	–
Created in the year on cancellation of deferred shares	–	54.1
Cancelled in the year and transferred to retained earnings	(54.1)	–
At 31 December	–	54.1

On 9 June 2011, the Company's capital redemption reserve was, with the sanction of the Court, cancelled and an amount of £54.1m was transferred to a distributable reserve.

(iii) Own share reserve	2011 £m	2010 £m
At 1 January	(2.9)	–
Created in the year on cancellation of deferred shares	–	(2.9)
Ordinary shares released from restriction	0.8	–
At 31 December	(2.1)	(2.9)

At 31 December 2011, 82.5m (2010: 130.2m) ordinary shares beneficially owned by senior employees were subject to restrictions which, in some circumstances, require the Group to repurchase the shares at their nominal value, and this liability is shown within current trade and other payables. These restrictions are released over the next three years. The shares are held within the Group's EBT and together with a further 20.9m (2010: 16.7m) shares held for the purpose of satisfying share option obligations to employees, are treated as own shares with a cost of £2.1m (2010: £2.9m).

25. Reserves continued

	2011 £m	2010 £m
(iv) Other reserve		
At 1 January	8.0	–
Tier 2 preference share conversion	–	8.0
At 31 December	8.0	8.0

The other reserve relates to the conversion of Tier 2 preference shares in 2010.

	2011 £m	2010 £m
(v) Available for sale reserve		
At 1 January	10.3	–
Changes in fair value of available for sale investments	1.1	10.3
At 31 December	11.4	10.3

The available for sale reserve relates to the uplift in the fair value of the Group's holdings in investments classified as available for sale.

	2011 £m	2010 £m
(vi) Foreign currency translation reserve		
At 1 January	7.5	7.3
Exchange movement on translation of subsidiary undertakings	(0.1)	0.2
At 31 December	7.4	7.5

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

	2011 £m	2010 £m
(vii) Retained earnings		
At 1 January	48.8	6.9
Profit for the year	51.4	32.5
Share-based payments (Note 8)	12.7	7.8
Deferred tax on share-based payments	(0.3)	1.6
Dividends paid	(31.7)	–
Cancellation of share premium and transfer to retained earnings	255.7	–
Cancellation of capital redemption reserve and transfer to retained earnings	54.1	–
At 31 December	390.7	48.8

26. Financial commitments

The future aggregate minimum lease payments under non-cancellable operating leases on office properties are shown below.

	2011 £m	2010 £m
Not later than one year	2.5	1.0
Later than one year and not later than five years	0.2	–
	2.7	1.0

The commitments above take into account any early break clauses exercisable by the Group. There are no special terms for renewal or purchase options for the Group's leasehold property, nor are there any restrictions on dividends, additional debt or further leasing imposed from the leasing arrangements.

27. Share-based payments

The Group engages in equity-settled share-based payment transactions in respect of services receivable from certain employees, granting employees the right to acquire either shares or options over shares, subject to certain vesting conditions.

Prior to the Listing in June 2010, these transactions were in respect of B shares, which were then converted into ordinary shares at a ratio of one to fifty. Following the Listing the transactions were in respect of ordinary shares. Shares and options vest on the occurrence of a specified event under the rules of the relevant plan. Certain shares and options are subject to performance conditions.

The fair value of shares and options granted during the year to be charged over the vesting period was £13.6m (2010: £29.0m).

A summary of the charge taken to the income statement (excluding social security) for each share-based payment arrangement is shown below:

	2011 £m	2010 £m
Options over pre-Listing shares	8.2	5.8
Deferred bonus plan	3.1	1.5
Long-term incentive plan	1.1	–
Save as you earn	0.3	0.1
Other	–	0.4
Total (Note 8)	12.7	7.8

The Group has rebutted the presumption that the fair value of services received can be estimated reliably and therefore the fair value of the services has been calculated indirectly by reference to the fair value of the equity instruments granted. Fair value amounts for the options granted under the DBP, LTIP and SAYE schemes were determined using a Black Scholes option-pricing method and the following assumptions:

	DBP 2010	2011 LTIP 2011	SAYE 2011	2010 SAYE 2010
Weighted average share price (£)	2.91	2.58	2.06	2.56
Exercise price (£)	–	0.02	1.69	1.93
Weighted average expected volatility (%)	48.3	43.8	45.7	48.9
Weighted average option life (years)	3.3	4.7	3.9	3.8
Weighted average dividend yield (%)	2.3	2.8	3.5	3.5
Weighted average risk-free interest rate (%)	1.8	2.2	1.2	1.2

Expected volatility for options granted in 2011 has been calculated using the historical volatility of a comparator group of companies.

Where relevant, assumptions have also been made for the proportion of options not vesting due to performance and service conditions not being met.

(i) Options over pre-Listing shares

These options were granted to certain employees prior to Listing in June 2010 and allow them to acquire shares at nominal value subject to satisfying certain vesting and performance conditions. The terms of the options allow individuals to make a payment to the Company entitling them to take up rights to shares between one and five years after the grant date, depending on the individual award. The options over pre-Listing shares were granted at the nominal price of the B shares which gives them the characteristics of nil cost options and therefore the fair value of these awards is based on the derived market price as at the date of the award.

27. Share-based payments continued

Options outstanding	Number	WAEP £
At 1 January 2010	16,569	1.00
Granted prior to Listing	329,600	1.00
Forfeited prior to Listing	(1,325)	1.00
Total prior to Listing	344,844	1.00
Conversion on Listing to ordinary shares	17,242,200	0.02
Exercised post Listing	(342,100)	0.02
Forfeited post Listing	(17,000)	0.02
At 31 December 2010	16,883,100	0.02
Exercised during the year	(1,392,572)	0.02
Forfeited during the year	(30,000)	0.02
At 31 December 2011	15,460,528	0.02
	2011	2010
Exercisable at 31 December	641,067	91,000

The weighted average share price at the date of exercise of these options was £2.40 (2010: £1.92) per ordinary share.

No options were granted under this plan in 2011. For the options granted in 2010, the weighted average fair value of options granted was £1.50.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2011 is 1.8 years (2010: 2.5 years).

(ii) Deferred Bonus Plan ("DBP")

All employees of the Group who are eligible for a bonus over a certain level, as determined by the Remuneration Committee, are required to participate in the DBP which provides for compulsory deferral of a proportion of bonus into either options over the Company's shares or units in the Group's funds. The awards made in 2011 were granted in the form of nil cost options over the Company's shares, at a price calculated as the market price immediately prior to the date of the award. The awards in respect of this plan are granted after the year end to which they relate. The first year for this award was related to 2010 performance, with the first options granted in April 2011. Thus a charge is reflected in the income statement in 2010, but the associated options were not granted until 2011. Awards will also be made in 2012 in relation to 2011 performance. A charge for these awards was taken to the income statement in 2011.

Options outstanding	Number	WAEP £
At 1 January 2011	—	—
Granted during the year	2,497,599	—
Forfeited during the year	(18,565)	—
At 31 December 2011	2,479,034	—
	2011	2010
Exercisable at 31 December	—	—

The weighted average fair value of options granted under this plan during the year was £2.70 (2010: £nil).

The remaining contractual life of the share options outstanding under this plan at 31 December 2011 was 2.3 years (2010: nil).

27. Share-based payments continued

(iii) Long-term incentive plan ("LTIP")

Options were granted under the LTIP for the first time in 2011.

Options outstanding	Number	WAEP £
At 1 January 2011	–	–
Granted during the year	3,393,713	0.02
Forfeited during the year	(21,018)	0.02
At 31 December 2011	3,372,695	–
	2011	2010
Exercisable at 31 December	–	–

The weighted average fair value of options granted under this plan during the year was £2.22 (2010: £nil).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2011 was 3.2 years (2010: nil).

(iv) Sharesave Plan

All eligible UK employees may participate in the Group's Sharesave Plan, which was introduced in 2010. Under the terms of this plan, employees may enter into contracts to save up to £250 per month and, at the expiry of a fixed three or five year term, have the option to use these savings to acquire shares in the Company at a discounted price, calculated under the rules of the plan (currently a 20 per cent. discount to the market price at the date of award). Participants in the plan have six months from the date of vesting to exercise their option.

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movement in, share options during the year:

Options outstanding	Number	WAEP £
At 1 January 2010	–	–
Granted post Listing	1,164,528	1.93
At 31 December 2010	1,164,528	1.93
Exercised during the year	(3,960)	1.93
Forfeited/converted to 2011 scheme	(742,447)	1.93
Granted in the year	972,532	1.69
At 31 December 2011	1,390,653	1.86
	2011	2010
Exercisable at 31 December	–	–

The weighted average fair value of the options granted under this scheme during the year was £0.68 (2010: £0.96).

27. Share-based payments continued

(v) Share awards

During 2010, certain employees were awarded rights to shares in the Company. Subject to performance conditions, these vest over the three years following the date of grant.

The following table shows the movement in these share awards in the year:

At 1 January 2010	3,593,594
Granted prior to Listing	25,000
Forfeited prior to Listing	(214,994)
Total prior to Listing	3,403,600
Conversion on Listing to ordinary shares	170,180,000
Forfeited post Listing	(31,974,956)
At 31 December 2010	138,205,044
Released from restriction during the year	(50,607,595)
Forfeited during the year	(5,146,000)
At 31 December 2011	82,451,449

28. Financial risk management

Financial instruments by category

The carrying value of the financial instruments of the Group at 31 December is shown below:

	Available for sale £m	Designated at FVTPL £m	Loans and receivables £m	Financial liabilities at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non- financial instruments £m	Total £m
2011								
Goodwill	—	—	—	—	—	—	341.2	341.2
Intangible assets	—	—	—	—	—	—	103.5	103.5
Property, plant and equipment	—	—	—	—	—	—	1.6	1.6
Available for sale investments	24.6	—	—	—	—	24.6	—	24.6
Deferred tax assets	—	—	—	—	—	—	11.3	11.3
Non-current trade and other receivables*	—	—	—	—	—	—	17.3	17.3
Investments in associates	—	13.6	—	—	—	13.6	—	13.6
Financial assets at FVTPL	—	25.5	—	—	—	25.5	—	25.5
Current trade and other receivables*	—	—	57.4	—	—	57.4	21.2	78.6
Cash and cash equivalents	—	—	151.3	—	—	151.3	—	151.3
Loans and borrowings	—	—	—	—	(143.0)	(143.0)	1.6	(141.4)
Non-current trade and other payables*	—	—	—	—	(0.9)	(0.9)	(26.6)	(27.5)
Deferred tax liabilities	—	—	—	—	—	—	(25.8)	(25.8)
Current trade and other payables*	—	—	—	—	(119.9)	(119.9)	(12.5)	(132.4)
Current income tax liability	—	—	—	—	—	—	(16.2)	(16.2)
Derivative financial instruments	—	—	—	(0.6)	—	(0.6)	—	(0.6)
Total	24.6	39.1	208.7	(0.6)	(263.8)	8.0	416.6	424.6

28. Financial risk management continued

2010	Available for sale £m	Designated at FVTPL £m	Loans and receivables £m	Financial liabilities at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non- financial instruments £m	Total £m
Goodwill	—	—	—	—	—	—	341.2	341.2
Intangible assets	—	—	—	—	—	—	142.4	142.4
Property, plant and equipment	—	—	—	—	—	—	1.1	1.1
Available for sale investments	20.2	—	—	—	—	20.2	—	20.2
Deferred tax assets	—	—	—	—	—	—	11.0	11.0
Non-current trade and other receivables*	—	—	—	—	—	—	11.2	11.2
Investments in associates	—	13.6	—	—	—	13.6	—	13.6
Financial assets at FVTPL	—	45.3	—	—	—	45.3	—	45.3
Derivative financial instruments	—	0.9	—	—	—	0.9	—	0.9
Current trade and other receivables*	—	—	83.1	—	—	83.1	27.4	110.5
Cash and cash equivalents	—	—	220.3	—	—	220.3	—	220.3
Loans and borrowings	—	—	—	—	(281.5)	(281.5)	—	(281.5)
Non-current trade and other payables*	—	—	—	—	(1.0)	(1.0)	(16.1)	(17.1)
Deferred tax liabilities	—	—	—	—	—	—	(39.6)	(39.6)
Financial liabilities at FVTPL	—	—	—	(7.0)	—	(7.0)	—	(7.0)
Current trade and other payables*	—	—	—	—	(143.6)	(143.6)	(27.0)	(170.6)
Provisions	—	—	—	—	—	—	(2.0)	(2.0)
Current income tax liability	—	—	—	—	—	—	(9.2)	(9.2)
Total	20.2	59.8	303.4	(7.0)	(426.1)	(49.7)	440.4	390.7

*Financial instruments do not include prepayments, deferred income or deferred acquisition and commission costs as these are not financial instruments

For financial instruments held at 31 December 2011 and 2010, there was no material difference between the carrying value and fair value.

Gains and losses recognised in the income statement during the period to 31 December by category are shown below:

	2011				2010			
	Designated at FVTPL £m	Financial liabilities at FVTPL £m	Other income and expense £m	Total £m	Designated at FVTPL £m	Other income and expense £m	Total £m	
Revenue	—	—	346.9	346.9	—	318.8	318.8	
Fee and commission expenses	—	—	(98.4)	(98.4)	—	(88.3)	(88.3)	
Administrative expenses	—	—	(123.8)	(123.8)	—	(115.1)	(115.1)	
Other (losses)/gains	(1.9)	—	0.7	(1.2)	1.7	—	1.7	
Amortisation of intangible assets	—	—	(39.9)	(39.9)	—	(39.8)	(39.8)	
Exceptional costs	—	—	—	—	—	(6.8)	(6.8)	
Finance income	—	—	1.0	1.0	—	0.9	0.9	
Finance expense	—	(1.6)	(12.7)	(14.3)	9.6	(38.6)	(29.0)	
Income tax expense	—	—	(18.9)	(18.9)	—	(9.9)	(9.9)	
	(1.9)	(1.6)	54.9	51.4	11.3	21.2	32.5	

During the year a gain of £1.1m (2010: £10.3m) was recognised directly in equity reflecting the net gain on available for sale investments.

28. Financial risk management continued

Financial risk management objectives and policies

The Group is subject to a number of financial risks throughout its business, the principal risks being market risk, (including price, foreign exchange and interest rate risk), credit risk and liquidity risk. The Board is accountable for risk and is responsible for oversight of the risk management process. The Board has ultimate responsibility for the risk strategy of the Group and for determining an appropriate risk appetite and tolerance levels within which the Group must operate. By defining these, the Board demonstrates that it is aware of and, where appropriate, has taken steps to mitigate the impact of risks that may have a material impact on the Group.

The Executive Committee reviews the key corporate risks facing the Group. The Chief Financial Officer has responsibility for the risk and control framework within the Group and the independent monitoring and reporting of risk and controls. The Chief Financial Officer through a Risk Committee manages the ongoing development of the Group's risk and control framework. Jupiter embeds risk management within the business, with independent oversight and challenge being provided by the risk function.

Price risk

Price risk is the risk that a decline in the value of assets will adversely impact the profitability of the Group. Management has identified price risk as the exposure in the value of financial assets held by the Group, resulting in a loss recognised in the consolidated income statement. The Group is not exposed to commodity price risk.

The Group holds equity investments in its seed capital portfolio and is exposed to the risk of changes in the equity markets that will reduce the value of the Group's investments. At 31 December 2011, the exposure to unlisted equity securities at fair value was £24.6m (2010: £20.2m) and the exposure to listed securities at fair value was £39.1m (2010: £58.9m).

The Group's policy is to hedge the equity market and currency exposure of its seed capital investments depending on the fund mandate and whether available transactions are cost effective. As at 31 December 2011, the Group had a total return swap arrangement over certain of its holdings in seed fund investments. The notional value of the swap was £32.5m (2010: £38.7m).

A fall in value of an available for sale investment which is significant or prolonged is considered to be an indication of impairment under IAS 39. In such an event, the available for sale investment is written down to fair value and the amounts of previously recognised equity, in respect of market value are recognised in the consolidated income statement as an impairment charge.

Price risk sensitivity analysis on financial assets

The Directors believe that 10 per cent. gives a reasonable measure of the Group's sensitivity to price risk. An increase or decrease of 10 per cent. in equity markets would have the following impact on the profit before taxation and equity of the Group:

	2011 £m	2010 £m
Market value movement +/- 10%		
Income statement	0.7	2.0
Equity	2.5	2.0

The sensitivity analysis takes account of the relevant derivative transactions the Group has entered into in order to provide a hedge against such movements.

Foreign exchange risk

Foreign exchange risk is the risk that the Group will sustain losses through adverse movements in currency exchange rates. As the Group predominantly operates in the UK, with some transactions from overseas third parties in foreign currencies, this then impacts its exposure to non-sterling income and expenses. The Group's policy is to hold minimum currency to cover operational needs and therefore to convert foreign currency on receipt. Direct exposures are limited to operational cash held in overseas subsidiaries and short term outstanding currency fee debts at any time. The Group does not normally hedge this risk. Foreign currency risk is managed by the finance function (incorporating treasury operations), whereby foreign currency balances are monitored closely.

Interest rate risk

Interest rate risk is the risk that the Group will sustain losses from the fair value or future cash flow of adverse movements in interest bearing assets and liabilities and so reduce profitability.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates (see loans and borrowings note). Cash held by the operating companies is held at fixed rates for no longer than three months.

The Group manages its interest rate risk by having a combination of fixed and variable rate loans and borrowings. As explained further in the loans and borrowings note, the Group has entered into swap arrangements to effectively fix the rate payable on a portion of its variable debt.

Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. In such circumstances, the Group raises long term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

At 31 December 2011, after taking into account the effect of interest rate swaps, approximately 49 per cent. of the Group's borrowings are at a fixed rate of interest (2010: 25 per cent.). The Group is also exposed to interest rates on banking deposits held in the ordinary course of business. The Group's finance function monitors the Group's interest rate cash flow risks and returns.

28. Financial risk management continued

Interest rate sensitivity analysis

The Directors believe that a movement in interest rates of 50bps gives a reasonable measure of the Group's sensitivity to interest rate risk. The following table demonstrates the sensitivity to a possible change in interest rates, with all other variables held constant, of the Group's profit before tax (mainly through the impact on floating rate borrowings). There is only an immaterial impact on the Group's equity.

Interest rates +/- 50bps	2011 £m	2010 £m
Income statement	0.3	1.6

The sensitivity analysis takes account of the relevant derivative transactions the Group has entered into in order to provide a hedge against such movements and takes into account the economic cash flow impact.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss in its operating activities.

The Group is exposed to credit risk primarily for trade receivables and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Fee receivables arise principally within the Group's investment management business and amounts are monitored regularly. Historically, default levels have been insignificant and the Group's maximum exposure to credit risk is represented by the carrying value of its financial assets (see the trade and other receivables note). Trade and other receivables that are past due are not considered to be impaired.

The Group's maximum exposure to credit risk at 31 December is shown below:

	2011 £m	2010 £m
Derivative financial instruments	–	0.9
Trade and other receivables (Note 19)	57.4	83.1
Cash and cash equivalents (Note 20)	151.3	220.3
	208.7	304.3

With regard to credit risk related to financial instruments, the Group's policy is to place deposits only with financial institutions which satisfy minimum ratings and other criteria set by the Counterparty Review Group (CRG). Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure. The CRG monitors the Group's counterparty exposures.

The table below contains an ageing analysis of current and overdue trade receivables:

	2011 £m	2010 £m
Neither past due nor impaired	55.0	66.3
Days past due		
< 30	1.3	13.5
30-60	0.6	–
61-90	0.2	0.6
> 90	0.3	2.7
	57.4	83.1

None of the receivables which were past due were considered to be impaired.

28. Financial risk management continued

The table below contains an analysis of financial assets as rated by Fitch Ratings for the Group.

	2011				2010		
	Trade and other receivables £m	Cash and cash equivalents £m	Total £m	Derivative financial instruments £m	Trade and other receivables £m	Cash and cash equivalents £m	Total £m
AAA	—	—	—	—	—	—	—
AA	—	32.6	32.6	0.9	—	174.0	174.9
A	0.6	118.7	119.3	—	—	46.3	46.3
BBB	—	—	—	—	—	—	—
Not rated	56.8	—	56.8	—	83.1	—	83.1
Total	57.4	151.3	208.7	0.9	83.1	220.3	304.3

The financial assets are predominantly graded A or better and the portfolio has no exposures to emerging markets, sub-investment grade assets or any asset-backed securities.

Trade and other receivables which are not rated comprise fees receivable for fund management services.

Liquidity risk

Liquidity risk is the risk that the Group may be unable to meet its payment obligations as they fall due or at a significantly higher cost. The Group produces a cash flow forecast to ensure all assets and liabilities are managed efficiently.

The Group's objectives are:

- ensuring both the Group as a whole and individual entities within the Group have access to sufficient liquid funds to trade solvently and meet trading liabilities as they fall due;
- allowing the Group to maintain a flexible dividend policy, taking reference to prior year and prospective profitability, cash flow and balance sheet; and
- providing the Group with appropriate flexibility over the transferability of its capital and cash balances.

Surplus cash held by the operating entities over and above the balances required for working capital management is held in interest bearing deposits of up to 90 days and the regulated companies, in particular, ensure that sufficient capital is kept to meet regulatory requirements.

The Group currently has access to a revolving credit facility of £10m (2010: £10m), which is unutilised.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2011 and 31 December 2010 based on contractual undiscounted payments:

Financial liabilities	2011				2010			
	Within 1 year or repayable on demand £m	1-5 years £m	> 5 years £m	Total £m	Within 1 year or repayable on demand £m	1-5 years £m	> 5 years £m	Total £m
Loans and borrowings	5.8	161.2	—	167.0	—	281.5	—	281.5
Trade and other payables	119.9	0.9	—	120.8	143.6	1.0	—	144.6
Financial liabilities at FVTPL	—	—	—	—	7.0	—	—	7.0
Derivative financial instruments	0.2	0.5	—	0.7	—	—	—	—
Total	125.9	162.6	—	288.5	150.6	282.5	—	433.1

Loans and borrowings includes expected cash flows in respect of interest payments on the senior debt.

28. Financial risk management continued

Capital management

The Group's objectives when managing its capital and funding structure is to safeguard the Group's ability to continue as a going concern, maintain appropriate financial resources, maximise shareholder value, to maintain an optimal capital structure to reduce the cost of capital and to meet working capital requirements.

	2011 £m	2010 £m
Loans and borrowings	(143.0)	(283.0)
Cash and short-term deposits	150.4	220.3
Net cash/(debt)	7.4	(62.7)
Equity	26.5	334.4
Retained earnings and foreign currency translation reserve	398.1	56.3
Total capital	424.6	390.7

Regulatory capital requirements

The Group considers its share capital and retained earnings to constitute its total capital. The subsidiaries within the Group which are regulated are required to maintain capital resources to comply with the regulatory capital requirements of the Financial Services Authority and other global financial regulators. All regulated entities within the Group complied with the externally imposed regulatory capital requirement.

In addition to the capital held to meet the regulatory capital requirements, the Group maintains sufficient cash resources to meet its liabilities as and when they fall due, taking into account cash forecasts.

The Group performs regular cash flow forecasts, modelling both normal and stressed conditions. Liquidity risk is mitigated by the long term nature of the Group's principal borrowings and the high levels of cash balances in the business.

29. Related parties

The Group manages, through its subsidiaries, a number of investment trusts, unit trusts and overseas funds. The subsidiary companies receive management fees from these entities for managing the assets, and in some instances, receive performance fees. The precise fee arrangements for the different entities are disclosed within the financial statements of each entity or within other information which is publicly available.

The Group manages a number of collective investment vehicles and by virtue of the investment management agreements in place between the Group and these vehicles, they may be considered to be related parties.

The Group acts as manager for 36 (2010: 35) authorised unit trusts. Each unit trust is jointly administered with the trustees, National Westminster Bank plc. The aggregate total value of transactions for the year was £2,572.8m (2010: £3,237.2m) for unit trust creations and £1,855.0m (2010: £1,744.8m) for unit trust redemptions. The actual aggregate amount due to the trustees at the end of the accounting year in respect of transactions awaiting settlement was £1.4m (2010: £10.0m). The amount received in respect of gross management and registration charges was £294.3m (2010: £269.8m). At the end of the year, there was £6.7m (2010: £6.5m) outstanding for annual management fees and £1.0m (2010: £1.0m) in respect of registration fees.

The Group has a total net investment in collective investment vehicles of £39.1m (2010: £53.2m) and received distributions of £0.2m (2010: £0.1m). Investment management and performance fees are disclosed in Note 5. Included within the financial instruments note are seed capital investments in funds managed by the Group.

TA Associates, L.P. are also considered a related party of the Group. There were no transactions with TA Associates, L.P. in the year. In 2010, there were transactions in relation to the repayment of Preferred Finance Securities which amounted to £201.0m. £152.3m of this was paid in cash and the remaining £48.7m was converted into ordinary shares.

29. Related parties continued

Key management compensation

The Group also considers transactions with its key management personnel as related party transactions. Key management personnel is defined as the executive Directors together with other members of the Executive Committee. The aggregate compensation paid or payable to key management for employee services is shown below:

	2011 £m	2010 £m
Short-term employee benefits	6.1	5.8
Share-based payments	1.8	1.2
Post employment benefits	0.1	0.1
Other long-term benefits	0.2	0.4
	8.2	7.5

30. Restatement of consolidated statement of cash flows

The presentation of the consolidated statement of cash flows has been reviewed and two items have been restated to more appropriately reflect the way the business generates its cash flows. These changes are reclassifications only and the net cash flow for 2010 is unaffected. The changes to the face of the 2010 statement of cash flows are as follows:

- Finance expense (2010: £56.2m) paid has been reclassified from "Net cash inflows from operating activities" to "Net cash outflows from financing activities"
- Cash flows arising from purchase (2010: £44.5m) and disposal (2010: £51.3m) of seed capital investments have been reclassified from "Net cash inflows from operating activities" to "Net cash inflows from investing activities"

In addition, Note 31 has been updated to simplify the disclosure.

31. Cash flows from operating activities

	2011 £m	Restated 2010 £m
Operating profit	83.6	70.5
Adjustments for:		
Exceptional costs	—	6.8
Amortisation of intangible assets	39.9	39.8
Depreciation of property, plant and equipment	0.6	1.4
Other non-cash losses/(gains)	4.3	(11.5)
Share-based payments	12.7	7.8
Decrease/(increase) in trade and other receivables	25.9	(29.7)
(Decrease)/increase in trade and other payables	(31.5)	22.7
(Decrease)/increase in provisions	(2.0)	2.0
Cash generated from operations	133.5	109.8

32. Employee benefit trust

The Group sponsors an employee benefit trust ("EBT") for Group employees. The trust holds 82.5m (2010: 40.2m) ordinary shares beneficially owned by senior employees, together with a further 20.9m (2010: 16.7m) ordinary shares held for the purpose of satisfying share options to employees.

Independent Auditors' report on the financial statements of the Company

To the Members of Jupiter Fund Management plc

We have audited the Company financial statements of Jupiter Fund Management plc for the year ended 31 December 2011 which comprise the Company balance sheet, the Company statement of changes in equity, the Company statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' responsibility statement set out on page 33, the Directors are responsible for the preparation of the Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Company financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the Company financial statements are prepared is consistent with the Company financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the Group financial statements of Jupiter Fund Management plc for the year ended 31 December 2011.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 March 2012

Company balance sheet

At 31 December 2011

	Notes	2011 £m	2010 £m
Non-current assets			
Investment in subsidiary undertakings	34	110.5	97.8
		110.5	97.8
Current assets			
Trade and other receivables	36	256.0	263.7
Cash and cash equivalents	37	3.5	28.3
		259.5	292.0
Total assets		370.0	389.8
Equity capital and reserves			
Share capital	24	9.2	9.2
Share premium	25	—	255.7
Capital redemption reserve	25	—	54.1
Own share reserve	25	(2.1)	(2.9)
Other reserves	25	8.0	8.0
Retained earnings	40	352.6	62.7
Total equity		367.7	386.8
Non-current liabilities			
Loans and borrowings	39	—	2.6
		—	2.6
Current liabilities			
Trade and other payables	38	2.3	0.4
		2.3	0.4
Total liabilities		2.3	3.0
Total equity and liabilities		370.0	389.8

The financial statements of Jupiter Fund Management plc (registered number 6150195) on pages 100 to 106 were approved by the Board of Directors and authorised for issue on 23 March 2012. They were signed on its behalf by



Philip Johnson
Chief Financial Officer

As permitted by section 408 of the Companies Act 2006, a separate income statement and statement of other comprehensive income has not been presented for the Company.

Company statement of changes in equity

For the year ended 31 December 2011

	Share capital £m	Share premium £m	Deferred share capital £m	Capital redemption reserve £m	Own share reserve £m	Other reserve £m	Retained earnings £m	Total £m
At 1 January 2010	32.3	—	—	—	—	—	(7.1)	25.2
Profit for the year	—	—	—	—	—	—	62.0	62.0
B shares conversion	3.7	—	—	—	(2.9)	—	—	0.8
Tier 1 preference share conversion	(30.5)	—	30.5	—	—	—	—	—
Tier 2 preference share conversion	0.4	—	23.6	—	—	8.0	—	32.0
Acquisition of Preferred Finance Securities	0.6	48.4	—	—	—	—	—	49.0
New ordinary shares issued	2.7	217.6	—	—	—	—	—	220.3
Share issue expenses	—	(10.3)	—	—	—	—	—	(10.3)
Cancellation of deferred shares	—	—	(54.1)	54.1	—	—	—	—
Share-based payments	—	—	—	—	—	—	7.8	7.8
At 31 December 2010	9.2	255.7	—	54.1	(2.9)	8.0	62.7	386.8
Loss for the year	—	—	—	—	—	—	(0.9)	(0.9)
Cancellation of share premium and capital redemption reserve	—	(255.7)	—	(54.1)	—	—	309.8	—
Vesting of ordinary shares	—	—	—	—	0.8	—	—	0.8
Dividends paid	—	—	—	—	—	—	(31.7)	(31.7)
Share-based payments	—	—	—	—	—	—	12.7	12.7
At 31 December 2011	9.2	—	—	—	(2.1)	8.0	352.6	367.7

Company statement of cash flows

For the year ended 31 December 2011

	Notes	2011 £m	2010 £m
Cash flows from operating activities			
Cash generated from/(used in) operations	43	6.9	(2.4)
Net cash inflows/(outflows) from operating activities		6.9	(2.4)
Cash flows from investing activities			
Acquisition of subsidiary undertakings, net of cash acquired		–	(30.0)
Dividend income received		–	25.0
Net cash outflows from investing activities		–	(5.0)
Cash flows from financing activities			
Net proceeds on issue of ordinary shares		–	220.3
Payments to subsidiary undertakings		–	(172.7)
Listing and equity issuance expenses		–	(11.9)
Dividends paid	13	(31.7)	–
Net cash (outflows)/inflows from financing activities		(31.7)	35.7
Net (decrease)/increase in cash and cash equivalents		(24.8)	28.3
Cash and cash equivalents at beginning of year	37	28.3	–
Exchange loss on cash and cash equivalents		–	–
Cash and cash equivalents at end of year	37	3.5	28.3

Notes to the Company financial statements

33. Accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with International Financial Reporting Standards which comprise standards and interpretations approved by either the International Accounting Standards Board or the International Financial Reporting Interpretations Committee or their predecessors, which had been approved by the European Union as at 31 December 2011.

The financial statements have been prepared on the historical cost basis. The Company has taken advantage of the exemption in section 408 of the Act not to present its own income statement. The principal accounting policies adopted are the same as those set out in Note 2 to the Group's financial statements and in addition include the following:

Investment in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less provision for impairment.

34. Investment in subsidiary undertakings

	2011 £m	2010 £m
At 1 January	97.8	61.7
Additions	–	30.0
Share-based payments	12.7	7.8
Preferred Finance Securities	–	(1.7)
At 31 December	110.5	97.8

During 2011 three subsidiary companies granted options to their employees over the shares of Jupiter Fund Management plc. This created an investment by the Company in those entities.

35. Principal group undertakings

The following information relates to the Company's operating subsidiaries which principally affected the profits or net assets of the Group. To avoid a statement of excessive length, details of investments which are not significant have been omitted. A full list of subsidiary and associate undertakings will be annexed to the next annual return of Jupiter Fund Management plc to be filed with the Registrar of Companies. All subsidiaries have the same reporting dates and period of reporting as the parent company. The parent held directly or indirectly all of the issued ordinary shares of all of the subsidiaries in 2011 and 2010.

Name	Country of incorporation	Principal activities
Jupiter Asset Management Group Limited	United Kingdom	Investment holding company
Jupiter Investment Management Group Limited	United Kingdom	Investment holding company
Jupiter Asset Management Limited	United Kingdom	Investment management
Jupiter Unit Trust Managers Limited	United Kingdom	Unit trust management
Jupiter Administration Services Limited	United Kingdom	Corporate services
Jupiter Asset Management (Bermuda) Limited*	Bermuda	Investment management

* Common shares

36. Trade and other receivables

	2011 £m	2010 £m
Trade receivables	–	0.1
Prepayments and accrued income	0.1	0.1
Amounts owed from subsidiaries	255.8	263.5
Social security and other taxes	0.1	–
	256.0	263.7

37. Cash and cash equivalents

	2011 £m	2010 £m
Cash at bank and in hand	2.0	8.3
Short term deposits	–	20.0
Cash held by EBT	1.5	–
	3.5	28.3

38. Trade and other payables

	2011 £m	2010 £m
Accruals	0.2	0.1
Due to employees in respect of share and option awards	1.9	–
Amounts due to subsidiary undertakings	0.2	–
Other payables	–	0.3
	2.3	0.4

39. Loans and borrowings

	2011 £m	2010 £m
Due to employees in respect of share awards	–	2.6
	–	2.6

In 2011, Due to employees in respect of share awards is shown in Note 38 Trade and other payables.

40. Retained earnings

	2011 £m	2010 £m
At 1 January	62.7	(7.1)
(Loss)/profit for the year	(0.9)	62.0
Share-based payments	12.7	7.8
Dividends paid	(31.7)	–
Cancellation of share premium and transfer to retained earnings	255.7	–
Cancellation of capital redemption reserve and transfer to retained earnings	54.1	–
At 31 December	352.6	62.7

41. Financial instruments

Financial instruments by category

The carrying value of the financial instruments of the Company at 31 December is shown below:

	Loans and receivables £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
2011					
Investment in subsidiary undertaking	–	–	–	110.5	110.5
Current trade and other receivables	255.9	–	255.9	0.1	256.0
Cash and cash equivalents	3.5	–	3.5	–	3.5
Current trade and other payables	–	(2.3)	(2.3)	–	(2.3)
Total	259.4	(2.3)	257.1	110.6	367.7
2010					
Investment in subsidiary undertaking	–	–	–	97.8	97.8
Current trade and other receivables	263.7	–	263.7	–	263.7
Cash and cash equivalents	28.3	–	28.3	–	28.3
Loans and borrowings	–	(2.6)	(2.6)	–	(2.6)
Current trade and other payables	–	(0.4)	(0.4)	–	(0.4)
Total	292.0	(3.0)	289.0	97.8	386.8

At 31 December 2011 and 2010 the Company did not hold any financial instruments measured at fair value. The Company's exposure to price, foreign exchange, interest rate, credit and liquidity risk is not considered to be material and therefore no further information is provided.

42. Related parties

In addition to the investment in subsidiary in Note 34 and the amount due to and from subsidiaries in Notes 36 and 38, the Company had the following transactions with its subsidiaries:

	2011 £m	2010 £m
Dividends received from subsidiary undertaking	—	65.0

During 2011, Jupiter Fund Management Group Ltd repaid the Company £7.5m of the intercompany loan.

Key management compensation

The Company also considers transactions with its key management personnel as related party transactions. Key management personnel is defined as the Directors together with other members of the Executive Committee. The aggregate compensation paid or payable to key management for employee services is shown below:

	2011 £m	2010 £m
Short-term employee benefits	1.2	1.1
Share-based payments	0.3	0.2
Other long-term benefits	—	0.1
	1.5	1.4

With the exception of non-executive Directors, key management personnel compensation is paid for by a Group subsidiary and no recharge is made to the Company.

43. Cash flows from operating activities

	2011 £m	2010 £m
Operating loss	(0.9)	(1.4)
Adjustments for:		
Decrease/(increase) in trade and other receivables	7.7	(0.5)
Increase/(decrease) in trade and other payables	0.1	(0.5)
Cash generated from/(used in) operations	6.9	(2.4)

108	Historical summary (unaudited)
109	Shareholder information
110	Glossary of terms

Historical summary (unaudited)

For the year ended 31 December 2011

	2011 £m	2010 £m	2009 £m	2008 £m
Net revenue	248.5	230.5	182.1	200.6
Administrative expenses	(123.8)	(115.1)	(92.3)	(111.0)
Operating earnings	124.7	115.4	89.8	89.6
Other (losses)/gains	(1.2)	1.7	2.4	(9.6)
Amortisation of intangible assets	(39.9)	(39.8)	(39.8)	(39.7)
Operating profit before exceptional costs	83.6	77.3	52.4	40.3
Exceptional costs	—	(6.8)	—	—
Operating profit	83.6	70.5	52.4	40.3
Finance income	1.0	0.9	1.2	8.4
Finance expense	(14.3)	(29.0)	(46.4)	(64.6)
Profit before taxation	70.3	42.4	7.2	(15.9)
Income tax expense/(credit)	(18.9)	(9.9)	1.4	0.3
Profit for the year	51.4	32.5	8.6	(15.6)
Earnings per share				
Basic (p/share)	15.6	10.8	10.6	(16.1)
Diluted (p/share)	15.0	7.6	3.2	(16.1)
Assets under management at year end (£bn)	22.8	24.1	19.5	16.6
Average headcount	409	444	474	496
Operating earnings to EBITDA reconciliation				
Operating earnings	124.7	115.4	89.8	89.6
Add: charge for options over pre-Listing shares	9.6	7.8	—	—
Add: depreciation	0.6	1.4	1.4	1.9
EBITDA	134.9	124.6	91.2	91.5

Shareholder information

Shareholder enquiries

All enquiries relating to holdings of shares in Jupiter Fund Management plc, including notification of change of address, queries regarding dividend/interest payments or the loss of a certificate, should be addressed to the Company's registrars:

Capita Registrars

The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Tel: 0871 664 0300 (Calls cost 10p per minute plus network extras, lines are open 8.30am-5.30pm Monday to Friday.)

Email: ssd@capitaregistrars.com

Other shareholder queries should be addressed to the Company Secretary.

Share dealing service

There is a share dealing service offered by the Registrar. It is a simple way to buy and sell shares via the internet or telephone with quick settlement. For information visit: **www.capitadeal.com**

For telephone purchases:

Tel: 0871 664 0445 (UK only) between 8.00am and 4.30pm, Monday to Friday.

Calls cost 10p per minute plus network extras.

Financial Calendar

Event	Date
Ex-dividend date for final dividend	14 March 2012
Record date for final dividend	16 March 2012
Interim Management Statement	19 April 2012
Annual General Meeting	16 May 2012
Final dividend payment date	22 May 2012
Interim results	1 August 2012
Ex-dividend date for interim dividend	8 August 2012
Record date for interim dividend	10 August 2012
Interim dividend payment date	7 September 2012
Interim Management Statement	18 October 2012

Company details and principal office

Jupiter Fund Management plc
1 Grosvenor Place
London SW1X 7JJ

Registered number: 6150195

Company Secretary
Adrian Creedy

Tel: 020 7412 0703

Website

The Company has a corporate website, which holds, amongst other information, copies of our latest annual report and copies of all press announcements released. This site can be found at:

www.investorsjupiteronline.co.uk

Share information

The Company's ordinary shares are traded on the London Stock Exchange:

ISIN GB00B53P2009

SEDOL B53P200

TICKER JUP.LN

Glossary of terms

A-E

Act – The Companies Act 2006, (as amended, supplemented or replaced from time to time)

AGM – Annual General Meeting

AUM – Assets under management

Bps – one one-hundredth of a percentage point (0.01 per cent.)

Board – the Board of Directors of the Company

Box profits – profit on dealings in mutual funds by the Group representing the difference between the cost of purchasing redeemed units at cancellation prices and reselling those units at higher creation prices on the same day (rather than cancelling those units), in each case after brokerage fees

CAPM – Capital asset pricing model

CDP – Carbon disclosure project

CGU – Cash generating unit

Code – UK Corporate Governance Code adopted by the Financial Reporting Council in 2010

Company – Jupiter Fund Management plc

CPD – Continued professional development

CREST – the system for paperless settlement of trades in listed securities, of which Euroclear UK & Ireland Limited is the operator

DB – Defined benefit pension scheme

DBP – Deferred Bonus Plan

DC – Defined contribution pension scheme

EBITDA – Earnings before Interest, Tax, Depreciation and Amortisation is a non-GAAP measure which the Group uses to assess its performance. It is defined as operating earnings excluding the effect of depreciation and the charge for options over pre-Listing shares.

EBITDA margin – represents EBITDA divided by net revenue

EBT – the Jupiter employee benefit trust established pursuant to a trust deed dated 22 April 2004

EPS – Earnings per share

EU – the European Union

F-J

Financial Services Act – the Financial Services Act 2010

FSA – the Financial Services Authority of the United Kingdom

FSA Remuneration Code – the Code whereby firms regulated by the FSA are required to establish, implement and maintain remuneration policies consistent with effective risk management

FSA Rules – the FSA Handbook of Rules and Guidance made by the FSA under FSMA for firm regulated by the FSA

FSCS – Financial Services Compensation Scheme

FSMA – the Financial Services and Markets Act 2000, (as amended, supplemented or replaced from time to time)

FRC – Financial Reporting Council

GAAP – Generally Accepted Accounting Principles

GAYE – Give as you earn scheme

Group – the Company and all of its subsidiaries

IAS – International Accounting Standard(s)

IASB – International Accounting Standards Board

ICAAP – Internal capital adequacy assessment process

IFA – Independent financial advisor

IFDS – International Financial Data Services

IFRIC – International Financial Reporting Interpretations Committee

IFRS – International Financial Reporting Standard(s)

IMA – Investment Management Association

ISA – Individual savings account

JAMB – Jupiter Asset Management (Bermuda) Limited

JAMG – Jupiter Asset Management Group Limited

JIMG – Jupiter Investment Management Group Limited

Jupiter – the Company and all of its subsidiaries

K-T

KPI – Key performance indicator

Leverage ratio – represents net debt divided by trailing twelve month EBITDA

LIBOR – London Interbank Offered Rate

Listing – the Company Listing on the London Stock Exchange on 21 June 2010

LTIP – Long term incentive plan for retention

MBO – purchase by management and other parties in 2007 of Group (as at that date)

MLRO – Money laundering reporting officer

Mutual funds – collective investments where a group of investors pool their money (buying units or a portion of the mutual fund)

Net debt/(net cash) – net debt/(net cash) is defined as the gross bank debt outstanding less gross cash plus overdrafts

Overseas Regulated Entities – JAMB and Jupiter Asset Managers (Jersey) Ltd

PBT – Profit before tax

PFS – Preferred Finance Securities in Jupiter Fund Management Group Limited

Platforms – service providers that enable investors to buy and hold in a single place a range of investments from multiple providers with different tax wrappers

Prospectus – the prospectus issued by the Company in connection with the Listing on 21 June 2010

RDR – the FSA's Retail Distribution Review launched in June 2006

Registrar – Capita Registrars Limited

TA Associates, L.P. – TA Associates, L.P. (formerly TA Associates, Inc)

S-Z

SEDOL – Stock Exchange Daily Official List

Segregated mandates – an investment strategy run exclusively for institutional clients

SICAV – Société d'Investissement à Capital Variable; an open-ended collective investment scheme that derives its value by the number of participating investors

TCF – Treating customers fairly

UCITS – Undertaking for Collective Investment in Transferable Securities as defined by EC Council Directive 85/611/EEC, as amended

UTA – Unit Trust Administration

WACC – Weighted average cost of capital

WAEP – Weighted average exercise price





Registered address: 1 Grosvenor Place, London SW1X 7JJ