

Jupiter Fund Management plc

Annual Report & Accounts 2013

Continuing to deliver growth



Jupiter in brief

A focused, active fund manager with a well-known brand and a reputation for delivering investment outperformance

Our vision

Value creation through long-term outperformance

How we have performed in 2013

- Strong investment performance with 69 per cent. of our mutual fund assets above median over three years.
- Net mutual fund inflows of £1.2bn.
- Record assets under management of £31.7bn.
- Underlying EPS up 33 per cent.
- A sustainable balance sheet with £160m net cash at year end.
- Dividends per share up 43 per cent. to 12.6p.

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Developments in financial reporting regulations are now in place and seek to encourage the preparation of more concise and relevant narrative reporting. There are changes to specific disclosures, alongside a new requirement for a separate Strategic report that provides shareholders with a holistic and meaningful picture of the company's business model, strategy, development, performance, position and future prospects. This report has been prepared under those requirements and associated principles to develop more concise and effective strategic communication.

Strategic report



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Highlights

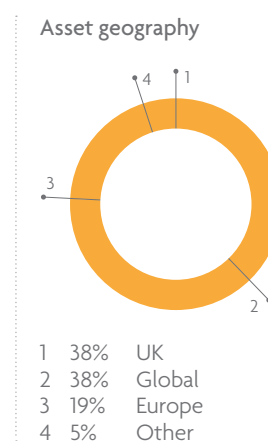
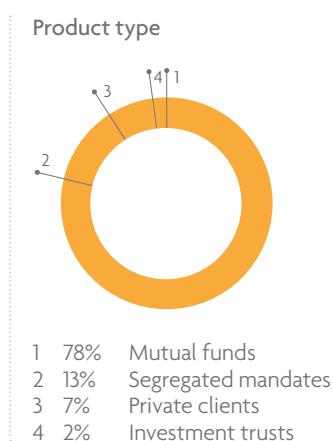
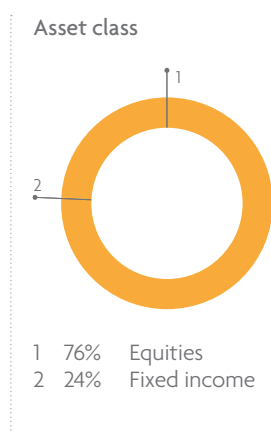
Increased returns to shareholders supported by a sustainable balance sheet

Highlights	2011	2012	2013
Assets under management (AUM)	£22.8bn	£26.3bn	£31.7bn
Net inflows	£0.7bn	£1.0bn	£1.2bn
EBITDA*	£134.9m	£124.2m	£151.5m
EBITDA margin*	54%	51%	53%
Profit before tax	£70.3m	£73.6m	£114.1m
Underlying EPS*	19.1p	19.0p	25.2p
Cash flows from operating activities	£107.1m	£110.6m	£122.1m
Dividends per share	7.8p	8.8p	12.6p

*non-GAAP measures

£31.7bn of AUM

We manage £31.7bn of assets for clients; these can be split across a number of categories:





Strong delivery against our strategic goals

I am pleased to introduce our Annual Report for 2013. We have enhanced the Report this year to present a more informative picture of our business model and strategy. This includes detailing more clearly the key drivers of our business, the opportunities for growth and how we are looking to use our expertise to leverage these.

2013 was a year of strong delivery against our strategic goals. We achieved investment outperformance for the substantial majority of our clients, extended our distribution capabilities, invested in our platform and completed the deleveraging process started at Listing. Profits have grown across all key metrics, with underlying EPS up 33 per cent. to 25.2p per share. These factors have enabled the Board to recommend a final dividend of 9.1p. If approved at the Annual General Meeting, the total dividend for the year will be 12.6p, a 43 per cent. increase on the previous year.

This strong delivery has resulted in the generation of significant operating cash flow by the Group. Since Listing, the Board has aimed to balance the uses of this cash between growing our dividend, paying down our debt, and ensuring we invest sufficiently in the business for future growth. With the debt repayment programme now complete, we have a sustainable balance sheet which can both fund further growth and enable us to share the rewards of this growth with our shareholders.

The Board and executive leadership have spent much time this year looking at how we can continue to develop Jupiter's presence around the world. This process has built on the demonstrable progress we have already made and considerably improved the communication of our strategy – both to our shareholders and also to our employees.

The Board and its Committees continue to focus on our people, looking at our talent development and performance management processes in 2013 to ensure they support our growth strategy. We also reviewed our remuneration policy to ensure it continues to motivate employees and aligns their interests with those of our shareholders. Further details on this can be found within the Remuneration report.

Thoughtful succession planning is, of course, integral to long-term success. As you will be aware, on 9 December 2013, we announced that Maarten Slendebroek will succeed Edward Bonham Carter as Chief Executive on 17 March 2014. Maarten, who joined Jupiter as Distribution and Strategy Director in September 2012, takes over with Jupiter in excellent shape. He has made a significant contribution to the business and his appointment as Chief Executive is a natural evolution of Jupiter's executive team. I am also delighted that Edward, who has achieved so much for Jupiter in his 14 years at the helm, will stay with us in a new executive role focusing on engagement with key stakeholders – an increasingly important requirement as we grow.

In July 2013, Richard I. Morris, Jr. stepped down from the Board after six years' service. Richard's extensive experience of the global asset management industry and wise counsel has been very valuable. On behalf of the Board I would like to thank him for all his contributions.

My thanks to our clients, to our investors, to our staff and all who have supported us over the past year.

Jamie Dundas
Chairman

26 February 2014

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Delivering value to our clients and shareholders

2013 has been a busy and successful year for Jupiter and our development plans for 2014 and beyond will seek to deliver further on our strategic goals, to the benefit of both our clients and shareholders.

Achieving investment outperformance over the medium term is critical to our strategy and Jupiter's fund management team has continued to outperform over the key three year time period. As at 31 December 2013, 69 per cent. of mutual fund AUM was above median and, including segregated mandates and investment trusts, we have added value to 73 per cent. of our clients by AUM over the last three years.

Our position in international markets has continued to strengthen, with a growing proportion of fund sales being sourced from our distribution networks across Europe and Asia. During 2013, we actively built this local presence, adding strength to our capabilities in Germany and Hong Kong and hiring sales resource for the Nordics. We now have offices in Frankfurt, Munich, Zurich, Singapore, Sweden and Hong Kong, with additional markets, such as France, covered by third party relationships.

This growing distribution network, supported by our investment outperformance and strong brand, drove inflows of £1.2bn during the year. Mutual funds remained the key driver of these flows, with particularly high demand for our bond funds and top-performing equity products such as UK Special Situations and our European funds. By the end of 2013, assets under management had reached a record £31.7bn.

Growth in AUM directly benefits revenues and, combined with our disciplined approach to investing for growth, EBITDA grew 22 per cent. to £151.5m and EBITDA margins increased to 53 per cent. This generated £122.1m of operating cash flow, improving net cash to £159.5m and reducing our outstanding debt to £11.0m at the end of the year. This remaining debt was repaid in February 2014, providing the potential for increased returns to shareholders going forward as part of our policy of sharing the rewards of growth within a sustainable balance sheet structure.

The opportunity for Jupiter to build on this strong performance in the coming years is significant. Structurally, savings markets around the world are undergoing great change. Ageing populations in many countries are being encouraged to save more for longer retirements governments can no longer afford to fund, while rising wealth in the world's emerging markets is creating further new, attractive opportunities for fund managers to build assets under management. Jupiter is increasingly well-positioned to build its share of the growing market for savings across the world.

We are well-established as a market leader in the UK and it is a market that remains attractive to us, both due to the growing requirement for individuals to save for retirement and as global financial institutions channel assets through London. We also have plans over the coming years to develop additional local presence in countries where we believe significant assets can be raised. Our international distribution efforts have already lifted our SICAV AUM to £3bn by the end of 2013 and we would expect this to grow significantly as we extend our relationships with key distributors on a global basis.

In addition to building our distribution network, we will continue to build our investment capabilities, developing existing talent and hiring new managers as the business evolves. In addition, we have been working to build the support structures around fund managers to ensure that the growing demands of an international sales network do not reduce the time spent running their portfolios, appointing, for example, a product specialist to support the multi-asset and fixed interest team.

In the 14 years I have been Chief Executive, Jupiter has delivered consistent investment outperformance, increased its distribution capabilities and, since the IPO in June 2010, created significant value for shareholders. The next stage of our growth will be led by Maarten Slendebroek, who will take over from me as Chief Executive on 17 March 2014. Maarten has been a key architect of the strategic direction outlined above and this is the right time for him to take over as Chief Executive. I am delighted to be able to continue serving the business in the newly-created role of Vice Chairman and helping Maarten grow Jupiter further in the future.

Edward Bonham Carter
Chief Executive

26 February 2014

Well positioned for growth

Market opportunity

Investment environment

This section outlines the market opportunity for Jupiter and details how our strategy targets the attractive growth dynamics available to retail asset managers.

The long-term retail savings market has attractive dynamics supporting its growth. Central to this are global demographic trends. Populations around the world are ageing – not just in mature economies such as the US and the UK, but in Asia too. In China, for example, some 26 per cent. of the population will be over 65 by 2050 compared to 24 per cent. in the UK. This dynamic is increasing the burden on individuals around the world to save more for retirement, with particular pressure on those who have traditionally relied on the state to provide, as governments withdraw pension provision.

This structural dynamic is supported by changes to savings industries in many markets, with a shift in buying habits away from traditional insurance products towards transparent products such as mutual funds. Governments are providing supportive tax regimes to encourage long-term savings and the focus on self-provision is increasing the use of defined contribution pension schemes controlled by the individual.

Savings markets in emerging economies are also undergoing broader changes. In addition to ageing populations, the growing wealth of individuals in these nascent markets is increasing the propensity to save. The wealth of high net worth individuals in Asia, for example, has already overtaken that of Europe and is close to reaching that of the US.

While savings markets globally are enjoying long-term structural growth trends, the health of economies and financial markets affects short-term savings trends. For example, in the UK, the savings ratio was 5.4 per cent. during the third quarter of 2013, down from a peak of over 8.5 per cent. before the credit crunch. In the Euro area, the savings rate for the first quarter of 2013 was 13.1 per cent., compared with 15.8 per cent. four years ago. However, despite these short-term constraints, retail mutual fund assets have continued to grow fuelled by net inflows and rising markets. Over the last four years, UK retail mutual fund AUM has grown by 12 per cent. p.a. to £765bn in total. Within the overseas markets in which Jupiter has chosen to operate, the growth rate has been higher at 15 per cent. p.a. and AUM is now £2.1trn.

Our strategy

- 1 Deliver outperformance after fees to our clients
- 2 Sell this expertise through products suited to our distribution strengths
- 3 Deliver attractive returns to shareholders

Strategic response:

We believe that these are attractive market environments and dynamics in which to operate as a retail fund manager. Our strategy for accessing these is built around a focused business model which seeks to deliver value to both our clients and our shareholders. Integral to this is our belief that active management of mutual funds can lead to outperformance to clients after fees; that efficient distribution of unitised products on a scalable operating platform can lead to strong earnings growth and operating cash flow; and that this cash can both fund further growth and provide the potential for increased returns to shareholders going forward.

We seek to execute this strategy within our chosen markets as detailed below.

UK

The UK is Jupiter's core market and its retail mutual fund environment exhibits robust flow characteristics across the market cycle with a consistent appetite for equity products. The savings industry is supported by attractive demographics – the population is expected to grow from 63m in 2012 to around 80m by 2050, while the dependency ratio is expected to increase from 51 in 2010 to 68 by 2050. This will make the UK the largest population in Europe.

There is, as a result, an increasing need for self-provision with only 45 per cent. of people in the UK currently saving enough. The government is supporting this by providing attractive tax wrappers in the form of both pensions and ISAs. ISAs currently allow individual investors to shelter up to £11,520 from further income or capital taxes, an allowance which is index-linked to inflation.

Funds in the UK are distributed mainly through platforms and intermediaries such as wealth managers, stockbrokers and IFAs, with direct sales accounting for a very small proportion of the total. Buying financial products such as mutual funds has also become simpler with the introduction of open architecture, enabling investors to buy financial products from various providers on one platform. Fund platforms now account for 49 per cent. of total fund sales, up from 37 per cent. in 2010.

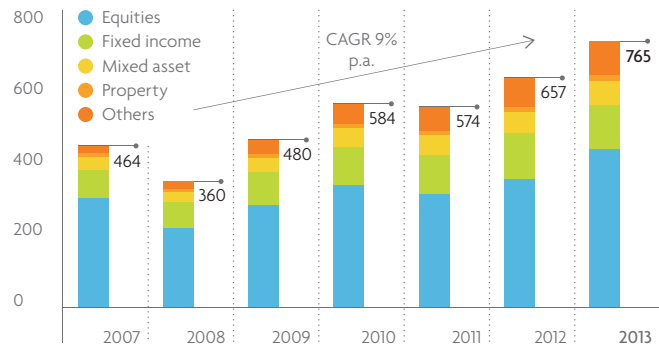
The UK is also a key location for global financial institutions. The high net worth market in which they operate is a resilient long-term growth market that grew throughout the financial crisis. We estimate that the pool of investible assets is currently approximately £36trn. While such assets may be regarded as 'international', a large proportion of them is channelled through decision-making centres in London.

Investor confidence in the UK has improved throughout 2013, with fund buyers shifting away from the fixed income assets that have dominated sales since the financial crisis and diversifying into equity funds. Figures from the Investment Management Association show cumulative sales of £20.4bn in 2013, up from £14.3bn in 2012 and the best since 2000, apart from the exceptional inflows seen in 2009 and 2010 following the financial crisis. Within this, equity funds were the most popular asset class in eleven out of the twelve months of the year. The UK industry currently manages a total of £765bn.

Strategic response:

Jupiter is a leading player in the UK mutual fund industry with a 4.8 per cent. share of retail fund assets under management. UK clients currently account for 88 per cent. of our assets under management. We have a high quality distribution franchise, built around long-term investment outperformance, a strong brand and sophisticated market segmentation. Our focus is on attracting assets primarily through intermediaries and we see significant growth potential from building market share further into the UK wealth management sector and from our increased focus on global financial institutions.

UK retail assets under management (£bn)



Source: IMA. Figures exclude money market funds.

International markets

With over £3.1trn of mutual fund assets, continental Europe is a significantly larger mutual fund market than the UK. It is subject to many of the same demographic trends, although the public sector response is less developed at this stage. The installed asset base historically has a higher proportion of fixed income products and flows tend to be more pro-cyclical in nature than in the UK. We believe the opportunity for growth in continental Europe is significant as open architecture gains a stronger foothold, supported by demographic trends that are driving a greater level of saving for retirement over the medium to long-term.

Distribution in continental Europe has not, as yet, embraced open architecture in the same way the UK has – the main distribution channel continues to be retail and private banks, followed by IFAs and insurance wrappers, platforms and direct selling. There are, of course, significant differences at a local level. In France, Spain and Switzerland, for example, open architecture has developed so far mainly via funds of funds, while in Italy and Germany IFAs are taking a larger proportion of sales with guided architecture a growing trend. Net sales of UCITS funds in Europe in 2013 totalled €320bn, with flows evenly split across equity, bond and balanced funds.

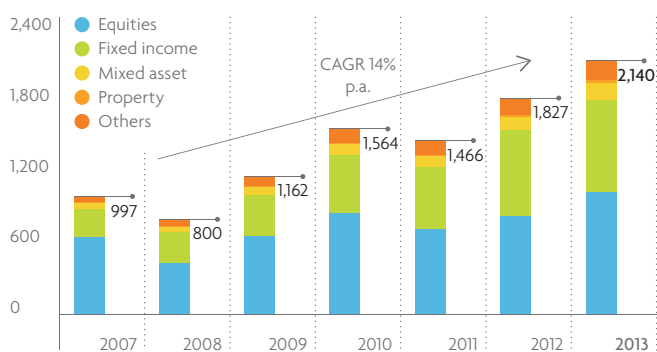
As one of the fastest growing fund markets in the world, Asia also presents a significant opportunity for an active asset manager such as Jupiter. Asia has total mutual fund assets of £1.2trn, although individual markets in the region are fragmented in a distribution sense with some, such as Singapore, dominated by private banks and others, such as Hong Kong, more retail-orientated and global financial institutions having a significant presence in the region. Product preferences in Asia also vary by country and so our approach is tailored for each market.

Strategic response:

In recent years, we have started to diversify Jupiter's business away from its reliance on the UK market, extending our distribution network to provide coverage across the key financial centres where our distribution partners operate. This expansion is focused on selling our SICAV range, which packages similar investment strategies to those we run within our unit trusts into vehicles which are more attractive to local clients. These products are managed from our London headquarters, which also provides sales and marketing support to our overseas offices.

Jupiter is now present in Frankfurt, Munich, Zurich, Singapore, Sweden and Hong Kong, with additional markets, such as France, covered by third party relationships, and will seek to develop additional local presence where we believe significant assets can be raised. These developments will ensure we are able to service our growing client base to the high standards they expect.

International: assets under management (£bn)

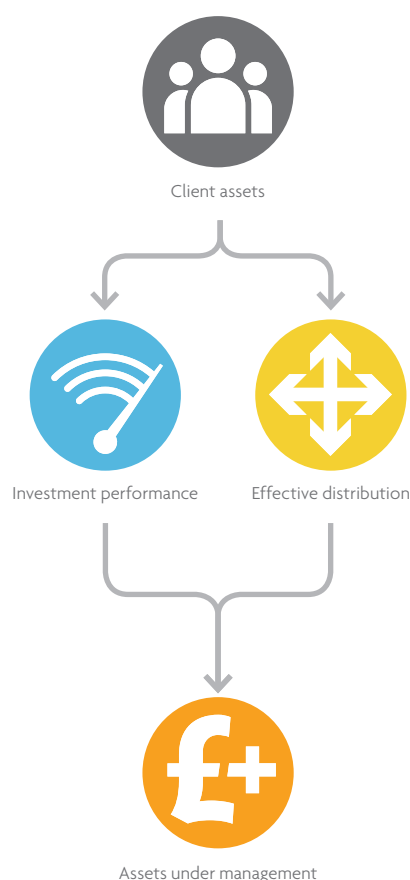


Source: Simfund. Relevant markets.

Growing and sharing value

Our business model

Growing value for clients



Our business model centres around adding value to our clients' assets.

● Client assets

We look after assets on behalf of a range of clients: individual investors making their own investment decisions, those taking guidance from financial intermediaries or wealth managers, and institutional investors, including pension funds. In all cases, we manage client assets with the aim of adding value by outperforming the market.

● Investment performance

As an active fund manager we look to provide our clients with above market returns after fees, thereby maximising the value of client assets entrusted to us. Our ability to provide this value to clients is core to our growth strategy.

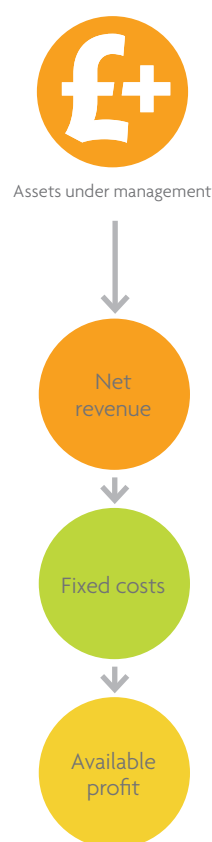
● Effective distribution

Providing our clients with the right products for their investment needs requires us to develop and maintain relevant products, market our products effectively, spend on our brand and deal more efficiently with the relevant distributors and intermediaries within the markets in which we operate.

● Assets under management

By providing continued value to our clients, and maintaining strong levels of service, we expect to retain those assets already entrusted to us as well as attract new assets. Growing our assets over the medium-term on a scalable operating platform then creates value for our other stakeholders.

Growing value for shareholders



A scalable and efficient operating platform allows us to grow value for shareholders ahead of growth in assets.

● Net revenue

We collect fees from clients based on a percentage of the assets we manage, a proportion of which are paid to our distributors for the services they perform on behalf of their clients. Our net revenues are, therefore, the proportion of fees we retain. On a small number of funds, we also earn a performance fee where returns are above agreed targets.

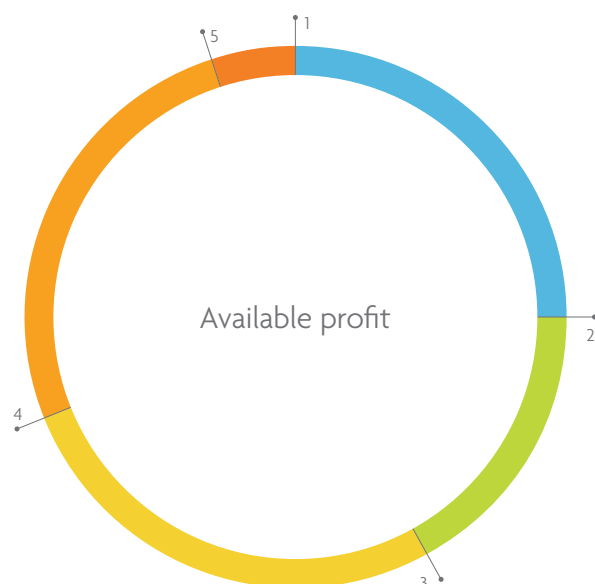
● Fixed costs

The first call on our revenues are the fixed costs of running the business. These are the salary costs and those costs associated with the operating platform and support infrastructure. These costs include IT systems costs, rental payments for buildings and administration costs, as well as brand investment via marketing spend.

● Available profit

Available profit is earnings after deducting fixed costs from net revenues. These earnings are then available for distribution to stakeholders. A feature of our business model is the high conversion rate of available profits to cash.

The rewards of growth are shared across all our stakeholders



Available profit is the pool available to distribute across our various stakeholders. We look to use this pool to the benefit of stakeholders by executing our strategy to grow profits over time and increase the share of marginal profit available to shareholders in the future.



1. ● **Staff incentives - 25%**
Represented by our variable compensation ratio. We pay our incentives out of available profits, ensuring alignment with our shareholders.
2. ● **Corporation tax - 17%**
Represented by cash payments for corporation tax. We expect to pay corporation tax at standard UK rates of 23.25 per cent. for 2013, absent timing differences.
3. ● **Payments to shareholders - 27%**
Represented by ordinary dividends declared from our annual earnings. We have a progressive dividend policy with a payout ratio of 50 per cent. in 2013.
4. ● **Payments to debtholders - 26%**
Payments to debtholders represented by debt paydown and interest payments made from earnings. We have now completed the paydown of our gross debt and this segment will not be required going forward.
5. ● **Retained for investment and growth - 5%**
Represented by retained cash. This cash is used to fund strategic initiatives we expect to drive the future growth of the business.

What differentiates us in the execution of our business model

- 1 **Clear focus**
We have a clear focus on the management of mutual funds for retail and institutional clients. Our strategy is to offer products where we can deliver superior returns to our clients over the medium to long-term rather than creating new products where there is no clear competitive advantage.
- 2 **Investment culture**
Our distinct investment culture focuses 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 69 per cent. of our mutual fund assets above median over three years.
- 3 **Track record**
We are well established as one of the leading fund groups in the UK retail market due to consistent investment outperformance, strong brand and a multi-channel distribution approach. We have a record of attracting flows across the market cycle, with net inflows of £7.0bn over the last five years. This has allowed us to grow our revenues significantly ahead of comparable market growth.
- 4 **Scalable platform**
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 has resulted in EBITDA margins of over 50 per cent. and the generation of significant operating cash flow.
- 5 **Shareholder value**
Our aim of holding net cash over the cycle with a sustainable balance sheet has seen us pay down £272m of debt post-Listing, trade out of our need for a regulatory capital waiver and increase dividends to shareholders to 12.6p per share.

Strategic objectives

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

	 Investment outperformance	 Effective distribution
What this is	Creating value after fees for clients, leading to further demand for investment products	Providing these products to the right clients, leading to inward asset flows into the manager, with revenue growth being a direct function of asset growth
Why this is important	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 and their ability to deliver long-term outperformance after fees. Our approach to maximising performance is focused on preserving a culture of investment freedom, individual responsibility and accountability. The key metric in this area is investment performance over a three year period.	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 generate net inflows by building our market position in the UK investment market and developing our international distribution capabilities. The key metric is net flows in our core mutual fund range.
What that means for us	<p>Our investment area is a single platform. We have 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.</p> <p>While our fund managers work as a closely knit team, sharing stock ideas and debating market prospects, we believe that each manager has individual responsibility for their own portfolio(s) and is, therefore, held accountable for the investment performance of the funds they manage. We believe this creates a culture most conducive to success.</p>	<p>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. This allows us to maximise our distribution reach and the ability of different clients to access our investment expertise.</p> <p>Our current UK distribution effort is primarily focused on intermediaries, with our advertising effort designed to build brand awareness with both these agents 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, Germany and Switzerland.</p>
Key risks	Sustained under performance Failure to retain key staff Significant mandate breach	Regulatory non-compliance Distribution and product trends
How we measure it - our KPIs	Percentage of our AUM above median over 3 years	Mutual fund net inflows



Efficient operations

Maintaining efficient operations through a scalable platform, thereby creating earnings growth and cash generation, allowing both continued investment in the business and returns to shareholders

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 target selective investments in developing our people, brand and operations according to market conditions and income levels at the time. The key metric in this area is EBITDA margin.

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 platform allows the fund management, distribution and marketing areas 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.

The scalable nature of our platform ensures that our shareholders share in the benefits of the revenue growth and cash generation associated with increases in AUM.

Operational error or fraud
Failure of third party supplier
Business continuity incident
Counterparty failure

EBITDA margin



Value creation

The successful interaction of these three factors ensures both value creation for clients, via the "commercial alpha" of above market returns after fees, and value creation for shareholders via growing distribution and capital appreciation

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 in the business for future growth. The level of dividend paid per share ("DPS") measures the immediate return of value to shareholders for the year under review.



Our balance sheet management strategy since Listing has been focused on ensuring we have an efficient conversion of our earnings into cash flows, paying down gross debt, thereby reducing financing costs, and trading out of the requirement for our capital waiver. This allows us to run a sustainable balance sheet over the cycle whilst maximising returns to shareholders.

The key risk to value creation is failing to deliver on the other three strategic objectives, which is mitigated by the governance of the organisation. See Governance section.

Dividends per share

Principal risks and mitigations

There are a number of key risks which could prevent us from achieving our strategy. The robust management of these is fundamental to Jupiter's culture.

	 Investment performance			 Effective distribution
Risk	Sustained under performance There is a risk that our clients will not meet their investment objectives due to weaknesses in the financial markets or from poor performance.	Failure to retain key staff We are a human capital business and our staff are a significant component of successfully executing our strategy.	Significant mandate breach Our funds are managed in accordance with investment mandates and restrictions agreed with our clients. Failure to adhere to these mandates would reflect a poor level of client service and may jeopardise relationships with our clients.	Regulatory non-compliance A significant regulatory investigation or action against the Group could have a detrimental effect on our reputation and business.
Potential impact	Poor performance of the financial markets or by our fund managers may lead to our products being uncompetitive or otherwise unattractive to new or existing clients, resulting in a decline in Group AUM and revenues.	The departure of a high profile fund manager or member of our management team could lead to a significant level of redemptions from our funds or a failure to run our business in an effective manner, having a material impact on our revenues and/or corporate performance.	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.	Regulatory censure and the related adverse publicity may lead to a loss of confidence by our clients as well as having a negative reputational effect which could impinge on our ability to generate new business.
Mitigation/ Controls	Jupiter maintains a range of flexible investment products that is designed to deliver value to our clients irrespective of market conditions. Our investment process seeks to meet investment targets within clearly 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.	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. We maintain a competitive remuneration structure and make use of deferred remuneration and share-based payment arrangements in order to align staff long-term interests with those of the Group. We also develop, monitor and maintain succession planning for all key roles.	Functionality is coded onto the order management system to allow the pre and post-trade monitoring of investment activity, including system warnings being raised to alert fund managers prior to any investments being made. In addition, client portfolios are subject to a comprehensive programme of monitoring by our Compliance and Portfolio Analytics teams in order to allow swift remediation in the event of any breaches being identified.	We maintain a robust compliance culture and all employees including fund managers and distribution staff are required to undertake training with regards to regulatory matters. Our Compliance department conducts a programme of internal monitoring to ensure that 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.



Efficient operations

<p>Distribution and product trends The risks reflect potential future changes in our fee structures, in the terms we are able to agree with third party distributors, or in the appetite of clients to invest in our products.</p>	<p>Operational error or fraud A material error in the execution of a key business process, or a fraud being successfully carried out against us or our clients.</p>	<p>Failure of third party supplier The failure of a provider on which we rely for the provision of key business processing activities may lead to our failing to deliver the required level of service to our clients or shareholders or fulfilling our regulatory obligations.</p>	<p>Business continuity incident Business operations, systems and processes are liable to disruption from fire, power loss, systems failure or external events.</p>	<p>Counterparty failure The failure of a trading or depository counterparty with which we have a relationship.</p>
<p>Our ability to generate flows may be jeopardised by fundamental changes in distribution patterns or by a sustained market appetite for products Jupiter does not offer.</p>	<p>A significant error or successful fraud may lead to negative financial impact on the Group due to the cost of redressing any issues.</p>	<p>Our relationships with key stakeholders may be jeopardised in the event of our providing an inadequate level of service, resulting in the loss of clients or regulatory/financial censure.</p>	<p>Inability to carry out our business activities.</p>	<p>The loss of or inability to access material amounts of our or our clients' funds.</p>
<p>We undertake ongoing analysis of the markets in which we operate in order to ensure that we maintain a diverse suite of products that continue to appeal to our existing and potential future clients. A well-defined product development process enables us to deliver new products or enhancements to target client groups in a timely and efficient manner.</p>	<p>We rely on efficient and well-controlled processes. The potential impact and likelihood of processes failing and operational risks (including fraud) 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. Jupiter maintains a comprehensive level of insurance cover and we assess our capital resources to ensure that these are appropriate in the context of our potential risk exposures.</p>	<p>All third parties who provide critical services to our business are subject to a high level of ongoing oversight, providing assurance that they are of the required standard. Jupiter has established formal guidelines for the management and oversight of all third party relationships to ensure that they are subject to a level of scrutiny commensurate with the potential risk they may pose to our business.</p>	<p>Continuity and business resumption planning is in place across our business in support of all of our key activities. We support remote working, including core system access for all of our key staff in the event that they are unable to travel to Jupiter's offices, and maintain alternative premises, including a dedicated office suite equipped with all key portfolio management and support systems, should our normal business systems or premises become unavailable.</p>	<p>The security of our clients' assets is Jupiter's primary consideration when evaluating potential counterparties. We seek to diversify our exposures across different institutions and actively monitor their creditworthiness using a suite of key risk indicators, including market data and credit agency ratings. Any deposits are placed according to agreed limits which may be amended in the context of any relevant changes.</p>

Key performance indicators

We have clear KPIs against which we track delivery on our strategic objectives.

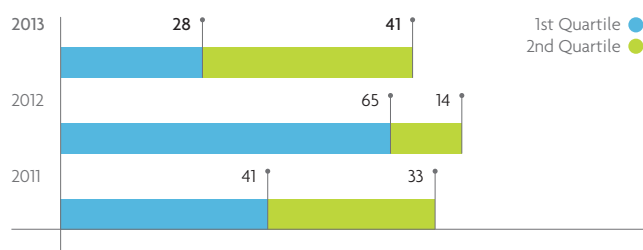


Investment outperformance

3 year investment performance
- percentage of our AUM above median

69%

3 year investment performance –
percentage of our AUM above median (%)



69% of our AUM was above median during 2013, compared with 79% in 2012.

In years where the market has risen strongly and higher beta stocks have performed, Jupiter has traditionally not performed as well. This pattern was repeated in 2013 despite making positive absolute returns for our clients across almost every strategy. As a result, medium-term relative performance has remained strong but the proportion of mutual fund assets within the top quartile has fallen back. Encouragingly, performance on funds where we experienced fund manager retirements or involuntary transitions has been as good, or even better, in all cases.

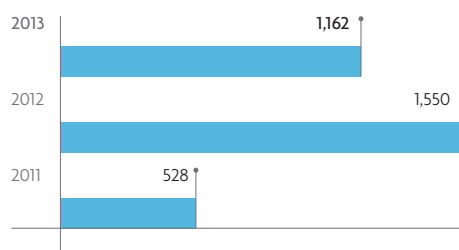


Effective distribution

Mutual fund net inflows

£1.2bn

Mutual fund net inflows (£m)



Mutual fund net inflows were £1.2bn for 2013, compared with £1.6bn in 2012.

UK market sales were quieter at the start of the year, following the adoption of RDR, before returning to more normal levels in the second half. Although the proportion of flows into equity products rose, these did not favour our product strengths and the overall outcome was also adversely affected by the retirement of two senior fund managers. Our fixed income strategies continued to grow, supporting an increased international presence and lifting SICAV AUM to £3bn as at 31 December 2013.

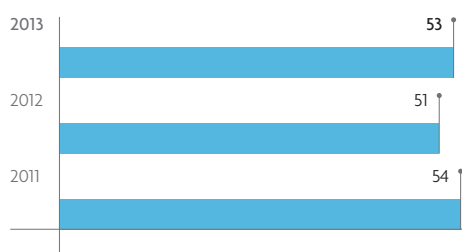


Efficient operations

EBITDA margin

53%

EBITDA margin (%)



EBITDA margin was 53% in 2013 compared with 51% in 2012.

EBITDA grew 22 per cent. to £151.5m, helped by supportive markets increasing revenues. Expense discipline was maintained, allowing the majority of market gains to flow to the bottom line, and was achieved while investing in the main targeted strategic growth initiatives which are expected to drive the business forward in future years.

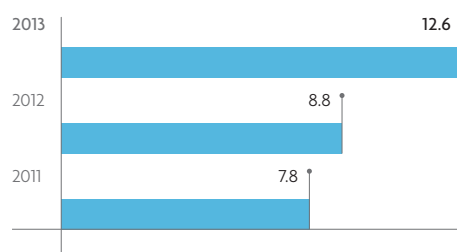


Value creation

Dividends per share

12.6p

Dividends per share (p)



Dividends per share increased to 12.6p for 2013 compared with 8.8p in 2012.

The Group finished the year with a sustainable level of net cash on its balance sheet. The operating cash flow in the year of £122.1m allowed us to enhance liquidity, move to completing the deleverage cycle, as well as removing the need for a regulatory capital waiver. Combined with higher profits, this cash flow has allowed the Board to increase dividends declared to shareholders.

Operational review

Successful delivery against a changing backdrop

2013 was a positive year for Jupiter with the combination of strong performance by many financial markets, investment outperformance and effective distribution resulting in higher net inflows, with our international distribution efforts becoming an increasingly important contributor to our net sales.

We implemented a number of organisational changes during the year so the business can better handle the demands of the higher volumes we expect to deliver over the medium-term. Our focus remains on delivering growth at margins that enable us to continue delivering attractive returns to shareholders.

Investment performance

Delivering investment outperformance remains key to successful growth for our business and during 2013 investment performance remained strong over the key three year period used by many fund buyers to select funds. At 31 December 2013, 30 mutual funds representing 69 per cent. of mutual funds by AUM had delivered above average investment performance (2012: 33 mutual funds representing 79 per cent. of mutual funds by AUM). Over one year, 32 mutual funds were above average, representing 45 per cent. of mutual fund AUM (2012: 28 mutual funds representing 56 per cent. of mutual fund AUM).

We continued our strategy of developing our fund management talent during the year, enabling us to continue delivering performance through a natural cycle of evolution and change. Following the announcement of Anthony Nutt's retirement in December 2012, Ben Whitmore took on the management of the Jupiter Income Trust in January 2013 while Alastair Gunn took over the Jupiter High Income Fund in July 2013 and the Jupiter Dividend & Growth Trust in October 2013. In addition, Christopher Watt was appointed manager of the Jupiter Growth & Income Fund following the departure of Philip Matthews.

Our ability to attract new talent to our team was demonstrated in April 2013 with the appointment of James Clunie, a highly regarded manager of long/short funds. In July, we announced that James would be taking over the Jupiter Absolute Return Fund in September 2013 and that Miles Geldard would be taking on the management of the Jupiter Second Split Trust in October 2013, ahead of the retirement of Philip Gibbs. Later in the year, we also appointed Robert Siddles, who has an extensive track record managing US small cap assets.

In December, we were also joined by Katharine Dryer as a Product Specialist for our fixed interest and multi-asset funds, who will work alongside fund managers and with Jupiter's sales and marketing teams to communicate the investment philosophy, process and views, in addition to providing updates on financial markets and economic trends. This is a model we will be looking to extend to other teams, where appropriate, as we develop and grow in the future.

Following Stephen Pearson's promotion to Head of Investments in October, we undertook a review of the structure of the fund management department and chose to reorganise it around a number of key investment strategies. This will provide a focus for developing each strategy as we grow.

Ensuring our product set meets the needs of clients in different markets is an ongoing process and during the year we made a number of changes to products. These included the extension of the Jupiter Strategic Bond Fund's power to use derivatives, the registration of The Jupiter Global Fund in additional jurisdictions and the removal of the performance fee on both the Jupiter New Europe and the Jupiter Global Financial SICAVs. We launched one new fund in 2013 – the Jupiter Global Equity Income Fund – a UK-domiciled unit trust.

Effective distribution

In an increasingly globalised world, the ability to service our clients in the key financial centres where they do business will be critical to our growth. We have, in recent years, established offices in a number of these centres, including Frankfurt, Munich, Zurich, Singapore and Hong Kong, to provide local client support and, during 2013, made a number of steps towards developing these operations.

Our Hong Kong office, opened in late 2012, is now staffed with four employees, led by Peter Swarbreck, who was appointed in May as Head of Client Coverage Asia. We also appointed Andrej Brodnik as Head of Client Coverage for Germany, Austria and Switzerland and opened an office in Frankfurt. Five sales people are now employed to service clients in Germany and Austria with an additional two sales people based out of our office in Zurich.

We also made some changes to the structure of our UK sales team to enable us better to support growth in our core market. Our UK institutional sales team was rolled into the UK Client Coverage Group, headed by Simon Hynes, and we also changed some roles in this team and made some new hires to provide a greater focus on our existing retail and wealth management efforts. At the same time, we brought together those sales people working with global financial institutions into one team.

Net flows strengthened during 2013, totalling £1.2bn for the year (2012: £966m) with an increased contribution from our international business. Funds at the cautious end of the spectrum, particularly our Strategic Bond unit trust and Dynamic Bond SICAV, together with the Merlin Income fund and Jupiter Global Convertibles SICAV, attracted significant inflows, as did top-performing equity funds such as the UK Special Situations and European unit trusts and the Jupiter European Growth SICAV.

Net inflows/(outflows) by product (£m)	2013	2012
Mutual funds	1,162	1,550
Segregated mandates	(129)	(568)
Private clients	135	(16)
Investment trusts	31	–
Total	1,199	966

Assets under management increased to a record £31.7bn at 31 December 2013 (31 December 2012: £26.3bn) due to net inflows and market appreciation across the year. The majority of those assets continue to be in mutual funds, at 78 per cent. (31 December 2012: 79 per cent.).

	31 December 2013 £bn	31 December 2012 £bn
Assets under management by product		
Mutual funds	24.8	20.6
Segregated mandates	3.9	3.2
Private clients	2.3	1.9
Investment trusts	0.7	0.6
Total	31.7	26.3

Efficient operations

Our focus is on operating a platform that can enable us to deliver revenue growth while maintaining operating margins at a level that enables us to deliver attractive returns to shareholders.

During 2013, we appointed a new IT Director, supporting our drive in investment in our technology infrastructure that will underpin our growth. One of the key projects started during the year was the rationalisation of our server estate, which involves the creation of two virtual data centres. We also started work on upgrading our business continuity capabilities.

Another significant project commenced during 2013 was to move our SICAV fund accounting platform to JP Morgan – a move we believe will underpin business growth. We are also in the process of creating a new function – Global Professional Client Services – which will handle the requirements of global and domestic institutions and consultants, freeing up the time of sales people, enabling them to focus on frontline relationship management.

We are currently undertaking a search for new offices, as our current lease of No 1 Grosvenor Place terminates in mid-2016. We have not, as yet, finalised new premises, but expect to do so during 2014. Due to favourable rates on our current lease agreement, rental costs under a new lease are expected to be higher than at present.

Financial review

Generating value for shareholders

Results for the year

The Group saw healthy growth across all key metrics in 2013 and consequent cash generation has seen continued balance sheet strengthening and dividend increases.

Net revenue

Net revenue (£m)	2013	2012
Net management fees	267.1	225.7
Net initial charges	15.7	14.3
Performance fees	5.7	4.5
Total	288.5	244.5

Net revenues for the year were £288.5m (2012: £244.5m), 18 per cent. ahead of 2012. This was driven by a rise in net management fees to £267.1m (2012: £225.7m), as strong flows and investment outperformance resulted in average assets increasing by 22 per cent., an increase ahead of underlying market levels (the FTSE 100 averaged 6,429 in 2013 compared with 5,742 in 2012).

Net management fees	2013	2012
Net management fees (£m)	267.1	225.7
Average AUM (£bn)	29.5	24.2
Net management fee margin (bps)	90	93

Net management fees remain the main component of net revenue (2013 : 93 per cent., 2012: 92 per cent.). The Group's net management fee margin for the period was 90 basis points, below the 2012 margin of 93 basis points. This reduction was due to a higher proportion of SICAV and fixed income assets in the mutual fund book and was in line with both our expectations and previous market guidance.

We continue to expect net management fee margins to decline slowly over time, although the rate and angle of any such decline continues to be uncertain.

Net initial charges of £15.7m (2012: £14.3m) were higher due to a more favourable pattern of sales versus redemption activity across individual funds, partially offset by the expected reduction in net amortised front end fees. Front end fees will continue to decline, and the unpredictable nature of box profits means there is no guarantee that the improvement in initial charges will be repeated in future years. Performance fees grew slightly to £5.7m (2012: £4.5m), although these continue to represent a small percentage of net revenue.

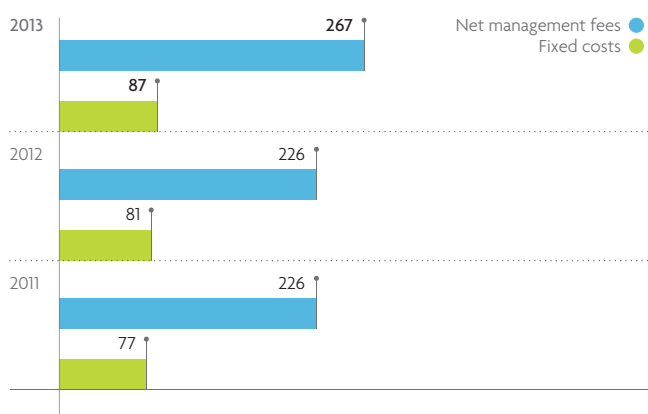
Administrative expenses

Costs by category (£m)	2013	2012
Fixed staff costs	43.0	39.5
Other expenses	43.9	41.5
Total fixed costs	86.9	81.0
Variable staff costs	51.0	40.1
Charge for options over pre-Listing shares	4.2	7.3
Administrative expenses	142.1	128.4

Administrative expenses of £142.1m (2012: £128.4m) rose by 11 per cent., predominantly due to an increase in variable staff costs in line with higher profitability and the continued roll out of our post-Listing compensation structure.

Fixed staff costs of £43.0m (2012: £39.5m) increased by nine per cent. as headcount grew as a result of continued steady investment in our people, platform and distribution capabilities. Other expenses rose to £43.9m (2012: £41.5m) as higher IT and legal and professional costs were partially offset by lower occupancy costs as a result of a temporary reduction in our rent ahead of our lease expiring in 2016. We continue to manage our fixed cost base according to prevailing market conditions at the time, mindful of our desire to grow the business over time whilst preserving our scalable operating model. This is evident from the graph below which shows net management fees have increased at a greater rate than underlying fixed costs in 2013.

Net management fees v fixed costs (£m)



Variable staff costs (£m)	2013	2012
Cash bonus	33.9	30.0
Deferred bonus	8.5	5.4
LTIP and SAYE	8.6	4.5
Pre-IPO deferral scheme	—	0.2
Total	51.0	40.1
Variable compensation ratio	25%	25%

Variable staff costs of £51.0m (2012: £40.1m) increased by 27 per cent. The cash bonus of £33.9m (2012: £30.0m) rose in line with earnings and higher profitability of the Group. The additional increase in variable costs was due to the continuing roll-out of the post-Listing compensation structure, driven by the addition of an extra year of awards under the LTIP scheme and Deferred Bonus Plan. This roll-out is now largely complete with the first tranches due to vest in April 2014.

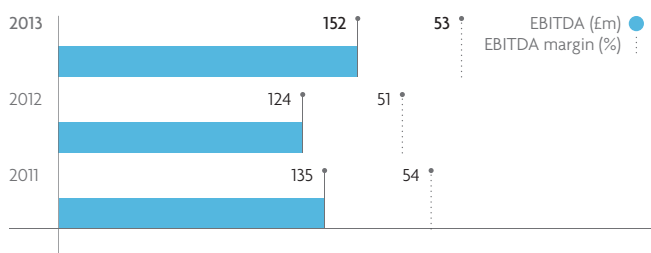
Variable compensation as a proportion of pre-variable compensation operating earnings was 25 per cent. (2012: 25 per cent.). This excludes a £4.2m charge (2012: £7.3m) in respect of options granted prior to the Listing over the remaining shares in the pool established for employees at the time of the MBO in June 2007.

We expect the variable compensation ratio to remain in the mid to high 20 per cent. range over the medium-term, as the incentive schemes put in place as part of our Listing are now close to maturity. However, the equity-settled nature of previously awarded deferred bonus and LTIP schemes means that their costs are fixed at the time of grant and subsequently do not change if future earnings rise or fall. As a result, the variable compensation ratio remained at 25 per cent., at the lower end of our range, in line with our expectations for an environment in which earnings have risen strongly.

EBITDA

EBITDA was £151.5m (2012: £124.2m), a 22 per cent. increase on the previous year. This was driven by an increase in net revenue from strong flows, investment outperformance and higher average market levels, partially offset as expected by higher variable staff costs. The Group's EBITDA margin increased to 53 per cent. (2012: 51 per cent.), as revenue growth filtered through to profits as a result of our scalable business model.

EBITDA



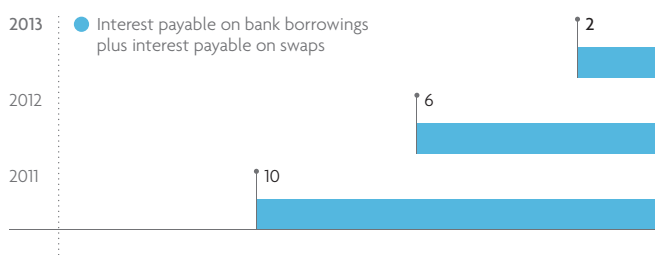
Other income statement movements

During the year, the Group sold its entire holding in Cofunds to a co-investor, Legal & General Group plc, resulting in a gain of £6.7m which has been included within the other gains/(losses) line on the income statement. Of this, £6.6m was previously held within the available for sale reserve and transferred to the income statement, and a further gain of £0.1m was recognised in the year.

Amortisation of £39.7m (2012: £39.7m) included £38.7m (2012: £38.7m) relating to intangible assets acquired as part of the MBO on 19 June 2007. These assets relate to investment management contracts (acquired for £258.0m) and the Jupiter brand name (acquired for £18.7m), amortised on a straight line basis through to June 2014 and June 2017 respectively. Amortisation is expected to decrease significantly in 2014 when the amortisation on the investment management contracts fully unwinds. The remaining £1.0m relates to the amortisation of acquired computer software and is included in underlying earnings.

Finance costs of £3.1m (2012: £7.4m) decreased by 58 per cent., primarily due to a decrease in interest payable on the bank loan from £5.6m in 2012 to £1.8m in 2013. This was due to the outstanding bank loan being paid down from £143.0m at the start of 2012 to £11.0m at the end of 2013. Finance costs were further reduced due to an increase in the fair value of the swaps in 2013 as they neared maturity. During the year, both interest rate swaps were closed out.

Interest payable (£m)



Profit before tax

PBT for the year was £114.1m (2012: £73.6m). This increase of 55 per cent. was driven by the rise in operating earnings, reduced finance costs and the gain made from the sale of the holding in Cofunds.

The effective tax rate for 2013 was 22.3 per cent (2012: 23.6 per cent.). This is lower than the standard rate of 23.25 per cent., primarily due to the Cofunds disposal which generated a historic loss for tax purposes owing to the previous tax disallowance of write downs in the investment pre-Listing.

Underlying profits and underlying earnings per share ("EPS")

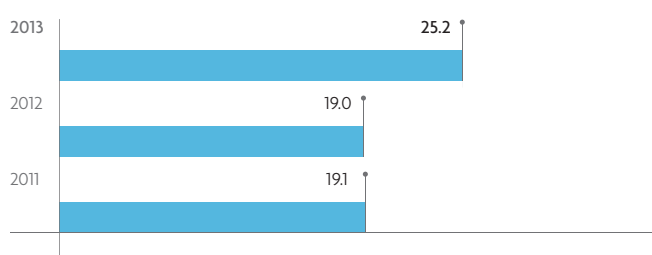
Underlying profit before tax and underlying EPS are non-GAAP measures which the Board believes provide a more useful representation of the Group's trading performance than the statutory presentation. The Group's basic and diluted EPS measures were 21.1p and 20.0p respectively in 2013, compared with 14.9p and 14.2p in 2012.

Underlying EPS*	2013	2012
Profit before tax (£m)	114.1	73.6
Adjustments:		
Amortisation of acquired investment management contracts and trade name (£m)	38.7	38.7
Charges for options over pre-Listing shares (£m)	4.2	7.3
(Gain)/loss taken to the income statement on available for sale investments (£m)	(6.7)	0.7
FSCS levy exceptional income (£m)	—	(5.0)
	36.2	41.7
Underlying profit before tax (£m)	150.3	115.3
Tax at statutory rate of 23.25 per cent. (2012: 24.5 per cent.) (£m)	(34.9)	(28.2)
Underlying profit after tax (£m)	115.4	87.1
Issued share capital (m)	457.7	457.7
Underlying EPS	25.2p	19.0p

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

The 2013 underlying EPS was 25.2p (2012: 19.0p). This 33 per cent. increase reflects the Group's improved trading performance, reduced finance costs following debt repayments and the lower statutory tax rate.

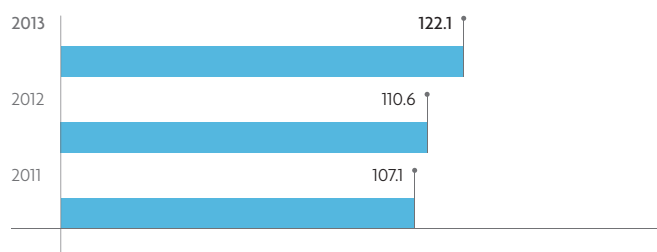
Underlying EPS (p)



Cash flow

The Group has a high conversion rate of operating earnings to cash, generating positive operating cash flows after tax in 2013 of £122.1m (2012: £110.6m). Together with the £16.6m received from the sale of Cofunds, this cash was primarily used for payments of £42.8m in respect of the interim and final dividends to shareholders and net repayments of £67.0m of bank debt. A small amount has been retained for investment and to fund the higher 2013 compensation round. As a result of these movements, overall cash held increased by £23.5m to £170.5m (2012: £147.0m).

Operating cash flows (£m)



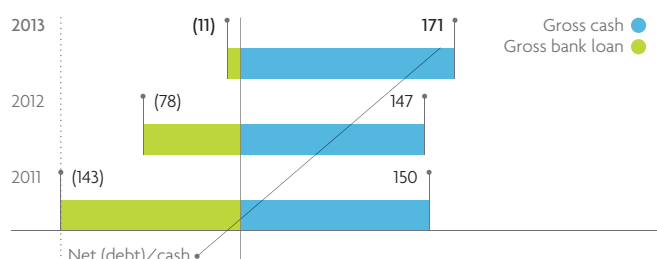
Assets and liabilities

Helped by reduced financing costs from the deleveraging of the balance sheet during 2012 and 2013 alongside the generation of significant cash amounts through trading, the Group strengthened its net cash position at 31 December 2013 to £159.5m (2012: £69.0m).

During the year, a net £67.0m of bank debt was repaid, reducing the outstanding loan balance to £11.0m as at 31 December (2012: £78.0m). Subsequent to the year end, the remaining £11.0m was repaid, leaving the Group with no outstanding debt.

In July 2013, we rolled our existing loan facility into a new three year revolving credit facility. The facility extends to July 2016 and will provide the Group with greater liquidity and flexibility for a longer period at more attractive rates. It is our intention to leave the facility intact, but undrawn, in case of need, supporting our intention to run a sustainable balance sheet with net cash across the cycle.

Cash (£m)



We deploy seed capital into funds to assist us 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 2013, we had a total investment of £50.1m in our own funds (2012: £53.8m) as we maintained seed capital at targeted levels. 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.

Equity and capital management

Total shareholders' equity increased by £54.7m to £513.7m (2012: £459.0m) as a result of the Group's continued profitability, partially offset by the final and interim dividends.

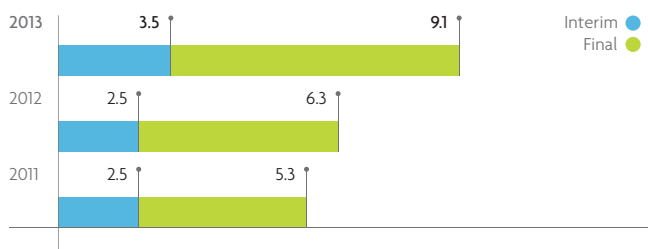
The Board considers the dividend on a total basis, whilst looking to maintain an appropriate balance between interim and final dividends. Reflecting our strong trading and robust balance sheet, as well as our confidence in the prospects for the business, the Board has declared an increased final dividend for the year of 9.1p (2012: 6.3p) per share to ordinary shareholders, making a total payment for the year of 12.6p (2012: 8.8p).

This payment is subject to shareholders' approval at the Annual General Meeting and, if approved, will be paid on 27 May 2014 to shareholders on the register on 11 April 2014.

The Group currently has a three year investment firm consolidation waiver which runs to June 2015. The waiver remains valid under the new CRD IV regime which is effective from 1 January 2014. Having completed the deleverage process begun at Listing, the Group has traded out of its need to rely on the waiver.

Looking forward, the Board's intention is to use profits and cash flow to pay shareholder dividends, to re-invest selectively for future growth and to look to return excess cash according to market conditions at the time. This provides Jupiter with two opportunities to grow shareholder returns over time. First from executing our strategy to grow profits to the benefit of all our stakeholders and secondly from shareholders receiving a greater share of marginal profit growth in the future.

Dividends (p)



Corporate responsibility

We believe that corporate responsibility and sustainability are integral to commercial success

A message from our Group Chief Executive

What sustainability issues are influencing Jupiter and its strategy?

We recognise that companies face a number of sustainability-related challenges and trends that are likely to shape future markets, such as climate change, increasing globalisation and natural resource depletion. These are creating real risks and opportunities that require action and collaboration in order to sustain long-term value.

What are the company's key strategic priorities with regard to sustainability?

We believe that corporate responsibility and sustainability are integral to commercial success and we are committed, wherever practical, to implementing good practice throughout our business. Our key strategic priorities with regard to sustainability are therefore:

- 1. Marketplace**
To continue engaging on relevant corporate governance and sustainability issues with investee companies, as well as exercising our voting rights with care.
- 2. Workplace**
To provide a healthy and rewarding working environment for our employees.
- 3. Environment**
To improve operational sustainability through better management of environmental impacts arising from our business activities.
- 4. Community**
To continue to make a positive impact within the communities in which we operate through active encouragement of employees' charitable activities.

What have been the main corporate responsibility and sustainability highlights at Jupiter in 2013?

We are pleased to report continued progress across the spectrum of our sustainability activities. Our key highlights for 2013 were as follows:

- Over 50 staff took part in Movember to collect charitable donations for the fight against prostate cancer, an issue close to Jupiter following the recent death of a colleague, Spencer Reynolds. A grand total of £92,088 was raised by the team, ranking us first in the UK and fifth in the world.
- Jupiter has reduced its operational emissions intensity by 26 per cent. to 1.18 tCO₂e per employee Full Time Equivalent (FTE).
- 128 companies were engaged on governance and/or sustainability issues in 2013. These meetings included fund managers and/or members of Jupiter's Sustainable Investment and Governance team.
- We have implemented an environmental data programme in order to collate automatically more accurate information to better inform our corporate sustainability efforts.

For the first time, we have aligned the corporate responsibility section of our annual report with the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines. This is in order to provide greater insight into our diverse responsibilities as a company, as well as to demonstrate the progress we are making towards becoming a more sustainable organisation.

As a leading asset manager, transparency in reporting is an important basis for dialogue with our clients, shareholders, employees and other members of society. As a result, any input from stakeholders regarding the activities detailed within our corporate responsibility disclosure is welcome.

Edward Bonham Carter
Group Chief Executive

About Our Corporate Responsibility Disclosure

Reporting period

This section of our annual report covers the 2013 financial year and is the first such disclosure that we have prepared in accordance with GRI guidelines. It is our intention to continue to disclose our annual corporate responsibility performance in this way so as to conform to regulatory and best practice developments in extra-financial reporting.

In order to apply GRI's 'Guidance on Defining Report Content' and associated Principles to our 2013 disclosure, Jupiter conducted a Sustainability SWOT analysis with employees across a range of business functions. This exercise involved identifying global trends and issues in the wider context of sustainability that could be of concern to Jupiter's stakeholders and potentially impact our sector in future years. The insights gained during this process allowed us to select material aspects and priority indicators in order to build a complete first disclosure. Our GRI Index for this reporting year will be made available on the Jupiter website.

Reporting boundary

The boundary of our corporate responsibility disclosure is coterminous with the widely adopted "operational control" approach to consolidating organisational greenhouse gas (GHG) emissions. This is defined by our chosen GHG methodology (Defra's *Environmental Reporting Guidelines*) as operations where Jupiter or one of its subsidiaries has the full authority to introduce and implement its operating policies. Jupiter considers that this approach incorporates all entities that generate materially significant actual or potential sustainability impacts.

Limitations

At the end of 2013, Jupiter had operations in six countries. However, it has been reasonably estimated that the actual or potential sustainability impacts of our small offices outside of the UK are currently of no material significance. A materiality threshold of 5 per cent. has thus been applied for sustainability data reporting purposes in line with common practice among similar sized firms in our sector.

Furthermore, there are no joint ventures over which Jupiter considers it has operational control and leased assets have been accounted for via application of the same consolidation approach used to define our reporting boundary.

This is Jupiter's first published GRI-aligned disclosure. There have been no restatements of information provided in earlier disclosures, nor any significant changes from previous reporting periods in the scope, boundary or measurement methods applied.

For further information regarding our corporate responsibility disclosure please contact shareholderservices@jupiter-group.co.uk

Stakeholder engagement

We are committed to engaging with our stakeholders to understand the sustainability issues of importance to them. Jupiter's key stakeholders include our clients, the companies in which we invest, shareholders, employees, NGOs, policymakers and regulators. We believe that open communication is best achieved by offering stakeholders (including shareholders and employees) several methods of communication with the Board, including via phone, e-mail or written communication. On a regular basis employees are directly engaged via online surveys and staff briefings on matters regarding Group performance and business strategy.

1. Marketplace

Our core purpose is to deliver long-term investment outperformance for clients through active management. We consider that this focus is integral to delivering shareholder returns.

In particular, we emphasise positive engagement with the companies in which we invest. Transparency, accountability and sustainability are, therefore, essential to the success of our company.

Our customers

Jupiter is a customer-focused business. As such, it is fundamental that we ensure the appropriate, fair and responsible use of our products across all business lines, as well as their responsible marketing and selling. This is reinforced by the regulatory environment in which we operate.

We have worked hard to embed a set of policies, principles and codes of conduct into our culture that are designed to ensure that the interests of Jupiter and its employees are aligned with those of existing and potential customers. These policies include:

Treating customers fairly policy

Treating customers fairly ("TCF") is a core FCA principle intended to promote the fair treatment of customers from product inception, through to marketing and post-sales support. Our TCF policy ensures that we are committed to dealing with customers honestly, openly and competently – not just as part of regulatory compliance, but as a fundamental guiding principle.

Our TCF Committee ensures that Jupiter services provided to clients are operated and undertaken in a manner consistent with TCF obligations and our TCF policy.

Conflicts of interest policy

This policy sets out potential material conflicts that have been identified by Jupiter, together with procedures and arrangements designed to prevent these from constituting or giving rise to a material risk of damage to the interests of our clients.

The main mechanisms through which we ensure that such policies, principles and codes of conduct are being implemented and enforced include:

- Training programmes (e.g. 100 per cent. of employees undertake regular web-based training in Anti-Bribery and Corruption in line with our corresponding policies and procedures)
- Periodic audits against compliance with laws, regulations and internal rules
- Supervisory controls (e.g. a TCF Manager in every client facing department)
- Terms and Conditions of Employment and annual Employee Declarations
- Our Corporate Governance structure

Jupiter policies are reviewed annually and circulated to all staff once updated. The Compliance department is responsible for ensuring the implementation of our policies, principles and codes of conduct.

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 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' funds.

Primary topics may include, but are not limited to, long-term strategy, board effectiveness, remuneration, shareholder rights, culture, values and relevant sustainability issues. We also ask companies to present us with their plans for maintaining corporate social and environmental sustainability.

Jupiter's Sustainable Investment and Governance Team is responsible for co-ordinating the timely and careful voting of proxies at company meetings and also for engaging with companies on governance and sustainability issues. Whilst they work with the wider investment teams at Jupiter, they are also responsible for screening companies held in our environmental and responsible investment funds.

During 2013, Jupiter voted at 2,279 shareholder meetings worldwide (approximately 983 in the UK and 1,296 overseas) and voted against management, or abstained, on at least one resolution at 18 per cent. of UK meetings. We also engaged with 182 companies to discuss governance and/or sustainability issues. This dialogue was undertaken in addition to the 1,000-plus company meetings Jupiter holds in a year, typically following the announcements of preliminary or interim results.

Jupiter monitors investee companies by hosting and attending regular meetings with management teams. We particularly focus on those companies in which we have a meaningful shareholding in terms of issued share capital or as a percentage of Jupiter's assets under management. However, this does not mean our engagement is purely restricted to our major holdings.

Regular meetings are an important part of our investment process, helping us to evaluate each company's ability to create and sustain long-term shareholder value. Most of our engagement with companies is conducted on a one-to-one basis (via face-to-face meetings and teleconferences) or collectively with other investors. Jupiter has established an in-house database for the purposes of monitoring and following up on our engagement activities.

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

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

Stewardship Committee

We continually seek to enhance our capabilities in order to best serve our clients and have recently developed our Stewardship framework as part of a regular review. This has led to the establishment of a Stewardship Committee, which aims to develop and deliver a co-ordinated approach to engagement with chairmen, directors and non-executive directors for Jupiter's fund management department.

Through this process, we aim to better enable fund managers to gain investment insight, inform decision-making and influence investee companies where appropriate. The Committee is chaired by Jupiter's Head of Investments and comprises fund managers, the Stewardship Director and corporate governance and sustainability analysts.

Our latest stewardship statements comment on how Jupiter's stewardship activities are, for the first time, subject to independent assurance. The Financial Reporting Council (FRC) recently reported that the number of respondents subjecting their stewardship activities to independent assurance "remains low". The FRC states that 14 per cent. of their study subject engagement activities to independent assurance, even though this is a recommendation of the Code.*

2. Workplace

As a people business, we value our employees and aim to create a positive culture in which employees can work and develop their skills.

Diversity

We believe that a diverse workforce is better able to service the needs of our clients. We have an equal opportunities policy and are committed to treating 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 and paternity pay and childcare vouchers. Women make up 40 per cent. of our total workforce, whilst approximately 21 per cent. of senior managers and 20 per cent. of Board members are female.

This year, Jupiter also took part in the first year of Investment 2020. This venture aims to give school leavers and recent graduates from diverse backgrounds paid work experience in investment management. We are proud to be offering year-long placement opportunities in a number of different business areas to candidates who are keen and passionate about gaining exposure to and an understanding of investment management.

Talent management

We encourage the ongoing training and development of all our employees to allow them to maximise their performance in their roles, assist them in the achievement of corporate objectives and to reach their potential. All of our employees take part in a six-monthly appraisal process where feedback is sought, performance assessed and training and development needs reviewed. We have undertaken a number of initiatives in 2013 to enhance our talent management processes, including a pilot talent assessment programme, as well as the development of a dedicated leadership framework for Jupiter management.

In addition, Jupiter regularly provides employees with updates on Company performance, strategy and other information that concerns them through our staff newsletter, staff meetings and email. Our remuneration policy is designed to motivate, aid retention, improve individual and corporate performance and align employee behaviour with the interests of shareholders.

Health and safety

The Board has the responsibility of ensuring 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 while at work. The prime responsibility for a safe and healthy place to work rests with the Company. In addition, each employee also has a personal responsibility in this respect.

* FRC Developments in Corporate Governance 2013: The impact and implementation of the UK Corporate Governance and Stewardship Codes (December 2013)

3. Environment

As a major UK corporate, we believe it is important to measure and monitor our impact on the environment and to look to reduce this wherever possible. We are committed to managing the direct impacts of our activities and seek to be resource efficient as far as is practical.

Environmental policy

The key components of our environmental policy are as follows:

Energy	Jupiter will seek to minimise its consumption of energy.
Materials	Jupiter will seek to minimise its consumption of raw materials.
Waste	Jupiter will also seek to achieve the best environmental option for the disposal of waste.
Suppliers	Jupiter will seek to assess the environmental performance of suppliers as part of its purchasing policy.
Compliance	Jupiter will seek to meet or exceed all the environmental legislation that relates to the Group.

Understanding Jupiter's environmental impact

Jupiter's operational activities principally impact the environment through the waste we dispose of, the water we consume and the greenhouse gas emissions we either directly or indirectly release.

As one of the greatest challenges facing nations, government, business and society, climate change has been a particular focus of our organisation for several years. Our most recent analysis of climate change risks and opportunities facing our own organisation was conducted as part of our 2013 CDP Investor disclosure.

A sample set of information is provided within the table below in order to provide context to our greenhouse gas disclosure:

Drivers	Description
Risks Regulatory	The potential implications on our investments stemming from air pollution limits, carbon taxes, cap-and-trade schemes, fuel/energy taxes and regulations, product efficiency/labelling regulations and standards, and any associated uncertainty surrounding these.
Risks Physical	The potential implications on our investments stemming from any changes in mean (average) temperature, changes in temperature extremes, changes in mean (average) precipitation and precipitation pattern; rise in sea level; rise in extreme weather events, and any associated uncertainty surrounding these.
Opportunities Regulatory	The potential implications on our investments stemming from international agreements, air pollution limits, carbon taxes, cap and trade schemes, emission reporting obligations, fuel/energy taxes and regulations, product efficiency/labelling regulations and standards, and general environmental regulations.

Jupiter has been managing environmental solutions funds for over 20 years and over this time we have developed a leading knowledge of environmental investing across a range of products. This gives Jupiter a potential competitive advantage which is derived from regulatory or technological changes that bring about positive action by companies on issues such as climate change.

Most notably, our Jupiter Global Ecology Growth Fund (launched in 2001) seeks to invest globally in companies that are responding positively to the challenge of environmental sustainability and climate change, either through the products they provide or the way in which they reduce their operational impact.

Such positive action, however, relies on the quantification and reporting of GHG emissions. In 2011, Jupiter began working with Carbon Credentials to measure our carbon footprint for voluntary disclosure purposes. Since then, we have been gathering data on a variety of emissions sources, including Scope 3 emissions. Within the table below we present the Jupiter Operational Boundary for our reported 2013 GHG emissions:

Direct Emissions (Scope 1)	Building gas combustion	Fugitive emissions from RAC equipment	Owned vehicles
Indirect Emissions (Scope 2)	Building electricity consumption		
Other Relevant Indirect Emissions (Scope 3)	Business travel	Waste disposal	Water consumption

Environmental performance

The following table shows the sources of environmental impacts currently being measured and recorded and our associated performance for 2013.

Key performance indicator	Total FY2013	Assumptions and/or estimations
Direct emissions (Scope 1)	124.1 tCO ₂ e	December gas data was apportioned based on the last recorded consumption due to data supply issues
Indirect emissions (Scope 2)	411.7 tCO ₂ e	
Other relevant indirect emissions (Scope 3)	8 tCO ₂ e	
Total water consumption*	974.2 m ³	
Total weight of waste by disposal method**		
Recycling	18.7 tonnes	Dry mixed recycling data for Q3 and Q4 was extrapolated using previous months due to data supply issues
Energy recovery	11.4 tonnes	Data for Q3 and Q4 was extrapolated using previous months data due to data supply issues
Landfill	0 tonnes	

* All water is supplied through our local utility

** All waste disposed is non-hazardous commercial waste or paper/cardboard

Environmental initiatives

As part of ensuring that the environmental consequences of our operational activities are managed in accordance with our Environmental Policy, Jupiter has undertaken a number of environmental initiatives:

- A policy has been developed to replace all light bulbs with more energy efficient equipment upon failure or refurbishment.
- Hot water boilers at all staff tea points have been fitted with timers programmed to switch off outside working hours.
- Dedicated recycling points have been introduced to separate all waste. Zero waste was sent to landfill during the reporting year and 100 per cent. of all paper was recycled.
- Implementation of a print management solution incorporating Multi-Functional Devices (MFDs) has rationalised the number of office printers, faxes and scanners to reduce energy consumption.
- MFDs are also defaulted to double-sided printing in mono and to print only on demand in order to reduce the amount of paper and toners used.
- We have achieved a refurbishment rate of between 50 per cent. and 75 per cent. for disposed IT equipment, which is subsequently resold or re-used depending on age and type.
- An environmental data programme has been implemented, in order to collate automatically more accurate data to better inform our sustainability efforts.
- Jupiter has recently decided to improve recording of Scope 3 business travel emissions via the appointment of a travel management company.

CO₂e reduction target

In order to ensure that the commitments outlined within our Environmental Policy are aligned to Jupiter's environmental initiatives, we have set an intensity target to reduce our tCO₂e per employee Full Time Equivalent (FTE) year on year. In 2012, our emissions intensity was 1.58 tCO₂e per employee FTE.

Since the last reporting period we reduced our emissions intensity by 26 per cent., having achieved an emissions intensity of 1.18 tCO₂e per employee FTE in 2013. This reduction principally came from our efforts to improve monitoring and measurement of our greatest climate change impact, electricity consumption emissions, which have fallen from 553.11 tCO₂e in 2012 to 411.7 tCO₂e in 2013.

We are working to put in place a long-term strategy to further reduce this ratio in future reporting years.

4. Community

Charitable giving

We believe that Jupiter's charitable giving should be directed by employees rather than being driven by corporate-level decisions.

Jupiter's matched giving scheme, which is available to all permanent employees, provides a focus for this activity. Under the scheme, Jupiter matches each employee's charitable contributions up to a set limit each year, enabling employees to support their nominated charities. Some 104 employees currently participate in the matched giving scheme, which was double-matched up to a limit of £800 for the 2013 financial year, and the Charity Committee will be working to increase participation numbers substantially during 2014.

In recent years, Jupiter employees have worked closely together to raise funds for specific causes and to facilitate both these efforts and promote the uptake of our matched giving scheme, we established a Charity Committee during 2013. This Committee comprises a broad cross-section of employees and seeks to promote charitable giving and provide a focal point for Group activities.

For the third year running, we supported the Movember charity, which seeks to raise funds to promote men's health. During the month of November, more than 50 employees, including Jupiter's Executive Committee, worked to raise over £90,000 for the charity, placing our team first in the UK and fifth in the world. This is the second time in three years Jupiter's Movember team has been the biggest fund-raiser in the UK. This activity was supported by a raffle and dress down day and has subsequently resulted in the production of a Movember Calendar to raise further funds.

While our charitable giving is employee-directed, we do undertake some corporate-level activity where appropriate. We typically seek to provide support for charities dealing with major disasters and in 2013, donated £10,000 to the Disasters Emergency Committee's Philippines appeal. Jupiter also continued its support of the Crisis at Christmas campaign with a corporate donation of £16,200. In addition, nine employees from across the Company took part in a volunteering day at one of the Crisis centres during November.

In 2013, charitable donations totalled £139,972 (2012: £96,000).

During 2013, four executives took part in a London Business School programme, 'The Good Business'. This programme focused on the ethics and challenges facing businesses and was designed to lead to specific steps that could be undertaken by each Company involved to respond to these challenges. Whilst Jupiter has a positive culture and focus on delivering outperformance and high service standards to clients, as the Company gets larger, establishing these standards in 'guiding principles' would clearly set out for employees our expectations and this was the project the Good Business team undertook.

Jupiter remains a proud long-term sponsor of the Orchestra of the Age of Enlightenment. During the past 14 years we have established a successful relationship based on our shared strengths of quality and innovation. Jupiter also continued its sponsorship of the Observer Ethical Awards in 2013, sponsoring the Business Initiative Award which champions those large or small businesses taking sustainability to the next level.

Governance review

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Within this section you will find the following:



Leadership



Effectiveness



Accountability



Remuneration



Shareholder relations



Dear Shareholder,

Your Board aims for the highest standards of corporate governance and is committed to the principles of the UK Corporate Governance Code (the "Code"). I am pleased to take the opportunity to report personally on how its principles relating to the role and effectiveness of the Board have been applied during the year under review.

Corporate governance is a term that is used freely, but it may be worth reminding ourselves of its meaning. The Code has this to say on the role of the Board:

"Corporate governance is the system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies.... The responsibilities of the board include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship."

"Corporate governance is therefore about what the board of a company does and how it sets the values of the company, and is to be distinguished from the day to day operational management of the company by full-time executives." (source: UK Corporate Governance Code)

The following sections of this report describe how this has been applied to your Company through the Board and its committees to provide leadership; effective management and controls; continued focus on strategy and risk; and a remuneration structure that aims to maximise value to shareholders by attracting and motivating the most talented individuals on whom your Company depends for its success.

Over the following pages we describe our governance framework in more detail. This not only contains the information required by regulation; I hope you will also find it helpful in understanding our commitment to good governance.

Jamie Dundas

26 February 2014



Our governance structure

The Board

The Board is responsible for the leadership and management of the Group, with the Chairman at its head, and comprises executive and non-executive Directors. It has established a number of Board committees as well as Management committees.

Committees of the Board

Board committees are the Nomination, Audit and Remuneration committees which operate within defined terms of reference. The committees are entirely composed of independent non-executive Directors.

The Chief Executive and executive Directors

The Chief Executive, together with the executive Directors, are responsible for the management of the Group's day-to-day business and for ensuring the implementation of strategy.

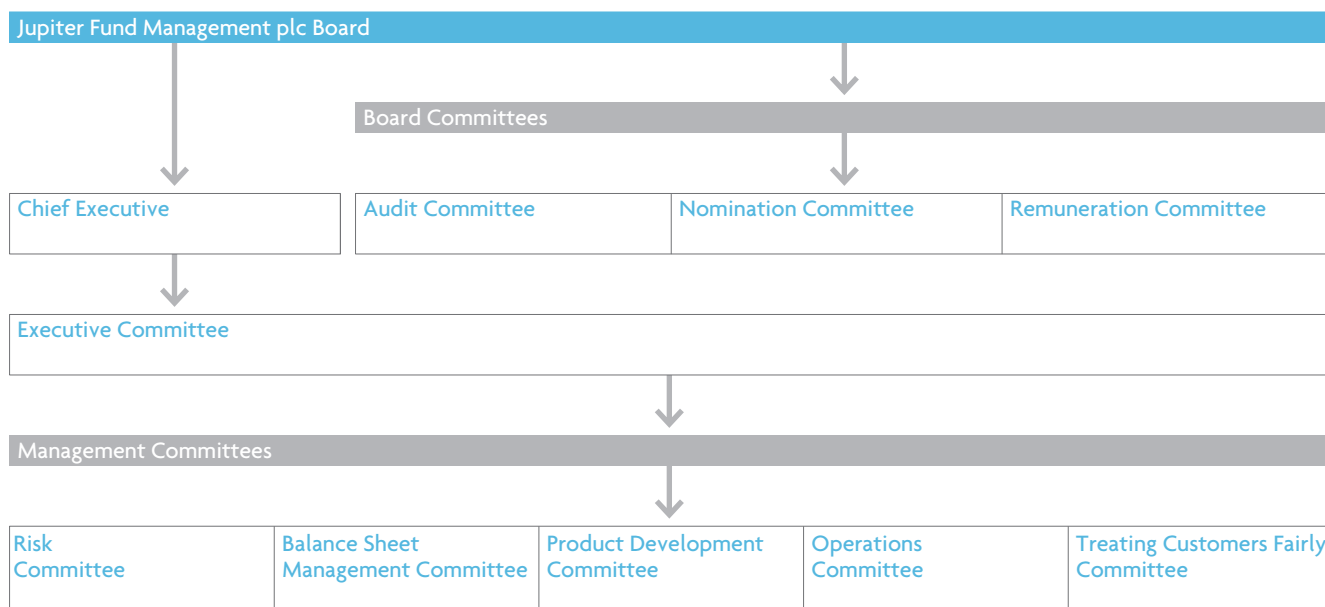
Management committees

There are six principal Management committees established by the Chief Executive: the Executive Committee, Risk Committee, Balance Sheet Management Committee, Product Development Committee, Operations Committee and Treating Customers Fairly (TCF) Committee.

The activities of all committees are discussed in this governance review.

Diagram of structure

The diagram below illustrates the Group's core governance framework and how authority is delegated from the Board to management for the day-to-day management of the business.



Board of Directors



Jamie Dundas
Chairman

Appointment to the Board
Jamie Dundas was appointed as non-executive Chairman of the Group in January 2008.

Career

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.

Skills and experience

Jamie has over 40 years experience in international finance and investment banking.

Committee membership

- Chairman of Nomination Committee
- Remuneration Committee



Edward Bonham Carter
Group Chief Executive

Appointment to the Board
Edward Bonham Carter was appointed Group Chief Executive of the Company in June 2007.

Career

Edward Bonham Carter joined Jupiter in 1994 as a UK fund manager after working at 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 relinquished his role as Chief Investment Officer in February 2010. Maarten Slendebroek will succeed Edward as Group Chief Executive with effect from 17 March 2014 and Edward will then take on a new executive role as Vice Chairman. On 1 January 2014, Edward joined the Board of Land Securities Group plc as a non-executive director.

Skills and experience

Edward has over 30 years' experience in the investment market. Having held his position as Group Chief Executive since 2000, he has extensive knowledge of the fund management business.

Committee membership



John Chatfeild-Roberts
Chief Investment Officer

Appointment to the Board
John Chatfeild-Roberts was appointed Chief Investment Officer in February 2010.

Career

John Chatfeild-Roberts joined Jupiter in March 2001 to establish and lead the team running the Jupiter Merlin portfolios. His earlier career in fund management was at Lazard Brothers Asset Management (1995-2001) and Henderson Administration (1990-1995). He held a Short Service Commission in the British Army in the 1980s.

Skills and experience

John has many years' experience in investment management and is also a fellow of the Chartered Institute for Securities and Investment.

Committee membership



Philip Johnson
Chief Financial Officer

Appointment to the Board
Philip Johnson joined Jupiter as Chief Financial Officer in October 2009.

Career

Philip 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 in 2000. He spent eight years at M&G, the last five as Group Finance Director, after which he joined Marshall Wace LLP as Finance Director in 2008. He is responsible for finance, treasury, information technology, compliance, risk and investor relations.

Skills and experience

With over 20 years in the financial services industry, Philip has significant UK financial and reporting experience.

Committee membership



Maarten Slendebroek
Distribution & Strategy Director

Appointment to the Board
Maarten Slendebroek joined Jupiter in September 2012 as Distribution and Strategy Director. He will succeed Edward Bonham Carter as Group Chief Executive with effect from 17 March 2014.

Career

Before joining Jupiter in September 2012 as Head of Distribution & Strategy, Maarten spent 18 years at BlackRock and its predecessor companies. At BlackRock he was a member of the firm's global operating committee and European executive committee. His last two roles were Head of BlackRock Solutions EMEA and Head of International Retail. At BlackRock Solutions, Maarten led the teams responsible for complex portfolio analytics and asset valuation projects as well as the marketing and implementation of BlackRock's Aladdin operating platform. As Head of International Retail, he was responsible for the build-out and running of all mutual fund-related business in the world outside of the United States and Canada. Earlier in his career, Maarten gained extensive experience as a sell side European equity analyst. He will become Chief Executive of Jupiter on 17 March 2014.

Skills and experience

Maarten has brought over 25 years' experience from the asset management and financial services industry to his role, together with extensive specific knowledge and experience of running cross-border asset management operations in the international retail sector.

Committee membership



Liz Airey
Senior Independent
non-executive Director

Appointment to the Board
Liz Airey was appointed as the non-executive senior independent Director of the Company in May 2010.

Career
Liz 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.

Skills and experience
Liz has significant and relevant financial skills and expertise in financial governance and executive leadership.

Committee membership
● Chairman of Audit Committee
● Nomination Committee
● Remuneration Committee



Jon Little
Independent
non-executive Director

Appointment to the Board
Jon Little was appointed a non-executive Director of the Company in September 2011.

Career
Jon is a Partner in Northill Capital – a private investment business backed by one of Europe's wealthiest families. From 2000 until 2010, he was Vice Chairman of BNY Mellon Asset Management and, as part of that role, he held a number of positions including Chairman of Dreyfus – one of the US's oldest mutual fund companies, Chairman of Insight Investments and of West LB Mellon Asset Management. In addition, he was also a director of other asset managers in the group including Newton, Walter Scott, Alcentra and Pareto Partners. From 1997-2000, Jon was at JP Morgan Investment Management where he was Vice President and Head of Distribution responsible for International Funds and from 1991-1997 he was at Fidelity Investments, latterly as Director of UK Business Development. Jon is also a director of Alpha Strategic PLC.

Skills and experience
Jon has developed extensive experience of the asset management industry on an international scale through roles with a number of global institutions and has considerable expertise in running asset management businesses in the UK and overseas.

Committee membership
● Audit Committee



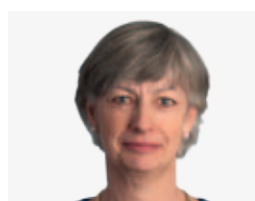
Matteo Dante Perruccio
Independent
non-executive Director

Appointment to the Board
Matteo Dante Perruccio was appointed a non-executive Director of the Company in October 2008.

Career
Matteo 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 and become Chief Executive Officer of Hermes BPK Partners LLP. From January to December 2013 he was Chief Executive Officer of Rebacapital, a renewable energy fund investment management company based in London.

Skills and experience
Matteo brings considerable strategic management and business oversight experience within the financial services sector. He has particular experience in international finance and investment.

Committee membership
● Remuneration Committee



Lorraine Trainer
Independent
non-executive Director

Appointment to the Board
Lorraine Trainer was appointed as a non-executive Director of the Company in May 2010.

Career
In her executive career, Lorraine 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. In addition to her board work, she works in the area of director development at and around board level for a variety of international groups. Lorraine was a non-executive director of Aegis Group plc between August 2005 and March 2013 and she is also a non-executive director of Essentra plc and Colt Group S.A.

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

Committee membership
● Audit Committee
● Nomination Committee
● Chairman of Remuneration Committee



Michael Wilson
Non-executive Director

Appointment to the Board
Michael Wilson was appointed a non-executive Director of the Company in 2007 having been nominated by TA Associates, L.P.

Career
After serving as a managing director from 2005-2012, Michael reduced his time commitment in 2013 and became an advisor of TA Associates, L.P. He 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, LLC.

Skills and experience
With a primary focus in asset management, Michael brings his extensive experience as an external investor in many and varied companies to the Board's strategic decision making.

Committee membership



Management committees

Executive Committee

Subject to matters reserved to the Board, the Board has delegated authority to the Group Chief Executive for the management of the Group's day-to-day business. He is assisted by the Executive Committee, comprising the executive Directors and the Chief Operating Officer (Adrian Creedy), which has operational responsibilities for developing the business in accordance with the strategy and objectives of the Board.

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 its meetings are made available to the Chairman of the Board. The Committee meets weekly. The following committees report to the Executive Committee:

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

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 likelihood assessment and the effectiveness of existing controls) 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 any aspects of risk as categorised in the Group's risk management framework, as described further below. The Risk Committee is supported in its role by a number of focused sub-committees, namely the Portfolio Review, Monitoring and Conflicts Committees and the Counterparty Review Group.

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 new product proposals and changes to existing products have been adequately considered so that they are designed to meet client needs, can be appropriately managed and supported from an operational, risk, and compliance perspective and are appropriate additions to Jupiter's range of products. 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 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 as well as any incidents that have occurred.

Treating Customers Fairly Committee

Through its sub-committees, the Committee seeks to ensure that funds managed by the Group and services provided to 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 for which they were designed and whether the performance is in line with expectations and the information communicated to distributors at the time of sale.

The TCF Clients sub-committee considers the private client reporting arrangements to ensure that the services being provided to private clients are consistent with TCF objectives and that poor customer outcomes are being avoided. It meets quarterly and receives reports and management information.

Application of the Code principles

The Board is committed to the principles of corporate governance contained in the UK Corporate Governance Code ("the Code"), issued by the Financial Reporting Council ("FRC") in September 2012 and which is available on their website, www.frc.org.uk.

Throughout the year, the Company has applied the Main Principles of the Code, with the following exceptions:

- The Board consisted of 11 members, until 19 July 2013 when Richard I. Morris, Jr. stepped down, and for the remainder of the year 10 members. Throughout the year there were four executive Directors and until July 2013 seven, and thereafter six, non-executive Directors, four of whom (excluding the Chairman) were and are regarded as independent. The Code recommends that at least half the Board (excluding the Chairman) should comprise non-executive Directors determined by the Board to be independent. The Board does not consider Michael Wilson and did not consider Richard I. Morris, Jr to be independent under B.1.1 of the Code, but believes that throughout the year there were sufficient independent non-executive Directors to provide an appropriate balance of independence.
- The Code recommends that non-executive Directors should be appointed for specific terms. However, Michael Wilson, who was nominated by TA Associates, L.P., has been appointed as a non-executive Director of the Company for an indefinite period, subject to three months' notice of termination by either the Company or Michael Wilson. In addition, Richard I. Morris, Jr. had been appointed as a non-executive Director of the Company for an indefinite period, subject to three months' notice of termination by either the Company or himself.

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 the Company and TA Associates, L.P. further details of which are set out in the Directors' Report. TA Associates L.P. has the right to nominate a Director so long as its holding exceeds 10 per cent. of the issued share capital. TA Associates L.P. holding is currently 10.61 per cent..



Leadership

The Board is the custodian of the Company's strategic aims, vision and values. It provides entrepreneurial leadership to management within a framework of controls which enables risk to be assessed and managed appropriately.

A formal schedule of matters reserved for its decision has been established by the Board.

Overview of matters reserved for the Board:

- the Group's long-term commercial objectives and strategy;
- major acquisitions, disposals and investments;
- dividends;
- annual budgets and forecast updates;
- significant capital expenditure and/or borrowings;
- the effectiveness of internal control; and
- appointment/removal of the Company Secretary.

The roles of the Chairman and Chief Executive are separate and there is a clear division of responsibilities between the 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 execution of strategy and day-to-day management of the Group's business. Certain responsibilities are delegated to the Board committees which assist the Board in carrying out its functions.

It was announced on 9 December 2013 that Maarten Slendebroek would replace Edward Bonham Carter as Chief Executive Officer on 17 March 2014. Edward Bonham Carter will take up a newly created executive role of Vice Chairman with specific responsibility for engaging with key stakeholders.

Liz Airey is the Senior Independent Director and, as such, is responsible for assisting the Chairman with effective communications to shareholders and is available to them should they have any concerns which have not been resolved through the normal channels. She is also available to non-executive Directors should they have any concerns which are not appropriate to raise with the Chairman or which have not been satisfactorily resolved by the Chairman.

Board balance and independence

The Board is made up of 10 members, comprising the Chairman, four executive Directors and five other non-executive Directors. 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 his appointment, for the purposes of the Code.

Michael Wilson, who was nominated by TA Associates, L.P. (which held 10.61 per cent. of the Company's share capital as at 20 February 2014) is the only non-executive Director who does 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.

Operation of the Board

The Board has a rolling agenda programme which ensures that items relating to strategy, finance, operations, corporate governance and compliance are covered at its meetings.

There were seven scheduled meetings during the year and additional ad hoc meetings where required. All Directors (including Richard I. Morris Jr prior to his stepping down on 19 July 2013) attended all of the meetings of the Board and all Board committee meetings where they are a member. A schedule of attendance is set out over the page. To enable the Board to function effectively and to assist Directors in discharging 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.

Key areas discussed by the Board in 2013

- Jupiter's strategic plan, including international distribution
- Balance sheet management, including MBO loan repayment and establishing a revolving credit facility
- Risk appetite
- Corporate values
- Product development
- RDR
- Talent management and succession
- CEO succession
- Regular review of fund investment performance
- 2014 plan and budget

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. Whilst the terms of appointment of the non-executive Directors require a commitment to the business of up to 30 days a year, in fact, most non-executive Directors spent considerably more time on the Group's business during the year. The Chairman held one meeting during the year with non-executive Directors without the executive Directors present.



Effectiveness

Appointments

The Company's Articles of Association empower the Board to appoint new Directors.

Induction and development

When Directors are appointed they are given a full, formal and tailored induction 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 Jupiter's business and their responsibilities as a Director. The Chairman regularly reviews and agrees with each Director his or her training and development needs.

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.

Conflicts of interest

The Company's 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, if appropriate, 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.

Meeting attendance

	Board (7)	Audit (6)	Remuneration (6)	Nomination (5)
Jamie Dundas	●●●●●●●	—	●●●●●●	●●●●●
Liz Airey	●●●●●●●	●●●●●●	●●●●●●	●●●●●
Edward Bonham Carter	●●●●●●●	—	—	—
John Chatfeild-Roberts	●●●●●●●	—	—	—
Philip Johnson	●●●●●●●	—	—	—
Jon Little	●●●●●●●	●●●●●●	—	—
Richard I. Morris, Jr. ⁽¹⁾	●●●●	—	—	—
Matteo Dante Perruccio	●●●●●●●	—	●●●●●●	—
Maarten Slendebroek	●●●●●●●	—	—	—
Lorraine Trainer	●●●●●●●	●●●●●●	●●●●●●	●●●●●
Michael Wilson	●●●●●●●	—	—	—

● Meetings attended

(1) Stepped down as a Director of the Company on 19 July 2013

Application of the Code principles continued

Evaluation

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

In 2013, the Board conducted an internal evaluation of its own performance and of its Committees with individual Directors responding to a questionnaire. The questionnaire covered a number of areas including Board communication, effectiveness, the Board programme and agenda content. As a result of recommendations from the performance evaluation process, in 2014 the Board has agreed to take the following steps:

- improve the communication from Committees to the Board;
- review of the layout and content of Board reports; and
- maintain a good level of understanding of industry issues.

With regard to the performance of individual Directors, relevant input from the Chairman's meetings with individual non-executive Directors was fed in to the review by the Nomination Committee. The Chairman's performance was subject to a review by non-executive Directors, led by the Senior Independent Director, and took into account the views of each of the executive Directors and the Company Secretary. Having reviewed the Chairman's performance, his appointment has been renewed for a further three years from 28 January 2014.

An externally facilitated Board and Committee evaluation process was not undertaken in 2013, but will be undertaken in 2014.

Succession planning

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

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. In accordance with the Code, all Directors will seek re-election at the Annual General Meeting. Following the evaluation described above, the Chairman believes that the individual's performance continues to be effective and to demonstrate commitment to their roles and that their respective skills complement each other to enhance the overall operation of the Board.

Accountability

The Directors provide a statement of their responsibilities for the preparation of the Annual Report and report on the Group as a going concern. The Strategic report sections of this report describe the performance of the business.

Internal control and risk management

Internal control

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

The Board, with the assistance of the Audit Committee, carried out its annual assessment of the effectiveness of internal controls during 2013, covering all material controls including operational, financial and compliance controls, using the following to support its conclusion:

- reports from the Compliance Director on the regulatory control environment within the Group;
- reports provided by both the Operational Risk department (ORD) and Risk Committee setting out the key risk exposures faced by the Group and, where appropriate, quantifying these exposures and the adequacy of the corresponding control mitigation in place within the Group;
- a report from the Compliance Director on the effectiveness of the risk assurance arrangements in place within the Group;
- a review of the method by which the Executive Committee gains assurance that the business is operated in alignment with the risk appetite that is set by the Board;
- a review of the Risk Committee's 'heatmap' methodology and the roles of various committees in overseeing risks within the business;
- reports from the General Counsel outlining the Group's legal and litigation risks;
- a report outlining the design and operating effectiveness of the Group's '3 lines of defence' model and the manner in which the assurance functions and risk committees interact with each other in supporting the risk management framework;
- reports from the Internal Audit function on key control and governance issues arising from their review programme;
- an annual report from the Money Laundering Reporting Officer (MLRO) on the anti-money laundering and fraud prevention (financial crime) measures in place within the Group; and
- a report from an external audit firm on the internal framework in place within the Group (AAF01/06 - ISAE 3402).

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 2013 and up to the date of approval of the Annual Report & Accounts;
- is regularly reviewed by the Board; and
- complies with the Financial Reporting Council's guidance, 'Internal Controls': Revised Guidance for Directors (formerly the Turnbull Guidance).

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; and
- no significant weaknesses were identified during the year.

Supplier oversight

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

Northern Trust provides custodial services.

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

HSBC provides a number of services relating to custodial, administration and fund accounting.

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.

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 the integrity of aspects of the Group-wide control environment. Jupiter has adopted the International Standard on Assurance Engagement ("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 the Group's institutional and investment company clients.

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.

To assist with its oversight of risk, the Executive Committee has formed an executive Risk Committee chaired by the Chief Financial Officer. 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 regulatory, capital and liquidity risks within a coherent and manageable structure.

Approach to risk

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

- 1 Strategic risk**
The risk that the Group is unable to meet its strategic objectives as a result of matters inherent in the nature of 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 or processes. These include risks arising from failing to properly 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 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.
- 6 Regulatory/reputational risk**
The risk of censure because of the Group's failure to meet its regulatory obligations, which may lead to reputational damage, a monetary fine or, ultimately, the withdrawal of its authorisation to carry on business.

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 have any concerns, those concerns will also then be considered by the Risk Committee.

Application of the Code principles continued

Risk management process

The foundation of the Group's risk framework is the departmental risk self-assessment process. Each functional business area completes a risk assessment on a four-monthly basis, which, when taken in conjunction with the ongoing monthly control performance assessments, is seen as being adequate to capture any ongoing and emerging risks to the business.

The departmental risk self-assessments are conducted by the heads of each functional area and are facilitated by Operational Risk. The work is informed by any loss data or 'near miss' control failure information and takes into account any topical system, process or staffing changes within the department as well as considering the integrity of existing established processes and controls. Where processes or controls are seen to be insufficiently robust, line management will be required to define improvements to be made to the operating environment in order to ensure that they pose a minimal (or acceptable) level of risk to the Group.

In addition to consideration of the processes and controls within their own departments, managers are required to consider the level of service which they deliver to their stakeholders as well as the service which is delivered to them by other departments within the Group. This is intended to ensure that all potential weaknesses in the Group-wide operating environment are identified and addressed.

The results of the departmental risk assessment are signed off by functional line management to indicate their acceptance both of the accuracy of the assessment and their ownership of the identified issues. Four-monthly risk assessment reports are distributed to, and subject to challenge from, the Executive Committee and the Audit Committee.

Where risks are identified that are deemed to be of a sufficiently high likelihood of crystallising with a potentially significant impact on the Group, these will be reflected in the firm's high-level risk map in order to ensure that they receive an appropriately high level of senior management and Board attention. The Board will be expected to take action where these risks are deemed to be outside the Group's risk tolerance.

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

This approach also allows the Compliance department to allocate a tolerance level to control failures that relate to regulatory controls, which can in turn help to determine the frequency at which certain areas should be monitored.

Management, with the assistance of the Finance function, is responsible for the appropriate maintenance of financial records and processes that ensure all financial information is relevant, reliable, in accordance with the applicable laws and regulations and distributed both internally and externally in a timely manner. A review of the consolidation and financial statements is completed by management to ensure that the financial position and results of the Group are appropriately recorded, circulated to members of the Board and published where appropriate. All financial information published by the Group is subject to the approval of the Board, on the recommendation of the Audit Committee.

Monitoring functions

The Group's monitoring functions comprise a Compliance department and an Internal Audit department (currently outsourced to EY).

The Compliance department oversees compliance by the Group with the relevant regulatory rules. The Group maintains comprehensive procedures and compliance manuals covering all business operations. The Group's Compliance department also maintains detailed monitoring programmes for all regulated activities to monitor the perceived regulatory risk within the business. These monitoring procedures are supported by risk assessments and are regularly reviewed. The findings of the monitoring programmes are circulated in full to the relevant Directors and executive summaries are provided to the Chief Operating Officer and the Chief Financial Officer.

The Internal Audit function is focused on ensuring that operations comply with the Group's policies and procedures, including in relation to efficient operations, financial reporting, fraud, safeguarding assets and compliance with laws and regulations. The internal audit team is independent of business operations and has a reporting line to the Audit Committee. The team works closely with the Compliance department and the Operational Risk department. In addition, the Group periodically utilises external parties to review counterparty relationships. This includes the reviewing of legal documentation as well as testing the operations of external service providers.



Remuneration

Executive Directors' remuneration is structured so as to link rewards to corporate and individual performance. Further information on remuneration is set out in the Remuneration report.



Relations with shareholders

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 shareholders, as appropriate, during the course of the year, in particular following the announcement of the interim and year-end financial results. The Chairman stands ready to maintain a dialogue with shareholders on strategy, corporate governance and Directors' remuneration, as required, and in 2013 attended post-results meetings with a number of shareholders as part of the process of ensuring that good channels of communication are in place, and in order to maintain an understanding of the view of the major shareholders about the Company.

In 2013, the Remuneration Committee Chairman engaged with investors regarding Jupiter's remuneration policy and disclosures in the Remuneration report.

Presentations to analysts are simultaneously posted on the Company's website at www.jupiteronline.com. The Senior Independent Director is available to meet shareholders on request if they have concerns that contact through the normal channel of communication through the Chairman has failed to resolve, or for which such a contact is not appropriate.

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. The Chairman of each of the Audit, Remuneration and Nomination Committees will be available at the Annual General Meeting to answer questions.

Key Investor Relations activities in 2013

February 2013

- Full year results presentation for 2013

March 2013

- Full year results London roadshow

April 2013

- Investor roadshow, Scotland
- Annual General Meeting

June 2013

- Investor roadshow, USA

July 2013

- Half year results presentation

September 2013

- Half year results London roadshow

October/November 2013

- Investor dialogue relating to remuneration policy and Remuneration report

December 2013

- Investor calls following the CEO succession announcement
-

Nomination Committee report

Dear shareholder,

Welcome to the report of the Nomination Committee.

The Nomination Committee has an important role to play in keeping under review the balance of experience and skills of the Board. To this end, a significant part of the Committee's work in 2013 has been on succession planning and Board balance and composition. The Committee has initiated more detailed planning for future non-executive Director appointments and I would expect that this will lead to one or more further appointments in 2014.

One of the Committee's key roles in 2013 has been overseeing the succession plans for the Group Chief Executive with the announcement in December of the appointment of Maarten Slendebroek as the new Group Chief Executive with effect from 17 March 2014. In addition, the Committee considered the broader succession plans for senior executives together with diversity within the Group as a whole. As you will see from the report, the Committee is pleased to see the further development of succession planning.

The Committee also reviewed policy and practice for executive talent management, development and diversity and will maintain close focus on these themes.

More about the activities of the Committee is set out on the following page.

Jamie Dundas
Chairman

26 February 2014

Committee members

- Jamie Dundas (Chairman)
 - Liz Airey
 - Lorraine Trainer
-

Committee roles and 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; and
- keeping under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the Group's continued ability to compete effectively in the marketplace.



Committee activities

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

The Committee has three scheduled meetings per year and also meets as required to consider non-executive Director or senior executive recruitment or other matters. In 2013, the Committee met on five occasions. The Committee formally reports to the Board on its proceedings.

Succession planning

During the year, the Committee oversaw the succession plans for the role of Group Chief Executive, currently held by Edward Bonham Carter. The Committee has worked on succession planning for this role for several years. Maarten Slendebroek was recruited in March 2012 and joined in September that year as Distribution and Strategy Director. Having been a member of the executive team for 15 months, the Board announced in December 2013 that Maarten would succeed Edward as Group Chief Executive with effect from 17 March 2014. The decision to make this appointment was taken after careful consideration of the skills and experience that are required for this role. Maarten's extensive asset management experience in the UK and internationally (as outlined in his biography in this Governance review) together with his contribution at Jupiter underpinned the Committee's recommendation of Maarten to the Board for this role.

The Board also considered the merits of Edward Bonham Carter remaining on the Board in a new executive role. Edward's experience and his specific skill set were taken into account in the Committee's recommendation to the Board. The Board decided that Edward should remain on the Board in a new executive role as Vice Chairman, reporting to Maarten.

No new appointments were made to the Board this year. Richard I. Morris, Jr. stepped down as a Director on 19 July 2013 as a result of the shareholding of TA Associates L.P. falling below 15 per cent. This was in accordance with the Relationship Agreement, details of which are provided in the Directors' report.

A search for a new non-executive Director to join the Board has started with external search consultants, The Zygos Partnership, being appointed. Other than being engaged for non-executive Director appointments, The Zygos Partnership has no connection with the Company. The skills, knowledge and experience the Committee is looking for in a new non-executive Director have been identified. The Committee will give careful consideration to diversity and the balance of the Board in making its recommendations to the Board. An appointment is expected to be made in 2014.

The Committee's work on succession planning also focused on considering the critical roles and critical people within the organisation and the potential immediate and long-term successors for these roles and people. The Company has developed this area considerably during the course of 2013.

Diversity

The Committee considers Board diversity when looking to appoint additional Directors. It is seen as a prerequisite that each member of the Board must have the skills, experience and character that will enable him or her to contribute both 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. Female 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 diversity is available at www.jupiteronline.com.

During the year, the Committee considered diversity across the business. More information is set out in the Corporate Responsibility section on the gender mix at 31 December 2013. The genders are more balanced as we go down the corporate structure and Jupiter is aiming to bring through a more balanced gender mix as the next generation of leadership is developed and recruited.

Evaluation

The Committee undertook an evaluation regarding the operation and effectiveness of the Committee in 2013. The Committee concluded that it was operating effectively and identified steps to increase communication between the Committee and the Board. The Committee also reviewed its terms of reference and was satisfied that no major changes were required.

The Committee did not undertake an externally facilitated Board and Committee evaluation process this year, but will do so in 2014.

As part of the Board effectiveness review, and following conversations between the Chairman and each individual Director, the Committee reviewed the performance of all Directors (except the Chairman, whose performance review was led by the Senior Independent Director). The Committee has recommended to the Board that all Directors should be proposed by the Board for re-election at the forthcoming Annual General Meeting.

Copies of the executive Directors' service contracts and letters of appointment of the non-executive Directors are available at the Company's registered office, 1 Grosvenor Place, London SW1X 7JJ.

Key areas reviewed by the Committee during 2013

Board composition

Succession planning

Non-executive Director search

Diversity

Recommendations on Directors for re-election by shareholders

Review of Committee's performance

Audit Committee report

Dear shareholder,

I am pleased to introduce the Audit Committee's report for 2013.

This year we are presenting it in a new format. The Audit Committee's principal responsibilities are set out in the box opposite and our explanation of how we carried them out in 2013 and satisfied ourselves that we had fulfilled our oversight responsibilities in line with the expectations of the Board are set out in the following pages.

I would like to use my introduction to set the context within which the Audit Committee determines and carries out its annual programme of activities. These are designed to support the Board in fulfilling its governance responsibilities.

We are always cognisant of the profile of Jupiter's business and the environment in which it operates and this informs the way we approach our work and its focus. By way of thumbnail sketch, Jupiter is currently a compact organisation with over 95 per cent. of the some 440 staff working from its single central London office and most of its current business focused on UK investors, especially retail investors. It has a strong internal culture of excellence in investment management. Significant parts of the administration and operational support for Jupiter's investment activities are outsourced to specialist providers. Jupiter's management is very conscious that it operates in a highly regulated environment, both in the UK and overseas, and it places importance on the quality of its regulatory engagement as well as compliance.

Jupiter's strategy is to deliver value to its shareholders through significantly increasing funds under its management over the years ahead. This strategy will change its business footprint and, whilst it will further develop its business in the UK, it will also build it globally, initially in Europe and Asia.

The Audit Committee is mindful that Jupiter's growth strategy needs to be underpinned by effective administrative and operational support. Whilst the major part of our routine work is focused on achieving assurance over the management of current operations, as discussed over this and the following pages, we also look at the scalability and robustness of those operations to meet the growth strategy. We achieve this primarily by identifying specific topics on which we wish to focus, which are then presented to the Committee by relevant line management to ensure we connect directly with those responsible within the business. We also seek to incorporate a forward-looking perspective into routine reports to the Committee and we ensure the Internal Audit function incorporates the 'fit for growth' facet into their work programme too.

We report regularly to the Board and send minutes of our meetings to the Board, but all Board members have a standing invitation to receive the papers and sit in on our meetings.

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

Liz Airey

Chairman of the Audit Committee

26 February 2014

Committee members

- Liz Airey (Chairman)
- Jon Little
- Lorraine Trainer

Committee roles and responsibilities include:

- 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



Overview of 2013

During the period under review, the Audit Committee completed its annual cycle of regular agenda items which it sets in advance to ensure its work fulfils the requirements of the UK Corporate Governance Code and other relevant regulations. This included oversight of the Group's complete external reporting cycle, its internal assurance functions and responsibility for the review, and reappointment, of both internal and external auditors. The Audit Committee complemented its regular annual programme of work with specific reviews of topics of particular interest and relevance which it determined on a rolling basis through the year. A fuller description of both the regular activities and topics of focus carried out by the Committee is included later in this report.

In its formal annual review of its own effectiveness during 2013, the Committee concluded that it had carried out its duties in an effective manner and had successfully followed up on the findings of its effectiveness review in 2012. Enhancements were identified for 2014 and beyond to deepen Committee members' knowledge of the work of the executive Risk and Conflicts Committees and also to ensure that topics of interest are reviewed most effectively by the Committee. Establishing an awareness of the importance of the Audit Committee's activities within the business is a continuing process. The Committee also reviewed its terms of reference and associated meeting procedures.

The Committee has an ongoing training programme. In addition to attending seminars on relevant topics, the members of the Committee receive regular training from both the external auditors, PricewaterhouseCoopers LLP (PwC), and the internal auditors, Ernst & Young LLP (EY). Experts from the relevant firm provide/ supplement the training for the specific areas.

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 meetings of the Committee, 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 required to attend all routine meetings and (unless otherwise specifically determined) ad hoc meetings of the Committee. In addition, the Group Chief Executive, the Chief Investment Officer and the Distribution and Strategy Director 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 and other non-executive Directors likewise. As part of its routine meetings, the Committee meets at least twice a year with the internal and external auditors without Jupiter management present. Ahead of the Audit Committee meetings, the Chairman of the Committee has separate pre-meetings with the internal and external auditors by way of preparation for the Audit Committee meeting itself.

As detailed in the Governance review, the Committee held six meetings during the period under review with two of those meetings having short agendas (the primary focus being the items concerning a proposed trading update and Interim Management Statement respectively).

The current Audit Committee members are Liz Airey (Chairman), Jon Little and Lorraine Trainer, all of whom have been identified by the Board as independent non-executive Directors. All the members of the Committee (whose profiles, provided earlier, 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.

The Committee's work during the year

External financial reporting

The Committee reviewed the Group's half-year and annual financial statements for the year ended 31 December 2013 and the reports from the external auditors, PwC, on the outcome of their reviews and audits in 2013. The Committee considered the significant issues which arose and main areas of judgement in relation to the Group's financial statements and disclosures to be the following:

1. the carrying value of goodwill and acquired intangible assets;
2. the valuation of accrued income and accrued expenses; and
3. share-based payments expense.

Each of these items currently require judgements to be made and so receive - and have received in the past - close scrutiny by the Committee as well as by PwC. To enable the Committee to do this, the management prepares a briefing paper for the Committee summarising the nature of the item and why it is considered to be a key judgement in the preparation of the Group's financial statements. Follow-up analysis is performed where necessary at the request of the Committee. As a matter of good practice, the Committee asks PwC to confirm if they agree with the judgements made.

As a result of the Group structure adopted at the time of the MBO in 2007, the Group has goodwill of £341.2m on its balance sheet. The Committee was presented with the results of the 2013 year-end impairment review which demonstrated very substantial headroom. In respect of the carrying value of acquired intangible assets, primarily attributable to the valuation of investment management contracts following the MBO, the Committee agreed that no indicators of impairment existed. It noted that these contracts would be fully amortised by mid-2014 and, therefore, it was unlikely to be a matter of significant judgement going forward.

Audit Committee report continued

With respect to accrued income and expenses, the Committee reviewed the key assumptions made. The most significant expense assumption at the year end was, as usual, the annual bonus accrual which is also subject to review by the Remuneration Committee.

With respect to share-based payments, the Committee has in the past reviewed in some detail the process by which the share options/awards are valued including the underlying judgements and assumptions and the number of shares expected to vest as a result. At this year end it satisfied itself that this process was being consistently carried out and the underlying basis was still appropriate.

Also considered was the Group's position as a going concern. This assessment was informed by the business and cash flow projections for the Group and their sensitivities, the current net cash balance and the loan facilities available to the Group.

During the year, the Committee also undertook reviews for the Board of Interim Management Statements and trading updates prior to their release.

Internal controls and risk management systems

The Committee received a report at each of its regular meetings from:

- the Compliance Director, who provided reports on regulatory compliance across the group and the status of any other relevant compliance matters;
- the Head of Operational Risk, who provided a report from the executive Risk Committee and an update on operational risk performance;
- the Head of Internal Audit, who provided a report on the status of the internal audit programme and any recommendations for changes to that programme; and
- the Head of Legal, who provided an update on litigation as appropriate.

Also as part of its routine control and risk management work, the Committee reviewed:

- the Group's Internal Capital Adequacy Assessment Process, prior to its submission to the Board;
- the Group's AAF 01/06 - ISAE 3402 report, prior to despatch to institutional clients;
- the Client Assets Sourcebook Regulatory Report undertaken by the external auditors, prior to submission to the FCA; and
- the Group's whistleblowing arrangements - to date there have been no calls made to the confidential helpline provided by an independent third party.

In addition to the above routine annual activities, during the year the Committee also identified topics of focus for review. These largely related to key features of the Group's operating model, areas of internal or external change or regulatory focus. The main topics covered during 2013 and to date in 2014 were:

Distribution

- the Group's readiness to meet the regulatory requirements of the Retail Distribution Review;
- arrangements for the payment of rebates and trail commissions;
- relationship management with institutional clients;
- overseas offices – governance and operational controls for set-up and operation; and
- the Group's sales process (UK and International).

Platform

- programme/change assurance in relation to specific on-going projects within the Group;
- staff training and development;
- the Group's dealing processes and procedures;
- client on-boarding in the Private Client department; and
- IT work focus including cyber security.

Risk and governance

- the Group's Employee Benefit Trust and the arrangements for the waiver of dividends in respect of shares in the Company held by the EBT;
- alignment of the risk appetite set by the Board with the way the business operates;
- the Jupiter Pension Scheme; and
- the Group's use of accountancy firms.

Towards the end of its annual cycle of work, in line with guidance from the Financial Reporting Council, the Committee reviewed a report from the Compliance Director on the overall system of internal control and risk management. This enabled the Committee to assist the Board in its own subsequent review of the adequacy of the Group's system of internal controls for the Annual Report.

Internal audit function

EY were appointed to provide the Group's internal audit function in the second half of 2008. The internal auditors report directly to the Audit Committee and, in addition to submitting status reports for each Committee meeting, provide the Committee members with copies of any individual specific internal audit reports completed between meetings. The status reports tabled at meetings include both findings and recommendations, as well as reports on progress in implementing previous recommendations. These help inform the Committee's discussion of any further required follow-up. The Committee works with the internal auditors to help ensure that their work is embedded in the business as well as co-ordinated with that of the external auditors. During the year the Committee amended the Internal Audit Charter and some aspects of its modus operandi to bring it into line with best practice and with the revised Chartered Institute of Internal Auditors' professional standards for Financial Services companies. These changes should help further embed the activities of internal audit within the Group's operations.

The Audit Committee reviewed the performance and effectiveness of the internal auditors during 2013. This was undertaken by reviewing the KPIs which have been set by the Audit Committee and obtaining feedback from relevant stakeholders within operations, the executive management and the Audit Committee members. In addition, the Committee received a Quality Assurance report from an independent partner of EY. The Committee will continue 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. The current internal audit plan runs until December 2014, in advance of which date the Committee will consider the continued appointment of EY as the Group's internal auditors.

External auditors

The Group's current external auditors are PwC. They present their proposed scope of the audit plan for the full year together with a review plan for the half-year to the Audit Committee annually. This includes their assessment of the material risks to the Group's audit and their proposed materiality levels for discussion and agreement by the Committee. PwC attend all regular meetings of the Committee throughout the year and also provide reports on topics such as the control environment, key accounting and regulatory matters as well as their reports on the financial statements.

PwC were appointed in 2001. Since that date, no tender has been conducted for this work although the last rotation of the partner responsible for the audit took place in 2010. Following planned changes to the UK Governance Code and the recent report from the Competition Commission requiring FTSE 350 companies to put their external audit out to tender at least every 10 years, the European Parliament has begun to finalise its proposals for reform of the market for audit services. These embed the principle of the rotation of auditors every 10 years. Whilst the consequent changes to the regulatory requirements are not yet in final form, the Committee currently anticipates that it will conduct a tender for the external audit in 2014. This planned timing reflects the fact that the current audit engagement partner is due to rotate after the audit of 2014.

The Audit Committee has primary responsibility for the relationship with the external auditors, and during the year it reviewed and approved the terms of engagement and the proposed audit fee for the 2013 audit. In addition, 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 2012 audit. This review took the form of a questionnaire which was completed by representatives from the Committee, the Board, Finance, Compliance and Operations. A summary of the scores and key messages was presented to the subsequent meeting of the Audit Committee. As part of the process, the FRC Guidance on Audit Committees was followed and the Committee satisfied itself with respect to the external auditors' qualifications, expertise, resources and independence. The Committee continues to believe that PwC conducts its audit work with objectivity and to a high standard. On this basis, it believes the external audit process to be effective, although it will only carry out its detailed review of the 2013 audit in the months ahead. Accordingly, although there are no contractual obligations restricting Jupiter's choice of external auditor (other than in respect of the appointment of EY as Jupiter's internal auditors), the Committee has not to date considered it necessary to instigate any competitive tender for the audit work.

The Audit Committee has a primary responsibility to safeguard the objectivity and independence of the external auditors and it has developed and implemented a policy to achieve this which has been approved by the Board. This policy (which is regularly reviewed and was unchanged during the year) 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. In its reports to the Board in relation to the provision of non-audit services by the external auditors, the Committee has not identified any matters in respect of which it has concerns. The policy also 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 the procedures for the approval of non-audit services provided by the auditors.

Audit Committee report continued

The Committee receives a quarterly 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 PwC is provided within Note 1.3 of the financial statements which covers administrative expenses. The value of non-audit services of £0.3m as a proportion of audit services in the year was 33 per cent. During the period under review, the majority of non-audit fees paid to the external auditors came from three main areas, with £0.1m spent on each. These were: advice relating to taxation, review of marketing material for compliance with local laws, and remuneration advice. Remuneration advice included assistance on developing remuneration regulations and provision of asset management remuneration survey data for management. PwC was used in these areas due to the existing relationship which aids the understanding of the Group's business and structure and thus the ability to provide effective advice. In addition, the Group spent £0.2m on audit-related assurance services. These predominantly related to three main pieces of work which the Committee believes would be impractical and/or not cost effective to be provided by another professional auditing firm: (a) the half yearly review; (b) the Jupiter report on Internal Controls (AAF 01/06 - ISAE 3402); and (c) the annual client assets assurance report to the FCA. Accordingly, the Committee is satisfied that the external auditors were best placed to provide all of these non-audit services and that the arrangements in place between Jupiter and the external auditors are sufficient to ensure that PwC's objectivity and independence have been safeguarded.

Based on the satisfactory conclusions of the work described above carried out by the Committee to assess the performance of the external 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 to the Board that a resolution to re-appoint them be proposed to the shareholders at the forthcoming Annual General Meeting.

Liz Airey
Chairman of the Audit Committee

26 February 2014

Introduction from the Chairman of the Committee

Dear shareholder,

I am pleased to present our Remuneration report for 2013, which, in accordance with the new reporting regulations is split into two parts:

- Directors' remuneration policy - setting out the framework within which we operate and that will be subject to a binding vote; and
- Annual report on remuneration - outlining how our policy has been implemented in 2013 and is intended to apply in 2014, that will be subject to an advisory vote.

The Remuneration Committee is accountable to shareholders for ensuring that the remuneration policy of the Company is appropriate and aligns reward for executive Directors and other employees with performance and the best interest of shareholders. We believe we have a strong track record in this area.

2013 remuneration outcome

Our underlying philosophy, outlined at the time of Listing, has not changed. By combining investment outperformance with our distribution strategy and efficient operations, we are able to create value for our shareholders. To achieve this, we need to acquire and retain talented people who can deliver outperformance to our clients. Our performance pay culture is both driven by, and underpins, this goal with the decisions on pay for our executive Directors, and the Company as a whole, driven by our results.

Jupiter performed strongly in 2013. Assets under management increased from £26.3bn to £31.7bn from 31 December 2012 to 31 December 2013. Underlying earnings per share have grown to 25.2p, an increase of 33 per cent. from 2012. The dividend has again increased, from 8.8p per share for 2012 to a total of 12.6p per share for 2013. This strong financial and overall corporate performance is reflected in our share price, which has increased from £2.79 on 31 December 2012 to £3.85 on 31 December 2013.

Our practice of capping all salaries at a maximum of £250,000 and rewarding employees for performance delivered means that a high proportion of total compensation continues to be delivered as variable pay, with this element determined by profits and individual performance. We firmly believe this is appropriate for a cyclical business such as Jupiter and that the variable compensation awarded to the executive Directors in respect of 2013 is aligned with, and appropriate in light of, the Company's financial performance.

We have sought to improve the level of disclosure in this year's report, which also incorporates the Remuneration Committee's reflections following the last AGM and some important changes to our policy.

Improved transparency

We recognise that having a policy that results in a high proportion of total compensation being delivered as variable pay brings with it greater accountability for ensuring that the variable element reflects performance and value delivered to shareholders. We have therefore provided more information on the link between variable pay and performance by providing more detail on:

- How we calculate the variable compensation pool;
- How we have arrived at the bonus amounts for the executive Directors; and
- Confirmation of our intention that, in normal circumstances, dilution from our employee share incentive arrangements will be no more than 10 per cent. over any 10 year period.

The calculation of the variable compensation pool limits total variable pay awarded to executive Directors as well as all other employees. Affordability is key. Therefore, in normal circumstances, bonuses paid in respect of prior year performance and the value of long-term awards granted will not exceed the available variable compensation pool. This pool is, in normal circumstances, capped at 27.5 per cent. of pre-incentive operating profit. The Committee believes that maintaining capped base salaries but uncapped individual bonuses is an important part of our performance culture. This practice does not result in unlimited payouts because of the capped variable compensation pool. The Remuneration Committee has maintained the variable compensation pool at or below 25.5 per cent. of pre-incentive operating profit since Listing.

The Remuneration Committee considers profits, net sales and investment performance, alongside strategic goals and personal performance when setting executive Director bonuses. This year, we have provided measure by measure commentary on how each of these has been assessed.

Increased long-term focus

In addition to improved transparency, we have increased the long-term focus of the remuneration packages of executive Directors by refining our deferral policy as follows:

- We have increased the deferral level on executive Director bonuses and simplified the deferral calculation. Whereas previously the deferral rate was 30 per cent. on bonus amounts in excess of £150,000 (with 100 per cent. deferred between £100,000 and £150,000), the deferral rate will now be 40 per cent. of any bonus amount in excess of £100,000. The new 40 per cent. straight-line deferral calculation simplifies the deferral structure and results in a higher level of deferral for higher bonus amounts; and
- To ensure that the DBP awards granted to executive Directors are fully aligned with shareholders' interests, the previous choice to elect to receive up to 50 per cent. of a DBP award as an option over units in a Jupiter fund will no longer apply for executive Directors. For DBP awards granted from 2014 (in respect of 2013 performance) onwards, all DBP awards to executive Directors will be in the form of an option over Jupiter shares.

Remuneration report continued

Jupiter has a long-term commitment to employee share ownership and the impact of our share incentives are reviewed for their relevance to succession and retention throughout the organisation. In 2013, we introduced an HMRC approved Share Incentive Plan (in which c. 45 per cent. of eligible employees participate) to complement our existing HMRC approved Sharesave (in which c. 78 per cent. of eligible employees participate) and to further encourage our culture of long term employee share ownership.

Board changes

As we announced on 9 December 2013, Maarten Slendebroek will succeed Edward Bonham Carter as Chief Executive Officer with effect from 17 March 2014. Edward Bonham Carter will remain on the Board and take on a new executive role as Vice Chairman, reporting to Maarten Slendebroek. As Chief Executive Officer, Maarten's base salary will remain unchanged. His variable compensation will continue to be determined based on the usual performance measures applicable for executive Directors and will also reflect his increased responsibility for the success of the Company. Edward's salary will be £160,000 per annum, reflecting an appropriate rate for his new role. Edward's variable remuneration will be determined based on the usual performance measures applicable to executive Directors, as well as reflecting the size and scope of his new role.

We take our shareholders' views very seriously and I have appreciated having more frequent discussions with many of our shareholders this year. I hope that this year's report will explain more clearly the principles that underpin our remuneration policy and how we link pay and performance. We welcome any further comments and hope the additional detail provided in the Remuneration report will underpin shareholders' support at the AGM this year.

Lorraine Trainer

Chairman of the Remuneration Committee

26 February 2014

Committee members

- Lorraine Trainer (Chairman)
- Jamie Dundas
- Liz Airey
- Matteo Perruccio

Committee roles and responsibilities include:

- determining the overarching policy for the remuneration of the Company's employees and ensuring it is structured in a way that aligns reward with performance and shareholder interests and promotes effective risk management;
- determining the overall size of the annual variable compensation pool, taking into account all relevant factors including the profitability of the business, the performance of the Company, the assessment of the Group's financial and non-financial performance against targets and any constraints around total remuneration spend;
- determining the Chairman's fees and the total individual remuneration package of each member of the Executive Committee together with any employee whose total remuneration is expected to exceed the median of the total remuneration for the executive Directors in accordance with the agreed remuneration policy and consistent with the financial situation and prospective performance of the Company;
- assessing the extent to which individual performance targets for incentive awards have been met by the above group of employees;
- approving the design of, determining the targets for, and monitoring the operation of, any performance related pay schemes, ensuring appropriate links exist between risk and reward, operated by the Company and approve the total annual payments made under such schemes;
- reviewing the design of all share incentive plans and deferred bonus arrangements for approval by the Board and, if applicable, shareholders. For any such plans, determining each year whether awards will be made, and if so, the overall amount of such awards, the eligibility criteria for such awards and the performance targets attaching to those awards, taking into account future risks;
- overseeing any major changes in employee benefit structures throughout the Company;
- determining and reviewing annually individuals who may be included as Code Staff for the purposes of the FCA Remuneration Code and keeping a record of those individuals; and
- overseeing the setting of objectives, considering performance and approving bonus proposals for Code Staff.



Directors' remuneration policy

This section of the Remuneration report sets out the remuneration policy for the Directors of Jupiter. The remuneration policy has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. Consideration has also been given to the principles of the UK Corporate Governance Code 2012.

Context

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

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

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

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

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

Shareholder views

The Remuneration Committee has taken steps to engage further in dialogue with investor bodies and investors over the last year, which has resulted in more detailed disclosure on various aspects of the Jupiter remuneration policy in this Remuneration report and some refinements of the remuneration policy for executive Directors.

Compliance with the FCA Remuneration Code

Jupiter is a level three company for the purposes of the FCA Remuneration Code. The Remuneration Committee fulfils all of its requirements under the FCA Remuneration Code and ensures that the principles of the FCA Remuneration Code are adhered to in the remuneration policy. The Compliance Director attends two Remuneration Committee meetings a year to ensure that there is an appropriate risk and compliance link to the remuneration policy and remuneration related decisions. This link is intended to support the long-term success of the business.

Future remuneration policy

The remuneration policy table summarises each of the elements of the remuneration package and the remuneration policy effective from the Annual General Meeting at which this remuneration policy is approved, for executive Directors of the Company. It is intended that the remuneration policy will apply for three years, subject to regulatory changes. In practice the remuneration policy from 1 January 2014 will also be in line with the following table. Additional information is also provided in the sections following the remuneration policy table.

The Remuneration Committee reserves the right to make any remuneration payments and payments for loss of office, including the ability to exercise any discretion available to it in connection with such payments, notwithstanding that they are not in line with the policy set out below where the terms of the payment were agreed: (i) before the policy came into effect; or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes "payments" includes the Company satisfying awards of variable remuneration and, in relation to an award over shares or fund units, the terms of the payment are "agreed" at the time the award is granted. This includes awards granted under the DBP and LTIP. The Remuneration Committee also reserves the right to make any remuneration payments not in line with the policy set out below where such payments are, in the opinion of the Committee, necessary following any future changes in regulatory requirements. Should such a situation arise, we would engage with shareholders prior to any changes being made. The Remuneration Committee also retains the discretion to determine that DBP, LTIP and any other long-term awards be settled in cash or adjusted to reflect any distributions or variations of share capital between the relevant grant and vesting date of such awards.

The Remuneration Committee has a policy that executive Directors should maintain a significant holding of shares in the Company. The policy provides that executive Directors should build up, over time, a holding of shares in the Company with a value equivalent to at least 150 per cent. of base salary.

The Remuneration Committee has considered the environmental, social and governance implications of the remuneration policy and is satisfied that it does not lead to irresponsible behaviour.

Remuneration report continued

Remuneration policy table - components of executive Director remuneration

	Purpose and link to strategy	Operation
Base salary	Jupiter aims to keep fixed costs low. Therefore, the Remuneration Committee caps the salaries of executive Directors.	Base salaries are generally reviewed annually with any increases taking effect from 1 May. When determining base salary levels, the Remuneration Committee considers the individual's skills, the size and scope of their role, the market rate for the role at comparator companies and the salary increases for other employees of the Company. Salaries are subject to the salary cap.
Annual bonus and DBP	<p>The annual bonus rewards corporate performance and the achievement of strategic and personal objectives. As the bonus pool is based on Jupiter's profits, this ensures that bonuses are affordable. When the performance of Jupiter, or of an individual, is such that no bonus is merited, then no bonus will be paid.</p> <p>The DBP provides a deferral element (in the form of Jupiter shares) to bonuses above a certain level to ensure there is a link to the longer-term performance of the Company.</p>	<p>The bonus pool to be distributed amongst employees is part of the variable compensation pool, which is calculated by reference to a percentage of pre-incentive profits.</p> <p>Bonus amounts are determined based on performance against various criteria and targets that are agreed by the Remuneration Committee at the start of each year.</p> <p>The bonus amount determined is paid out in cash for the first £100,000. For bonus amounts in excess of £100,000, no less than 40 per cent. of the bonus amount in excess of £100,000 is delivered in the form of a DBP award.</p> <p>Awards under the DBP take the form of shares or options over shares in Jupiter. This aligns DBP award recipients with the interests of shareholders over the longer term. DBP awards normally vest at least three years after the date of grant.</p> <p>Malus provisions apply to unvested DBP awards granted in 2013 and beyond. These malus provisions may, at the Committee's discretion, result in awards lapsing where information comes to light that has, or would have had, a material impact on the bonus pool for the year in respect of which the DBP award was originally granted.</p>
LTIP	The LTIP is intended to provide long-term reward for executive Directors to incentivise and reward for the long-term performance of the Company and to aid the retention of key employees.	<p>The LTIP pool (which determines the face value of LTIP awards granted in any year) is part of the variable compensation pool, which is calculated by reference to a percentage of pre-incentive profits.</p> <p>LTIP awards take the form of shares or options over shares in Jupiter and vest a minimum of three years from the date of grant, subject to a continuing employment requirement and the satisfaction of performance conditions. The appropriate targets applicable in the measure of the performance conditions are set by the Remuneration Committee at the start of the year/performance measurement period.</p>
All-employee share plans	Jupiter encourages employee share ownership and operates an HMRC approved Sharesave plan and an HMRC approved Share Incentive Plan. Executive Directors are eligible to participate in both of these plans on the same basis as other UK employees.	<p>Under the Sharesave plan, employees enter into a three or five year savings contract and are granted linked options over shares in the Company.</p> <p>The Share Incentive Plan awards take the form of shares in the Company acquired by employees from pre-tax salary in conjunction with matching shares awarded.</p>
Benefits	To ensure that a market competitive remuneration package is provided on a consistent basis to all employees, executive Directors are provided with the same range of benefits as are available to all employees.	The benefits provided include pension contributions (or cash allowance of the same equivalent cost to the Company where an individual has entered into fixed or enhanced protection), private medical insurance, life assurance, dependants' pension and an income protection scheme to cover long-term illness.



Maximum opportunity	Performance measures
The base salaries of executive Directors are subject to the applicable Jupiter salary cap, currently £250,000 per annum.	N/A
The variable compensation pool is, in normal circumstances, capped at 27.5 per cent. of pre-incentive operating profit. In any year, bonuses paid in respect of prior year performance and the value of long-term awards granted will not exceed the available variable compensation pool. The proportion of the pool that is distributed will depend on the underlying business performance. The calculation of the variable compensation pool effectively caps total bonuses paid and LTIP awards granted to executive Directors and employees and ensures they are affordable.	<p>Executive Director bonus amounts are determined by reference to performance against specific personal performance objectives and performance against the following performance measures:</p> <ol style="list-style-type: none"> 1. Profitability, compared against expectations in light of market conditions, considering: <ul style="list-style-type: none"> • Profits against prior year • Profits against the target set by the Board 2. Net flows, compared against expectations in light of market conditions: <ul style="list-style-type: none"> • Gross flows and net flows against prior year • Net flows against the target set by the Board • The margins at which those flows were achieved 3. Investment performance, considering: <ul style="list-style-type: none"> • The proportion of mutual funds, weighted by AUM, with first or second quartile performance • The investment performance of other mandates (including segregated mandates and Investment Trusts) 4. Achievement of strategic growth objectives, as set by the Remuneration Committee <p>It is expected that high standards of risk and compliance are maintained. If an appropriate risk and compliance environment is not maintained, executive Director bonus amounts would be reduced accordingly.</p>
As stated above, the variable compensation pool is, in normal circumstances, capped at 27.5 per cent. of pre-incentive operating profit. In any year, bonuses paid in respect of prior year performance and the value of long-term awards granted will not exceed the available variable compensation pool. The proportion of the pool that is distributed will depend on the underlying business performance. The calculation of the variable compensation pool effectively caps total bonuses paid and LTIP awards granted to executive Directors and employees and ensures they are affordable.	<p>The performance conditions, applicable to 100 per cent. of any LTIP award granted to an executive Director are as follows for awards granted from 2013 onwards (25 per cent. of the award each):</p> <ul style="list-style-type: none"> • underlying EPS; • net sales; • investment outperformance; and • strategic goals. <p>The Remuneration Committee adopts such calculation methods and policies in assessing the performance conditions as it determines are appropriate.</p> <p>In exceptional circumstances, the Remuneration Committee retains the discretion to vary or replace a performance condition if an event occurs that means a performance condition has ceased to be appropriate, provided that any varied or new performance condition is, in its opinion, no more or less difficult to satisfy.</p>
<p>Under the Sharesave plan, employees can save the maximum permitted under the relevant legislation and are offered options with up to the maximum permitted discount to the exercise price.</p> <p>Under the Share Incentive Plan, employees can purchase Jupiter shares from their pre-tax salary with a value up to the maximum permitted under the relevant legislation in any tax year. Jupiter will award matching shares based on the number of shares purchased by an employee through the Share Incentive Plan.</p>	No performance conditions apply to the awards under the all-employee share plans.
<p>Employer pension contributions are made at a rate of 15 per cent. of base salary in respect of executive Directors (the same contribution rate as applies for all Jupiter employees) who are members of the Jupiter pension scheme.</p> <p>The value of other benefits will vary year on year, depending on factors such as the third party provider charges and market conditions.</p>	N/A

Remuneration report continued

Performance conditions – details

The measures used to determine bonus payouts are considered in light of the key performance indicators and include a balance of financial and strategic measures. The bonus and LTIP targets are commercially sensitive and so are not disclosed. However, we will disclose information on performance against those targets in the Annual report on remuneration for the relevant year. As noted in the remuneration policy table, the calculation of the variable compensation pool (which is split between the bonus pool and the LTIP pool) is linked to profits. Therefore, not only is the initial calculation of the variable compensation pool strongly linked to the financial success of the Company, the performance measures used to determine the distribution of that pool are also linked to the key performance indicators for the achievement of the Company's strategy. LTIP performance conditions are set by the Committee having given consideration to Jupiter's strategic corporate objectives and the budget, to ensure that the performance conditions are aligned to the business strategy and are stretching.

The table below sets out the performance conditions attached to LTIP awards from 2013 and beyond.

Proportion of award	Performance condition	Details	
25%	Jupiter's underlying EPS performance against a comparator index The comparator index will be determined by the Remuneration Committee based on a weighted average of an approximation of the markets in which the Assets Under Management ("AUM") of the Group are invested over the performance period.	Excess of Jupiter's underlying compounded EPS change over the change in the comparator index	Proportion of the award subject to the EPS performance condition that will vest
		Less than 5 per cent. per annum	0 per cent.
		5 per cent. per annum	30 per cent.
		Between 5 per cent. and 10 per cent. per annum	Pro rata between 30 per cent. and 100 per cent.
25%	Jupiter's net sales against net sales performance targets The net sales target for each year has been, or will be, set by the Remuneration Committee, with reference to the net sales target in the budget prepared by the Board.	10 per cent. or more per annum	100 per cent.
		Jupiter's net sales compared against net sales targets	Proportion of the award subject to the net sales performance condition that will vest
		Less than 80 per cent. of target	0 per cent.
		80 per cent. of target	30 per cent.
25%	Jupiter's investment outperformance The proportion of Jupiter mutual funds (weighted by AUM) that are in the first or second quartile when compared against the appropriate benchmarks for those funds.	Between 80 per cent. and 100 per cent. of target	Pro rata between 30 per cent. and 65 per cent.
		100 per cent. of target	65 per cent.
		Between 100 per cent. and 125 per cent. of target	Pro rata between 65 per cent. and 100 per cent.
		125 per cent. or more of target	100 per cent.
25%	Strategic goals There are three strategic goals for the purposes of these performance conditions. Of the shares subject to the strategic goals performance condition, one third will 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 and compliance environment has not been maintained.	Proportion of mutual funds achieving first and second quartile performance over three years, weighted by AUM	Proportion of award subject to the investment outperformance performance condition that vest
		Less than 50 per cent.	0 per cent.
		50 per cent.	25 per cent.
		50 per cent. to 80 per cent.	Pro rata between 25 per cent. and 100 per cent.
25%		80 per cent.	100 per cent.
		(i) Developing existing employees and recruiting new talent to provide the performance, products and service required by clients;	
		(ii) Broadening the client base in the UK and internationally; and	
		(iii) Maintaining an appropriate risk control and compliance environment.	

Recruitment

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

- Base salary: the base salary agreed will be the lower of the appropriate market rate and the applicable Jupiter salary cap, currently £250,000 per annum;
- Bonus: no guaranteed bonus payment will be made in respect of any unearned bonus or incentives. Where a guaranteed bonus is payable, it will be subject to clawback for a period of one year from payment and, as per the terms of the FCA's Remuneration Code, guaranteed bonuses will not extend beyond the first year of employment. Any new executive Director would also be eligible for an annual bonus payment in respect of service from the financial year of appointment on the same basis as all other executive Directors as outlined in the remuneration policy table;
- DBP: DBP awards will be granted in respect of the relevant proportion of any bonus paid in the year of recruitment, on the same basis as it applies for all other executive Directors and the usual malus provisions would apply to any DBP award as outlined in the remuneration policy table;
- LTIP: in the year of recruitment, any LTIP awards granted will be granted on the same terms as apply to other executive Directors, as set out in the remuneration policy table;
- All-employee share plans: participation in the HMRC approved Sharesave Plan and HMRC approved Share Incentive Plan will be offered on the same basis as it is for all other executive Directors and employees; and
- Benefits: pension contributions, private medical insurance, life assurance, dependants' pension and income protection will be provided on the same basis as they are for all other employees (including executive Directors). Where the Remuneration Committee determines that such a payment is necessary for recruitment, payments such as relocation allowances and other relocation related expenses may also be paid at a level determined as appropriate by the Remuneration Committee.

Any buy-out awards granted in addition to the elements of the remuneration package on recruitment will be structured in compliance with the FCA Remuneration Code. Therefore, buy-out awards will be required to be granted on no more favourable terms than the awards which they are buying out, in particular in respect of the:

- quantum of the award;
- timing of delivery;
- form of award; and
- existence of performance conditions.

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

In the case of the future recruitment of a new executive Director, the Company will disclose the full details of the recruitment package and the approach taken in the annual Remuneration report following the appointment.

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

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

Exit payments

Our over-riding policy on termination payments to executive Directors is that we do not include any contractual provisions for compensation on early termination, other than the amount due under law and that the Committee will seek to keep any other such payments to an appropriate level, reflecting performance. In the case of termination, a payment in lieu of notice may be due if such notice is not given by the Company. As set out in the summary table of executive Director service contracts, no contractual entitlement to a bonus payment accrues or arises during the notice period. Any bonus payment that the Remuneration Committee determines is appropriate to be paid in respect of an executive Director's notice period will be based on performance.

The DBP rules provide for the vesting of DBP awards no later than the first anniversary of the individual's cessation of employment with Jupiter, provided that the former employee has not joined a competitor of Jupiter in that time, in which case any outstanding DBP awards would lapse.

In the case of a change of control of the Company (or equivalent transaction), DBP awards would continue to vest in the usual way on the usual timeframe. Alternatively, the Board may determine that outstanding DBP awards may be exchanged for equivalent awards on such terms as agreed with the acquiring company.

The LTIP rules provide that any LTIP awards will lapse on cessation of employment, other than in limited circumstances, as follows:

- a) The death of the employee;
- b) Disability of the employee;
- c) Termination without cause; and
- d) Any other reason which the Remuneration Committee in its absolute discretion so permits.

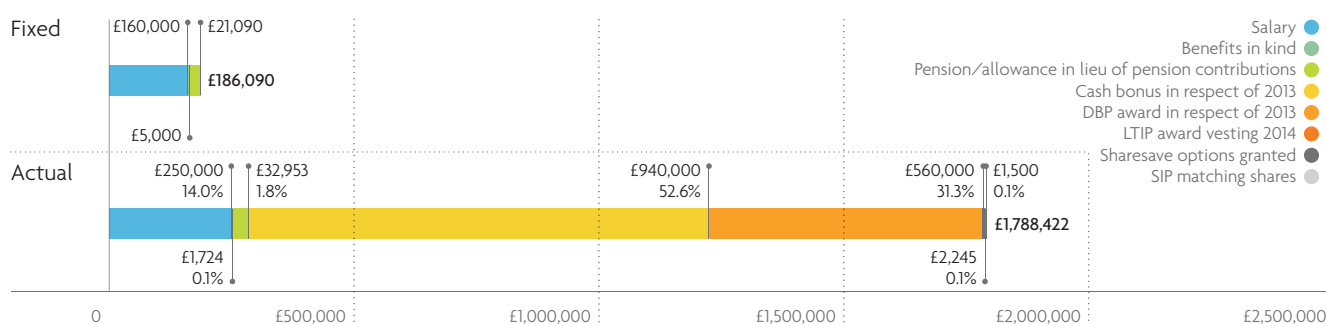
Some of the scenarios where the Committee might exercise their discretion under d) above to allow LTIP awards to vest in the case of cessation of employment are where the employee retired or left Jupiter as a result of ill health. Where the Committee did exercise their discretion to allow LTIP awards to vest, they would normally only allow vesting on a pro rata basis, with reference to the proportion of the vesting period that had elapsed at the time of termination of employment and the extent that performance conditions were satisfied at the end of the performance period. The timing of vesting would only be accelerated in the case of the death of the employee and in any other scenario any vesting would be on the usual vesting date(s). LTIP awards would lapse if the employee was summarily dismissed.

In the case of a change of control of the Company (or equivalent transaction), the Remuneration Committee may exercise its discretion to assess performance conditions applicable to outstanding LTIP awards to the date of the relevant event, but the timing of vesting could not be accelerated. Alternatively, the Board may determine that outstanding LTIP awards may be exchanged for equivalent awards on such terms as agreed with the acquiring company.

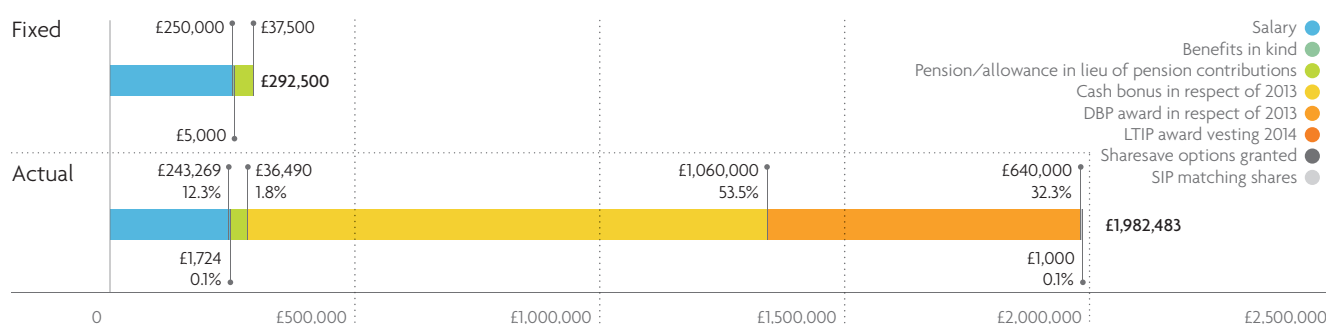
Executive Director pay modelling scenarios

Jupiter's remuneration policy provides for a significant proportion of total compensation for executive Directors being delivered in the form of variable compensation, dependent upon Jupiter's performance. The scenario chart below shows the minimum (fixed) compensation for each executive Director in their respective roles from 17 March 2014 (when Maarten Slendebroek will succeed Edward Bonham Carter as Chief Executive Officer and Edward Bonham Carter will take on a new executive role as Vice Chairman). The annual fixed compensation (adjusted to reflect Edward Bonham Carter's role from 17 March 2014) is compared against their actual compensation for 2013, as set out in the Single total figure table in the Annual report on remuneration. It is not possible to show maximum total compensation illustrations in the chart due to the structure of the Jupiter remuneration policy whereby capping of the bonus and LTIP is achieved by way of a cap on the variable compensation pool.

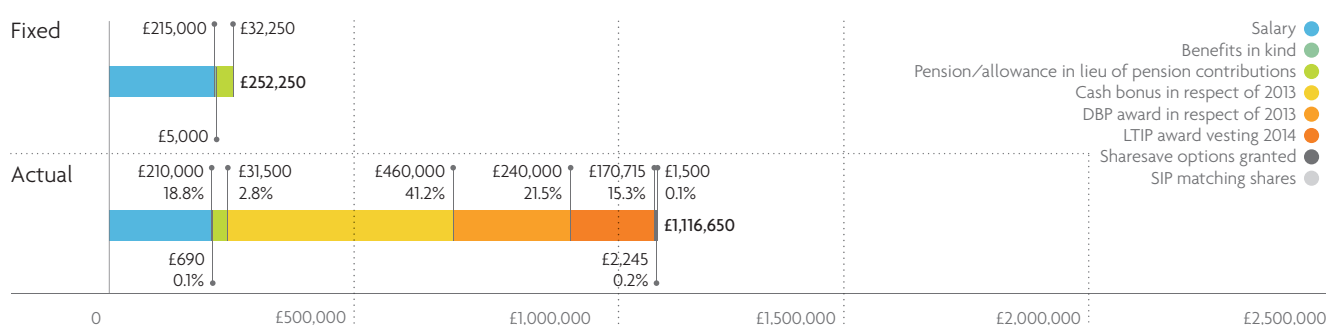
Edward Bonham Carter



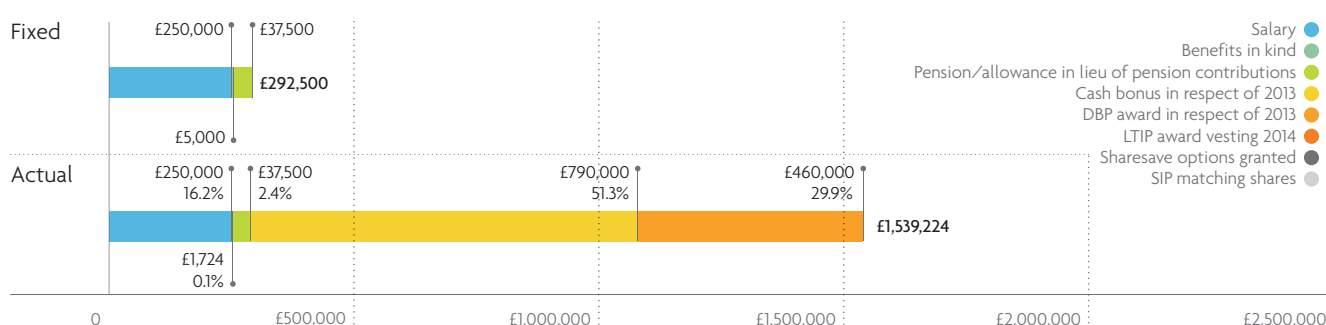
John Chatfeild-Roberts



Philip Johnson



Maarten Slendebroek



Remuneration report continued

Service contracts and letters of appointment

The terms of the current executive Directors' service agreements are summarised below:

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

The terms of the current non-executive Directors' letters of appointment are summarised below:

Provision	Details
Term	Three years from the date of appointment/renewal date
Unexpired term (as at 31 December 2013)	Jamie Dundas: 3 years Liz Airey: 2 years 4 months Matteo Dante Perruccio: 8 months Lorraine Trainer: 2 years 4 months Jon Little: 8 months Michael Wilson: n/a*
Notice period	Three months' written notice from either party
Date of letters of appointment	Jamie Dundas: 1 June 2010 (replacing an agreement dated 28 January 2008) Liz Airey: 17 May 2010 Matteo Dante Perruccio: 1 June 2010 (replacing an agreement dated 9 September 2008) Lorraine Trainer: 17 May 2010 Jon Little: 12 September 2011 Michael Wilson: 19 June 2007
Termination arrangements	No provisions for compensation on early termination, other than those provided by the position under law.

* The appointment of Michael Wilson is for an indefinite period unless terminated by the Director 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 the percentage of the Company's issued ordinary shares owned by TA Associates L.P. (together with its Associates) falls below 10 per cent.

The service contracts and letters of appointment can be viewed at the Company's registered office, 1 Grosvenor Place, London SW1X 7JJ.

Non-executive Director responsibilities

The Chairman's level of fees is reviewed annually.

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

- Basic fee;
- Senior Independent Director fee;
- Audit Committee chairman fee (in addition to member fee);
- Remuneration Committee chairman fee (in addition to member fee);
- Audit Committee member fee; and
- Remuneration Committee member fee.

The fees are set to reflect the time commitment and skills and experience required, based on an appropriate level against the market, and will not exceed the maximum amount permissible under the Company's Articles of Association.

The fees are currently paid in cash, but the Board retains the flexibility to pay some or all of the fees in shares. Reasonable business expenses are reimbursed or settled on behalf of non-executive Directors and any tax arising in respect of the reimbursement or settlement of such expenses may also be settled by the Company.

Annual report on remuneration

Implementation in 2014

As announced on 9 December 2013, Maarten Slendebroek will succeed Edward Bonham Carter as Chief Executive Officer with effect from 17 March 2014. Edward Bonham Carter will take on a new executive role as Vice Chairman. As Chief Executive Officer, Maarten's base salary will remain unchanged. His variable compensation will continue to be determined based on the usual performance measures applicable for executive Directors and will also reflect his increased responsibility for the success of the Company. Edward's salary will be £160,000 per annum reflecting an appropriate rate for his new role. Edward's variable remuneration will be determined based on the usual performance measures applicable to executive Directors, as well as reflecting the size and scope of his new role. The fixed elements in the scenario charts shown in the remuneration policy reflect the new roles that these individuals will hold from 17 March 2014.

For bonuses in respect of 2014 performance, the following performance measures will apply:

Area	Performance measures
Corporate performance	Profitability, compared against expectations in light of market conditions, considering: <ul style="list-style-type: none">• Profits against prior year• Profits against the target set by the Board Net flows, compared against expectations in light of market conditions, considering: <ul style="list-style-type: none">• Gross flows and net flows against prior year• Net flows against the target set by the Board• The margins at which those flows were achieved
Investment performance	<ul style="list-style-type: none">• The proportion of mutual funds, weighted by AUM, with first or second quartile performance• The investment performance of other mandates (including segregated mandates and Investment Trusts)
Strategic objectives	<ul style="list-style-type: none">• Achievement of strategic growth objectives, as set by the Remuneration Committee
Personal performance	<ul style="list-style-type: none">• Appropriate weighting of the above criteria and specific personal performance objectives

In addition to the performance measures outlined above, the maintenance of an appropriate risk control and compliance environment is also required; if not maintained, any executive Director bonus amounts would be reduced according to the severity of any breaches.

Following a review undertaken in 2013, it has been decided to increase the fee levels of the non-executive Directors with effect from 1 January 2014. The previous fee structure had been in place since Jupiter's Listing in June 2010 and the new fee levels reflect the increased market rate and time commitments required for the roles. The annual fee rates applicable from 1 January 2014 will be as follows:

- Basic fee: £55,000 (£45,000 to 31 December 2013);
- Senior Independent Director fee: £7,500 (£5,000 to 31 December 2013);
- Audit Committee Chairman fee (in addition to member fee): £15,000 (£10,000 to 31 December 2013);
- Remuneration Committee Chairman fee (in addition to member fee): £15,000 (£10,000 to 31 December 2013);
- Audit Committee member fee: £5,000 (no change); and
- Remuneration Committee member fee: £5,000 (no change).

Non-executive Directors are reimbursed for reasonable business expenses.

The roles and committee responsibilities of the non-executive Directors are currently as follows:

Director	Title	Roles and Committee responsibilities
Jamie Dundas	Independent Chairman	Nomination Committee Chairman Remuneration Committee member
Liz Airey	Independent non-executive Director	Audit Committee Chairman Nomination Committee member Remuneration Committee member Senior Independent Director
Matteo Dante Perruccio	Independent non-executive Director	Remuneration Committee member
Lorraine Trainer	Independent non-executive Director	Audit Committee member Nomination Committee member Remuneration Committee Chairman
Jon Little	Independent non-executive Director	Audit Committee member
Michael Wilson	Non-executive Director	–

External directorships

Executive Directors are not permitted to hold external directorships or offices without the prior approval of the Board. Edward Bonham Carter became a non-executive Director of Land Securities Group plc on 1 January 2014, for which he will be paid fees of £67,500 per annum.

Remuneration report continued

Shareholder context

At the AGM of the Company held on 18 April 2013, the voting outcome on resolution two (to approve the Directors' Remuneration report for the year ended 31 December 2012) was as follows:

For	Percentage of total votes cast	Against	Percentage of total votes cast	Withheld
189,809,409	68.51 per cent.	87,262,273	31.49 per cent.	52,465,641

Our understanding of the key shareholder concerns identified from the feedback on our 2012 Remuneration report is as follows:

- A lack of detailed disclosure relating to the determination of 2012 bonus amounts, in conjunction with uncapped individual bonuses; and
- Our policy regarding dilution.

The Remuneration Committee have made active efforts during 2013 to engage with investor bodies and our major shareholders. As well as considering comments from shareholders, the ABI and ISS, we reviewed the remuneration policies at our comparators, including other listed asset management companies. Following this review, we continue to believe that the quantum of our remuneration is appropriate but we recognise that improvements must be made to the level of transparency and disclosure in the Remuneration report.

Therefore, we have made some important changes to our remuneration policy during 2013 and sought to improve our level of disclosure in various areas of our 2013 Remuneration report.

In Autumn 2013, we consulted with our major shareholders outlining the proposed changes to be made to our remuneration policy and explaining the additional disclosure of the executive Director bonus performance measures that we proposed to make in our 2013 Remuneration report. Shareholder feedback from that consultation process was considered in finalising our proposed changes.

Single total figure

Executive Directors' 2013 and 2012 remuneration (audited information)

Director	Edward Bonham Carter		John Chatfeild-Roberts		Philip Johnson		Maarten Slendebroek	
	2013	2012	2013	2012	2013	2012	2013	2012
	£	£	£	£	£	£	£	£
Base salary	250,000	250,000	243,269	239,423	210,000*	200,000	250,000	81,730
Taxable benefits [^]	1,724	1,124	1,724	1,124	690	352	1,724	369
Pension/allowance in lieu of pension contributions	32,953	32,733	36,490	35,913	31,500	30,000	37,500	12,259
Annual cash bonus ⁺	940,000	940,000	1,060,000	1,325,000	460,000	415,000	790,000	1,168,000
DBP award ⁺	560,000	410,000	640,000	575,000	240,000	185,000	460,000	—
LTIP awards vesting [#]	—	—	—	—	170,715†	—	—	—
Sharesave options granted	2,245	—	—	—	2,245	—	—	—
SIP matching shares	1,500	—	1,000	—	1,500	—	—	—
Total	1,788,422	1,633,857	1,982,483	2,176,460	1,116,650	830,352	1,539,224	1,262,358

[^] Comprised of private medical insurance.

* Philip Johnson's salary was increased from £200,000 to £215,000, effective 1 May 2013. This increase was a result of a review of market data for similar roles at comparator companies in the asset management sector and the wider FTSE 250 that took place as Philip Johnson had received no salary increase since joining Jupiter in October 2009.

† Estimated value of 2011 LTIP award vesting in 2014, based on the average closing share price over the period 1 October 2013 to 31 December 2013 (the actual vesting date, from which the option is exercisable, is 18 April 2014).

+ These amounts have been determined by the Remuneration Committee based on performance against the relevant annual bonus performance measures in respect of 2013.

The value of the LTIP award vesting is based on the Remuneration Committee's determination of performance against the relevant LTIP performance measures.

Single total figure continued

2013 bonus performance measures

The table below outlines the performance measures used to determine 2013 bonus amounts payable to executive Directors. Whilst the actual targets are commercially sensitive, information on performance against those measures is provided below. The variable compensation pool, which is used to fund bonus payments, is determined by reference to the profits of the Company and has been maintained at or below 25.5 per cent. of pre-incentive operating profit since Listing.

Area	Performance measures	Indicator of performance*	Comments
Corporate performance	Profitability, compared against expectations in light of market conditions, considering: <ul style="list-style-type: none"> Profits against prior year; and Profits against the target set by the Board. 	++	<p>Profits for 2013 exceeded the prior year – EBITDA of £151.5m was 22 per cent. higher than 2012 and underlying EPS of 25.2p was a 33 per cent. increase from 2012.</p> <p>Profits, EBITDA and underlying EPS for 2013 also exceeded the targets set by the Board.</p> <p>Whilst market conditions were favourable, cost discipline was maintained and operating margins increased as a result</p>
	Net flows, compared against expectations in light of market conditions, considering: <ul style="list-style-type: none"> Gross flows and net flows against prior year; Net flows against the target set by the Board; and The margins at which those flows were achieved. 	=	<p>Net inflows were 24 per cent. ahead of 2012; gross inflows were 14 per cent. ahead of 2012.</p> <p>Net inflows of £1.2bn were in line with target, given external market conditions.</p> <p>Flows were written at rates consistent with external market guidance on net management fee margin progression.</p>
	Investment performance <ul style="list-style-type: none"> The proportion of mutual funds, weighted by AUM, with first or second quartile performance; and The investment performance of other mandates (including segregated mandates and Investment Trusts). 	+	<p>Investment performance was strong with 69 per cent. of mutual funds above median (weighted by AUM over three years).</p> <p>Performance on other mandates was exceptional with 99 per cent. of segregated mandates and 100 per cent. of investment trusts (weighted by AUM over three years) beating their benchmarks.</p>
Strategic objectives	<ul style="list-style-type: none"> Achievement of strategic growth objectives, as set by the Board. 	++	<p>Significant improvement in articulation and implementation of the Company's strategy.</p> <p>Continued delivery across main strategic key performance indicators as outlined in the table below.</p> <p>Sustainable net cash balance sheet achieved, deleverage cycle near completed, liquidity enhanced and need for regulatory capital waiver eliminated. Combined with higher profits, this has allowed the Board to increase dividends declared to shareholders</p>

Summary +

Overall, outcomes against the performance measures were above the previous year and 2013 expectations with value delivered for both clients and shareholders. This resulted in a dividend per share of 12.6p for 2013, an increase of 43 per cent. from 2012 and 42 per cent. total shareholder returns for Jupiter Fund Management plc shareholders in 2013 compared against a wider market return of 21 per cent.

An appropriate risk and compliance environment was maintained throughout and so no bonus adjustments are necessary in respect of risk and compliance issues.

Individual executive Director bonus amounts are determined based on the corporate performance and achievement of strategic objectives outlined above, as well as personal performance. The weighting of each factor is based on what is appropriate for the year in question and the role fulfilled by the individual.

* ++ excellent performance; + very good performance; = good performance; - below expectations performance

Remuneration report continued

Single total figure continued

Personal performance – Edward Bonham Carter, Chief Executive Officer

As Chief Executive Officer, Edward oversaw the continued strong corporate performance. Edward's bonus reflects the value he has continued to create for shareholders through his leadership of the firm internally and externally as evidenced by the combination of good investment performance, positive net sales, strong growth in profits combined with the rollout of Jupiter's strategic plan. In particular, Edward also made a valuable contribution to the planning and delivery of succession arrangements and the appointment of Maarten Slendebroek as Chief Executive Officer with effect from 17 March 2014.

Bonus amount for 2013: £1,500,000

Personal performance: John Chatfeild-Roberts, Chief Investment Officer

John's 2013 bonus reflects his contribution as an executive Director of the Company, but also in particular the strong investment performance of Jupiter's mutual funds, segregated mandates and Investment Trusts, which John is primarily responsible for as Chief Investment Officer. John also performed well in overseeing fund manager changes with a minimal impact on the business. The Jupiter Merlin portfolios, which John leads the team in running, made good absolute returns for clients in 2013, but relative performance was not as strong as it was in 2012. John has also played a leading part in articulating the Company's corporate values.

Bonus amount for 2013: £1,700,000

Personal performance: Philip Johnson, Chief Financial Officer

Philip's 2013 bonus amount reflects, in particular, the strong financial performance of the Company as well as his contribution as an executive Director of the Company. In 2013, Philip has taken on management of further internal functions of the Company and led progress within his responsible areas. He has also overseen continued development of the internal risk management framework and the ongoing implementation of our balance sheet management strategy. The strong financial performance and capital management of the Company overseen by Philip has contributed to enabling the dividend to be increased in respect of 2013.

Bonus amount for 2013: £700,000

Personal performance: Maarten Slendebroek, Distribution & Strategy Director

In his current role, Maarten is responsible for the sales and marketing function as well as formulating the forward looking strategy and growth framework for the Company. During 2013, in addition to his wider contribution as an executive Director, Maarten oversaw continued net flows and played a key role in the significant improvement in articulation and implementation of the Company's strategy. Maarten initiated and led a restructuring of sales and marketing to position the Company for future growth. Critical to positioning the Company for future growth, Maarten also played a decisive role in bringing in experienced talent in multiple functions and geographies.

Bonus amount for 2013: £1,250,000

The following table supports the conclusions above by showing the Company's performance since Listing against key performance indicators:

	2010	2011	2012	2013
Three year investment performance – proportion of mutual funds (weighted by AUM) above median	66 per cent.	74 per cent.	79 per cent.	69 per cent.
Net flows (mutual funds)	£1,886m	£528m	£1,550m	£1,162m
Operating margin	54 per cent.	54 per cent.	51 per cent.	53 per cent.
Underlying EPS	17.6p	19.1p	19.0p	25.2p
Net (debt)/cash	(£62.7m)	£7.4m	£69.0m	£159.5m

Single total figure continued

Performance condition testing for 2011 LTIP award, vesting 18 April 2014

Philip Johnson holds an LTIP award due to vest on 18 April 2014, subject to performance conditions. The performance conditions have been tested and performance against those conditions and the associated level of vesting is outlined below. The actual net sales targets are commercially sensitive, but information on performance against that performance condition is included in the information provided below:

Performance Condition	Performance against the condition over the performance period	Proportion of award vesting	Options over shares vesting
Underlying EPS vs index <ul style="list-style-type: none"> 30 per cent. vesting for 5 per cent. growth in excess of the index; 100 per cent. vesting for Jupiter's underlying EPS growth exceeding the index by 10 per cent. per annum; and Straight-line vesting between these points. 	<p>Jupiter's underlying EPS grew by 12.7 per cent. on an annualised basis.</p> <p>The index grew by 6.1 per cent. on an annualised basis. In assessing the index growth, the Committee exercised discretion to measure the index on an average basis rather than a point to point basis as the averaging basis is considered a fairer reflection of the index performance and will be used consistently for future LTIP underlying EPS performance condition measurement. The point to point basis would have resulted in higher vesting (73 per cent.) under the underlying EPS performance condition as the index growth measured on this basis was lower.</p>	<p>Jupiter's annualised underlying EPS growth exceeded the index by 6.6 per cent.</p> <p>This equates to 53 per cent. vesting</p>	15,472
Actual net sales against target <ul style="list-style-type: none"> 30 per cent. vesting for net sales 80 per cent. of target; 65 per cent. vesting for net sales 100 per cent. of target; 100 per cent. vesting for net sales 125 per cent. of target; and Straight-line vesting between these points. 	<p>Jupiter's net sales over the performance period were below 80 per cent. of the target. This was largely a result of poor market conditions (in particular in 2011) and the very stretching targets that the Committee had set.</p>	0 per cent. vesting	0
Strategic goals <ul style="list-style-type: none"> Maintaining long-term investment performance. Developing existing employees and recruiting new talent to provide the performance, products and service required by clients. Broadening the client base in the UK and internationally Maintaining an appropriate risk control and compliance environment. 	<ul style="list-style-type: none"> 69 per cent. of mutual funds (weighted by AUM) are ranked in the first or second quartile over the three year performance period. Extensive development of existing talent, in particular in fund management, has been a feature throughout the performance period. Recruitment has also been successful with a range of key hires at a senior management level, in fund management and sales (in particular internationally). During this period, talent management has developed significantly. The wealth management client base and range of funds supported has been broadened over the performance period. From an Institutional perspective, a wider range of Jupiter strategies are now rated from consultants. Internationally, the expansion overseas has progressed at pace, with offices in Switzerland, Hong Kong and Sweden added during the performance period. Expansion in Germany has also taken place. This has led to a broadening of the international client base and the work carried out to date is expected to lead to a further broadening of the client base internationally going forward. The value of external mutual fund assets in SICAVs has increased from £1.1bn in December 2010 to £2.7bn in December 2013. There have been no major risk or compliance issues over the performance period. 	100 per cent. vesting	29,192
Total		51 per cent. vesting	44,664

LTIP awards were also granted to executive Directors during 2013. The face value of the awards granted to Edward Bonham Carter and John Chatfeild-Roberts were £250,000. The award granted to Philip Johnson had a face value of £275,000 and the award granted to Maarten Slendebroek had a face value of £825,000. As disclosed in our 2012 Remuneration Report, the LTIP award granted to Maarten Slendebroek was part of his recruitment arrangements.

Remuneration report continued

Single total figure continued

Non-executive Directors' 2013 and 2012 fees (audited information)

Director	Jamie Dundas		Liz Airey		Matteo Dante Perruccio		Lorraine Trainer		Jon Little		Michael Wilson		Richard I. Morris, Jr.*	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Basic fee	200,000	175,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	—	—	25,096	45,000
Senior Independent Director	—	—	5,000	5,000	—	—	—	—	—	—	—	—	—	—
Audit Committee Chairman	—	—	10,000	10,000	—	—	—	—	—	—	—	—	—	—
Audit Committee member	—	—	5,000	5,000	—	—	5,000	5,000	5,000	5,000	—	—	—	—
Remuneration Committee Chairman	—	—	—	—	—	—	10,000	10,000	—	—	—	—	—	—
Remuneration Committee member	—	—	5,000	3,429	5,000	5,000	5,000	5,000	—	—	—	—	—	—
Total	200,000	175,000	70,000	68,429	50,000	50,000	65,000	65,000	50,000	50,000	—	—	25,096	45,000

* Board member until 19 July 2013.

Directors' shareholdings (audited information)

Director	Ordinary shares held at 31 December 2013 (no restrictions)	Unvested ordinary shares held at 31 December (subject to continued employment)	Total ordinary shares held at 31 December 2013	Vested but unexercised options at 31 December 2013	Unvested options, vesting not subject to performance conditions at 31 December 2013	Unvested options, vesting subject to performance conditions at 31 December 2013	Total options over ordinary shares held at 31 December 2013	Shareholding as a percentage of salary
Jamie Dundas	1,250,000	—	1,250,000	—	—	—	—	—
Edward Bonham Carter	13,000,466	457	13,000,923	4,663	441,006	175,032	620,701	20,021 per cent.
John Chatfeild-Roberts (1)	4,975,291	288	4,975,579	—	989,828	487,532	1,477,360	7,662 per cent.
Philip Johnson (1)	1,317,253	457	1,317,710	—	218,059	357,762	575,821	2,359 per cent.
Maarten Slendebroek	—	—	—	—	595,474	250,152	845,626	0 per cent.
Liz Airey	45,450	—	45,450	—	—	—	—	—
Matteo Dante Perruccio	76,833	—	76,833	—	—	—	—	—
Lorraine Trainer	24,242	—	24,242	—	—	—	—	—
Jon Little	2,513	—	2,513	—	—	—	—	—
Michael Wilson (2)	185,947	—	185,947	—	—	—	—	—

(1) Includes connected person's holding.

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

The Remuneration Committee has a policy that executive Directors should maintain a significant holding of shares in the Company. The policy provides that executive Directors should hold shares in the Company with a value equivalent to at least 150 per cent. of base salary. With the exception of Maarten Slendebroek (who only joined the Board on 4 September 2012), each of the executive Directors currently holds shares with a value significantly in excess of 150 per cent. of base salary. It is anticipated that Maarten Slendebroek will build up the required holding over a timeframe of three to five years from his appointment to the Board.

There have been no changes to the above interests between the year end and 20 February 2014 (the latest practicable date before the printing of the Annual Report and Accounts).

Share awards (audited information)

DBP – options over Jupiter shares

Director	Year granted	Options held at start of year			Options granted during the year			Options held at end of year		
		Number of shares under option held as at 1 January 2013	Market value per share at date of grant	Grant date	Face value at award	Price used to determine number of shares*	Number of shares under option	Number of shares under option held as at 31 December 2013	Earliest exercise date	Latest exercise date
Edward Bonham Carter	2011 (in respect of 2010)	185,658	£2.85	–	–	–	–	185,658	18 April 2014	18 July 2014
	2012 (in respect of 2011)	190,098	£2.39	–	–	–	–	190,098	2 April 2015	2 July 2015
	2013 (in respect of 2012)	–	–	4 April 2013	£205,000	£3.30	62,158	62,158	4 April 2016	4 July 2016
John Chatfeild-Roberts	2011 (in respect of 2010)	253,967	£2.85	–	–	–	–	253,967	18 April 2014	18 July 2014
	2012 (in respect of 2011)	315,437	£2.39	–	–	–	–	315,437	2 April 2015	2 July 2015
	2013 (in respect of 2012)	–	–	4 April 2013	£287,500	£3.30	87,174	87,174	4 April 2016	4 July 2016
Philip Johnson	2011 (in respect of 2010)	75,314	£2.85	–	–	–	–	75,314	18 April 2014	18 July 2014
	2012 (in respect of 2011)	83,559	£2.39	–	–	–	–	83,559	2 April 2015	2 July 2015
	2013 (in respect of 2012)	–	–	4 April 2013	£185,000	£3.30	56,094	56,094	4 April 2016	4 July 2016

* Average closing share price from three trading days prior to date of grant.

Key terms:

- No performance measures are attached to options granted under the DBP, although malus provisions apply (see the remuneration policy table for further details); and
- No exercise price is payable on the exercise of DBP options.

DBP – options over units in Jupiter funds

Director	Year granted	Options held at start of year		Grant date	Options granted during the year			Options held at end of year		
		Number of units under option held as at 1 January 2013	Market value per unit at date of grant		Face value at award	Price used to determine number of units	Number of units under option	Number of units under option as at 31 December 2013	Earliest exercise date	Latest exercise date
Edward Bonham Carter	2013 (in respect of 2012)	–	–	4 April 2013	£205,000	£0.65	317,042*	317,042*	4 April 2016	4 July 2016
John Chatfeild-Roberts	2013 (in respect of 2012)	–	–	4 April 2013	£287,500	£1.31	220,154†	220,154†	4 April 2016	4 July 2016

* Options over units in Jupiter Japan Income Accumulation Fund.

† Options over units in Jupiter Merlin Balanced Accumulation Fund.

Key terms:

- No performance measures are attached to options granted under the DBP as they represent deferral of bonus, although malus provisions apply (see the remuneration policy table for further details); and
- No exercise price is payable on the exercise of DBP options.

Remuneration report continued

Share awards continued (audited information)

LTIP

Director	Options held at start of year			Options granted during the year				Options held at end of year		
	Year granted	Number of shares under option as at 1 January 2013	Market value per share at date of grant	Grant date	Face value at award	Price used to determine number of shares*	Number of shares under option	Number of shares under option as at 31 December 2013	Earliest exercise date	Latest exercise date
Edward Bonham Carter	2012	99,228	£2.39	—	—	—	—	99,228	2 April 2015	2 April 2017
	2013	—	—	4 April 2013	£250,000	£3.30	75,804	75,804	4 April 2016	4 April 2018
John Chatfeild-Roberts	2012	99,228	£2.39	—	—	—	—	99,228	2 April 2015	2 April 2017
	2013	—	—	4 April 2013	£250,000	£3.30	75,804	75,804	4 April 2016	4 April 2018
Philip Johnson	2011	87,575	£2.85	—	—	—	—	87,575	18 April 2014	18 April 2016
	2011	87,575	£2.85	—	—	—	—	87,575	18 April 2015	18 April 2017
	2012	99,228	£2.39	—	—	—	—	99,228	2 April 2015	2 April 2017
	2013	—	—	4 April 2013	£275,000	£3.30	83,384	83,384	4 April 2016	4 April 2018
Maarten Slendebroek	2012	77,424	£2.26	—	—	—	—	77,424	31 January 2016	31 January 2018
	2012	77,423	£2.26	—	—	—	—	77,423	31 January 2017	31 January 2019
	2012	77,424	£2.26	—	—	—	—	77,424	31 January 2018	31 January 2020
	2013	—	—	4 April 2013	£349,334	£3.30	105,924	105,924	4 April 2016	4 April 2018
	2013	—	—	4 April 2013	£237,833	£3.30	72,114	72,114	4 April 2017	4 April 2019
	2013	—	—	4 April 2013	£237,833	£3.30	72,114	72,114	4 April 2018	4 April 2020

* Average closing share price from three trading days prior to date of grant.

Key terms:

- Performance conditions for LTIP awards granted in 2011 and 2012 are underlying EPS, net sales and strategic goals (with the exception of Maarten Slendebroek's 2012 LTIP awards, where no performance conditions are attached as part of buy-out arrangements). For LTIP awards granted from 2013 onwards, the performance conditions are: underlying EPS, net sales, investment outperformance and strategic goals. These performance conditions are measured over the period 1 January in the year of grant to 31 December in the year prior to vesting; and
- An exercise price of £0.02 per share is payable on the exercise of LTIP options.

Share awards continued (audited information)

Joiner Plan

Director	Year granted	Options held at start of year		Options granted during the year				Options held at end of year		
		Number of shares under option as at 1 January 2013	Market value per share at date of grant	Grant date	Face value at award	Price used to determine number of shares	Number of shares under option	Number of shares under option as at 31 December 2013	Earliest exercise date	Latest exercise date
Maarten Slendebroek	2012	320,649	£2.26	—	—	—	—	320,649	31 January 2014	31 January 2016
	2012	42,554	£2.26	—	—	—	—	42,554	31 January 2015	31 January 2017

Key terms:

- The options granted under the Joiner Plan are one-off awards made as a buy-out of awards foregone by Maarten Slendebroek on resignation from his previous employer in order to join Jupiter. In order to match the terms of the awards foregone, no performance conditions are attached to the options granted under the Joiner Plan;
- An exercise price of £0.02 per share is payable on the exercise of Joiner Plan options; and
- The options granted under the Joiner Plan will not be settled with newly issued shares.

Sharesave

Director	Options held at start of year		Options granted during the year				Options exercised during the year	Options held at end of year		
	Number of shares under option as at 1 January 2013	Market value per share at date of grant	Grant date	Face value at award	Price used to determine number of shares*	Number of shares under option	Number of shares under option exercised during the year	Number of shares under option as at 31 December 2013	Earliest exercise date	Latest exercise date
Edward Bonham Carter	4,663	£2.56	—	—	—	—	—	4,663	1 December 2013	31 May 2014
	—	—	7 October 2013	£11,243	£2.91	3,092	—	3,092	1 December 2016	31 May 2017
Philip Johnson	4,663	£2.56	—	—	—	—	4,663 [†]	—	—	—
	—	—	7 October 2013	£11,243	£2.91	3,092	—	3,092	1 December 2016	31 May 2017

* 20 per cent. discount to the average closing share price from three trading days prior to the Sharesave 2013 invitation opening date.

† Closing share price on date of exercise, 2 December 2013, was £3.90. This resulted in a gain on exercise of £9,186.

Key terms:

- No performance conditions are attached to Sharesave options; and
- The exercise price for Sharesave options is equal to the price used to determine the number of shares.

Remuneration report continued

Share awards continued (audited information)

SIP

Director	Awards granted during the year			Awards held at end of year		
	Grant date	Face value at award	Price used to determine number of shares*	Number of shares	Number of shares subject to award as at 31 December 2013	Earliest vesting date
Edward Bonham Carter	2 May 2013	£1,500	£3.28	457	457	2 May 2016
John Chatfeild-Roberts	2 May 2013	£125	£3.28	38	38	2 May 2016
	3 June 2013	£125	£3.24	38	38	3 June 2016
	2 July 2013	£125	£2.91	43	43	2 July 2016
	2 August 2013	£125	£3.56	35	35	2 August 2016
	2 September 2013	£125	£3.46	36	36	2 September 2016
	2 October 2013	£125	£3.72	34	34	2 October 2016
	4 November 2013	£125	£3.94	32	32	4 November 2016
	2 December 2013	£125	£3.90	32	32	2 December 2016
Philip Johnson	2 May 2013	£1,500	£3.28	457	457	2 May 2016

* Market price on the date of purchase of SIP shares.

Pre-Listing Share Plan, not listed company remuneration (shares)

Director	Ordinary shares held as at 1 January 2013 subject to vesting	Ordinary shares vested during 2013	Ordinary shares held as at 31 December 2013 subject to vesting
Edward Bonham Carter	3,937,500	3,937,500	—
John Chatfeild-Roberts	2,250,000	2,250,000	—
Philip Johnson	533,334	533,334	—

The vesting of the shares shown in the table above is no longer dependent upon the satisfaction of performance conditions. These shares are restricted shares that are derived from B ordinary shares acquired in the Management Buy-Out in 2007 (or in 2009 on joining the Company in the case of Philip Johnson) for £1 per B ordinary share (equivalent to £0.02 per ordinary share), which was equal to the market value of the B ordinary shares at that time. Therefore, as they represent a significant “at risk” investment in the business and the vesting terms were voluntarily extended at the time of the Listing, these shares should not be considered as listed company remuneration in the year of their eventual vesting.

Pre-Listing Share Plan, not listed company remuneration (options)

Director	Number of shares under option as at 1 January 2013	Number of shares under option exercised during the year	Number of shares under option as at 31 December 2013	Exercise price (per share)	Earliest exercise date	Latest exercise date
John Chatfeild-Roberts	250,000	250,000	—	£0.02	21 June 2011	—
	333,375	333,375	—	£0.02	21 June 2012	—
	333,375	333,375	—	£0.02	21 June 2013	—
	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 becomes exercisable between 21 June 2011 and 21 June 2014. The vesting of 20 per cent. of the shares under option (312,500 of the shares vesting on 21 June 2014) is subject to the satisfaction of performance conditions. The performance conditions 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. The exercise price of 2p per share was paid on the grant of the option (£31,250 in total).

(2) For the options that vested during the year, the closing share price on the date of vesting, 21 June 2013, was £2.82.

Dilution

Our settled policy regarding dilution from employee share awards has been and will continue to be to ensure that dilution will be no more than 10 per cent. in any rolling 10 year period and no more than five per cent. from employee share awards granted to executive Directors of the Company in any rolling 10 year period.

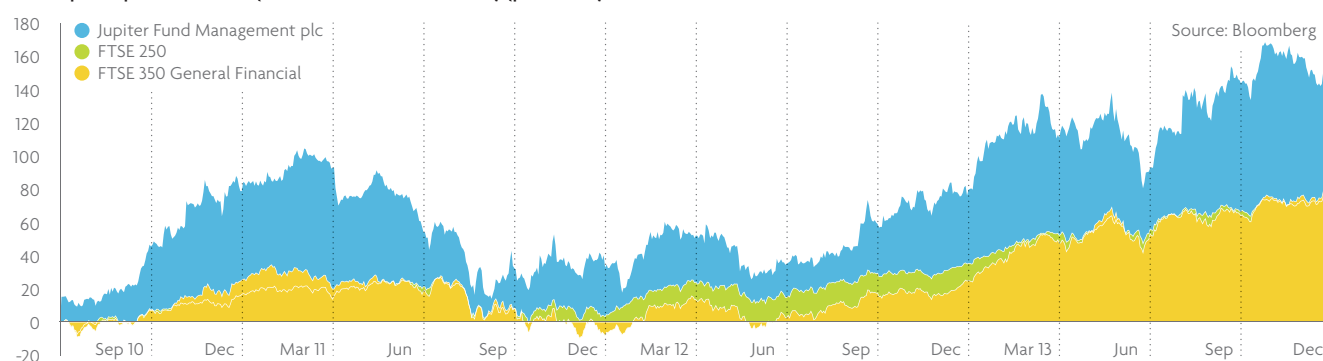
As at 31 December 2013, share awards granted under the DBP, LTIP and Sharesave in the three and a half years since Jupiter's Listing were outstanding over 18.2m shares. This represented 3.97 per cent. of the Company's issued share capital. In practice, it is our current intention that all share awards outstanding as at 31 December 2013 will be settled with market purchased shares. Therefore, we are currently operating within the relevant dilution targets by a comfortable margin.

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

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

Pay vs performance

Share price performance (total shareholder return) (per cent.)



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

Table of historic levels of CEO pay

	2010	2011	2012	2013
CEO single figure of total remuneration	£2,034,996	£1,785,324	£1,633,857	£1,788,422
Long-term incentive vesting rates against maximum opportunity*	N/A	N/A	N/A	N/A

* No LTIP awards vested 2010 to 2013 as the first LTIP awards granted to the CEO after Listing were in 2012 and vest in 2015.

Remuneration report continued

Change in CEO pay vs employees

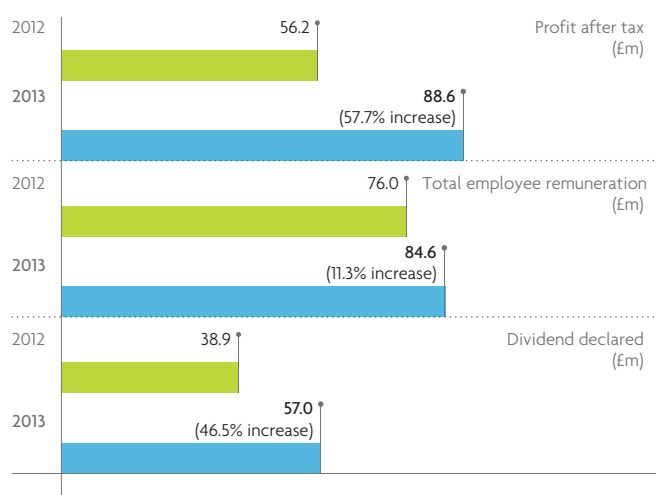
The percentage change in the CEO's pay (defined for these purposes as salary, taxable benefits, cash bonus and DBP awards in respect of the relevant year) between 2013 and the prior year and the same information, on an averaged basis, for all employees (excluding executive Directors) is shown in the table below:

	CEO percentage change (2012 to 2013)	All employees (excluding executive Directors) percentage change (2012 to 2013)
Base salary	0 per cent.	3 per cent.
Benefits*	53 per cent.	53 per cent.
Bonus (including DBP portion)	11 per cent.	14 per cent.

* The cost of benefits (comprised of private medical insurance) increased by 53 per cent. between 2012 and 2013 due to a large increase in private medical insurance premiums.

Relative importance of spend on pay

The following chart shows the Company's profit after tax, total employee remuneration and dividends declared on ordinary shares for 2013 and 2012.



Advisers

Deloitte LLP has been the adviser to the Remuneration Committee from January 2013. Deloitte LLP is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. Fees paid to Deloitte LLP for executive remuneration consulting were £25,000 in 2013. Deloitte LLP also provides advice relating to IFRS 2 accounting valuations to the Company. The Remuneration Committee do not consider that the other advice provided has any impact on Deloitte's independence as advisers to the Remuneration Committee.

On behalf of the Board

Lorraine Trainer
Chairman of the Remuneration Committee

26 February 2014

The Directors present their report and the audited financial statement of the Group for the year ended 31 December 2013.

Principal activities and results

The principal activity of the Company is to act as a holding company for a group of investment management companies. The Group operates principally in the United Kingdom and has branches overseas. The Company is incorporated and domiciled in England and Wales and is the holding company of the Group.

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

- Commentary on the likely future developments in the business of the Group is included in the Strategic report
- A description of the Group's financial risk management objectives and policies, and its exposure to risks arising from its use of financial instruments are set out in Note 5.3 to the accounts.
- Information concerning Directors' contractual arrangements and entitlements under share-based remuneration arrangements is given in the Remuneration report.
- The Group's absolute Scope 1 and 2 emissions for FY2013 amounted to 535.8 tCO₂e. This is equal to 1.18 tCO₂e per employee Full Time Equivalent (FTE). Our emissions have been quantified and reported according to Defra's 2013 Environmental Reporting Guidelines. For more information on our boundaries, exclusions and estimations please see the Corporate responsibility section.
- Information concerning the involvement of employees in the business is given in the Corporate responsibility section.

Company Number 6150195

Share capital and voting rights

As at 31 December 2013 and 20 February 2014, there were 457,699,916 fully paid ordinary shares of 2p each in issue and listed on the Official List maintained by the FCA in its capacity as the UK Listing Authority. There were no changes to the share capital during the year.

The Company has one class of ordinary shares which carry the right to attend, speak and vote at general meetings of the Company. In addition, the holders of ordinary shares have the right to participate in dividends and other distributions according to their respective rights and interests in the profits of the Company and a return of capital on a winding-up of the Company. Full details regarding the exercise of voting rights in respect of the resolutions to be considered at the Annual General Meeting to be held on 21 May 2014 are set out in the Notice of Annual General Meeting. To be valid, the appointment of a proxy to vote at a general meeting must be received not less than 48 hours before the time appointed for holding the meeting.

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

Shares held in employee benefit trusts

Under the rules of the Jupiter Share Incentive Plan ("SIP"), which was introduced in 2013, eligible employees are entitled to acquire ordinary shares in the Company. SIP shares are held in trust for participants by Yorkshire Building Society ("the SIP Trustees"). Voting rights are exercised by the SIP Trustees on receipt of participants' instructions. If a participant does not submit an instruction to the SIP Trustees, no vote is registered. In addition, the SIP Trustee does not vote on any unallocated shares held in trust. As at 20 February 2014 the SIP Trustees held 0.03 per cent. of the issued share capital of the Company.

RBC cees Trustee Limited, as trustee of the Jupiter Employee Benefit Trust (the "EBT Trustee"), holds ordinary shares on trust for the benefit of employees of the Group. Where the EBT Trustee has allocated shares held in the trust in respect of specific awards granted under the Jupiter Employee Share Plan, the holders of such awards may make recommendations to the EBT Trustee as to how voting rights relating to such shares should be exercised by the EBT Trustee, and, to the extent that a participant does not make such recommendations, no vote is registered. In addition, the EBT Trustee does not vote on any unallocated shares held in the trust. As at 20 February 2014 the EBT Trustee held 4.6 per cent. of the issued share capital of the Company.

Appointment and replacement of Directors

The Company's Articles of Association provide that Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next Annual General Meeting. The 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 2014.

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.

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.

Name	Number of shares as at 31 December 2013	Percentage interest (%)	Number of shares as at 20 February 2014	Percentage interest (%)
Jupiter Asset Management Limited*	64,771,935	14.15	64,702,859	14.13
TA Funds	48,579,760	10.61	48,579,760	10.61
BlackRock Inc**	34,418,246	7.52	29,194,810	6.38
Invesco	23,631,367	5.16	22,721,933	4.96

* held in Jupiter private client accounts largely for employees and ex-employees

** In addition to the number of shares held in the table above, on 20 February 2014 BlackRock Inc held an additional 1,083,672 shares by way of contracts for difference, taking their overall voting rights to 6.6 per cent.

Directors' report continued

Substantial share interests

As shown in the table on the previous page, 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.

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 the Company's Listing in 2010, 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 was 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 became capable of being sold; and
- following the third anniversary of Listing (21 June 2013), approximately a further 10 per cent. of the ordinary shares became capable of being sold. A small number of shares (less than 0.5 per cent. of the current issued share capital) continue to be subject to the lock-ins described above.

No member is 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, or if he or she has failed to give the Company the information required in a notice under section 793 of the Act (unless the Board has determined that the sanctions under the Company's Articles of Association as to voting should not apply). 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 Associates 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. The ordinary share percentage held by TA Associates L.P. reduced below 15 per cent. during the year (10.61 per cent. as at 20 February 2014) and Richard I. Morris, Jr. (one of the two Directors nominated by TA Associates L.P.) stepped down as a Director on 19 July 2013. 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.

The Relationship Agreement contained certain other provisions which are now time-expired.

Directors and Directors' interests

The Directors who have served throughout the year are as follows:

Jamie Dundas	Liz Airey
Edward Bonham Carter	Jon Little
	Richard I. Morris, Jr. (until 19 July 2013)
John Chatfeild-Roberts	Matteo Dante Perruccio
Philip Johnson	Lorraine Trainer
Maarten Slendebroek	Michael Wilson

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

Employees

The Group gives full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the Group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever possible.

Dividends

The Directors have recommended a final dividend of 9.1p per ordinary share (2012: 6.3p per ordinary share). Payment of this dividend is subject to approval by shareholders at the Annual General Meeting and, if approved, will be paid on 27 May 2014 to shareholders on the register at the close of business on 11 April 2014.

Authority to allot shares

An ordinary resolution was passed at the Annual General Meeting in 2013 authorising the Directors to allot new ordinary shares up to an aggregate nominal amount of £6,102,664. 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 20 February 2014, 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 2015 or, if earlier, on 30 June 2015.

Subject to the terms of the authority noted above, a special 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 2015 or, if earlier, until 30 June 2015. This authority will be limited to the allotment of equity securities, up to an aggregate nominal amount of £457,699, being 5 per cent. of the Company's issued share capital as at 20 February 2014. 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 2013, shareholders approved a resolution authorising the Company to make purchases of its own shares up to a maximum of 45,769,991 ordinary shares. As at 20 February 2014, the Directors have not used this authority. A special resolution will be proposed at the Annual General Meeting to renew the Company's limited authority to purchase its own 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 as at 20 February 2014) and will set out the minimum and maximum prices which may be paid for any such purchase by the Company. If approved, this authority will expire at the conclusion of the Annual General Meeting in 2015 or, if earlier, on 30 June 2015.

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.

Going concern

The Strategic report discusses the Group's business activities, together with the factors likely to affect its future development, performance and position. In addition, it sets out the Group's financial position, cash flows, liquidity position and borrowing facilities. The financial risk management note 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.

Directors' indemnities

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

Political donations

The Group made no political donations or contributions during the year (2012: £nil).

Annual General Meeting

The Annual General Meeting will take place on 21 May 2014. 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.jupiteronline.com.

By order of the Board

Adrian Creedy
Company Secretary

26 February 2014

Statement of Directors' responsibilities

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

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 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 requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and 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.

The Directors consider that the Annual Report & Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

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

In accordance with Section 418 of the Companies Act 2006, the Directors' report includes a statement, in the case of each Director in office at the date the Directors' report is approved, that:

- (a) so far as the Director is aware, there is no relevant audit information (as defined in section 418 (3)) of which the Company's auditors are unaware; and
- (b) he/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

Philip Johnson
Chief Financial Officer

26 February 2014

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Section 1: Results for the year

Consolidated income statement for the year ended 31 December 2013

	Notes	2013 £m	2012 £m
Revenue	1.1	388.8	346.4
Fee and commission expenses	1.1	(100.3)	(101.9)
Net revenue	1.1, 1.2	288.5	244.5
Administrative expenses	1.3	(142.1)	(128.4)
Operating earnings	1.6	146.4	116.1
Other gains/(losses)	1.7	9.5	(0.9)
Amortisation of intangible assets	3.2	(39.7)	(39.7)
Operating profit before exceptional items		116.2	75.5
Exceptional income	1.8	–	5.0
Operating profit		116.2	80.5
Finance income	1.9	1.0	0.5
Finance costs	1.10	(3.1)	(7.4)
Profit before taxation		114.1	73.6
Income tax expense	1.11	(25.5)	(17.4)
Profit for the year		88.6	56.2
Earnings per share			
Basic	1.12	21.1p	14.9p
Diluted	1.12	20.0p	14.2p

Consolidated statement of comprehensive income for the year ended 31 December 2013

	Notes	2013 £m	2012 £m
Profit for the year		88.6	56.2
Items that may be reclassified subsequently to profit or loss			
Exchange movements on translation of subsidiary undertakings		–	(0.3)
Net change in fair value of available for sale investments	3.4	–	(5.5)
Net change in fair value of available for sale investments reclassified to profit or loss	3.4	(6.6)	0.7
Other comprehensive expense for the year net of tax		(6.6)	(5.1)
Total comprehensive income for the year net of tax		82.0	51.1

Introduction

The Group's financial statements have been split into sections to assist with their navigation and align with the Financial Review. Accounting policies are contained within relevant notes and are boxed, with the basis of preparation and general policies collected in Section 5.

1.1. Net revenue

The Group's primary source of revenue is management fees. Management fees are based on an agreed percentage of the assets under management. Initial charges and commissions include fees based on a set percentage of certain flows into our funds, commission earned on private client dealing charges and profits earned on dealing within the unit trust manager's box, known as box profits. Performance fees are earned from some funds when agreed performance conditions are met. Net revenue is stated after fee and commission expenses to intermediaries for ongoing services under distribution agreements.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the provision of investment management services. Revenue is shown net of any value added tax, rebates and discounts. Our primary revenue components are accounted for as follows:

- management fees are recognised in the period in which the service is performed and calculated as a percentage of net fund assets managed in accordance with individual management agreements;
- initial charges and commissions on sales of unit trusts are deferred and amortised over the anticipated period of the provision of investment management services. Box profits are calculated as the difference between the cost of purchasing redeemed units at cancellation prices and reselling them at creation prices. Such box profits are recognised when the related transaction occurs; and
- performance fees, 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 reporting period of the fund.

Fee and commission expenses

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

	2013 £m	2012 £m
Management fees	360.7	320.4
Initial charges and commissions	22.4	21.5
Performance fees	5.7	4.5
Fee and commission expenses	(100.3)	(101.9)
Total net revenue	288.5	244.5

1.2. Segmental reporting

The Group offers a range of products and services through different distribution channels. All financial, business and strategic decisions are made centrally by the Board of Directors (the "Board"), which determines the key performance indicators of the Group. Information is reported to the chief operating decision maker, the Board, on a single segment basis. While the Group has the ability to analyse its underlying information in different ways, for example by product type, this information is only used to allocate resources and assess performance for the Group as a whole. On this basis, the Group considers itself to be a single-segment investment management business.

Management monitors operating earnings, a non-GAAP measure, for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

	2013 £m	2012 £m
Net revenue by location of clients		
UK	261.1	225.0
Continental Europe	21.7	14.7
Rest of the world	5.7	4.8
Total net revenue by location	288.5	244.5

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 (2012: none).

Non-current assets for the Group (excluding financial instruments and deferred tax assets) are all domiciled in the UK (2012: all in the UK).

Section 1: Results for the year

Notes to the Group financial statements – Income statement continued

1.3. Administrative expenses

The largest administrative expense is staff costs. The other administrative expenses category includes certain significant costs such as administration fees, marketing and IT costs.

Operating leases

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

Administrative expenses consists of the following items:

	2013 £m	2012 £m
Staff costs (Note 1.4)	98.2	86.9
Depreciation of property, plant and equipment (Note 3.3)	0.9	0.8
Auditors' remuneration (see below)	0.9	0.7
Operating lease rentals for land and buildings	1.1	2.0
Other administrative expenses	41.0	38.0
Total administrative expenses	142.1	128.4
Auditors' remuneration	2013 £m	2012 £m
Fees payable to the Company's auditors and their associates for the audit of the parent company and consolidated financial statements	0.1	0.1
Fees payable to the Company's auditors and their associates for other services to the Group:		
Audit of the Company's subsidiaries pursuant to legislation	0.3	0.3
Audit-related assurance services	0.2	0.1
Total audit and audit-related fees of the Group	0.6	0.5
Tax advisory services	0.1	0.1
Other non-audit services	0.2	0.1
Total non-audit fees	0.3	0.2
Total auditors' remuneration	0.9	0.7

1.4. Staff costs

Staff costs include wages and salaries, share-based payments, pension costs and redundancy costs, along with associated social security costs, and are recognised on an accruals basis as services are provided to the Group.

Pension costs

The Group contributes to a number of defined contribution pension schemes for the benefit of its employees. Contributions in respect of the UK employees (at the rate of 15 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.

Contributions made by the Group are charged to the consolidated income statement as they become payable in accordance with the rules of the schemes.

	2013 £m	2012 £m
Wages and salaries	66.8	58.6
Share-based payments (Note 1.5)	13.8	13.7
Social security costs	13.3	10.6
Pension costs	4.0	3.7
Redundancy costs	0.3	0.3
	98.2	86.9

Fund units

As described in Note 1.5(ii), deferred bonuses can be deferred into either options over the Company's shares or a cash equivalent to units in the Group's funds. The expense included within the income statement in relation to fund units for the year ended 31 December 2013 was £2.0m (2012: £nil).

Where bonuses are deferred into fund units, the fair value of the award is spread over the vesting period and included within staff costs. The liability is revalued at each balance sheet date to the expected settlement amount and is therefore based on the current market value of the underlying fund unit. Any increase or decrease in value is recognised in the income statement within staff costs. The liability is included in the balance sheet as part of accrued expenses within trade and other payables (see Note 3.9).

The Group hedges its exposure to price fluctuations in the underlying fund units, by purchasing the fund units at the date of grant. These are included within Financial assets at FVTPL on the balance sheet. Any change in the fair value of the units is recognised in the income statement within other gains/(losses).

Average number of employees

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

	2013	2012
Fund management	72	69
Distribution and marketing	90	83
Infrastructure and operations	293	280
	455	432

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

1.5. Share-based payments

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

The 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 which includes estimating the number of eligible employees leaving the Group and the number of employees satisfying the relevant performance conditions. These estimates are reviewed regularly and the charge to the income statement is adjusted appropriately. As a minimum, this is adjusted at the end of the relevant scheme. Shares and options vest on the occurrence of a specified event under the rules of the relevant plan.

The fair value of shares and options granted during the year to be charged over the vesting period was £13.1m (2012: £15.8m).

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

	2013 £m	2012 £m
Interests in options under pre-Listing Share Plan	2.2	5.3
Deferred Bonus Plan	4.8	4.6
Long-term Incentive Plan	6.3	3.5
Sharesave Plan	0.3	0.3
Share Incentive Plan	0.2	—
Total (Note 1.4)	13.8	13.7

Section 1: Results for the year

Notes to the Group financial statements – Income statement continued

1.5. Share-based payments continued

The fair value of the services received 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:

	2013			2012		
	DBP 2012	LTIP 2013	SAYE 2013	DBP 2011	LTIP 2012	SAYE 2012
Weighted average share price (£)	3.28	3.34	3.64	2.47	2.43	2.52
Exercise price (£)	–	0.02	2.91	–	0.02	1.97
Weighted average expected volatility (%)	32.3	32.4	32.3	35.0	34.4	33.3
Weighted average option life (years)	3.1	4.2	3.6	3.1	4.3	3.4
Weighted average dividend yield (%)	2.7	2.7	2.7	3.2	3.2	3.1
Weighted average risk-free interest rate (%)	0.3	0.8	1.1	0.6	0.8	0.4

Expected volatility for options granted in 2013 and 2012 has been calculated using the historical volatility of the Group.

The numbers above in relation to the LTIP 2013 and 2012 include the Joiner Plans as both schemes have a similar structure.

(i) Interests in options under pre-Listing Share Plan

These options were granted to certain employees prior to Listing in June 2010 and 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 interests in options under pre-Listing Share Plan were granted at the nominal price of £0.02, which gives them the characteristics of nil cost options, and therefore, the fair value of these awards is based on the market price at the date of the award.

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

	2013		2012	
	Number	WAEP £	Number	WAEP £
Options outstanding				
At 1 January	14,798,616	0.02	15,460,528	0.02
Exercised	(4,514,629)	0.02	(594,578)	0.02
Forfeited	(604,483)	0.02	(67,334)	0.02
At 31 December	9,679,504	0.02	14,798,616	0.02
Exercisable at 31 December	1,377,168	0.02	2,015,705	0.02

The weighted average share price at the date of exercise of these options was £3.29 (2012: £2.18) per ordinary share.

No options were granted under this plan in 2013 or 2012. For the options granted in 2010, the weighted average fair value of options granted was £1.48.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2013 is 0.6 years (31 December 2012: 1.2 years).

(ii) Deferred Bonus Plan ("DBP")

All employees of the Group who are eligible for a bonus over a certain level, as determined by the Remuneration Committee, are required to participate in the DBP. The DBP provides for compulsory deferral of a proportion of bonus. Deferrals can be made into either options over the Company's shares or a cash amount equivalent to the value of units in the Group's funds (see Note 1.4 for information on the treatment of fund units). The awards in respect of DBP are granted after the year end to which they relate. The first year of this award was related to 2010 performance, with the first options granted in April 2011. The awards made in 2012 and 2013 in relation to 2011 and 2012 performance were granted in the form of nil cost options over the Company's shares, at a price calculated as the market price immediately prior to the date of the award. Awards will also be made in 2014 in relation to 2013 performance, thus a charge for these awards has been taken to the income statement in 2013.

	2013		2012	
	Number	WAEP £	Number	WAEP £
Options outstanding				
At 1 January	5,678,943	—	2,479,034	—
Granted	1,319,487	—	3,240,824	—
Exercised	—	—	(40,915)	—
Forfeited	(87,054)	—	—	—
At 31 December	6,911,376	—	5,678,943	—
Exercisable at 31 December	—	—	—	—

There were no options exercised under this plan in 2013. The weighted average share price at the date of exercise of these options in 2012 was £2.18 per ordinary share.

The weighted average fair value of options granted under this plan during the year was £2.83 (2012: £2.11).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2013 was 1.2 years (31 December 2012: 1.9 years).

(iii) Long-term Incentive Plan ("LTIP")

All employees are eligible to participate in the LTIP. Awards are made at the discretion of the Remuneration Committee and may be granted in the form of options (either at market value, nominal value or nil-cost), restricted shares or conditional share awards over the Company's shares. The LTIP awards granted in 2013 and 2012 took the form of nominal cost options over the Company's shares.

	2013		2012	
	Number	WAEP £	Number	WAEP £
Options outstanding				
At 1 January	7,871,879	0.02	3,372,695	0.02
Granted	3,281,062	0.02	4,499,184	0.02
Forfeited	(798,323)	0.02	—	—
At 31 December	10,354,618	0.02	7,871,879	0.02
Exercisable at 31 December	—	—	—	—

The weighted average fair value of options granted under this plan during the year was £2.74 (2012: £2.10).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2013 was 1.8 years (31 December 2012: 2.5 years).

Section 1: Results for the year

Notes to the Group financial statements – Income statement continued

1.5. Share-based payments continued

(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.

	2013		2012	
	Number	WAEP £	Number	WAEP £
Options outstanding				
At 1 January	1,429,776	1.78	1,390,653	1.86
Granted	301,023	2.91	135,050	1.97
Exercised	(264,996)	1.93	(2,720)	1.93
Forfeited/converted to 2012/2011 scheme	(90,406)	1.81	(93,207)	1.82
At 31 December	1,375,397	2.00	1,429,776	1.78
Exercisable at 31 December	27,978	1.93	–	–

The weighted average share price at the date of exercise of these options was £3.88 (2012: £2.76) per ordinary share.

The weighted average fair value of the options granted under this scheme during the year was £1.01 (2012: £0.68).

The range of exercise prices of options granted under this scheme is between £1.69 and £2.91.

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2013 was 1.8 years (31 December 2012: 2.1 years).

(v) Share Incentive Plan (SIP)

All eligible UK employees may participate in the Group's Share Incentive Plan, which was introduced in 2013. Under the terms of this plan, employees may contribute up to £1,500 in any tax year from pre-tax salary to be used to acquire shares in the Company at the market price on the relevant date. Matching shares are then awarded by the Company on a one matching share for each share purchased basis. The matching shares are subject to forfeiture where the employee leaves employment with the Group within three years of their award.

The number of matching shares purchased under this scheme during the year was 62,476 (2012: nil).

1.6. 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 items. 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.

1.7. Other gains/(losses)

Other gains/(losses) total a £9.5m gain (2012: £0.9m loss), of which £6.7m was due to the gain on the sale of the holding in Cofunds.

See Note 3.4 for further details.

1.8. Exceptional income

Exceptional items consist of those significant income and expenses 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.

During 2010, a charge of £5.2m was recognised in relation to the contribution made to the Financial Services Compensation Scheme ("FSCS") second interim levy for 2010/11. In 2012, £5.0m of this levy was refunded and recognised as exceptional income.

There were no items arising in 2013 which the Group considers to be exceptional.

	2013 £m	2012 £m
FSCS levy refund	–	5.0
	–	5.0

1.9. Finance income

The Group earns income as a result of holding cash in bank deposits.

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

	2013 £m	2012 £m
Interest on bank deposits	0.5	0.4
Other interest income	0.3	—
Fair value movement on interest rate swaps	0.2	—
Dividend income	—	0.1
	1.0	0.5

1.10. Finance costs

The majority of the finance costs relate to interest on the bank loan.

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. Other finance costs include ancillary charges for commitment fees and non-utilisation fees that are charged as incurred.

	2013 £m	2012 £m
Interest payable on bank borrowings	1.8	5.6
Amortisation of debt issue costs (Note 3.8)	0.7	0.9
Debt issue cost expense	0.3	—
Interest payable on interest rate swaps	0.2	0.4
Fair value movement on interest rate swaps	—	0.3
Other finance costs	0.1	0.2
	3.1	7.4

During the year, the remaining £78.0m (2012: £65.0m) of senior debt under the previous facility was repaid (Note 3.8). This resulted in an acceleration of £0.4m (2012: £0.5m) in the amortisation of the debt issue costs.

Interest rate swaps

During the year, the Group terminated two interest rate swaps, both with a notional value of £35.0m with interest settling quarterly. One was for a period of three years which was due to mature in November 2013, paying a fixed interest rate of 1.33 per cent. and the other was for a period of four years, due to mature in November 2014, paying a fixed interest rate of 1.6175 per cent.

The Group held both swaps as at 31 December 2012.

Section 1: Results for the year

Notes to the Group financial statements – Income statement continued

1.11. Income tax expense

The Group's headquarters are based in the UK. It pays taxes according to the rates applicable in the countries in which it operates. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current taxation), but there is also a charge relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Deferred tax is charged to equity when the deferred tax benefit exceeds the cumulative income statement expense on share plans.

The Group provides for current tax according to the tax laws of each jurisdiction in which it operates, using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns 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.

	2013 £m	2012 £m
Current taxation – UK corporation tax		
Tax on profits for the year	34.5	30.1
Adjustment in respect of prior years	(0.8)	(0.1)
	33.7	30.0
Deferred taxation		
Origination and reversal of temporary differences	(8.9)	(12.5)
Impact of changes in corporation tax rate	0.7	(0.1)
Total deferred tax (Note 3.5)	(8.2)	(12.6)
	25.5	17.4

Total tax expense

With effect from 1 April 2013, the UK corporation tax rate changed from 24 per cent. to 23 per cent. The weighted average UK corporation tax rate for the year ended 31 December 2013 was therefore 23.25 per cent. (2012: 24.5 per cent.). The tax charge in the year is lower (2012: lower) than the standard rate of corporation tax in the UK and the differences are explained below:

Factors affecting tax expense for the year	2013 £m	2012 £m
Profit before taxation	114.1	73.6
Taxation at the standard corporation tax rate (2013: 23.25 per cent.; 2012: 24.5 per cent.)	26.5	18.0
Non-taxable income	(1.2)	(1.3)
Disallowable expenses	0.1	1.0
Other permanent differences	0.2	(0.1)
Adjustment to current tax charge in respect of prior years	(0.8)	(0.1)
Impact of tax rate change on deferred tax balances	0.7	(0.1)
Total tax expense	25.5	17.4

A number of other changes to the UK corporation tax system were announced in 2013 and have been substantively enacted. These include a reduction in the main rate of corporation tax to 21 per cent. from 6 April 2014 and to 20 per cent. from 6 April 2015. These changes have been reflected in the calculations at the balance sheet date.

1.12. 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. Own shares are shares held in an Employee Benefit Trust ("EBT") for the benefit of employees under the vesting, lock-in and other incentive arrangements in place.

Diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year for the purpose of basic EPS, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

For the purposes of calculating EPS, the share capital of the parent is calculated as the weighted average number of ordinary shares in issue over the years reported. The weighted average number of ordinary shares during the year used for the purposes of calculating EPS is as follows:

	2013 Number m	2012 Number m
Weighted average number of shares		
Issued share capital	457.7	457.7
Less own shares held	(38.6)	(80.0)
Weighted average number of ordinary shares for the purpose of basic EPS	419.1	377.7
Add back weighted average number of dilutive shares	22.9	18.1
Weighted average number of ordinary shares for the purpose of diluted EPS	442.0	395.8
	2013 p	2012 p
Earnings per share		
Basic	21.1	14.9
Diluted	20.0	14.2

Section 2: Consolidated statement of cash flows

Consolidated statement of cash flows for the year ended 31 December 2013

	Notes	2013 £m	2012 £m
Cash flows from operating activities			
Cash generated from operations	2.1	155.4	141.2
Income tax paid		(33.3)	(30.6)
Net cash inflows from operating activities		122.1	110.6
Cash flows from investing activities			
Purchase of property, plant and equipment	3.3	(0.5)	(0.8)
Purchase of intangible assets	3.2	(2.5)	(0.7)
Purchase of financial assets at FVTPL		(2.8)	(26.6)
Proceeds from disposal of financial assets at FVTPL		6.8	19.8
Proceeds from disposal of available for sale investments		16.6	–
Finance income received		0.7	0.5
Net cash inflows/(outflows) from investing activities		18.3	(7.8)
Cash flows from financing activities			
Dividends paid	4.3	(42.8)	(33.9)
Purchase of shares by EBT		(3.8)	–
Finance costs paid		(3.3)	(7.3)
Proceeds from bank loan	3.8	40.0	–
Repayment of bank loan	3.8	(107.0)	(65.0)
Net cash outflows from financing activities		(116.9)	(106.2)
Net increase/(decrease) in cash and cash equivalents		23.5	(3.4)
Cash and cash equivalents at beginning of year		147.0	150.4
Cash and cash equivalents at end of year	3.7	170.5	147.0

2.1. Cash flows from operating activities

	2013 £m	2012 £m
Operating profit	116.2	80.5
Adjustments for:		
Amortisation of intangible assets	39.7	39.7
Depreciation of property, plant and equipment	0.9	0.8
Other non-cash gains	(9.0)	(4.8)
Share-based payments	13.8	13.7
Cash inflows on exercise of share options	0.5	-
Increase in trade and other receivables	(0.8)	(8.7)
(Decrease)/increase in trade and other payables	(5.9)	20.0
Cash generated from operations	155.4	141.2

Section 3: Assets and liabilities

Consolidated balance sheet at 31 December 2013

	Notes	2013 £m	2012 £m
Non-current assets			
Goodwill	3.1	341.2	341.2
Intangible assets	3.2	27.3	64.5
Property, plant and equipment	3.3	1.2	1.6
Available for sale investments	3.4	2.6	19.1
Deferred tax assets	3.5	18.4	15.3
Trade and other receivables	3.6	9.0	13.9
		399.7	455.6
Current assets			
Investments in associates	3.4	19.3	19.2
Financial assets at fair value through profit or loss	3.4	41.3	34.2
Trade and other receivables	3.6	96.5	90.6
Cash and cash equivalents	3.7	170.5	147.0
		327.6	291.0
Total assets		727.3	746.6
Equity attributable to owners of the parent			
Share capital	4.1	9.2	9.2
Own share reserve	4.2	(0.4)	(1.3)
Other reserve	4.2	8.0	8.0
Available for sale reserve	4.2	—	6.6
Foreign currency translation reserve	4.2	7.1	7.1
Retained earnings	4.2	489.8	429.4
Total equity		513.7	459.0
Non-current liabilities			
Loans and borrowings	3.8	11.0	77.3
Trade and other payables	3.9	16.8	22.3
Deferred tax liabilities	3.5	5.6	14.5
		33.4	114.1
Current liabilities			
Financial liabilities at fair value through profit or loss	3.4	10.2	3.1
Trade and other payables	3.9	154.9	154.8
Current income tax liability		15.1	15.6
		180.2	173.5
Total liabilities		213.6	287.6
Total equity and liabilities		727.3	746.6

The financial statements on pages 74 to 106 were approved by the Board of Directors and authorised for issue on 26 February 2014. They were signed on its behalf by

Philip Johnson
Chief Financial Officer

3.1. Goodwill

Goodwill arising on acquisitions, being the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is capitalised in the consolidated balance sheet. Goodwill is carried at cost less provision for impairment. The carrying value of goodwill is not amortised but is tested annually for impairment or more frequently if any indicators of impairment arise. Goodwill is allocated to cash generating units ("CGUs") for the purpose of impairment testing, with the allocation to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. Impairment losses on goodwill are not reversed.

On 19 June 2007, the Group acquired the entire share capital of Knightsbridge Asset Management Limited, giving rise to a goodwill asset being recognised.

	2013 £m	2012 £m
Goodwill	341.2	341.2
	341.2	341.2

No additional goodwill was recognised in the year (2012: £nil).

The Group has determined that it has a single CGU for the purpose of assessing the carrying value of goodwill. In performing the impairment test, management prepares a calculation of the recoverable amount of the goodwill and compares this to the carrying value.

The recoverable amount for the acquired share capital was based on a fair value less costs to sell calculation using the Company's year-end share price. No impairment was implied. No impairment losses have been recognised in the current or preceding years.

3.2. Intangible assets

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

Following initial recognition, intangible assets are held at cost less any accumulated amortisation and any provision for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Intangible assets acquired separately are measured on initial recognition at cost.

The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. In relation to the investment management contracts and the trade name, the useful lives are assessed as being finite and they are, 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 are reviewed at least at each financial year end. The useful economic lives of the trade name and individual management contracts acquired are currently assessed as a maximum of ten years and seven years, respectively. The remaining amortisation periods of the investment management contracts and trade names are 0.5 years and 3.5 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 five years. Costs associated with developing or maintaining computer software programs that do not meet the capitalisation criteria under IAS 38 are recognised as an expense as incurred.

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

An assessment is made at each reporting date as to whether there is any indication that an asset in use may be impaired. If any such indication exists and the carrying values exceed the estimated recoverable amount at that time, 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. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The Directors have reviewed the intangible assets as at 31 December 2013 and have concluded there are no indicators of impairment.

Section 3: Assets and liabilities

Notes to the Group financial statements – Assets and liabilities continued

3.2. Intangible assets continued

	2013				2012			
	Investment management contracts £m	Trade name £m	Computer software £m	Total £m	Investment management contracts £m	Trade name £m	Computer software £m	Total £m
Cost								
At 1 January	258.0	18.7	7.5	284.2	258.0	18.7	6.9	283.6
Additions	–	–	2.5	2.5	–	–	0.7	0.7
Disposals	–	–	–	–	–	–	(0.1)	(0.1)
At 31 December	258.0	18.7	10.0	286.7	258.0	18.7	7.5	284.2
Accumulated amortisation								
At 1 January	203.9	10.4	5.4	219.7	167.1	8.5	4.5	180.1
Charge for the year	36.8	1.9	1.0	39.7	36.8	1.9	1.0	39.7
Disposals	–	–	–	–	–	–	(0.1)	(0.1)
At 31 December	240.7	12.3	6.4	259.4	203.9	10.4	5.4	219.7
Net book value								
At 31 December	17.3	6.4	3.6	27.3	54.1	8.3	2.1	64.5

3.3. Property, plant and equipment

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

Leasehold improvements Shorter of 10 years and the remaining period of the lease

Office furniture and equipment 3-5 years

The assets' useful economic lives and residual values are reviewed at each financial period end and adjusted if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use 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.

	2013			2012		
	Leasehold improvements £m	Office furniture & equipment £m	Total £m	Leasehold improvements £m	Office furniture & equipment £m	Total £m
Cost						
At 1 January	0.5	4.5	5.0	0.6	3.9	4.5
Additions	–	0.5	0.5	–	0.8	0.8
Disposals	–	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)
At 31 December	0.5	4.9	5.4	0.5	4.5	5.0
Accumulated depreciation						
At 1 January	0.4	3.0	3.4	0.3	2.6	2.9
Charge for the year	0.1	0.8	0.9	0.2	0.6	0.8
Disposals	–	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)
At 31 December	0.5	3.7	4.2	0.4	3.0	3.4
Net book value						
At 31 December	–	1.2	1.2	0.1	1.5	1.6

3.4. Financial instruments held at fair value

Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of an instrument, 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.

Financial assets

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

Financial assets at fair value through profit or loss

Financial assets at FVTPL include investments in closed ended funds, open ended investment companies and unit trusts which are designated as at FVTPL, as they are managed and evaluated on a fair value basis, in accordance with the documented strategy. A financial asset is classified in this category if it has been acquired principally for the purpose of selling in the short term. Financial assets at FVTPL are carried at fair value, with gains and losses recognised in the income statement within other gains/(losses) in the period in which they arise. Assets in this category are classified as current assets. Where the Group holds more than 50 per cent. of the share capital, the investment is consolidated. Where the Group holds 20-50 per cent. of the share capital, the investment is classified as an investment in associate. Further information is included in the Basis of consolidation in Note 5.1.

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.

Financial liabilities

The Group's financial liabilities include loans and borrowings, trade and other payables, derivative financial instruments and the minority interests in funds that have been consolidated as subsidiaries.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL are carried at fair value, with gains and losses recognised in the income statement within other gains/(losses) in the period in which they arise. Financial liabilities at FVTPL relate to minority interests which are designated as at FVTPL, further information is provided in Note 5.1. In prior year, this category also included the interest rate swaps.

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

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

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

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

As at 31 December 2013, the Group held the following financial instruments measured at fair value:

2013	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Available for sale investments	—	—	2.6	2.6
Investments in associates	19.3	—	—	19.3
Financial assets at FVTPL	41.3	—	—	41.3
Financial liabilities at FVTPL	(10.2)	—	—	(10.2)
	50.4	—	2.6	53.0

Section 3: Assets and liabilities

Notes to the Group financial statements – Assets and liabilities continued

3.4. Financial instruments held at fair value continued

As at 31 December 2012, the Group held the following financial instruments measured at fair value:

2012	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Available for sale investments	–	–	19.1	19.1
Investments in associates	19.2	–	–	19.2
Financial assets at FVTPL	34.2	–	–	34.2
Financial liabilities at FVTPL	(2.2)	(0.9)	–	(3.1)
	51.2	(0.9)	19.1	69.4

Level 1 financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

Investments in associates and financial assets at FVTPL

These relate to seed capital investments in funds and investments made through subsidiary undertakings. Details of the subsidiary and associate seed capital investments are given below:

Name	Country of incorporation	Principal activities	Percentage of ordinary shares held	
			2013	2012
Jupiter Strategic Reserve Fund	England & Wales	Unit trust	64	89
Jupiter Global Fund SICAV: North American Equities	Luxembourg	SICAV sub-fund	41	6
Jupiter Global Emerging Markets Fund	England & Wales	Unit trust	33	28
Jupiter Global Fund SICAV: Asia Pacific	Luxembourg	SICAV sub-fund	32	45
Jupiter Merlin Conservative Portfolio	England & Wales	Unit trust	12	39

Level 2 financial instruments

At 31 December 2012, the Level 2 financial instruments related to interest rate swaps. The Group used the swaps to manage the interest rate exposure on its floating-rate loan. The fair value of the swaps were determined by discounting future cash flows at the prevailing market rates at the balance sheet date. The swaps were terminated during 2013. Further information on the swaps is included in Note 1.10.

The swaps were not designated as hedging instruments as defined in IAS 39, and consequently all changes in the fair value were taken to the income statement within finance income or finance costs.

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.

In addition to the interest rate swaps disclosed above, the Group enters into total return swap arrangements to hedge certain of its seed capital investments. Gains and losses are recognised in the consolidated income statement within other gains/(losses) in accordance with the fair value movements in the swap over the period of the contract and settled monthly in accordance with the terms 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.

At 31 December 2013, the notional value of the swaps was £22.6m (2012: £26.5m). The settlement amount at 31 December 2013 was £0.4m due from the counterparty and is included within trade and other receivables (2012: £0.9m due to the counterparty and included within trade and other payables).

Level 3 financial instruments

Level 3 financial instruments held at fair value relate to available for sale investments. Fair value is based on internally calculated valuations of the entity, which takes into account inputs such as expected future cash flows or the net assets of the investment. Liquidity discounts are included where considered relevant.

The Level 3 financial instrument held at 31 December 2013 relates to an investment in iO Adria Limited ("Adria"). At 31 December 2013, an impairment review was performed and no impairment was recognised.

3.4. Financial instruments held at fair value continued

At 31 December 2012, there was also an investment in Cofunds Holdings Limited ("Cofunds"). The carrying value of the investment at 31 December 2012 was £16.5m. In May 2013, the Group sold its investment for £16.6m, a £0.1m increase on the 31 December 2012 carrying value. This was recognised in the income statement along with £6.6m previously recognised in the available for sale reserve, which was recycled to the income statement on disposal. This resulted in a total realised gain in the income statement of £6.7m – see Note 1.7. The table below reconciles the carrying values of Level 3 financial instruments at the beginning and end of the year:

	2013			2012		
	Adria £m	Cofunds £m	Total £m	Adria £m	Cofunds £m	Total £m
At 1 January	2.6	16.5	19.1	2.7	21.9	24.6
Disposals	–	(16.6)	(16.6)	–	–	–
(Losses)/gains recognised in other comprehensive income	–	(6.6)	(6.6)	0.6	(5.4)	(4.8)
Gains/(losses) recognised in consolidated income statement	–	6.7	6.7	(0.7)	–	(0.7)
At 31 December	2.6	–	2.6	2.6	16.5	19.1

3.5. Deferred tax

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

	Intangible assets £m	Deferred income/ expense £m	Share- based payments £m	Other £m	Total £m	Less than one year £m	More than one year £m
Assets	–	2.7	11.4	1.2	15.3	3.8	11.5
Liabilities	(14.3)	–	–	(0.2)	(14.5)	(9.0)	(5.5)
At 31 December 2012	(14.3)	2.7	11.4	1.0	0.8	(5.2)	6.0
Assets	–	1.8	15.3	1.3	18.4	10.1	8.3
Liabilities	(5.0)	–	–	(0.6)	(5.6)	(4.7)	(0.9)
At 31 December 2013	(5.0)	1.8	15.3	0.7	12.8	5.4	7.4

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

	Intangible assets £m	Deferred income/ expense £m	Share-based payments £m	Other £m	Total £m
At 1 January 2012	(25.4)	3.7	5.9	1.3	(14.5)
Credited/(charged) to the income statement	11.1	(1.0)	2.8	(0.3)	12.6
Credited to equity	–	–	2.7	–	2.7
At 31 December 2012	(14.3)	2.7	11.4	1.0	0.8
Credited/(charged) to the income statement	9.3	(0.9)	0.1	(0.3)	8.2
Credited to equity	–	–	3.8	–	3.8
At 31 December 2013	(5.0)	1.8	15.3	0.7	12.8

The other deferred tax balances at 31 December 2013 include short-term timing differences and temporary differences between depreciation and capital allowances. At 31 December 2012, this balance also included the deferred tax on the fair value of the interest rate swaps.

Information on changes in the tax rate is included in Note 1.11.

Section 3: Assets and liabilities

Notes to the Group financial statements – Assets and liabilities continued

3.6. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When a trade receivable is uncollectible, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

Trade and other receivables, including loans to employees, are included in current assets except where they have maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Accrued income relates to accrued interest and accrued management, performance and registration fees. It is based on the latest available information and therefore involves a degree of estimation.

	2013 £m	2012 £m
Current		
Trade receivables	68.2	65.8
Prepayments and accrued income	22.7	18.3
Deferred acquisition and commission costs	5.6	6.5
	96.5	90.6
Non-current		
Deferred acquisition and commission costs	9.0	13.9
	9.0	13.9

At 31 December 2013, there was no cash collateral (2012: £1.2m) pledged against a decrease in the fair value of the Group's interest rate swaps. Collateral was pledged when the fair value of the swaps fell below certain predefined levels. It was returned to the Group when the swaps were terminated (see Note 1.10 for further details). The amount of collateral pledged was included within trade receivables for 2012.

Trade receivables are non-interest bearing and are generally collected within four working days. An analysis of the ageing profile of trade receivables is disclosed in Note 5.3.

3.7. Cash and cash equivalents

	2013 £m	2012 £m
Cash at bank and in hand	88.7	35.2
Short-term deposits	77.5	108.5
Cash held by EBT and seed capital subsidiaries	4.3	3.3
	170.5	147.0

Cash and cash equivalents have an original maturity of three months or less.

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.

Cash held by seed capital subsidiaries of £2.4m (2012: £2.5m) was not available for use by the Group.

3.8. Loans and borrowings

Borrowings are recognised initially at fair value, net of directly attributable 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.

	2013 £m	2012 £m
Bank loan	11.0	78.0
Unamortised debt issue costs	–	(0.7)
	11.0	77.3

At 31 December 2012, the Group had a syndicated loan which was repayable on or before 19 June 2015. The loan was issued to a subsidiary company, Jupiter Asset Management Group Limited, and was secured by a charge over their assets. In July 2013, the outstanding loan balance of £42m was repaid. At the same time, a new three year revolving credit facility of £50m was entered into by Jupiter Fund Management plc, of which £40m was immediately drawn.

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

	2013 £m	2012 £m
At 1 January	77.3	141.4
Voluntary prepayments made in the year	(107.0)	(65.0)
Proceeds from new loan	40.0	–
Amortisation of debt issue costs (Note 1.10)	0.7	0.9
At 31 December	11.0	77.3

Interest on the new facility is payable at a rate per annum of LIBOR plus a margin of 1.00 per cent. Interest was payable on the old facility at a rate per annum of LIBOR plus a margin of 3.75 per cent. A non-utilisation fee is payable on the new facility at a rate of 0.35 per cent. per annum on the undrawn balance. A utilisation fee is also payable at a rate of 0.5 per cent. per annum when more than 66 per cent. of the facility is drawn, and 0.25 per cent. per annum when 33 per cent. to 66 per cent. of the facility is drawn. No utilisation fee is payable when less than 33 per cent. of the facility is drawn. The Group had two interest rate swaps in place to hedge its floating rate exposure and they were both closed out during the year. Details of these are given in Note 1.10.

Section 3: Assets and liabilities

Notes to the Group financial statements – Assets and liabilities continued

3.9. 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. Certain share awards made to employees include conditions which, prior to vesting, may require the Group to repurchase the shares at nominal value. Accordingly, these amounts are shown within trade and other payables.

Accruals are based on the latest information and, therefore, involve a degree of estimation. The most significant accruals at the year end relate to bonuses. The Group recognises a provision for bonuses based on a formula that takes into consideration the operating profitability of the Group. At the end of each financial year, the Group recognises a liability for bonuses accrued but not yet paid in respect of service attributable to that year. This provision is recognised within accrued expenses.

Deferred income relates to initial charges being spread over the expected life of the contract on a straight line basis.

Current	2013 £m	2012 £m
Trade payables	83.0	92.8
Accrued expenses	46.0	37.7
Deferred income	8.7	10.7
Social security and other taxes	15.7	11.5
Amounts due to employees in respect of share and option awards	0.2	1.1
Other payables	1.3	1.0
	154.9	154.8

Amounts 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 2013, 3.5m (2012: 42.5m) shares and 8.3m (2012: 12.8m) options were subject to these restrictions.

Non-current	2013 £m	2012 £m
Deferred income	14.8	21.5
Accrued expenses	2.0	–
Other payables	–	0.8
	16.8	22.3

Accrued expenses of £2.0m included within non-current trade and other payables relate to deferred bonus awards whose settlement amount will be based on the value of units in the Group's funds. See Note 1.4.

Section 4: Equity

Consolidated statement of changes in equity for the year ended 31 December 2013

	Share capital £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 2012	9.2	(2.1)	8.0	11.4	7.4	390.7	424.6
Profit for the year	—	—	—	—	—	56.2	56.2
Exchange movements on translation of subsidiary undertakings	—	—	—	—	(0.3)	—	(0.3)
Net change in fair value of available for sale investments	—	—	—	(5.5)	—	—	(5.5)
Net change in fair value of available for sale investments reclassified to profit or loss	—	—	—	0.7	—	—	0.7
Other comprehensive expense	—	—	—	(4.8)	(0.3)	—	(5.1)
Total comprehensive (expense)/income	—	—	—	(4.8)	(0.3)	56.2	51.1
Vesting of ordinary shares and options	—	0.8	—	—	—	—	0.8
Dividends paid	—	—	—	—	—	(33.9)	(33.9)
Share-based payments	—	—	—	—	—	13.7	13.7
Deferred tax	—	—	—	—	—	2.7	2.7
Total transactions with owners	—	0.8	—	—	—	(17.5)	(16.7)
At 31 December 2012	9.2	(1.3)	8.0	6.6	7.1	429.4	459.0
Profit for the year	—	—	—	—	—	88.6	88.6
Net change in fair value of available for sale investments reclassified to profit or loss	—	—	—	(6.6)	—	—	(6.6)
Other comprehensive expense	—	—	—	(6.6)	—	—	(6.6)
Total comprehensive (expense)/income	—	—	—	(6.6)	—	88.6	82.0
Vesting of ordinary shares and options	—	0.9	—	—	—	0.5	1.4
Dividends paid	—	—	—	—	—	(42.8)	(42.8)
Purchase of shares by EBT	—	—	—	—	—	(4.4)	(4.4)
Share-based payments	—	—	—	—	—	13.8	13.8
Current tax	—	—	—	—	—	0.9	0.9
Deferred tax	—	—	—	—	—	3.8	3.8
Total transactions with owners	—	0.9	—	—	—	(28.2)	(27.3)
At 31 December 2013	9.2	(0.4)	8.0	—	7.1	489.8	513.7
Notes	4.1	4.2	4.2	4.2	4.2	4.2	

Section 4: Equity

Notes to the Group financial statements – Equity

4.1. Share capital

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

	2013 £m	2012 £m
Issued, allotted, called-up and fully paid		
457.7m ordinary shares of 2p each	9.2	9.2
	9.2	9.2

4.2. Reserves

(i) Own share reserve

The Group operates an EBT for the purpose of satisfying certain retention awards to employees. The holdings of this trust include certain shares that have not vested unconditionally to 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. From June 2013, the Group started funding the EBT with cash to purchase own shares. These shares will be used to settle future obligations that have arisen from various share awards.

At 31 December 2013, 3.5m (2012: 42.5m) 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 two years. The shares are held within the Group's EBT and, together with a further 17.4m (2012: 20.9m) shares held for the purpose of satisfying share option obligations to employees, are treated as own shares with a cost of £0.4m (2012: £1.3m).

(ii) Other reserve

The other reserve of £8.0m (2012: £8.0m) relates to the conversion of Tier 2 preference shares in 2010.

(iii) Available for sale reserve

The available for sale reserve is £nil (2012: £6.6m). It relates to the uplift in the fair value of the Group's holdings in investments classified as available for sale.

(iv) Foreign currency translation reserve

The foreign currency translation reserve of £7.1m (2012: £7.1m) is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(v) Retained earnings

Retained earnings of £489.8m (2012: £429.4m) are the amount of earnings that are retained within the Company after dividend payments and other transactions with owners.

4.3. Dividends

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

	2013 £m	2012 £m
Final dividend 2012 (6.3p per ordinary share) (2011: 5.3p per share)	27.5	24.3
Interim dividend 2013 (3.5p per ordinary share) (2012: 2.5p per share)	15.3	11.4
	42.8	35.7

In April 2013, the EBT waived its right to receive future dividends on shares held in the trust. There were no dividends paid on shares held in the EBT in 2013 (2012: £1.8m). Net dividends paid in 2012 were therefore £33.9m.

A final dividend for 2013 of 9.1p per share (2012: 6.3p) amounting to £41.7m (before adjusting for any dividends waived on shares in the EBT) will be proposed at the Annual General Meeting on 21 May 2014 and will be accounted for in 2014.

Section 5: Other notes

Notes to the Group financial statements – Other

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

Basis of accounting

The consolidated financial statements for the year ended 31 December 2013 includes the consolidated financial information of the Company and its subsidiaries. The accounting policies set out those policies that have been applied consistently in preparing the financial statements, with no new policies adopted for the year ended 31 December 2013, except as disclosed later in this note within the section titled "New standards and interpretations adopted for 2013". The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed later in this note within the section titled "Critical accounting estimates, judgements and assumptions".

Basis of consolidation

(i) Subsidiaries

Subsidiaries are 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. A list of principal subsidiaries can be seen in Note 6.3.

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.

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, Financial Instruments: Presentation, 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.

(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.

Section 5: Other notes

Notes to the Group financial statements – Other continued

5.1. Basis of preparation and other accounting policies continued

Foreign currency

(i) Functional and presentational currency

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

(ii) Transactions and balances

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

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in the consolidated income statement as part of other gains/(losses). Translation differences on non-financial assets, such as investments classified as available for sale, are included in other comprehensive income unless the change in the fair value taken to equity has been recycled to the income statement, in which case the foreign exchange gain or loss is also recycled to the income statement.

(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.

5.1. Basis of preparation and other accounting policies continued

New standards and interpretations adopted for 2013

The following new and revised standards and interpretations have been adopted in the current year.	
Annual improvements 2011	These improvements address changes to: <ul style="list-style-type: none"> • IFRS 1 First Time Adoption • IAS 1 Financial Statement Presentation • IAS 16 Property Plant and Equipment • IAS 32 Financial Instruments; Presentation • IAS 34 Interim Financial Reporting
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.
IAS 1 (revised) Presentation of Items of Other Comprehensive Income	Revises 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.
The main change resulting from IAS 1 (revised) Presentation of Items of Other Comprehensive Income is a requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. The adoption of IFRS 13 requires the Group to disclose further information relating to assets and liabilities held at fair value. The adoption of the remaining new and revised standards and interpretations have not had a significant impact on amounts reported in the financial statements.	

New standards and interpretations not applied

The International Accounting Standards Board and IFRS Interpretations Committee have issued a number of new accounting standards, amendments to existing standards and interpretations. The following new standards are not applicable to these financial statements, but are expected to have an impact when they become effective. The Group plans to apply these standards in the reporting period in which they become effective.		
Not yet endorsed	Summary	Effective for periods beginning on or after
IFRS 9 Financial Instruments: Classification and Measurement	Proposes revised measurement and classification criteria for financial assets.	Unconfirmed
IAS 36 Impairment of Assets	Clarification of the disclosure requirement for Recoverable Amount Disclosures for Non-Financial Assets.	1 January 2014
IFRIC 21 Levies	Guidance in when to recognise a liability for a levy imposed by a government.	1 January 2014
Endorsed and available for early adoption		
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 2014
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 2014
IAS 28 Investments in Associates and Joint Ventures	Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2014
Amendment to IAS 32 Financial Instruments	These amendments clarify some of the requirements for offsetting financial assets and liabilities on the balance sheet.	1 January 2014
The adoption of the accounting standards endorsed but not yet applied are not expected to have a significant impact the financial statements of the Group, except the following:		
IFRS 10 Consolidated Financial Statements defines the principle of control and establishes control as the basis for consolidation. As such, the Group may be required to consolidate more funds that are managed by the Group.		
IFRS 12 Disclosures of Interests in Other Entities will require increased disclosure for all forms of interests in other entities, including associates. It is not expected to impact the results of the Group.		

Section 5: Other notes

Notes to the Group financial statements – Other continued

5.1. Basis of preparation and other accounting policies continued

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 in the following notes.

1.5	Share-based payments
3.1	Impairment of goodwill
3.2	Impairment of acquired intangibles
3.6	Accrued income
3.9	Accrued expenses

5.2. Financial commitments

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

	2013 £m	2012 £m
Not later than one year	1.4	1.5
Later than one year and not later than five years	1.6	0.1
	3.0	1.6

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

5.3. Financial risk management

Financial instruments by category

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

2013	Available for sale £m	Financial assets designated at FVTPL £m	Loans and receivables £m	Financial liabilities designated at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non- financial instruments £m	Total £m
Goodwill	—	—	—	—	—	—	341.2	341.2
Intangible assets	—	—	—	—	—	—	27.3	27.3
Property, plant and equipment	—	—	—	—	—	—	1.2	1.2
Available for sale investments	2.6	—	—	—	—	2.6	—	2.6
Deferred tax assets	—	—	—	—	—	—	18.4	18.4
Non-current trade and other receivables*	—	—	—	—	—	—	9.0	9.0
Investments in associates	—	19.3	—	—	—	19.3	—	19.3
Financial assets at FVTPL	—	41.3	—	—	—	41.3	—	41.3
Current trade and other receivables*	—	—	86.8	—	—	86.8	9.7	96.5
Cash and cash equivalents	—	—	170.5	—	—	170.5	—	170.5
Loans and borrowings	—	—	—	—	(11.0)	(11.0)	—	(11.0)
Non-current trade and other payables*	—	—	—	—	(2.0)	(2.0)	(14.8)	(16.8)
Deferred tax liabilities	—	—	—	—	—	—	(5.6)	(5.6)
Current trade and other payables*	—	—	—	—	(130.5)	(130.5)	(24.4)	(154.9)
Current income tax liability	—	—	—	—	—	—	(15.1)	(15.1)
Financial liabilities at FVTPL	—	—	—	(10.2)	—	(10.2)	—	(10.2)
Total	2.6	60.6	257.3	(10.2)	(143.5)	166.8	346.9	513.7

5.3. Financial risk management continued

	Available for sale £m	Financial assets designated at FVTPL £m	Loans and receivables £m	Financial liabilities designated at FVTPL £m	Other financial liabilities £m	Total financial instruments £m	Non- financial instruments £m	Total £m
2012								
Goodwill	—	—	—	—	—	—	341.2	341.2
Intangible assets	—	—	—	—	—	—	64.5	64.5
Property, plant and equipment	—	—	—	—	—	—	1.6	1.6
Available for sale investments	19.1	—	—	—	—	19.1	—	19.1
Deferred tax assets	—	—	—	—	—	—	15.3	15.3
Non-current trade and other receivables*	—	—	—	—	—	—	13.9	13.9
Investments in associates	—	19.2	—	—	—	19.2	—	19.2
Financial assets at FVTPL	—	34.2	—	—	—	34.2	—	34.2
Current trade and other receivables*	—	—	80.8	—	—	80.8	9.8	90.6
Cash and cash equivalents	—	—	147.0	—	—	147.0	—	147.0
Loans and borrowings	—	—	—	—	(78.0)	(78.0)	0.7	(77.3)
Non-current trade and other payables*	—	—	—	—	(0.8)	(0.8)	(21.5)	(22.3)
Deferred tax liabilities	—	—	—	—	—	—	(14.5)	(14.5)
Current trade and other payables*	—	—	—	—	(132.6)	(132.6)	(22.2)	(154.8)
Current income tax liability	—	—	—	—	—	—	(15.6)	(15.6)
Financial liabilities at FVTPL	—	—	—	(3.1)	—	(3.1)	—	(3.1)
Total	19.1	53.4	227.8	(3.1)	(211.4)	85.8	373.2	459.0

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

For financial instruments held at 31 December 2013 and 2012, 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:

	2013					2012				
	Available for sale £m	Financial assets designated at FVTPL £m	Financial liabilities designated at FVTPL £m	Other income and expense £m	Total £m	Financial assets designated at FVTPL £m	Financial liabilities designated at FVTPL £m	Other income and expense £m	Total £m	
Revenue	—	—	—	388.8	388.8	—	—	346.4	346.4	
Fee and commission expenses	—	—	—	(100.3)	(100.3)	—	—	(101.9)	(101.9)	
Administrative expenses	—	—	—	(142.1)	(142.1)	—	—	(128.4)	(128.4)	
Other gains/(losses)	6.7	2.5	—	0.3	9.5	(0.2)	—	—	(0.9)	
Amortisation of intangible assets	—	—	—	(39.7)	(39.7)	—	—	(39.7)	(39.7)	
Exceptional income	—	—	—	—	—	—	—	5.0	5.0	
Finance income	—	—	0.2	0.8	1.0	—	—	0.5	0.5	
Finance costs	—	—	—	(3.1)	(3.1)	—	(0.3)	(7.1)	(7.4)	
Income tax expense	—	—	—	(25.5)	(25.5)	—	—	(17.4)	(17.4)	
	6.7	2.5	0.2	79.2	88.6	(0.2)	(0.3)	57.4	56.2	

During the year, £6.6m was recycled from equity to the income statement on disposal of an available for sale investment (see Note 3.4). In 2012, a loss of £4.8m was recognised directly in equity reflecting a loss on available for sale investments.

Section 5: Other notes

Notes to the Group financial statements – Other continued

5.3. 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 Executive Officer has ultimate responsibility for the governance of the risk management of the firm, but delegates the risk and control framework to the Chief Financial Officer ("CFO"). The CFO is responsible for the monitoring and reporting of risk and controls, and through the Risk Committee manages the ongoing development of the Group's risk and control framework. Jupiter embeds risk management within the business, with independent oversight and challenge being provided by the risk function.

Price risk

Price risk is the risk that a decline in the value of assets will adversely impact the profitability of the Group. Management has identified price risk as the exposure 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 2013, the exposure to unlisted equity securities at fair value was £2.6m (2012: £19.1m) and the exposure to listed securities at fair value was £52.9m (2012: £53.8m).

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 2013, the Group had a total return swap arrangement over certain holdings in seed fund investments.

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 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:

Market value movement	2013		2012	
	+10%	-10%	+10%	-10%
Income statement	3.0	(3.3)	2.7	(2.7)
Equity	0.3	–	1.9	(1.9)

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.

5.3. Financial risk management continued

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in interest rates relates primarily to the Group's cash balances and long-term debt obligations (Note 1.10). The Group manages interest rate risk via its finance function monitoring the interest rate cash flow risks and returns. Historically, the Group has managed the interest rate risk on its borrowings via the use of interest rate swaps. At 31 December 2012, after taking into account the effect of interest rate swaps, approximately 90 per cent. of the Group's borrowings were at a fixed rate of interest. During 2013, these swaps were terminated, as the Board no longer considered it necessary to hedge the exposure of such a reduced loan balance. The Group puts cash on deposit at fixed rates of interest for periods of up to three months.

Interest rate sensitivity analysis

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

Impact on the income statement of change in interest rates	2013 £m	2012 £m
+50 bps	0.8	0.7
-50 bps	(0.5)	(0.5)

The sensitivity analysis for 2012 takes into account 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 on its trade receivables and from its financing activities, including deposits with banks and financial institutions.

Trade 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 trade receivables and cash and cash equivalents (Notes 3.6 and 3.7).

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

	2013 £m	2012 £m
Trade receivables (Note 3.6)	68.2	65.8
Cash and cash equivalents (Note 3.7)	170.5	147.0
	238.7	212.8

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.

Section 5: Other notes

Notes to the Group financial statements – Other continued

5.3. Financial risk management continued

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

	2013 £m	2012 £m
Neither past due nor impaired	67.0	64.7
Days past due		
< 30	1.0	0.8
30-60	0.1	0.1
61-90	–	–
> 90	0.1	0.2
	68.2	65.8

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

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

	2013			2012		
	Trade receivables £m	Cash and cash equivalents £m	Total £m	Trade receivables £m	Cash and cash equivalents £m	Total £m
AAA	–	–	–	–	–	–
AA	–	23.8	23.8	–	16.0	16.0
A	–	146.7	146.7	1.2	131.0	132.2
BBB	–	–	–	–	–	–
Not rated	68.2	–	68.2	64.6	–	64.6
Total	68.2	170.5	238.7	65.8	147.0	212.8

The cash and cash equivalents are 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 cancellations of units in unit trusts and sales of units in unit trusts, title to which are not transferred until settlement is received.

Liquidity risk

Liquidity risk is the risk that the Group may be unable to meet its payment obligations as they fall due or 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 three months and the regulated companies, in particular, ensure that sufficient capital is kept to meet regulatory requirements.

5.3. Financial risk management continued

During the year the Group entered into a revolving credit facility ("RCF") of £50m of which £39m was unutilised at 31 December 2013. In 2012, the Group had access to a £10m RCF under a separate arrangement, of which £10m was unutilised at 31 December 2012.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2013 and 31 December 2012 based on contractual undiscounted payments:

Financial liabilities	2013				2012			
	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	0.3	11.6	–	11.9	3.3	82.8	–	86.1
Trade and other payables	130.5	2.0	–	132.5	132.6	0.8	–	133.4
Financial liabilities at FVTPL	10.2	–	–	10.2	3.6	0.4	–	4.0
Total	141.0	13.6	–	154.6	139.5	84.0	–	223.5

Loans and borrowings includes expected cash flows in respect of interest payments.

Capital management

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

	2013 £m	2012 £m
Loans and borrowings	(11.0)	(78.0)
Cash and short-term deposits	170.5	147.0
Net cash	159.5	69.0
Equity	16.8	22.5
Retained earnings and foreign currency translation reserve	496.9	436.5
Total capital	513.7	459.0

Regulatory capital requirements

The Group considers its share capital and reserves to constitute its total capital. The subsidiaries within the Group which are regulated are required to maintain capital resources to comply with the regulatory capital requirements of the FCA and certain overseas financial regulators. All regulated entities within the Group complied with the externally imposed regulatory capital requirements. Headroom over regulatory capital is discussed by the Balance Sheet Management Committee. Further information on the Balance Sheet Management Committee can be found in the "Management Committees" overview within the Governance section.

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

Section 5: Other notes

Notes to the Group financial statements – Other continued

5.4. 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 39 (2012: 38) 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 £2,799.6m (2012: £2,831.2m) for unit trust creations and £2,596.1m (2012: £1,819.4m) 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 £15.2m (2012: £11.5m). The amount received in respect of gross management and registration charges was £349.6m (2012: £301.3m). At the end of the year, there was £9.1m (2012: £8.4m) accrued for annual management fees and £1.5m (2012: £1.3m) in respect of registration fees.

Investment management and performance fees are disclosed in Note 1.1.

Included within the financial instruments note are seed capital investments in funds managed by the Group. At 31 December 2013, the Group had a total net investment in collective investment vehicles of £52.9m (2012: £53.8m) and received distributions of £0.2m (2012: £0.1m). During 2013, it invested £2.8m (2012: £29.1m) in seed capital investments and received £6.8m (2012: £19.8m) on disposal of them.

TA Associates, L.P. is also considered a related party of the Group. There were no transactions with TA Associates, L.P. in the year.

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:

	2013 £m	2012 £m
Short-term employee benefits	5.3	7.8
Share-based payments	2.9	2.3
Post-employment benefits	0.1	0.1
Other long-term benefits	0.3	0.1
	8.6	10.3

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Section 6: Company financial statements

Company balance sheet at 31 December 2013

	Notes	2013 £m	2012 £m
Non-current assets			
Investment in subsidiary undertakings	6.2	137.6	124.2
		137.6	124.2
Current assets			
Trade and other receivables	6.4	184.0	219.7
Cash and cash equivalents	6.5	2.2	4.6
		186.2	224.3
Total assets		323.8	348.5
Equity capital and reserves			
Share capital	4.1	9.2	9.2
Own share reserve	4.2	(0.4)	(1.3)
Other reserve	4.2	8.0	8.0
Retained earnings		294.8	331.2
Total equity		311.6	347.1
Non-current liabilities			
Loans and borrowings	6.7	11.0	–
		11.0	–
Current liabilities			
Trade and other payables	6.8	1.0	1.4
Current income tax liability		0.2	–
		1.2	1.4
Total liabilities		12.2	1.4
Total equity and liabilities		323.8	348.5

The financial statements of Jupiter Fund Management plc (registered number 6150195) on pages 108 to 113 were approved by the Board of Directors and authorised for issue on 26 February 2014. They were signed on its behalf by

Philip Johnson
Chief Financial Officer

Company statement of cash flows for the year ended 31 December 2013

	Notes	2013 £m	2012 £m
Cash flows from operating activities			
Cash generated from operations	6.6	34.7	35.0
Income tax paid		(0.9)	—
Net cash inflows from operating activities		33.8	35.0
Cash flows from financing activities			
Purchase of shares by EBT		(3.8)	—
Proceeds from bank loans	6.7	40.0	—
Repayment of bank loans	6.7	(29.0)	—
Finance costs paid		(0.6)	—
Dividends paid	4.3	(42.8)	(33.9)
Net cash outflows from financing activities		(36.2)	(33.9)
Net (decrease)/increase in cash and cash equivalents		(2.4)	1.1
Cash and cash equivalents at beginning of year		4.6	3.5
Cash and cash equivalents at end of year	6.5	2.2	4.6

Section 6: Company financial statements

Company statement of changes in equity for the year ended 31 December 2013

	Share capital £m	Own share reserve £m	Other reserve £m	Retained earnings £m	Total £m
At 1 January 2012	9.2	(2.1)	8.0	352.6	367.7
Loss for the year	—	—	—	(1.2)	(1.2)
Total comprehensive income	—	—	—	(1.2)	(1.2)
Vesting of ordinary shares and options	—	0.8	—	—	0.8
Dividends paid	—	—	—	(33.9)	(33.9)
Share-based payments	—	—	—	13.7	13.7
Total transactions with owners	—	0.8	—	(20.2)	(19.4)
At 31 December 2012	9.2	(1.3)	8.0	331.2	347.1
Loss for the year	—	—	—	(2.4)	(2.4)
Total comprehensive income	—	—	—	(2.4)	(2.4)
Vesting of ordinary shares and options	—	0.9	—	0.5	1.4
Dividends paid	—	—	—	(42.8)	(42.8)
Share-based payments	—	—	—	13.8	13.8
Purchase of shares by EBT	—	—	—	(4.4)	(4.4)
Current tax	—	—	—	(1.1)	(1.1)
Total transactions with owners	—	0.9	—	(34.0)	(33.1)
At 31 December 2013	9.2	(0.4)	8.0	294.8	311.6
Notes	4.1	4.2	4.2		

6.1. Accounting policies

Basis of preparation

The separate financial statements of the Company have been prepared in accordance with IFRS as adopted by the European Union and IFRIC interpretations ("IFRS" adopted by the EU") and with the provisions of the Companies Act 2006 applicable to companies reporting under IFRS. The principal accounting policies adopted are the same as those set out in Sections 1 - 5 of the Group's financial statements.

The financial statements have been prepared on the historical cost basis. The Company has taken advantage of the exemption in section 408 of the Act not to present its own income statement.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less provision for impairment.

Share-based payments

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

6.2. Investment in subsidiary undertakings

	2013 £m	2012 £m
At 1 January	124.2	110.5
Share-based payments	13.8	13.7
Impairment	(0.4)	—
At 31 December	137.6	124.2

During 2013 and 2012, a number of 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.

6.3. Principal group undertakings

The following information relates to the Company's operating subsidiaries which principally affected the profits or net assets of the Group. At 31 December 2013 and 2012, these were all indirectly held. 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 2013 and 2012.

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

6.4. Trade and other receivables

	2013 £m	2012 £m
Prepayments and accrued income	—	0.1
Amounts owed from subsidiaries	183.4	219.6
Trade receivables	0.6	—
	184.0	219.7

Section 6: Company financial statements

Notes to the Company financial statements continued

6.5. Cash and cash equivalents

	2013 £m	2012 £m
Cash at bank and in hand	0.4	1.3
Cash held by EBT	1.8	3.3
	2.2	4.6

6.6. Cash flows from operating activities

	2013 £m	2012 £m
Operating loss	(1.8)	(1.2)
Adjustments for:		
Decrease in trade and other receivables	35.7	36.3
Decrease in trade and other payables	(0.1)	(0.1)
Cash inflows on exercise of share options	0.5	—
Impairment of investment in subsidiary	0.4	—
Cash generated from operations	34.7	35.0

6.7. Loans and borrowings

	2013 £m	2012 £m
Bank loan	11.0	—
	11.0	—

	2013 £m	2012 £m
At 1 January	—	—
Proceeds from new loan	40.0	—
Voluntary prepayments made in the year	(29.0)	—
At 31 December	11.0	—

In July 2013, the Company entered into a three year revolving credit facility of £50m. Further details of this are given in Note 3.8.

6.8. Trade and other payables

	2013 £m	2012 £m
Accruals	0.1	0.2
Due to employees in respect of share and option awards	0.2	1.1
Amounts due to subsidiary undertakings	—	0.1
Other payables	0.7	—
	1.0	1.4

The amounts due to subsidiary undertakings are unsecured, interest free and are payable on demand.

6.9. 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
2013					
Investment in subsidiary undertaking	—	—	—	137.6	137.6
Current trade and other receivables	184.0	—	184.0	—	184.0
Cash and cash equivalents	2.2	—	2.2	—	2.2
Loans and borrowings	—	(11.0)	(11.0)	—	(11.0)
Current trade and other payables	—	(1.0)	(1.0)	—	(1.0)
Current income tax liability	—	—	—	(0.2)	(0.2)
Total	186.2	(12.0)	174.2	137.4	311.6
	Loans and receivables £m	Other financial liabilities £m	Total financial instruments £m	Non-financial instruments £m	Total £m
2012					
Investment in subsidiary undertaking	—	—	—	124.2	124.2
Current trade and other receivables	219.6	—	219.6	0.1	219.7
Cash and cash equivalents	4.6	—	4.6	—	4.6
Current trade and other payables	—	(1.4)	(1.4)	—	(1.4)
Total	224.2	(1.4)	222.8	124.3	347.1

At 31 December 2013 and 2012 the Company did not hold any financial instruments measured at fair value. The Company's exposure to price, foreign exchange, interest rate, credit and liquidity risk is not considered to be material and, therefore, no further information is provided.

6.10. Related parties

Investment in subsidiary undertakings are disclosed in Note 6.2 and the amounts due to and from subsidiaries in Notes 6.4 and 6.8 respectively. During 2013, Jupiter Fund Management Group Limited repaid the Company £36.2m (2012: £36.2m) 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:

	2013 £m	2012 £m
Short-term employee benefits	1.2	1.6
Share-based payments	0.5	0.2
	1.7	1.8

With the exception of non-executive Directors, key management personnel compensation is paid for by a Group subsidiary and no recharge is made to the Company.

Independent auditors' report to the members of Jupiter Fund Management plc

Report on the financial statements

Our opinion

In our opinion:

- the financial statements, defined below, give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2013 and of the Group's profit and of the Group's and Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Group financial statements and Company financial statements (the "financial statements"), which are prepared by Jupiter Fund Management plc, comprise:

- the Group and Company balance sheets as at 31 December 2013;
- the Consolidated income statement and Consolidated statement of comprehensive income for the year then ended;
- the Consolidated and Company statements of cash flows for the year then ended; the Consolidated and Company statements of changes in equity for the year then ended; and
- the notes to the Group and Company financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and IFRSs as adopted by the European Union and, as regards the Company, as applied in accordance with the provisions of the Companies Act 2006.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and 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 & Accounts (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Overview of our audit approach

Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Group financial statements as a whole to be £5.7 million which approximates to 5% of profit before taxation. We concluded that profit before taxation was the relevant benchmark because it is a key metric for the Group's business.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.3 million as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of our audit

The Group is structured along a single business line being investment management. The Group financial statements are a consolidation of the Company and nineteen subsidiary entities, comprising the Group's operating business and centralised functions.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at each of the subsidiaries by us, as the Group engagement team and also as auditors for each of the subsidiaries, to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. Accordingly, of the Group's nineteen subsidiary entities, we identified three which, in our view, required an audit of their complete financial information.

Two of these entities, Jupiter Asset Management Limited and Jupiter Unit Trust Managers Limited, were identified due to their size being regarded as financially significant to the Group as a whole, and a third unit, Jupiter Investment Management Group Limited, was identified as there are a number of balances within this company, including investments, which are material to the Group financial statements. Specific audit procedures on certain balances and transactions were also performed at the Company, which included confirming outstanding loans and borrowings of the Group as at 31 December 2013. The work performed on the components, together with additional procedures performed at the Group level gave us the evidence we needed for our opinion on the Group financial statements as a whole.

Areas of particular audit focus

In preparing the financial statements, the directors made a number of subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We primarily focused our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

We considered the following areas to be those that required particular focus in the current year. This is not a complete list of all risks or areas of focus identified by our audit. We discussed these areas of focus with the Audit Committee. Their report on those matters that they considered to be significant issues in relation to the financial statements is set out in the Audit Committee report.

Fraud in revenue recognition

ISAs (UK & Ireland) presume that there is a risk of fraud in revenue recognition because of the pressure management may feel under to achieve the planned results due to the focus on revenue by the market.

In addition, the value of bonuses and other long term incentive schemes is linked to revenue measures which could provide additional pressure on management to achieve the planned results.

There may therefore be an incentive for management to manipulate the results.

Overall, we therefore considered that the risk of fraud in revenue recognition was heightened where there was judgement and/or the process for recording revenue was a manual or complex process.

We understood and evaluated controls, including relevant Information Technology systems and controls, in place around the key revenue streams. This included both in-house and outsourced activities. The calculation of mutual fund and SICAV fee income, constituting the majority of Group revenue, is outsourced to a third party provider. To obtain evidence over the key outsourced functions supporting the calculation of revenue, we obtained and assessed independent reports on the design and operational effectiveness of controls at these third parties.

For processes involving manual calculations performed by management, where the ability to manipulate revenue transactions had been identified, we reperformed the calculations and agreed inputs back to source documentation, such as investment management agreements and third party valuation reports.

We performed tests over manual journals posted to revenue to identify unusual or irregular items.

We also understood and tested material one-off items. In doing so, we focused on performance fees, where we determined that fees had been recognised in the appropriate period and had been calculated correctly, and agreed that the fee had crystallised.

Share-based payments expense

We focussed on this area because there is an inherent risk due to the judgemental nature in determining the value of the awards, the interpretation of complex terms in the scheme agreements and the manual nature of the calculations.

The Group has a number of schemes in operation and the expense is material to the financial statements.

We understood and evaluated the controls in place over the share-based payment expense and performed tests of details for each type of share based payment transaction. This included:

- obtaining calculations and performing testing to evaluate whether the calculation was in line with terms of the individual scheme agreements;
- obtaining and reading agreements and other supporting documentation for new and amended awards;
- testing third party valuations of new grants made in the year by agreeing inputs to source documentation and re-calculating the award value using an industry accepted mathematical model;
- assessing the reasonableness of estimates in relation to performance conditions and/or service conditions of existing awards; and
- obtaining details of outstanding awards and testing that the charge was spread in accordance with the appropriate period of the award.

Risk of management override of internal controls

ISAs (UK & Ireland) require that we consider this because management is in a unique position to perpetrate fraud as a result of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We understood and evaluated the controls surrounding journal entries and significant judgemental items.

We tested a sample of manual journal entries recorded in the general ledger and other adjustments made by management in the preparation of the financial statements.

We further considered whether there was evidence of bias by the Directors in the significant accounting estimates and judgments relevant to the financial statements.

For significant transactions identified as being outside of the normal course of business, or that otherwise appeared to be unusual, we evaluated whether the rationale (or the lack thereof) suggested that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

We also built in an element of 'unpredictability' into our detailed testing.

Independent auditors' report to the members of Jupiter Fund Management plc continued

Going Concern

Under the Listing Rules we are required to review the Directors' statement in relation to going concern. We have no exceptions to report arising from our review.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to prepare the Group's and Company's financial statements using the going concern basis of accounting. The going concern basis presumes that the Group and Company have adequate resources to remain in operation, and that the directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the Directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's and Company's ability to continue as a going concern.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the part of the Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the corporate governance statement in the Annual Report with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law have not been made.

We have no exceptions to report arising from this responsibility.

Corporate Governance Statement

Under the Companies Act 2006, we are required to report to you if, in our opinion, a corporate governance statement has not been prepared by the Company. We have no exceptions to report arising from this responsibility.

Under the Listing Rules we are required to review the part of the corporate governance statement relating to the Company's compliance with nine provisions of the UK Corporate Governance Code ('the Code'). We have nothing to report having performed our review.

As required by the Code Provision C.1.1, the Directors state that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provide the information necessary for members to assess the Group's performance, business model and strategy. As required by C.3.8 of the Code, the Audit Committee has set out the significant issues that it considered in relation to the financial statements, and how they were addressed. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- the statement given by the Directors is materially inconsistent with our knowledge of the Group acquired in the course of performing our audit; or
- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under ISAs (UK & Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Company acquired in the course of performing our audit; or
- is otherwise misleading.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the Group and 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 Group and Company financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

26 February 2014



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Historical summary (unaudited)

For the year ended 31 December 2013

	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m
Net revenue	288.5	244.5	248.5	230.5	182.1
Administrative expenses	(142.1)	(128.4)	(123.8)	(115.1)	(92.3)
Operating earnings	146.4	116.1	124.7	115.4	89.8
Other gains/(losses)	9.5	(0.9)	(1.2)	1.7	2.4
Amortisation of intangible assets	(39.7)	(39.7)	(39.9)	(39.8)	(39.8)
Operating profit before exceptional costs	116.2	75.5	83.6	77.3	52.4
Exceptional items	–	5.0	–	(6.8)	–
Operating profit	116.2	80.5	83.6	70.5	52.4
Finance income	1.0	0.5	1.0	0.9	1.2
Finance costs	(3.1)	(7.4)	(14.3)	(29.0)	(46.4)
Profit before taxation	114.1	73.6	70.3	42.4	7.2
Income tax (expense)/credit	(25.5)	(17.4)	(18.9)	(9.9)	1.4
Profit for the year	88.6	56.2	51.4	32.5	8.6
Earnings per share					
Basic (p/share)	21.1	14.9	15.6	10.8	10.6
Diluted (p/share)	20.0	14.2	15.0	7.6	3.2
Assets under management at year end (£bn)	31.7	26.3	22.8	24.1	19.5
Average headcount (number)	455	432	409	444	474
Operating earnings to EBITDA reconciliation					
Operating earnings	146.4	116.1	124.7	115.4	89.8
Add: charge for options over pre-Listing shares	4.2	7.3	9.6	7.8	–
Add: depreciation	0.9	0.8	0.6	1.4	1.4
EBITDA	151.5	124.2	134.9	124.6	91.2
Net cash/(debt) (£m)	159.5	69.0	7.4	(62.7)	(139.6)
Net cash inflows from operating activities (£m)	122.1	110.6	107.1	108.1	17.2
Underlying earnings per share (p)	25.2	19.0	19.1	17.6	11.4

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 Asset Services

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: shareholderenquiries@capita.co.uk

Other shareholder queries should be addressed to the Company Secretary.

Share dealing service

There is a share dealing service offered by the 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	9 April 2014
Record date for final dividend	11 April 2014
Interim Management Statement	11 April 2014
Annual General Meeting	21 May 2014
Final dividend payment date	27 May 2014
Interim results announcement	30 July 2014
Ex-dividend date for interim dividend	6 August 2014
Record date for interim dividend	8 August 2014
Interim dividend payment date	29 August 2014
Interim Management Statement	10 October 2014

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.jupiteronline.com

Share information

The Company's ordinary shares are traded on the London Stock Exchange:

ISIN GB00B53P2009
SEDOL B53P200
TICKER JUP.LN

Glossary of terms

A

Act
Companies Act 2006
(as amended, supplemented or replaced from time to time)

AGM
Annual General Meeting

AUM
Assets under management

B

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

C

CDP
Carbon disclosure project

CGU
Cash generating unit

Code
UK Corporate Governance Code adopted by the Financial Reporting Council in 2012

Company
Jupiter Fund Management plc

CREST
The system for paperless settlement of trades in listed securities, of which Euroclear UK & Ireland Limited is the operator

D

DBP
Deferred Bonus Plan

E

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

FCA
Financial Conduct Authority of the United Kingdom

FCA Remuneration Code
The Code whereby firms regulated by the FCA are required to establish, implement and maintain remuneration policies consistent with effective risk management

FCA Rules
The FCA Handbook of Rules and Guidance made by the FCA under FSMA for firms regulated by the FCA

FRC
Financial Reporting Council

FSCS
Financial Services Compensation Scheme

FSMA
Financial Services and Markets Act 2000, (as amended, supplemented or replaced from time to time)

FVTPL
Fair value through profit or loss

G

GAAP

Generally Accepted Accounting Principles

Group

The Company and all of its subsidiaries

I

IAS

International Accounting Standard(s)

IASB

International Accounting Standards Board

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

J

Jupiter

The Company and all of its subsidiaries

K

KPI

Key performance indicator

L

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

M

MBO

Purchase by management and other parties in 2007 of the 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)

N

Net cash/(net debt)

Net cash/(net debt) is defined as the gross cash less bank debt outstanding and overdrafts

O

Overseas Regulated Entities

Jupiter Asset Management (Asia) Private Limited
Jupiter Asset Management (Hong Kong) Limited
Jupiter Asset Managers (Jersey) Limited

P

PBT

Profit before tax

Platforms

Service providers that enable investors to buy and hold in a single place a range of investments from multiple providers with different tax wrappers

Glossary of terms continued

R

RCF
Revolving credit facility

RDR
The FCA's Retail Distribution Review launched in June 2006

Registrar
Capita Asset Services

S

SAYE
Save As You Earn

SEDOL
Stock Exchange Daily Official List

Segregated mandates
An investment strategy run exclusively for institutional clients

SICAV
Société d'Investissement à Capital Variable; an open-ended collective investment scheme that derives its value by the number of participating investors

SIP
Share Incentive Plan

T

TCF
Treating customers fairly

U

UCITS
Undertaking for Collective Investment in Transferable Securities as defined by EC Council Directive 85/611/EEC, as amended

W

WAEP
Weighted average exercise price

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Registered address:
1 Grosvenor Place, London SW1X 7JJ

www.jupiteronline.com

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