

JUPITER

Annual Report and Accounts 2014



JUPITER FUND MANAGEMENT PLC

 JUPITER

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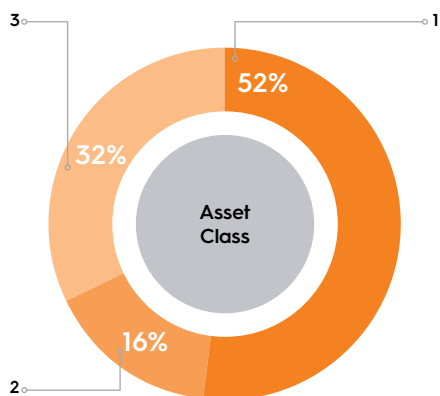


HIGHLIGHTS

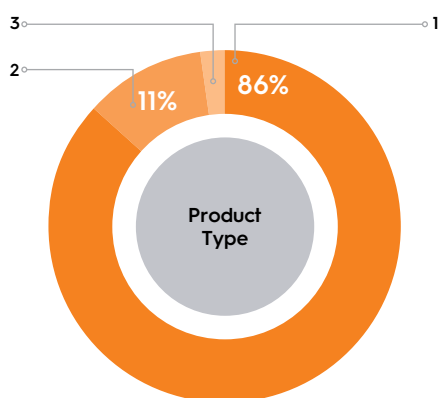
Diversification and growth

We manage £31.9bn of assets for clients.

The charts below show how these split between asset classes and products types:



- 1 52% Equities
- 2 16% Fixed income
- 3 32% Multi asset



- 1 86% Mutual funds
- 2 11% Segregated
- 3 3% Investment trusts

Financial Highlights

| | 2012 | 2013 | 2014 |
|--------------------------------|---------|---------|----------------|
| Assets under management | £26.3bn | £31.7bn | £31.9bn |
| Net inflows | £1.0bn | £1.2bn | £0.9bn |
| EBITDA* | £124.2m | £151.5m | £155.6m |
| EBITDA margin* | 51% | 53% | 51% |
| Profit before tax | £73.6m | £114.1m | £160.0m |
| Underlying earnings per share* | 19.0p | 25.2p | 26.4p |
| Ordinary dividends per share* | 8.8p | 12.6p | 13.2p |
| Total dividends per share* | 8.8p | 12.6p | 24.7p |

*Non-GAAP Measures

How we performed in 2014

- Continued organic flow growth from our core mutual fund franchise, with net mutual fund inflows of £1.4bn
- Maintained EBITDA margins above 50 per cent. while enhancing our infrastructure and organisational capabilities
- Successful completion of the private client contracts sale, with net proceeds after tax* of £22.4m distributed to shareholders
- Underlying earnings per share increased by 5 per cent. to 26.4p
- Total dividends per share doubled to 24.7p, including the declaration of our first special dividend

JUPITER AT A GLANCE

Who we are and how we work

Who we are

Jupiter is an active fund manager, putting performance at the heart of its management of clients' portfolios.

We are a leading player in the UK mutual fund industry, with an increasing presence in European and Asian markets. We also run segregated mandates and investment trusts for clients who wish to access our investment expertise via these product types.

Many of our clients are individuals making their own investment decisions or taking guidance from financial advisers or wealth managers. These clients predominantly invest in our products using intermediated platforms rather than directly with us. We also serve institutional investors, including pension funds.

Jupiter has been listed on the main market of the London Stock Exchange since June 2010 and is a member of the FTSE 250.

How we work

Our people are the key to our success. We believe that talented individuals, free to pursue their own strategies, can make a positive difference for clients.

This means our fund managers actively seek the best investment opportunities through fundamental stockpicking, with the aim of delivering outperformance after fees.

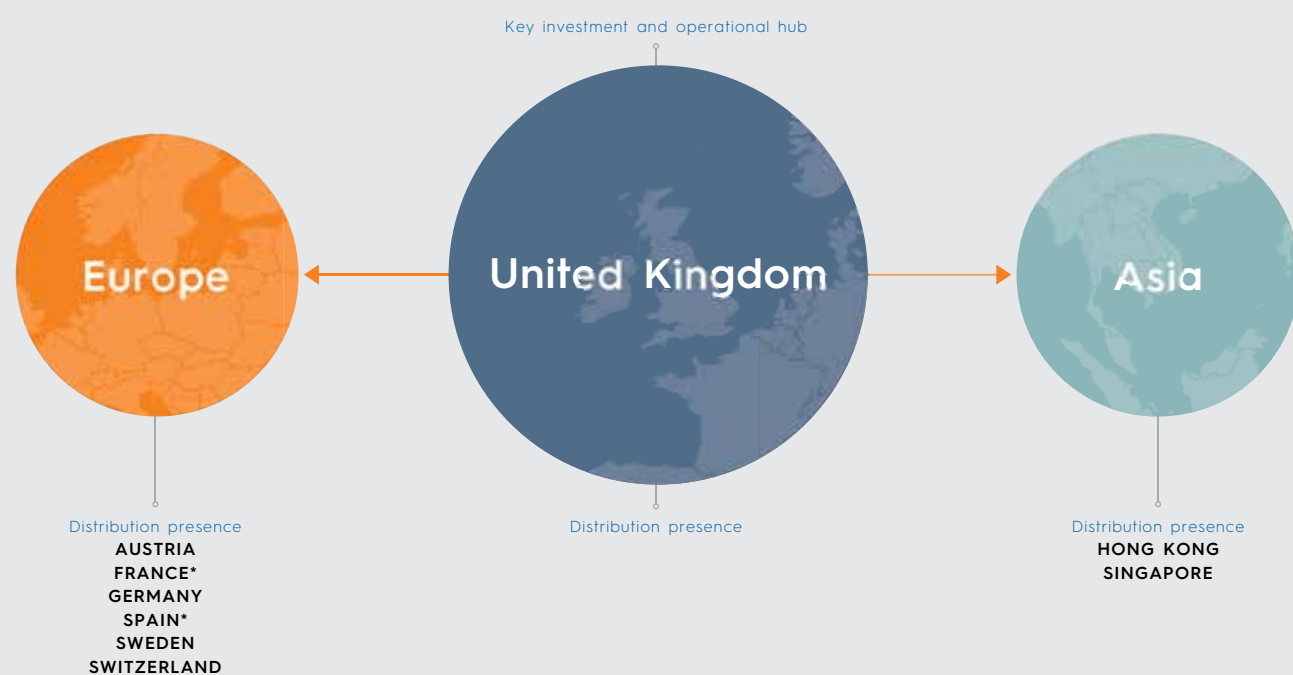
We organise our fund managers into 12 strategy teams, enabling them to share ideas and information. Our culture of personal responsibility ensures fund managers are accountable for their fund's performance.

We distribute this investment expertise across our chosen markets, predominantly via mutual funds. Our leading position in the UK retail market has more recently been complemented by growth overseas as we exploit existing client relationships and the portability of our products.

We operate on a single, scalable infrastructure platform. This allows us to grow our revenues without a corresponding increase in fixed costs, creating comparative outperformance for our shareholders similar to that expected of our fund managers. This platform provides our fund managers with the essential tools to deliver outperformance, whilst managing key risks to support shareholder and client needs.

Where we operate

We are building a network of global relationships under our approach of 'follow your client'. We have a distribution presence in a number of key financial centres in Europe and Asia, with our investment team and infrastructure platform centralised in London.



STRATEGIC REPORT

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CHAIRMAN'S STATEMENT



"It has been another busy and successful year for Jupiter, as we have continued to grow our core mutual fund franchise and doubled dividends to shareholders."

Liz Airey
Chairman

A busy and successful year

2014 was a year of significant change for Jupiter with new leadership and the sale of our private client contracts. It is a tribute to the strength of the business that we once again saw healthy investment performance across our product range and continued organic flow growth. Jupiter is now focused on its core mutual fund franchise, and increasingly well placed for the future with a range of attractive and diversified growth prospects.

Strong cash flow generation and our sustainable balance sheet mean we can invest in this growth alongside now returning the majority of our operating cash flow to shareholders. Following the completion of our deleverage process earlier in 2014, we have doubled total dividends to shareholders to 24.7p (2013: 12.6p) from a combination of underlying earnings growth and our first special dividend. We believe our growth prospects allied with the consequent yield potential make for an attractive model for shareholders.

Leadership changes

Jamie Dundas wrote last year that thoughtful succession planning is integral to long-term success, and this is as true at Board level as within the business. As we had previously announced, Maarten Slendebroek became Chief Executive in March 2014, having joined Jupiter in 2012 as Distribution and Strategy Director. This smooth and positive transition provides strategic continuity and is a natural evolution of our executive team. Edward Bonham Carter, our previous Chief Executive, continues to make an important contribution as Vice Chairman, representing Jupiter in front of a variety of stakeholders and supporting our continuous search for new talent.

We were saddened that ill health forced Jamie Dundas to retire from the Board in September. Jamie provided exceptional leadership during his six years as non-executive Chairman, guiding Jupiter through its IPO and its subsequent success as a listed company. While the succession of Chairman was unplanned, my four years on the Board, as Senior Independent Director and Chairman of the Audit Committee, allowed me to step up when appointed to succeed Jamie. During the year, there have been a number of other non-executive changes to the Board, which are discussed more fully in my introduction to the Governance section later. I am confident that these have built further on our framework of blending effective, independent non-executive oversight with our strong executive team.

Looking forward

Jupiter's strength is built upon the efforts of the many talented people who work here. Our culture and values are at the heart of our success, and we have a remuneration philosophy designed to ensure reward is aligned with our clients and shareholders. We believe these are key strengths for us in a competitive market for talent and a source of real advantage as we move forward.

I would like to thank everyone in Jupiter for their hard work and commitment in 2014 and I look forward to the opportunities ahead in 2015 and beyond.

Liz Airey
Chairman

25 February 2015

CHIEF EXECUTIVE'S STATEMENT



"We have made encouraging progress in diversifying and growing our core mutual fund franchise. Positive investment performance, healthy organic inflows and an efficient operating platform have ensured the continued creation of value for our clients and shareholders."

Maarten Slendebroek
Chief Executive Officer

Focused mutual fund provider with attractive growth prospects

In 2014, we made substantial progress in executing our strategy of growing our core mutual fund franchise. This was achieved through deliberate diversification by product, client type and geography. Following the successful sale of our private client contracts to Rathbones, Jupiter is a more focused mutual fund manager, with a range of attractive growth prospects. By diversifying our capabilities in terms of product, client type and geography, we are building an increasingly resilient business which will offer growth opportunities across a broader range of market conditions.

Our business model is focused on organic growth on a scalable platform. During the year, as a part of our continued commitment to investing in the platform, we completed a multi-year IT virtualisation project, identified and signed terms on a new London office, continued our international build-out by adding Austria, Spain and the Nordic region to our distribution coverage, launched new global brand images and shaped our London organisation to match our growth ambitions. We maintained EBITDA margins above 50 per cent. and delivered five per cent. growth in underlying EPS to 26.4p. We have a high rate of operating profit to cash conversion, and completing our deleverage process has allowed us to demonstrate how all our stakeholders will share in the prospective rewards of Jupiter's success. In 2014, this has resulted in total dividends doubling to 24.7p.

Review of the year

Delivering investment outperformance after fees is central to our strategy. The crucial time period over which we and our clients measure performance is three years. At 31 December 2014, 51 per cent. of mutual fund AUM and 97 per cent. of segregated mandate and investment trust AUM was above median over a three-year period. However, the 51 per cent. headline figure masks very strong performance across our single strategy mutual fund range, where over two-thirds of the relevant AUM was above median. In addition, following a difficult 2013, the Merlin fund of fund range of products showed a return to form in the latter half of 2014.

Jupiter has a strong product range. We continually seek ways to improve our existing investment strategies and to add new opportunities. Our product development is focused on areas we believe have the most attractive long-term growth prospects, and especially those in which our managers have the ability to deliver meaningful outperformance and meet our clients' desired outcomes. To that end, we made a number of significant hires during the year, extending our investment capabilities in both global emerging markets equities and global equities. These investments in talent will enable us to deliver enhanced propositions for institutional and retail investors in both the UK and international markets. We are equally pleased to report that the internal fund management appointments made in 2013 have proved successful, with the relevant funds delivering good performance in 2014.

Over the past three years, we have carefully and deliberately extended our distribution reach across continental Europe and Asia. We have chosen to expand into markets where our existing global clients have a material presence. This strategy has seen us increase the number of staff outside the UK from seven to 20 since the start of 2013. We have reorganised our sales and marketing structure to support this expansion, and introduced local language materials, new brand images and a client service proposition differentiated by client type and size.

This growing distribution network has delivered another healthy year of organic flow growth for Jupiter, with net inflows of £1.4bn across our mutual fund range. This was a very good outcome, given conditions in Jupiter's chosen markets during 2014. International flows were particularly pleasing, lifting SICAV AUM by more than 40 per cent. to £4.3bn as at 31 December 2014. Net new business flows were increasingly diversified in terms of product, with strong contributions from our fast-growing fixed income strategies and the top-performing UK and European equity funds.

Behind the scenes, we also made considerable progress enhancing our operational and support capabilities. This process was helped by the simplification of our business following the sale of the private client contracts. Highlights include the

CHIEF EXECUTIVE'S STATEMENT

continued

transfer of our SICAV administration to JP Morgan, the closure of a number of unprofitable funds, completing the virtualisation of our IT infrastructure, and the introduction of a new communication system. These investments increase Jupiter's operational abilities and future scalability, support our increasingly international business and facilitate the move to our new London office at the end of the current year.

My thanks to our people

Jupiter is a business based on people and, as a part of our high performance culture, we are continually looking to broaden and develop our talent base across our investment, distribution and support functions. In 2014, the sheer volume of the change projects and growth initiatives demanded an enormous effort from my colleagues across Jupiter. In particular, the sale of the private client contracts triggered a period of relentless work outside of the normal business hours both for those who left the firm and for those who stayed at Jupiter. Our people are critical to our success. Their efforts, willingness to change and the results achieved have far exceeded my expectations. I would like to thank all my colleagues for their contribution to the successful execution of our plans in 2014.

Looking forward

Over the past two years, we have restructured and broadened our distribution efforts, strengthened our investment teams, simplified our operating model and diversified our growth prospects. These are significant steps along the road of delivering our strategy. We have achieved healthy profit growth and operating cash flows across this period which, combined with our sustainable balance sheet, have enabled us to nearly treble shareholder dividends since 2012.

We believe that investment performance after fees will never go out of fashion, and that our chosen savings markets offer the prospect of significant long-term growth. As we extend our relationships with key distributors on a global basis and deliver the performance our clients are looking for, we are confident that we can continue to deliver profitable growth at attractive margins. This, together with our sustainable balance sheet structure, should enable us to share the rewards of this growth with our stakeholders.

Maarten Slendebroek

Chief Executive Officer

25 February 2015

OUR AIM AND BUSINESS DRIVERS

Benefiting from powerful long-term trends

Our aim

Jupiter's aim is to create value through long-term outperformance.

We create value for clients by achieving above-market returns through investment outperformance after fees. This helps us to grow our assets under management, by ensuring we keep existing clients and attract new clients. The growth in the assets we manage leads to increased revenues and profits. This in turn allows us to reward our employees and add value for shareholders, through dividends and capital appreciation.

Our business drivers

We help our clients achieve their long-term savings objectives. These objectives differ by client, but there is an ongoing need for individuals in all parts of the world to provide for their own retirement and, particularly in emerging economies, to find a home for growing wealth. These are powerful trends which have grown over recent years.

Populations around the world are both increasing and ageing. In the UK, for example, the population is expected to reach 77m by 2050, up 12m from 2014. Over the same period, the dependency ratio will increase from 55 to 72. Similar trends are apparent in Asia. In China, for example, more than one quarter of the population will be over 65 by 2050, slightly ahead of the UK.

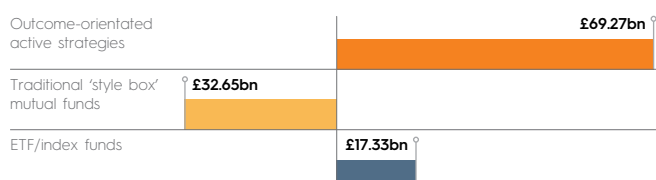
In the past, many individuals have relied on governments or employers to provide their pensions. However, both are increasingly stepping back from pension provision, deterred by escalating costs and the impact on their balance sheets. This is putting the onus on people to save for retirement themselves, increasing the use of defined contribution pension schemes controlled by the individual. Governments still have an important role to play, through regulation and by encouraging people to invest for the long-term through supportive tax regimes.

In addition to ageing populations, emerging economies are seeing rising wealth. The wealth of high net worth individuals in Asia has already overtaken that of Europe and is close to US levels. This is increasing the demand for savings products.

There are also shifts in the types of products people are demanding. At a general level, there is a move from traditional insurance products towards transparent products such as mutual funds. Within the mutual fund category, there have been sizeable outflows from traditional long-only single geography equity and fixed income funds, and significant inflows into high performance outcome-orientated active strategies of the type Jupiter offers, as well as exchange traded and index funds.

The chart below shows these shifts in the UK market using data from 2012 through to the latest 2014 data. Similar trends are apparent in other markets, such as the US.

Industry net flows in UK mutual funds from 2012 to 2014



Our strategic objectives

- 1 Deliver investment outperformance after fees to our clients
- 2 Sell this expertise through products suited to our distribution strengths
- 3 Maintain efficient operations through a scalable platform
- 4 Deliver attractive returns to shareholders

OUR MARKETS

Accessing large and growing pools of funds

UK

Jupiter is one of the UK's leading mutual fund providers. Mutual funds in the UK are mainly distributed through platforms and intermediaries such as wealth managers, stockbrokers and IFAs, with direct sales accounting for a very small proportion of the total. Fund platforms allow investors to buy financial products from numerous providers in one place and now account for 55 per cent. of fund sales, up from 37 per cent. in 2010. Flows into mutual funds tend to be robust across the market cycle, with a consistent demand for equity products.

The UK is also a key location for global financial institutions. The high net worth market in which they operate is resilient and growing long term. We estimate that the pool of investible assets in the UK is in excess of £4 trillion, with a large proportion of these funds channelled through decision-making centres in London.

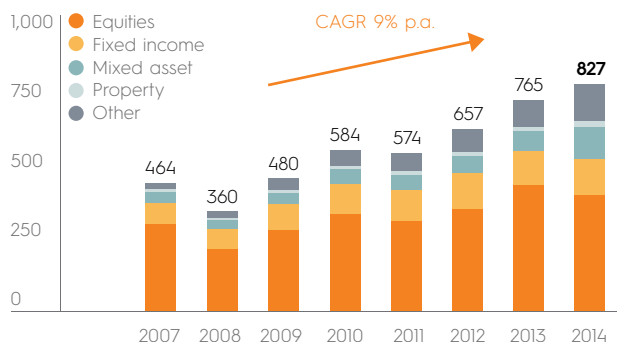
The UK government encourages individuals to invest by providing tax-efficient vehicles in the form of pension funds and ISAs. Individuals can make tax-free contributions to their pension schemes within annual and lifetime limits, which are currently £40,000 and £1.25m respectively. ISAs currently allow individuals to invest £15,000 a year in cash, funds, bonds or shares, with any income or capital gains from these investments being tax free.

At an individual level, these incentives to save tax efficiently and the capital nature of mutual funds combine to make our core mutual funds product an attractive vehicle for savers in the UK.

The UK market had another strong sales year in 2014 with funds under management reaching a record £834bn, an increase of 8 per cent. on 2013. Retail gross sales were £155.4bn, an increase of 15 per cent. on 2013, while retail net sales were the highest since 2010 at £20.8bn, up 1 per cent. on the previous year.

"The UK is a key location for global financial institutions. The high net worth market in which they operate is resilient and growing long term."

UK retail assets under management (£bn)



Source: IMA. Figures exclude money market funds.

International

Continental Europe is a sizeable market for mutual funds, with assets currently totalling £2.4 trillion. Fixed income funds are more popular than in the UK and flows have a greater tendency to follow the market cycle.

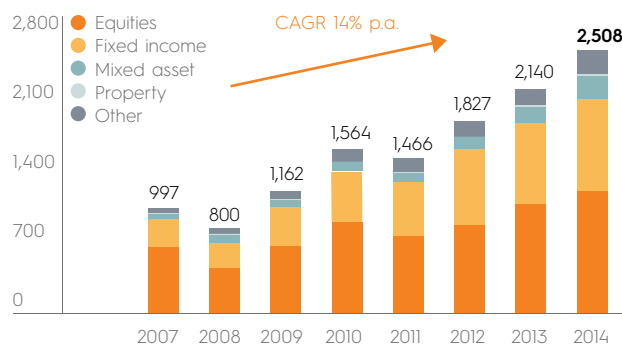
Distribution in continental Europe has not yet fully embraced open architecture, with the main distribution channels being retail and private banks, followed by IFAs and insurance wrappers, platforms and direct selling. In France, Spain and Switzerland, open architecture has developed mainly via funds of funds, while in Italy and Germany, IFAs are taking a larger proportion of sales with guided architecture a growing trend.

Asia is one of the world's fastest growing fund markets, with total mutual fund assets of £1.6 trillion. Distribution varies by market, with Singapore dominated by private banks and Hong Kong more retail-orientated. Global financial institutions have a significant presence in the region, providing opportunities for leveraging relationships developed in other markets.

Although there is demand for all types of product, preferences in Asia vary by country. Asian and emerging market equity funds tend to be popular, as are bond funds. Holding periods tend to be shorter than in the UK and Europe, although these also differ by country. This year the market has seen slower flows into bond funds, with equity funds growing and balanced and multi-asset funds seeing steady demand.

"Fixed income funds are more popular in Europe than in the UK and flows have a greater tendency to follow the market cycle."

International: assets under management (£bn)



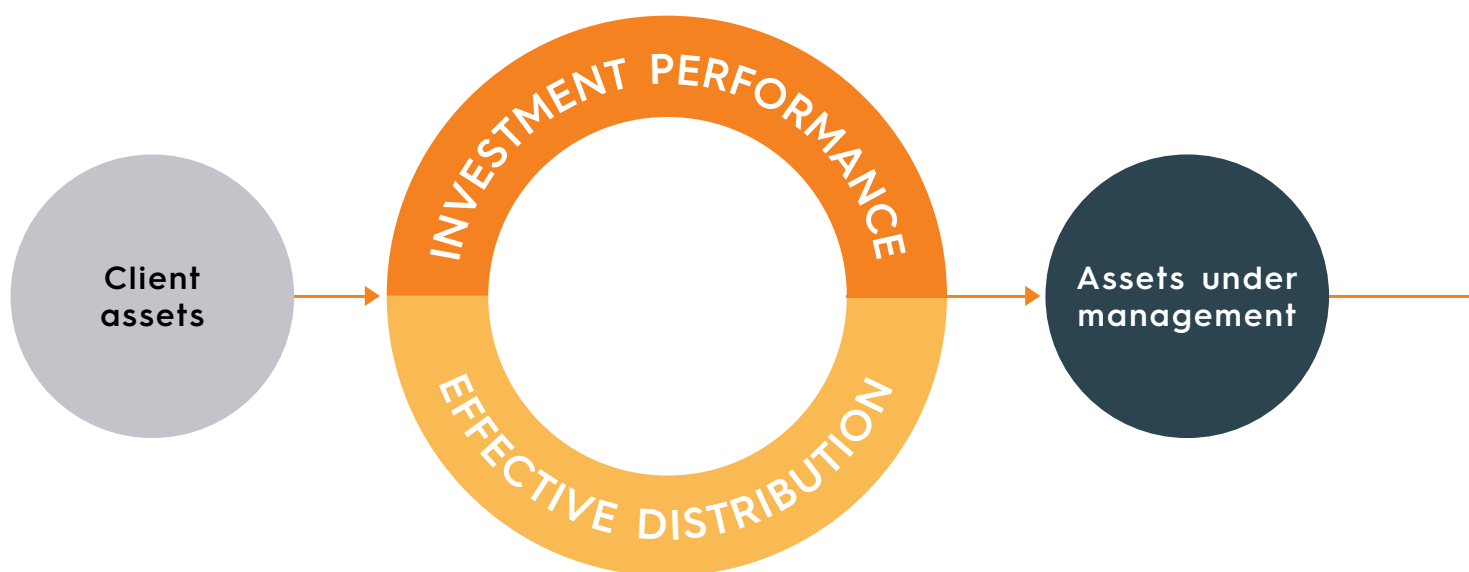
Source: Simfund. Relevant markets.

OUR BUSINESS MODEL

Growing and sharing value

Growing value for clients

Our business model is based on adding value to our clients' assets. By delivering investment outperformance after fees and effectively distributing our products to clients, we grow our assets under management and our revenue. Operating on a scalable and efficient platform allows us to increase value for shareholders ahead of our growth in assets.



Client assets

Jupiter has a clear focus on managing mutual funds, for clients ranging from individuals to pension funds. They entrust us with their assets because we aim to outperform the market, after deducting our fees, thereby maximising the value of those assets. Our performance track record has established us as one of the leading fund groups in the UK retail market.

Investment performance

Delivering investment outperformance is at the heart of our business model, and Jupiter has a distinct investment culture. By organising our fund managers into strategy teams, we enable the sharing of ideas and information, while leaving our fund managers free to follow their convictions and invest where they see the best returns.

Effective distribution

We create products where we can deliver superior returns to clients over the medium to long-term, avoiding those where we have no competitive advantage. The breadth of our product range means clients can choose products for their needs and for prevailing market conditions. We invest in promoting our brand, marketing our products and in our sales and client relationship teams, so we can win new clients and leverage our relationships with existing clients in new markets.

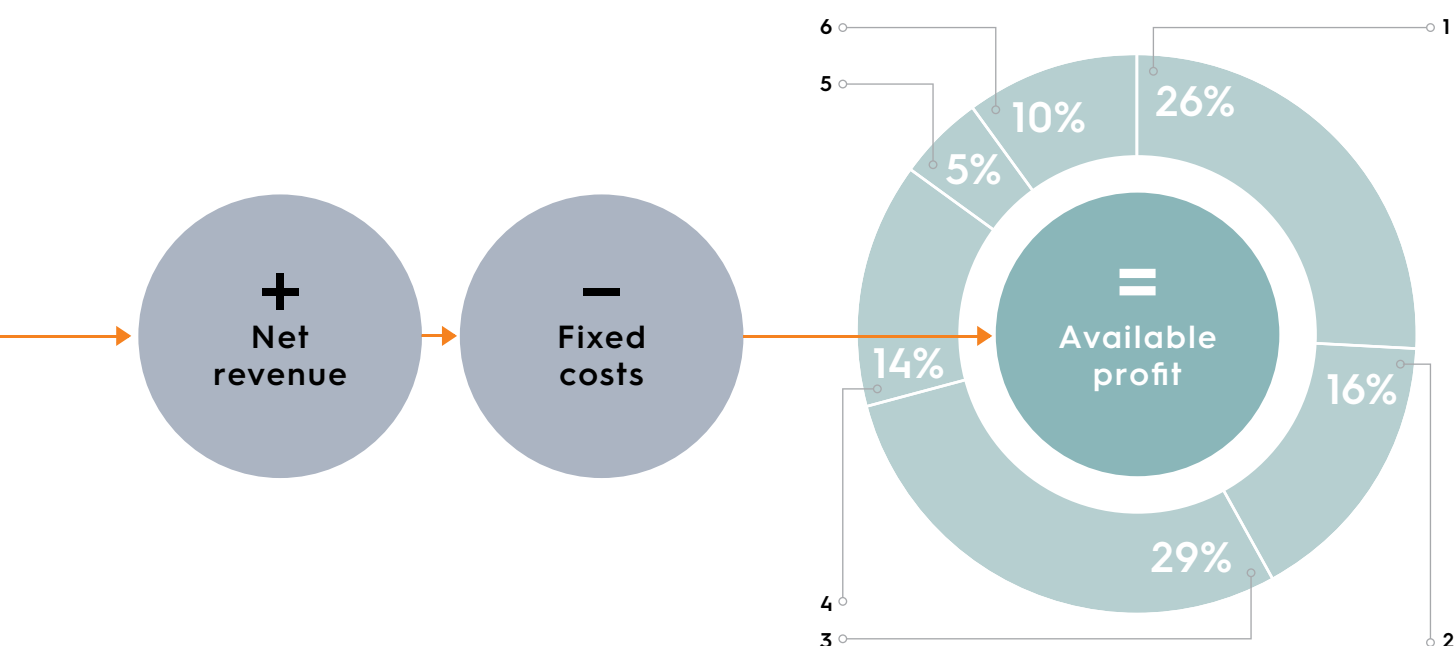
Assets under management

By consistently providing value and strong service to our clients, we aim to retain the assets entrusted to us and to attract new assets. Growing our assets over the medium-term on a scalable operating platform creates value for our shareholders and other stakeholders.

Growing value for shareholders

All our stakeholders share the rewards of growth

We look to use available profit to benefit all our stakeholders. Successfully executing our growth strategy will deliver attractive capital and cash returns to shareholders. In 2014, this resulted in:



Net revenue

Net revenues are the fees we earn, less payments to our distributors for their services to clients. Fees are typically based on a percentage of assets, although we can earn initial charges and some funds also earn performance fees for above-target returns. Our record of attracting inflows across the cycle has allowed us to grow our revenues significantly ahead of the market.

Fixed costs

Fixed costs comprise salaries and the costs of running our operating platform and support infrastructure. These costs include IT systems, rent, administration and brand investment. Our scalable operating platform and focus on efficiency, including the use of outsourced providers, allow us to grow revenues faster than our fixed costs.

Available profit

Deducting fixed costs from net revenues leaves us with available profit for distributing to our stakeholders. Our high conversion rate of available profits to cash ensures we have the money to do so, whilst maintaining a sustainable balance sheet.

1. Staff incentives – 26%

This is variable compensation paid to employees. We pay incentives out of available profits, ensuring employees' interests are aligned with our shareholders.

2. Corporation tax – 16%

This is the underlying tax charge for 2014. We expect to pay tax at the prevailing statutory rate. In 2014, our effective tax rate was 21.4 per cent.

3 & 4. Payments to shareholders – 43%

Our payment to shareholders comes in the form of both ordinary and special dividends. Under our progressive dividend policy we target an ordinary payout ratio of 50 per cent. of underlying EPS. Special dividends are paid out of the portion of available profits not required for other purposes including further investment in the business. In 2014, these have been augmented by the return to shareholders of the net proceeds from the sale of our private client contracts.

5. Payments to debtholders – 5%

Payments to debtholders represented by debt paydown & interest payments from earnings. We have completed the paydown of our gross debt & this segment will not be required going forward.

6. Retained for investment and growth – 10%

This is retained cash, which we use to fund the strategic initiatives we expect to drive our growth.

STRATEGIC OBJECTIVES

Delivering value through a focused strategy

| | Investment outperformance | Effective distribution |
|------------------------------|--|---|
| What this means | Creating value for clients after fees, leading to further demand for our investment products | Providing the right products to the right clients, to generate asset inflows |
| Why this is important | Our business relies on the quality and reputation of our fund managers and their ability to deliver long-term outperformance after fees. | Our revenue growth is a direct function of asset growth. Growing assets requires us to attract new assets from new and existing clients to build on our UK market position and develop our international distribution. |
| How we do it | <p>We do this by:</p> <ul style="list-style-type: none"> • attracting and retaining the best people, carefully managing talent and performance, and aligning rewards with clients' and shareholders' interests • organising our investment team into clear strategies, to enable the sharing of ideas and information • preserving our culture of investment freedom and individual accountability • developing our product range, to give us a product for every market condition • creating products that give us a competitive advantage and that cannot be replicated by passive strategies • carefully managing risk and compliance | <p>We do this by:</p> <ul style="list-style-type: none"> • investing in our brand, to increase recognition by intermediaries and end clients, and drive demand for our products • building our UK business through sales and marketing focused on independent financial advisers and wealth managers • building out our international business by adding to our sales and client service teams, enabling us to win new clients and leverage our relationships with existing clients in new markets • making our products available in more markets, by creating new share classes that are appropriate for local requirements |
| Key risks | <ul style="list-style-type: none"> • Sustained underperformance • Failure to retain key staff | <ul style="list-style-type: none"> • Regulatory non-compliance • Distribution and product trends |
| How we measure it – our KPIs | Percentage of our AUM above median over three years | Mutual fund net inflows |

| Efficient operations | Value creation |
|---|---|
| <p>Maintaining efficient operations through a scalable platform, to grow revenue faster than fixed costs</p> | <p>Creating value for shareholders through growing dividends and capital appreciation</p> |
| <p>Efficiency and scalability allow us to grow earnings and generate cash, which we use to reinvest and to provide returns to shareholders.</p> | <p>To remain successful in the long term, we need to ensure we balance the needs of our clients, employees and shareholders.</p> |
| <p>We do this by:</p> <ul style="list-style-type: none"> operating a single infrastructure platform, designed to support a growing business and its governance requirements making selective investments in developing our people, brand and operations, according to market conditions and our income levels at the time, so as to maintain EBITDA margins at around 50 per cent. across the cycle implementing operational efficiencies, such as outsourcing or improved technologies at the right point in the business cycle <p>• Operational error, business continuity</p> <p>• Incident or fraud</p> <p>• Failure of third party supplier</p> <p>• Counterparty failure</p> | <p>We do this by:</p> <ul style="list-style-type: none"> successfully implementing our first three strategic objectives, resulting in a growing pool of available profit for distribution having a remuneration philosophy designed to ensure reward is aligned with our clients and shareholders running a sustainable balance sheet over the cycle maintaining a progressive ordinary dividend policy, which targets a 50 per cent. payout ratio across the cycle supplementing ordinary dividends with special dividends, depending on the size of our residual earnings or any one-off receipts <p>• Failing to achieve our other three strategic objectives</p> |
| <p>EBITDA margin</p> | <p>Dividends per share</p> |

PRINCIPAL RISKS AND MITIGATIONS

Managing risk, maintaining performance

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. On at least an

annual basis (and twice in 2014), the Board formally considers its appetite for risk with particular regard to the Group's strategic plans, the wider business environment and the current and future condition of the Group's business and operations. The Group Risk Appetite is informed and challenged by any experience of materialised risk, either within Jupiter or in the broader marketplace.

| | Investment outperformance | | Effective distribution |
|----------------------------|--|--|---|
| Risk | <p>Sustained underperformance</p> <p>There is a risk that our clients will not meet their investment objectives, due to weak financial markets or poor performance by our fund managers.</p> | <p>Failure to retain key staff</p> <p>We are a people business and our staff are a significant component of successfully executing our strategy.</p> | <p>Regulatory non-compliance</p> <p>A significant regulatory investigation or action against the Group could affect our reputation and business.</p> |
| Potential impact | <p>Weak financial markets or poor performance 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.</p> | <p>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 effectively, resulting in a material impact on our revenues and/or corporate performance.</p> | <p>Regulatory censure and the related bad publicity could damage our clients' confidence in us and affect our ability to generate new business.</p> |
| Mitigation/Controls | <p>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.</p> <p>We use tools and governance principles within our investment risk framework and review performance that lies outside expectations. We monitor fund performance as part of our investment performance risk management process. This is formally overseen by our Portfolio Review Committee, which meets quarterly.</p> | <p>We believe that high levels of employee engagement and equity ownership drive business outperformance. We also strive to have an attractive working environment.</p> <p>We maintain a competitive remuneration structure and use deferred remuneration and share-based payments to align our employees' long-term interests with the Group's. We also develop, monitor and maintain succession plans for all key roles.</p> | <p>We maintain a robust compliance culture and all relevant employees are required to undertake training on regulatory matters. Our Compliance department's monitoring programme ensures we adhere to regulatory controls.</p> <p>Our risk governance structure and whistleblowing policy are designed to ensure that we escalate any regulatory issues to senior management in an open and timely way, ensuring the maximum appropriate amount of regulatory protection for clients.</p> |
| 2014 impact | <p>As described in the Operational Review, Jupiter has seen 51 per cent. of mutual fund AUM achieving above median returns over the key three-year investment performance period.</p> | <p>2014 saw the benefits of a number of changes we made to fund management responsibilities in 2013, when two of our senior fund managers retired. These changes included promoting several fund managers and recruiting new talent.</p> | <p>In 2014, we focused on developing Jupiter's conduct risk framework. In addition, the sale of our private client contracts means that a number of regulatory requirements relating to discretionary management of client assets will no longer apply.</p> |

Efficient operations

Distribution and product trends

These risks reflect potential changes in our fee structures, in the terms we can agree with third-party distributors, or in clients' appetite for our products.

Our ability to generate fund inflows may be jeopardised by fundamental changes in distribution patterns or by a sustained market appetite for products we do not offer.

We continually analyse our markets, to ensure we maintain a diverse product suite that appeals to existing and potential clients.

Our well-defined product development process enables us to deliver new products or enhancements, so we can target client groups in a timely and efficient way.

In 2014, we continued to ensure that our products remain optimal for our markets and launched a number of new share classes for our funds, to ensure they remain suitable for our local markets. We also recruited new heads of strategy into areas where we felt there were gaps in our product range.

Operational error, business continuity incident or fraud

We could suffer from a material error in executing a key business process, a lack of availability of our key systems or business premises, or a successful fraud against us or our clients.

A significant error, successful fraud or breach of a client agreement may result in additional costs to redress the issue. The unavailability of our key systems or business premises could mean we are unable to act on behalf of our clients.

We have efficient and well-controlled processes and maintain a comprehensive enterprise-wide risk management framework, as described in detail in the Governance review.

We have continuity and business resumption planning in place to support all of our key activities. We support remote working, including core system access for all our key staff if they cannot travel to our offices. If our normal business systems or premises become unavailable, we have alternative premises, including a dedicated office suite equipped with all of our key business systems.

In 2014, we consolidated our risk functions under a new Head of Risk, to give us a holistic perspective of risks across the Group. During 2014, no items individually or collectively breached the Board's risk appetite.

Failure of third-party supplier

The failure of a provider we rely on for key business processing may lead to our failing to deliver the required service to our clients or shareholders or not fulfilling our regulatory obligations.

Our relationships with key stakeholders may be jeopardised if we provide inadequate service, resulting in the loss of clients, or regulatory or financial censure.

We subject all third parties who provide us with critical services to a high level of ongoing oversight, giving us assurance that they meet the required standard.

Jupiter has formal guidelines for managing and overseeing all third party relationships, ensuring that they receive a level of scrutiny that reflects their potential risk to our business.

We have continued to work on implementing our supplier management policy during 2014, working closely with our key third parties to ensure ongoing quality of service, along with resilience planning in the event of provider failure.

Counterparty failure

The failure of a trading or depositary counterparty with which we have a relationship could have an adverse impact on our business.

A counterparty failure could mean that we lose or cannot access material amounts of Jupiter's or our clients' funds.

When we evaluate potential counterparties, the security of our clients' assets is our primary consideration. We aim to diversify our exposures across different institutions and actively monitor their creditworthiness using key risk indicators.

These indicators include market data and credit agency ratings. We place deposits according to agreed limits, which we amend when necessary. Our counterparties are subject to the Basel capital rules, which means that obtaining satisfactory diversification remains a challenge for us and for the industry as whole. We continue to look for an optimum solution to this issue.

In 2014 we implemented a new oversight process for our corporate cash, implementing controls over third party deposits.

KEY PERFORMANCE INDICATORS

Tracking our strategic progress

Investment outperformance

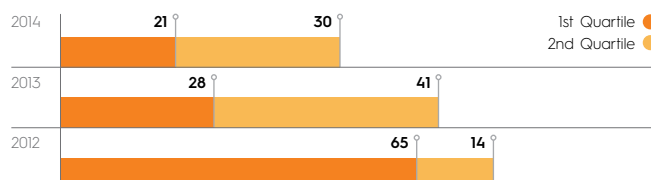
51%

of our AUM performing above the median over 3 years

51 per cent. of our AUM was above median in 2014, compared with 69 per cent. in 2013.

We have consistently maintained a strong long-term record of investment outperformance. We maintained excellent institutional performance with 97 per cent. of segregated mandate and investment trust AUM above benchmark over three years.

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



Effective distribution

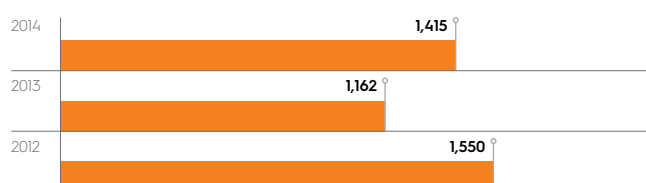
£1.4bn

Mutual fund net inflows

Mutual fund net inflows were £1.4bn for 2014, compared with £1.2bn in 2013.

Mutual fund net inflows increased due to healthy organic flow growth. Our increasing product, client type, and geographical diversification expansion contributed to the increase in our net mutual flows.

Mutual fund net inflows (£m)



Efficient operations

51%

EBITDA margin

Our EBITDA margin was 51 per cent. in 2014, compared with 53 per cent. in 2013.

EBITDA margin has consistently remained above 50 per cent. over the past three years. This is a result of the successful management of our expense discipline, good progress on the implementation of our strategy, alongside continued investment in our growth through diversification of product and distribution capabilities.

EBITDA margin (%)



Value creation

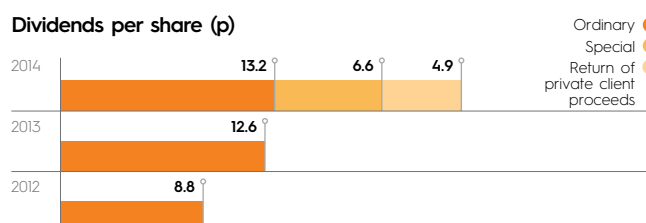
24.7p

Dividends per share

Dividends per share doubled from 12.6p in 2013 to 24.7p in 2014.

2014 was a successful year as the Group maintained a strong balance sheet with healthy excess cash above regulatory requirements. The Group successfully repaid all debt in early 2014, sold its private client contracts and can now return the majority of operating cash flow to shareholders.

Dividends per share (p)



OPERATIONAL REVIEW

Enhancing our capabilities, strengthening our offer

Highlights in 2014 included the successful sale of our private client contracts, expanding our distribution capabilities in international markets and continuing to strengthen the investment team. We also benefited from the organisational changes we made in 2013.

Investment performance

At 31 December 2014, 25 mutual funds, representing 51 per cent. of our mutual fund AUM, had delivered above-median performance over the key three year period (2013: 30 mutual funds, representing 69 per cent. of mutual fund AUM). This was impacted by the relatively weaker performance of the Merlin fund strategy, which represents 27 per cent. of AUM. Performance across the rest of our fund range was strong, with 67 per cent. of mutual fund AUM above median over three years. Examining client outcomes, we continued to create value, with 96 per cent. of our clients by AUM receiving positive returns. Over one year, 20 mutual funds were above the median, representing 46 per cent. of mutual fund AUM (2013: 32 mutual funds, representing 45 per cent. of mutual fund AUM). A strong performance through the second half of the year, particularly in Merlin, has seen steady improvement in these statistics and, as at the end of January 2015, 73 per cent. of mutual fund AUM was above median over one year.

The table below showing the three-year performance of our 10 largest funds demonstrates the benefit of a diversified product range:

| Fund | AUM¹ (£m) | 3 year performance | Quartile | | | |
|-----------------------|--------------|-----------------------|----------|-----|-----|-----|
| | | | 4th | 3rd | 2nd | 1st |
| Equities | | | | | | |
| European | 2,591 | +61% | | | | |
| Income Trust | 2,021 | +39% | | | | |
| UK Special Sits | 1,323 | +53% | | | | |
| UK Growth | 1,312 | +88% | | | | |
| European Special Sits | 927 | +46% | | | | |
| | | | | | | |
| Fixed Income | | | | | | |
| Strategic Bond | 2,499 | +28% | | | | |
| Dynamic Bond² | 2,130 | +26% | | | | |
| | | | | | | |
| Merlin | | | | | | |
| Merlin Income | 4,432 | +23% | | | | |
| Merlin Growth | 1,934 | +33% | | | | |
| Merlin Balanced | 1,629 | +31% | | | | |

Performance data source: FE graph shows position within the sector on a percentile basis

1 As at 31 December 2014

2 Dynamic Bond performance statistics since launch on 8 May 2012

We continued to add depth to our fund management talent during the year. We recruited a head of strategy for global emerging markets, a key area for us as a large and rapidly growing asset class. He brings a number of years' experience of Asian and emerging market equities, and is responsible for leading our existing highly experienced team of emerging market fund managers, to attract and grow assets under management globally whilst delivering strong investment performance and developing new products.

Towards the end of the year, we also recruited and announced the appointment of a new head of strategy for global equities, which is a strategically important asset class for Jupiter. The

incumbent has three decades of investment experience, and is responsible for developing and driving growth in our global equity business for institutional and retail investors, in the UK and international markets.

In 2014, we saw the benefits of a number of changes we made to fund management responsibilities in 2013, when two of our senior fund managers retired, and we had an unplanned resignation. These changes included promoting a number of fund managers and recruiting new talent.

Continuing to increase the diversity of our funds by investment style, asset type and region is an important aim for us. It will help us to grow in a wider variety of economic conditions, with different asset classes and investment styles providing outperformance and flows through the cycle. Our action to group fund managers around 12 key investment strategies was an important part of this. We are also redesigning strategies where necessary, such as in global emerging markets, and in the sustainability area, with our sustainability analysts becoming part of the environmental and sustainability strategy team. We will continue to add new strategies where we see good prospects for growth.

During the year, we enhanced the support for our fund managers. We added a product specialist for our fixed income strategies, to help our communication with clients and free up fund manager time. We also moved analysts in the global emerging markets area from a fund focus to a sector focus, allowing them to provide specialist input to different funds.

Effective distribution

Our distribution strategy is built around clients, not countries or products. This 'follow your client' philosophy ensures we are in the right places to service our clients and can tailor our service model and product range to fit clearly identified groups.

In 2014, we continued to enhance our distribution capabilities in international markets, increasing our sales team in Hong Kong from four to seven. In Europe, we opened an office in Vienna, added resources in Sweden and Spain, and continued to grow our team in Frankfurt. In total, we now have 12 people in our European offices, up from seven at the start of the year. Our efforts are reflected in our SICAV AUM increasing 44 per cent. to £4.3bn at 31 December 2014, representing 15 per cent. of our total mutual fund AUM.

Brand recognition is vital for encouraging investors to choose our funds. During 2014, we introduced a new brand identity, which better communicates our distinct investment culture and global ambitions. It builds on the heritage of our UK brand, while giving us the flexibility to articulate our investment philosophy in ways that suit different audiences, including in Europe and Asia.

On the product side, our primary focus has been on ensuring that we make our existing products available in more countries, by creating share classes and currency hedged classes that meet the needs of local markets.

OPERATIONAL REVIEW

continued

Assets under management stood at £31.9bn at 31 December 2014 (31 December 2013: £31.7bn).

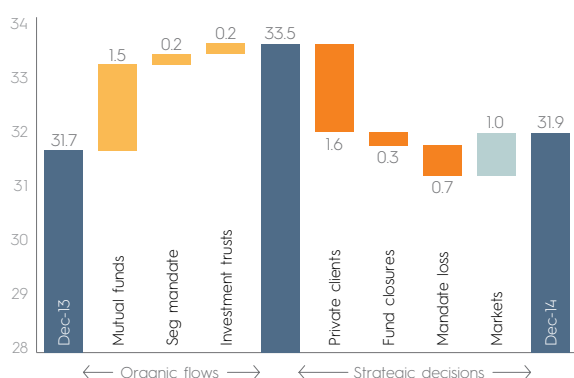
| Assets under management by product | 31 December 2014 £bn | 31 December 2013 £bn |
|------------------------------------|-------------------------|-------------------------|
| Mutual funds | 27.5 | 24.8 |
| Segregated mandates | 3.6 | 3.9 |
| Private clients | - | 2.3 |
| Investment trusts | 0.8 | 0.7 |
| | 31.9 | 31.7 |

Net flows during 2014 totalled £0.9bn for the year (2013: £1.2bn). Mutual funds contributed total net inflows of £1.4bn for the full year, an organic growth rate of six per cent. on opening assets. This was due to the continuing diversification of our capabilities by product, client type and geography.

| Net inflows/(outflows) by product | 2014 £m | 2013 £m |
|-----------------------------------|------------|------------|
| Mutual funds | 1,415 | 1,162 |
| Segregated mandates | (488) | (129) |
| Private clients | (5) | 135 |
| Investment trusts | (62) | 31 |
| | 860 | 1,199 |

Assets under management increased to £31.9bn at 31 December 2014 (31 December 2013: £31.7bn) due to net inflows and market appreciation across the year. This outcome is despite a number of conscious strategic decisions which reduced AUM but were taken to benefit Jupiter's future as a focused mutual fund provider, notably the sale of our private client contracts, closure of sub-economic funds and continued pricing discipline within segregated mandates. This is illustrated further in the graph below:

Movement in AUM (£bn)



Efficient operations

This year, enhancements to our operating efficiency came from three key areas: the sale of our private client contracts, improvements to our operating platform and IT-related efficiencies.

With the sale of our private client contracts we were able to simplify our operations. This allowed us to turn off a number of legacy systems, reduce our maintenance overheads, and reorganise our infrastructure areas to ensure a clearer distinction between operations, supporting fund management areas and fund and client servicing. We also benefited from a reduction in the risks associated with providing discretionary services to

individuals. The sale led to 59 employees in private client management, distribution and support leaving Jupiter.

IT represents a large proportion of our support personnel and spend. During the year, we streamlined the department with a small reduction in headcount, while shifting resources from contract staff to permanent employees. We created a centralised application support team, to ensure our in-house application development is repeatable, scalable and cost efficient. Treasury, human resources and marketing all benefited from applications built under this model. To drive cost efficiencies, we created a central IT vendor management role, helping us to focus on the value of purchases and giving us a better understanding of our existing estate.

The server virtualisation project we started in 2012 came to a successful conclusion, with the added benefit of increasing our network speed by up to 10 times, enabling staff to work more effectively. The server virtualisation will simplify our London office move at the end of 2015, as will our implementation of a unified digital communications system.

Other enhancements included the reorganisation of marketing along geographical lines, recognising that overseas markets are different from the UK and better aligning marketing with business demand. This included creating a standalone digital marketing team. We also combined the investment and operational risk teams into a single risk function. Following the repayment of our final loan tranches, we streamlined our corporate cash process to ensure we efficiently and conservatively invest it until required for distribution or investment in the business. In Hong Kong, we added in-country compliance support, to enable full coverage of local requirements.

In September, we signed an agreement for a 20-year lease for 56,000 square feet (sq./ft.) in the Zig Zag building in Victoria, London. This will increase our administrative expenses by £5m per annum from 2015. The building will provide around 10,000 sq./ft. of additional space compared to our existing building, and an improved office layout, and is to be fitted out to a high specification with excellent environmental credentials. This will provide the platform to support our growth strategy, representing a commitment to our employees and stakeholders. The building will also become our permanent London office and global headquarters.

FINANCIAL REVIEW

Delivering value to shareholders

Results for the year

2014 saw increased revenues, continued profit growth and further strengthening of our liquidity and capital position. Combined with the sale proceeds from our private client contracts, these have allowed us to double dividends to shareholders during 2014 to 24.7p.

Net revenue

| Net revenue (£m) | 2014 | 2013 |
|---------------------|--------------|--------------|
| Net management fees | 285.0 | 267.1 |
| Net initial charges | 13.1 | 15.7 |
| Performance fees | 4.9 | 5.7 |
| Total | 303.0 | 288.5 |

Net revenues for the year were £303.0m (2013: £288.5m), five per cent. ahead of 2013. This was driven by a rise in net management fees to £285.0m (2013: £267.1m), as organic mutual fund flows and market appreciation resulted in average assets increasing by nine per cent. This was despite the sale of the private client contracts and the loss of a large segregated mandate.

| | 2014 | 2013 |
|--|-----------|-----------|
| Net management fees (£m) | 285.0 | 267.1 |
| Average AUM (£bn) | 32.3 | 29.5 |
| Net management fee margin (bps) | 88 | 90 |

Net management fees remain the main component of net revenue (2014: 94 per cent., 2013: 93 per cent.). The Group's net management fee margin for the year fell to 88 basis points (2013: 90 basis points), caused by a higher proportion of SICAV and fixed income assets in the mutual fund book. However, the fee margin in Q4 was positively impacted by the segregated mandate loss, the sale of private client contracts, and the closure of several sub-economic funds. If these transactions had occurred at the beginning of the year, the net management fee margin for the entire business and the mutual fund component would have been around 90 and 97 bps respectively.

We continue to expect net management fee margins to decline slowly over time, due to the continued expansion of both our international presence and the fixed income component of our AUM. However, given the uncertainties inherent in these factors, the rate and angle of any such decline remains uncertain.

Net initial charges of £13.1m (2013: £15.7m) were lower due to a less favourable pattern of sales versus redemption activity across individual funds, the continued expected reduction in net amortised front end fees and lower dealing commissions following the sale of our private client contracts. Front end fees will continue to decline and dealing commission will no longer be generated following the private client contract sale. However, the nature of box profits means that they remain unpredictable. Performance fees fell to £4.9m (2013: £5.7m), although these continue to represent a small percentage of revenue. Looking forward, the loss of the large segregated mandate and closure of Second Split Investment Trust has reduced the AUM with performance fee potential to £1.3bn (2013: £2.1bn).

Administrative expenses

| Costs by category (£m) | 2014 | 2013 |
|--|--------------|--------------|
| Fixed staff costs | 46.3 | 43.0 |
| Other expenses | 49.1 | 43.9 |
| Total fixed costs | 95.4 | 86.9 |
| Variable staff costs | 53.1 | 51.0 |
| Underlying administrative expenses | 148.5 | 137.9 |
| Charge for options over pre-Listing shares | 0.7 | 4.2 |
| Administrative expenses | 149.2 | 142.1 |

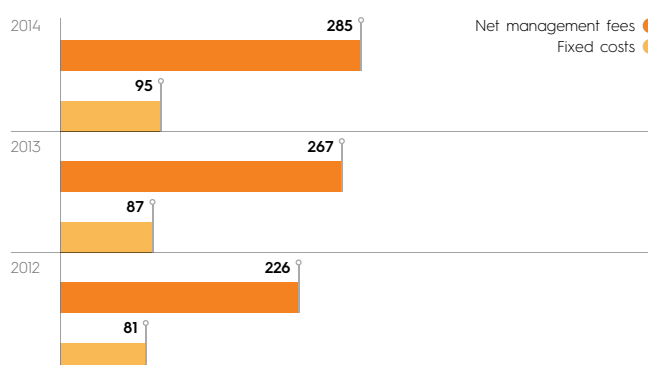
Underlying administrative expenses of £148.5m (2013: £137.9m) rose by eight per cent. Within this, fixed staff costs of £46.3m (2013: £43.0m) increased by eight per cent. as international headcount rose with the Group's overseas expansion, along with further investment in our platform and distribution capabilities.

Other expenses rose to £49.1m (2013: £43.9m) due to increased marketing spend to enhance the Group's profile and position in new channels, and further IT spend to build and improve on existing operational infrastructure.

As communicated in our 2013 Annual Report and Accounts, our current lease of No. 1 Grosvenor Place terminates in mid-2016. On 24 September 2014, Jupiter signed an agreement for a 20 year lease for 56,000 square feet in The Zig Zag Building in Victoria. This will result in administrative expenses increasing by £5m per annum from 2015 onwards.

We continue to manage our fixed cost base according to prevailing market conditions at the time, mindful of our desire to grow the business whilst preserving our scalable operating model. We exercised careful cost moderation in H2, and as evidenced by the graph below, the additional fixed costs in 2014 were more than absorbed by the increase in net management fees.

Net management fees v fixed costs (£m)



FINANCIAL REVIEW

continued

| Variable staff costs (£m) | 2014 | 2013 |
|------------------------------------|-------------|-------------|
| Cash bonus | 36.2 | 33.9 |
| Deferred bonus | 8.9 | 8.5 |
| LTIP, SAYE and SIP | 8.0 | 8.6 |
| Total | 53.1 | 51.0 |
| Variable compensation ratio | 26% | 25% |

Variable staff costs of £53.1m (2013: £51.0m) increased by four per cent. as the cash bonus of £36.2m (2013: £33.9m) rose in line with the Group's higher profitability. The deferred bonus remained at similar levels as it is now at full run rate, and the LTIP charge, also at full run rate, decreased slightly as we trued up the charge for lapses in the year.

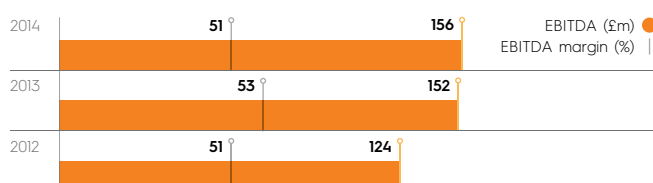
Variable compensation as a proportion of pre-variable compensation operating earnings was 26 per cent. (2013: 25 per cent.). This excludes a £0.7m (2013: £4.2m) charge in respect of options granted prior to the Listing over the remaining shares in the pool established for employees at the time of the 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 have now reached 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, in 2014 the variable compensation ratio remained towards the lower end of our range, in line with our expectations for an environment in which earnings have risen over the past three years.

EBITDA

EBITDA was £155.6m (2013: £151.5m), a three per cent. increase on the previous year, as higher net management fees were partly offset by an increase in underlying administrative expenses. The Group's EBITDA margin remained at an attractive 51 per cent. (2013: 53 per cent.) as our scalable operating model meant that we could continue our steady investment in our people, brand and platform while still maintaining attractive profitability levels. A reconciliation of operating earnings to EBITDA can be found in the Historical Summary section.

EBITDA



Other income statement movements

On 1 April 2014, the Group announced that it had reached an agreement to sell its private client contracts to Rathbone Investment Management Limited ("Rathbones"), a subsidiary of Rathbone Brothers plc. This transaction completed in the third quarter of 2014, with consideration received of £39.6m. As part of the transaction, the Group incurred costs of £11.1m, resulting in a pre-tax gain of £28.5m for the year. This has been included within the other gains line on the income statement. This amount has been excluded from underlying earnings, with only private client revenues and costs for the nine months of ownership included, as these represent the Group's ongoing trading results. As discussed in the Equity and Capital Management section, the post tax proceeds will be distributed as part of the special dividend.

During the first half of 2014, following a review of trading prospects, the Group wrote down its remaining available for sale ("AFS") investment in iO Adria Limited to nil. This historic, residual investment was held at £2.6m on the balance sheet as at 31 December 2013, and has therefore resulted in a £2.6m loss for the year, which has also been included within the other gains line on the income statement. Consistent with prior years, movements in the value of AFS assets have also been excluded from underlying earnings.

In the prior year, other gains included a gain of £6.7m, which was realised when the Group sold its entire holding in Cofunds Holdings Limited to a co-investor, Legal & General Group plc, in the first half of 2013.

Amortisation of £20.2m (2013: £39.7m) included £19.2m (2013: £38.7m) relating to intangible assets acquired as part of the MBO contracts (acquired for £258.0m) and the Jupiter brand name (acquired for £18.7m). Amortisation on the investment management contracts fully unwound in June 2014, and therefore the ongoing amortisation charge was significantly lower this year and will fall further in 2015 as only the Jupiter brand name continues to be amortised on a straight line basis through to June 2017.

The Group had net finance income of £0.3m (2013: net finance costs of £2.1m) as interest costs decreased significantly following full repayment of the outstanding bank debt in February 2014.

Profit before tax ("PBT")

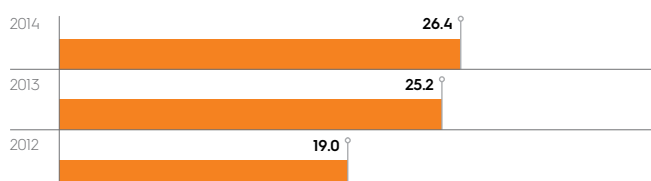
PBT for the year was £160.0m (2013: £114.1m). This increase of 40 per cent. was driven by the rise in operating earnings, lower amortisation of intangibles and the profit on sale of the private client contracts.

The effective tax rate for 2014 was 21.4 per cent. (2013: 22.3 per cent.). This is slightly lower than the standard rate of 21.5 per cent., primarily due to the utilisation of capital losses available from previous years.

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

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

Underlying EPS (p)



Underlying EPS of 26.4p (2013: 25.2p) increased by five per cent., reflective of the Group's improved trading performance, reduced finance costs following the final debt repayment and the lower statutory tax rate.

| Underlying EPS (£m) | 2014 | 2013 |
|---|--------------|--------------|
| Profit before tax | 160.0 | 114.1 |
| Adjustments: | | |
| Amortisation of acquired investment management contracts and trade name | 19.2 | 38.7 |
| Charges for options over pre-Listing shares | 0.7 | 4.2 |
| (Gain)/loss taken to the income statement on available for sale investments | 2.6 | (6.7) |
| Gain on sale of private client contracts | (28.5) | - |
| Underlying profit before tax | 154.0 | 150.3 |
| Tax at statutory rate of 21.5 per cent. (2013: 23.25 per cent.) | (33.1) | (34.9) |
| Underlying profit after tax | 120.9 | 115.4 |
| Issued share capital | 457.7m | 457.7m |
| Underlying EPS | 26.4p | 25.2p |

The Group's basic and diluted EPS measures were 28.4p and 27.2p respectively in 2014, compared with 21.1p and 20.0p in 2013.

Cash flow

The Group has a high conversion rate of operating earnings to cash, generating positive operating cash flows after tax in 2014 of £122.8m (2013: £123.4m). Together with the proceeds received from the sale of the private client contracts, this cash was used to fund the interim dividend and will primarily be used to fund the final and special dividend to shareholders.

Operating cash flows (£m)



Assets and liabilities

The Group further strengthened its net cash position to £251.0m (31 December 2013: £160.8m), as cash generated through trading and the proceeds received from the sale of the private client contracts offset the funding of the 2013 final and 2014 interim dividend payment and the 2013 compensation round. In June 2014, the Group revised its share repurchase programme from £0.6m to £1.2m a month, increasing the rate to a level where we now expect no dilution as our incentive plans mature.

During the year, £11.0m of bank debt was repaid, reducing the outstanding loan balance to £nil as at 31 December 2014 (2013: £11.0m). The revolving credit facility of £50m extends to July 2016 and 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.

Following full repayment of outstanding debt in February 2014, the Group has been able to retain cash amounts that were previously used to pay down the loan balance. As outlined in the Equity and Capital Management section, and in line with the Group's liquidity management model, it is our intention to return a high proportion of surplus cash to shareholders as it arises.

We deploy seed capital into funds to help us build a track record from launch or to give small but strongly performing funds sufficient scale to attract external money. As at 31 December 2014, we had a total investment of £43.4m in our own funds (2013: £50.1m) as we maintained seed capital at targeted levels. This excludes £4.8m of investments in our own funds to hedge our obligation to settle amounts payable to employees in relation to Deferred Bonus Plan awards. These investments are shown on the Group's balance sheet under the appropriate heading for the relevant level of ownership in each fund. The Group only invests in liquid funds and chooses to hedge market and currency risk on the majority of its holdings of seed 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

Dividends

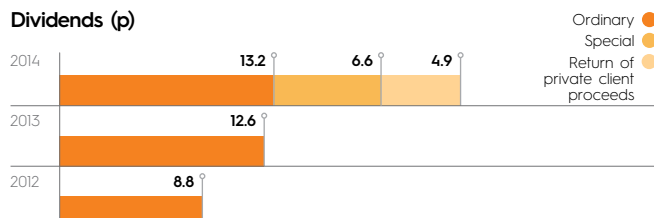
The Board considers the dividend on a total basis, whilst looking to maintain an appropriate balance between interim and final dividends. The Board's intention is to use profits and cash flow to pay shareholder dividends, to re-invest selectively for growth and to return excess cash to shareholders according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

During 2014, the Group completed its post-Listing deleverage process and saw its net cash balance increase to £251.0m (2013: £160.8m). The Board considers that Jupiter has adequate buffers over its capital and liquidity requirements and has therefore clarified how it expects to return excess cash from this point forward. Jupiter has a progressive ordinary dividend policy, and our intention is for the ordinary dividend payout ratio to be around 50 per cent. across the cycle. The Board then expects to retain up to 10 per cent. of pre-variable compensation earnings for investment and growth, for example to fund the new London office fit-out in 2015. The remaining balance, after taking account of any specific events, will be returned to shareholders. In 2014, these specific events were the last £11m debt paydown and the £22m net proceeds after tax from the sale of the private client contracts. In current market conditions, shareholders have indicated that their preferred method of capital return is a special dividend.

Reflecting this guidance the Board has declared an increased final dividend for the year of 9.5p (2013: 9.1p) per share. This results in a total ordinary dividend for the year of 13.2p (2013: 12.6p), an increase in line with underlying EPS and maintaining the ordinary dividend payout ratio at 50 per cent. The Board has also declared a special dividend of 11.5p per share. This represents 6.6p per share generated from earnings and 4.9p per share from the net proceeds received from the sale of private client contracts.

The resultant total dividend of 24.7p (2013: 12.6p) has doubled since last year. We believe our growth prospects allied with the consequent yield potential make for an attractive model for shareholders.

Dividends (p)

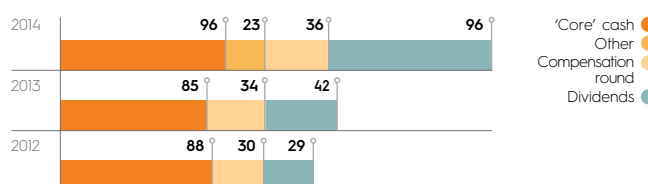


The final dividend payment is subject to shareholders' approval at the AGM, and, if approved, will be paid alongside the special dividend on 21 April 2015 to shareholders on the register on 20 March 2015. The Board is proposing to change its approach to future final dividends to enable prompt payment alongside potential future special dividend declarations, with the expectation that these can then both be consistently paid in early April. This means that dividend approvals will not be sought at future Annual General Meetings.

Liquidity

The Group has a robust free cash position, supported by an undrawn RCF and hedged seed capital. As can be seen from the graph below, the Group has maintained a consistent liquidity management model, with core cash (shown after earmarked needs) remaining stable and at levels sufficient for the needs of the business.

Liquidity (£m)



Capital

Total shareholders' equity increased by £72.5m to £586.2m (2013: £513.7m) as a result of the Group's continued profitability, coupled with the gain made from the sale of the private client contracts. This was partially offset by the payment of the final and interim dividends of £56.7m.

The Group currently has a three year investment firm consolidation waiver from the FCA which runs to June 2015, although during 2013, the Group traded out of its need to rely on the waiver. At present, the Group has a comfortable surplus over regulatory requirements post expiry of the waiver, with an indicative surplus in excess of £100m, after allowing for the final and special dividend.

CORPORATE RESPONSIBILITY

Embedding good practice for commercial success

As we explain on the following pages, our priorities fall into the areas of our marketplace, workplace, environment and community.

About our corporate responsibility disclosures

Reporting period

This section of our annual report covers the 2014 financial year and is our second disclosure in accordance with the global reporting initiative (GRI) guidelines, following our previous report in 2013. Disclosing our corporate responsibility performance in this way helps us to meet regulatory and best practice developments, and provides greater insight into our responsibilities.

To apply GRI's 'Guidance on Defining Report Content' and associated Principles, we conducted a sustainability SWOT analysis in 2013, as described on page 21 of our 2013 annual report. This allowed us to select material aspects and priority indicators for our disclosures, which we have continued to apply in 2014. Our GRI Index for 2014 will be made available on our website.

Reporting boundary

The boundary of our corporate responsibility disclosure is the same as the "operational control" approach to consolidating greenhouse gas (GHG) emissions. Our chosen GHG methodology (Defra's Environmental Reporting Guidelines) defines this as operations where we, or one of our subsidiaries, have full authority to introduce and implement our operating policies. We consider that this approach incorporates all of our entities with sustainability impacts that are actually or potentially material.

Limitations

At the end of 2014, Jupiter had physical operations in seven countries. However, we have estimated that the actual or potential sustainability impacts of our non-UK offices are immaterial. We have therefore applied a materiality threshold of five per cent. for the purposes of reporting sustainability data, in line with practice among similar sized firms in our sector.

We have no joint ventures over which we have operational control. We have accounted for leased assets using the same consolidation approach used to define our reporting boundary.

There have been no restatements of information provided in earlier disclosures, or any significant changes from previous reporting periods in the scope, boundary or measurement methods we have applied.

More information

For more information about our corporate responsibility disclosures, please contact shareholderservices@jupiteram.com

Stakeholder engagement

We engage our stakeholders to understand the sustainability issues that are important to them. Our key stakeholders include our clients, the companies in which we invest, shareholders, employees, NGOs, policymakers and regulators.

The best way to achieve open communication is to offer stakeholders, including shareholders and employees, several ways to communicate with the Board, including by phone, email or in writing.

Our engagement with the companies we invest in is described in the marketplace section below. The Governance review explains our relations with Jupiter's shareholders. We regularly engage with our employees through online surveys and staff briefings on our performance and business strategy. The Workplace section gives more information on our interactions with employees.

Marketplace

We believe that our biggest sustainability impact comes from looking after the needs of our customers and our engagement with the companies we invest in.

Our customers

Jupiter is a customer-focused business. Ultimately, we can only succeed by creating and distributing products that our customers want and that meet their investing needs, by selling and marketing responsibly, and by offering high levels of customer service.

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

Ensuring we meet the needs of our customers comes from a combination of our culture and our governance. These are closely linked. We have worked hard to embed policies, principles and codes of conduct into our culture that align the interests of Jupiter and its employees with those of existing and potential customers.

These policies include:

- **Treating customers fairly (TCF).** TCF is a core FCA principle, which promotes fair treatment of customers from product inception through to marketing and post-sales support. Our TCF policy commits us to dealing with customers honestly, openly and competently, not just as part of regulatory compliance but as a fundamental guiding principle.

We had three TCF Committees at the start of the year, for the Group, private clients and our funds. The sale of our private client contracts has allowed us to reduce this to a single committee, chaired by Maarten Slendebroek. The committee ensures that the services we provide to clients meet our TCF obligations and our policy.

- **Conflicts of interest.** This policy sets out potential material conflicts that we have identified, together with procedures and arrangements to prevent these from creating a material risk of damage to our clients' interests.

CORPORATE RESPONSIBILITY

continued

Implementing our policies

Our compliance department has responsibility for monitoring that we successfully implement our policies, principles and codes of conduct. Methods for ensuring implementation include:

- training programmes, covering areas such as anti-bribery and corruption, which 80 employees received during the year.
- our employee handbook, which covers core contractual terms, expected conduct and our policies.
- audits that ensure we comply with our legal and regulatory obligations, as well as our own rules.
- supervisory controls, including a TCF sponsor in every client-facing departments, and
- our corporate governance structure (see the Governance review for more information).

We review our policies on an annual cycle and circulate the updated versions to all staff.

Conduct risk

During 2014, the FCA increased its focus on conduct risk, which considers a firm's culture and values, how these influence its behaviour and the extent to which it prioritises customer outcomes. The purpose is to ensure that firms do not put their own interests ahead of their clients' interests.

Conduct risk therefore covers many aspects of firms, ranging from the ethos set by the Board, to designing products appropriate for customers, to the way that employees are remunerated and incentivised.

We have begun developing a conduct framework, which we intend to implement in 2015. This will include, for example, the controls, policies and procedures that govern our conduct, our corporate values, and the ways we embed good conduct into our operations. The framework will also have an assessment process, so we can demonstrate our compliance to the FCA.

Stewardship

Jupiter's active fund management approach extends to the way we discharge our stewardship responsibilities. This means our fund managers lead on stewardship, supported by our governance research team and our sustainability resource. We see this as an important part of maximising the return we generate for clients, as well as acting in the best interests of all our stakeholders.

We monitor the companies we invest in by hosting or attending regular meetings with their management teams. These meetings are integral to our investment process, allowing us to question and challenge companies about the issues we think may affect their long-term value.

Outside these meetings with executive teams, we also engage with chairmen and non-executive directors. This involves building relationships and obtaining insight to drive sustainable long-term investment performance. We look to engage before problems arise and not just hold companies to account after the event. The subjects of these meetings vary but can include strategy, board effectiveness, remuneration, shareholder rights, culture, values, succession planning and sustainability issues. During the year, we engaged with 153 companies to primarily discuss stewardship related matters. As discussed, these meetings feature dialogue with chairmen or non-executives and were conducted in addition to 1,000 + meetings held with company management around the financial calendar.

In 2014, we voted at 717 shareholder meetings. Of these, 312 were in the UK and 405 were overseas. We voted against management or abstained on at least one resolution at 19 per cent. of UK meetings and 21 per cent. of overseas meetings.

The Stewardship Committee

The Stewardship Committee develops and delivers a co-ordinated approach to our engagement with chairmen, directors and non-executive directors. The Head of Investments chairs the committee, which comprises fund managers, the Stewardship Director and corporate governance and sustainability analysts. The committee looks at trends in our engagement with companies, the issues that are arising and how we can enhance our processes and information gathering. It also approves our submissions to consultations, for example on changes to the UK Corporate Governance Code.

Sustainability Review Committee

Our Sustainability Review Committee, also chaired by the Head of Investments, comprises both portfolio managers and dedicated sustainability and governance specialists. This Committee reviews Jupiter's engagement activity with companies on social and environmental issues and monitors these risks and opportunities across Jupiter's funds. It also provides oversight of the process by which companies are approved for investment in ethically screened, socially responsible or environmental solutions funds. Common membership of both committees by governance and sustainability analysts ensures co-ordination and consistency across our stewardship and sustainability work.

Responsible investment

Jupiter has been recognised for its long-term commitment to responsible investment. Jupiter was ranked amongst a group of top performing institutions in a report by ShareAction, a charity that works to encourage asset managers to be responsible owners of investee companies. ShareAction assessed 33 of the largest asset managers in the UK on transparency, corporate governance and ESG and Jupiter was placed in the top 3.

More information on the survey and a full ranking can be found at <http://shareaction.org/>.

We believe that stewardship is fundamental to achieving the best risk-adjusted returns for our clients. Our investment teams and specialist governance and sustainability analysts work closely together at the heart of our business, ensuring that stewardship is integrated into our investment approach. All our fund managers understand the importance of, and are actively involved in, voting decisions and the governance dialogue with companies in partnership with our Governance Research team and sustainability resource. We do not view governance themes in isolation, but seek to understand how these factors impact long-term performance.

Stranded Assets

Institutional investors are questioning whether climate change policies and/or market movements might undermine the value of selected fossil fuel reserves, leaving them as 'stranded assets'. As a leader in responsible investment, Jupiter reviewed its entire direct energy sector exposure. This research found that we have no material exposure to the those companies which, in our view, are most at risk from their assets becoming stranded. These companies include certain US coal and Canadian oil sands companies, whose businesses have been negatively affected by the US shale revolution and environmental legislation. As an active manager, Jupiter's oil and gas exposure was found to be generally

in energy companies with a low marginal production costs, particularly significant in the context of the oil price volatility during the second half of the year. Jupiter's Environmental and Sustainable Strategy team continues to monitor the stranded assets debate closely and update all investment teams accordingly.

More information on stewardship

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

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

Workplace

As a people business, Jupiter is dependent on the skills and experience of its people. We value our employees and aim to create a positive culture in which they can work and develop their careers, whilst maintaining a culture of continuous improvement.

Key people-related activities in 2014 included supporting the establishment of the investment strategy teams, which included succession planning for the funds and giving some individuals greater responsibility. We also supported the growth in our distribution capability through our international offices, as well as the sale process for our private client contracts, which allowed us to streamline our operating model.

Talent and performance management

We continued to develop our leadership and talent management in 2014. This included appointing a head of talent and development, as well as carrying out talent assessments on our leadership team. This has given us a better understanding of our talent pool and a richer succession plan.

All our employees take part in a six-monthly appraisal process, where we seek their feedback, assess their performance and review their training and development needs. To enhance our performance management, we have increased our focus on cascading objectives from the top of the organisation. This gives our people a clear line of sight between their own objectives and our corporate goals.

We encourage all our people to take advantage of ongoing training and development, so they can maximise their performance, reach their potential and help us achieve our objectives. In 2014, we rolled out a learning curriculum, aimed at different groups of employees within the organisation, from senior managers to support staff. It covers the key types of training necessary for each role. The bespoke curriculum is built around Jupiter-specific content.

Employee communication and engagement

We update our employees through our staff newsletter, staff meetings and email. Maarten Slendebroek holds regular lunches with staff members, allowing them to discuss issues, strategy and performance. Other members of the Executive Committee also attend these lunches.

We run employee surveys to gauge their opinions on important issues, such as our impending office move. Our intention is to introduce a formal engagement survey, so we can increase our understanding of how employees feel about working for Jupiter and where we can improve.

Our remuneration policy is designed to motivate, aid retention, improve individual and corporate performance and align employee behaviour with shareholders' interests.

Diversity and inclusion

At Jupiter, we believe diversity and inclusion is a simple concept – to have the right people, regardless of background, in the right role. Diversity is the mix; inclusion is getting the mix to work well together.

We believe that the differences between individuals are something to be valued as they enable us to be robust and flexible as a business to better serve our stakeholders.

We are committed to growing and nurturing diversity within Jupiter and to promoting mutual understanding and commitment between our employees. This is backed up by a zero-tolerance policy to bullying or harassment, as respect and tolerance are key to maintaining our high-performance culture.

The table below shows the gender diversity of our business at the end of 2014:

| Levels | Female | Male | Total |
|-----------------|-----------|-----------|-------|
| Board Members | 2 (22%) | 7 (78%) | 9 |
| Senior Managers | 10 (16%) | 53 (84%) | 63 |
| Employees | 148 (48%) | 163 (52%) | 311 |

We have developed our focus on equality with a new diversity and inclusion statement and have introduced initiatives such as unconscious bias training. We have set the following goals for Jupiter:

- We will implement unconscious bias training for our leadership team.
- We will conduct regular employee surveys to ensure we understand current diversity and inclusion issues and that they are consistently being addressed.
- In order to build a healthy gender balance into our talent pipeline, we will aim for 40 per cent. female participation on our high potential programme.
- We will ensure that women are engaged in the company-wide mentoring programme, both as mentors and mentees.

In 2014, Jupiter continued to participate in Investment 2020. We are one of the first adopters of this venture, which gives school leavers and recent graduates from diverse backgrounds one year's paid work experience in investment management. Although there is no guarantee of a job when they complete the placement, we were delighted that all our initial intake found permanent roles within Jupiter.

We aim to support staff with families through enhanced maternity and paternity pay and childcare support.

Health and safety

The Board is responsible for ensuring that we take all reasonable precautions to provide safe and healthy working conditions, which comply with statutory requirements and legally binding codes of practice.

Our Health and Safety policy aims to prevent accidents and to maintain our employees' health while at work. The prime

CORPORATE RESPONSIBILITY

continued

responsibility for a safe and healthy place to work rests with us, but each employee also has a personal responsibility for looking after their own welfare.

Health and safety and fire safety audits were conducted during the year with no significant issues arising from the audits. There were no significant incidents occurring during the year.

Environment

We look to reduce our environmental impact and to use resources as efficiently as possible. To guide our approach, we have an environmental policy, the key components of which are as follows:

| Area | Our aim |
|------------|---|
| Energy | Minimise our energy consumption |
| Materials | Minimise our raw materials consumption |
| Waste | Achieve the best environmental option for waste disposal |
| Suppliers | Assess suppliers' environmental performance, as part of our purchasing policy |
| Compliance | Meet or exceed all the environmental legislation that relates to the Group |

Environmental risks and opportunities

Our operations mainly affect the environment through the waste we dispose of, the water we consume and the GHG emissions we either directly or indirectly release.

Climate change is one of the greatest challenges facing the world, and has been a particular focus for Jupiter for several years. Our most recent analysis of our climate change risks and opportunities was conducted as part of our 2014 CDP Investor disclosure. To give context to our greenhouse gas disclosure, the table below contains a sample of this information:

| | |
|--------------------------|--|
| Regulatory risks | The potential implications for our investments stemming from air pollution limits, carbon taxes, cap-and-trade schemes, fuel or energy taxes and regulations, product efficiency or labelling regulations and standards, and any associated uncertainty surrounding these |
| Physical risks | The potential implications for 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 |
| Regulatory opportunities | Regulation in this area may affect consumer demand for certain products and services and hence corporate revenues. It could also create opportunities for companies linked to resource efficiency. Our ability to identify the opportunities that this presents will affect the performance of our environmental funds |

We have managed environmental funds for more than 20 years. During this time, we have developed a leading knowledge of environmental investing. This gives us a potential competitive advantage, derived from regulatory or technological changes

that bring about positive action by companies on issues such as climate change.

Measuring our environmental impact

In 2011, we began working with Carbon Credentials to measure our carbon footprint. Since then, we have gathered data on a variety of emissions sources, including Scope 3 emissions. The table below presents the operational boundary for our reported GHG emissions in 2014:

| | | | |
|---|----------------------------------|---------------------------------------|-------------------|
| 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 |

Our environmental performance

The table below breaks down our GHG emissions by scope, as well as providing data on our other environmental impacts:

| Key performance indicator | 2014 | 2013 | Change (%) | Assumptions or estimations |
|---|--------------------------|--------------------------|------------|---|
| Direct emissions (scope 1) | 211.0 tCO ₂ e | 124.1 tCO ₂ e | 70 | Natural gas consumption for Q1 to Q2 has been estimated due to issues concerning data availability. |
| Indirect emissions (scope 2) | 288.9 tCO ₂ e | 411.7 tCO ₂ e | -30 | |
| Other relevant indirect emissions (scope 3) | 8.0 tCO ₂ e | 8.2 tCO ₂ e | | Data for FY2013 has been restated due to recent improvements in waste data quality |
| Total water consumption* | 9672 m ³ | 9742 m ³ | -1 | Water consumption for 90 days has been estimated due to issues concerning data availability |
| Total weight of waste by disposal method** | | | | |
| Recycling | 26.5 tonnes | 27.4 tonnes | -3 | Data for FY2013 has been restated due to recent improvements in waste data quality |
| Energy recovery | 19.1 tonnes | 11.4 tonnes | 68 | |
| Landfill | 0 tonnes | 0 tonnes | - | |

* All water is supplied through our local utility

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

Each year, we target a reduction in our GHG emissions intensity, which we measure as tCO₂e per employee full time equivalent

(FTE). In 2014, we reduced our combined emissions intensity by 8.2 per cent. to 1.09 tCO₂e per employee FTE (2013: 1.18 tCO₂e per employee FTE).

The improvement in our GHG emissions performance results from a number of factors, including:

- the virtualisation of our servers, as described in the Operating Review, which has reduced electricity use for powering and cooling our servers
- our continued upgrade of IT and other electrical hardware, to include more energy-efficient models
- our focus on efficient travelling, and
- the full-year impact of our initiatives in 2013, which were described in last year's Corporate Responsibility section.

Community

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

Towards the end of 2013, we established a charity committee to look at how to boost giving from employees. In 2014, the committee launched an appeal to increase the number of our people involved in our Give As You Earn scheme, which is administered for us by the Charities Aid Foundation (CAF).

The scheme allows employees to donate directly from payroll, before deduction of income tax and National Insurance. We then double the amount each employee donates, up to a limit of £800. This means that if an employee donates £400 of pre tax salary in a year, the total contribution is £1,200. This money sits in a bank account set up by CAF but controlled by the employee, and the employee receives a cheque book, allowing them to donate from their account and support the charities of their choice.

The appeal proved successful, with employee participation increasing from 24 per cent. to more than 30 per cent. In total, Jupiter contributed around £80,600 to match employees' donations.

The charity committee's remit also included selecting a new partner charity for Jupiter in 2015. The Committee have elected to support Alzheimer's Society in 2015 which was considered a good fit for Jupiter due to the ongoing challenge to meet the financial burden of care and the broad demographic impact. During 2015 we will be arranging a number of fundraising activities for staff to support and participate in to raise funds for the charity.

Movember is a charity which raises funds to promote men's health issues and is a cause close to staff at Jupiter following the death of a colleague from prostate cancer in 2013. During November this year, staff worked to raise £27,000 for the charity and won the award for the highest fund-raising team in the City AM Financial Challenge.

Jupiter remains proud to sponsor the Orchestra of the Age of Enlightenment, which we have supported for the past 15 years. We have established a successful relationship, based on shared strengths of quality and innovation.

A team of employees cycled to Paris to raise £15,445 for the Great Ormond Street Hospital, and across the company events were held to support Jeans for Genes, Macmillan, and Save the Children charities during 2014.

GOVERNANCE

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CHAIRMAN'S INTRODUCTION



Dear shareholder,

Following Jamie Dundas' retirement from the Board on 1 September 2014 and my appointment as Chairman from that date, I am delighted to present the key highlights arising from the Board's work on corporate governance in 2014.

Introduction

Effective corporate governance is fundamental to delivering the Group's strategic objectives within a well-controlled environment. The Board's role is to set the strategy for the Group, appoint the right leadership, monitor business performance and oversee its risk management structure. As Chairman, my role is to lead the Board, ensure it operates effectively and to set its agenda. I encourage inclusive and open dialogue, looking to create a diverse environment where we can blend effective, independent non-executive oversight with our strong executive team. I trust you will find the following pages helpful and insightful on how we have performed these roles.

Board changes

The composition of the Board has undergone significant change this year, reflecting the benefits of thoughtful succession planning over a number of years at both executive and non-executive levels. These included Maarten Slendebroek's appointment as Chief Executive Officer in March and my own appointment as Chairman, and Chairman of the Nominations Committee, following Jamie Dundas' unplanned retirement in September. As a result of this, Lorraine Trainer, who has been on the Board since 2010, replaced me as Senior Independent Director. Michael Wilson left the Board in May, following the sale of TA Associates' shareholding in Jupiter, which meant that it was no longer entitled to nominate a non-executive Director. From that point, all our non-executives were independent, bringing Jupiter into line with that part of the UK Corporate Governance Code. Jonathon Bond joined us as a non-executive Director in July 2014, bringing with him significant financial and business experience, and Matteo Dante Perruccio will retire from the Board at our 2015 Annual General Meeting. On behalf of the Board, I would like to express my gratitude to Jamie, Michael and Matteo, who all played crucial roles during their times on the Board in our evolution from a private equity portfolio investment to a well governed, successful plc.

Our Committees

Our Committees play an integral role in supporting us manage our agenda, as discussed throughout the governance section. We therefore undertook an independent, external evaluation of the Board's effectiveness during the year to test our performance. Further details of the above changes, the Board evaluation and the projects we are initiating this year arising from its findings can be found in the Nomination Committee report.

Our Audit Committee has also had a busy year, including overseeing an audit tender process. My elevation to Chairman of the Company meant temporary non-compliance with the Code whilst we sought a successor to my position as Chair of the Committee. I am pleased to say that this is progressing well and, in early 2015, we announced the appointment of Polly Williams as a non-executive director. She will join in March and chair the Audit Committee, meaning that we will again be fully compliant with all aspects of the Code.

Finally, Jupiter's success as a listed company depends on us ensuring our remuneration structure is aligned with shareholders but can attract and motivate the most talented individuals on whom we depend for success. Further details of our work here can be found in the Remuneration Committee report.

The Board is confident that Jupiter is well-placed to capitalise on its attractive growth prospects, and I look forward to reporting back to you next year on progress.

Liz Airey
Chairman

25 February 2015

Compliance Statement

The Company fully supports the principles of corporate governance as set out in the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council in 2012. The FRC published a revised version of the Code in September 2014 and we are taking steps to comply with the new Code requirements that will apply in the next financial year. A copy of the Code can be found on the FRC website at: www.frc.org.uk.

Having reviewed the main principles of the Code, the Board is satisfied that throughout the accounting period ended 31 December 2014, the Company complied with the main principles of the Code other than relating to the Chairmanship of the Audit Committee and the number of independent non-executive Directors.

THE LEADERSHIP FRAMEWORK

The Board

The Board is responsible for the leadership and management of the Group and for setting strategic aims. It is led by the Chairman who, at her appointment, met the criteria for independence set out in the Code. The Board comprises executive and non-executive Directors with an effective balance of skills, knowledge and experience for running the Group's business. It has established a number of Board committees as well as management committees.

The committees of the Board, the Chief Executive Officer, the executive Directors and their management committees complete the Board's framework of control.

Board committees

The Board's committees are the Nomination, Audit and Remuneration committees which operate within defined terms of reference. These committees are entirely composed of independent non-executive Directors. The terms of reference are published on the Company's web site: www.jupiteram.com

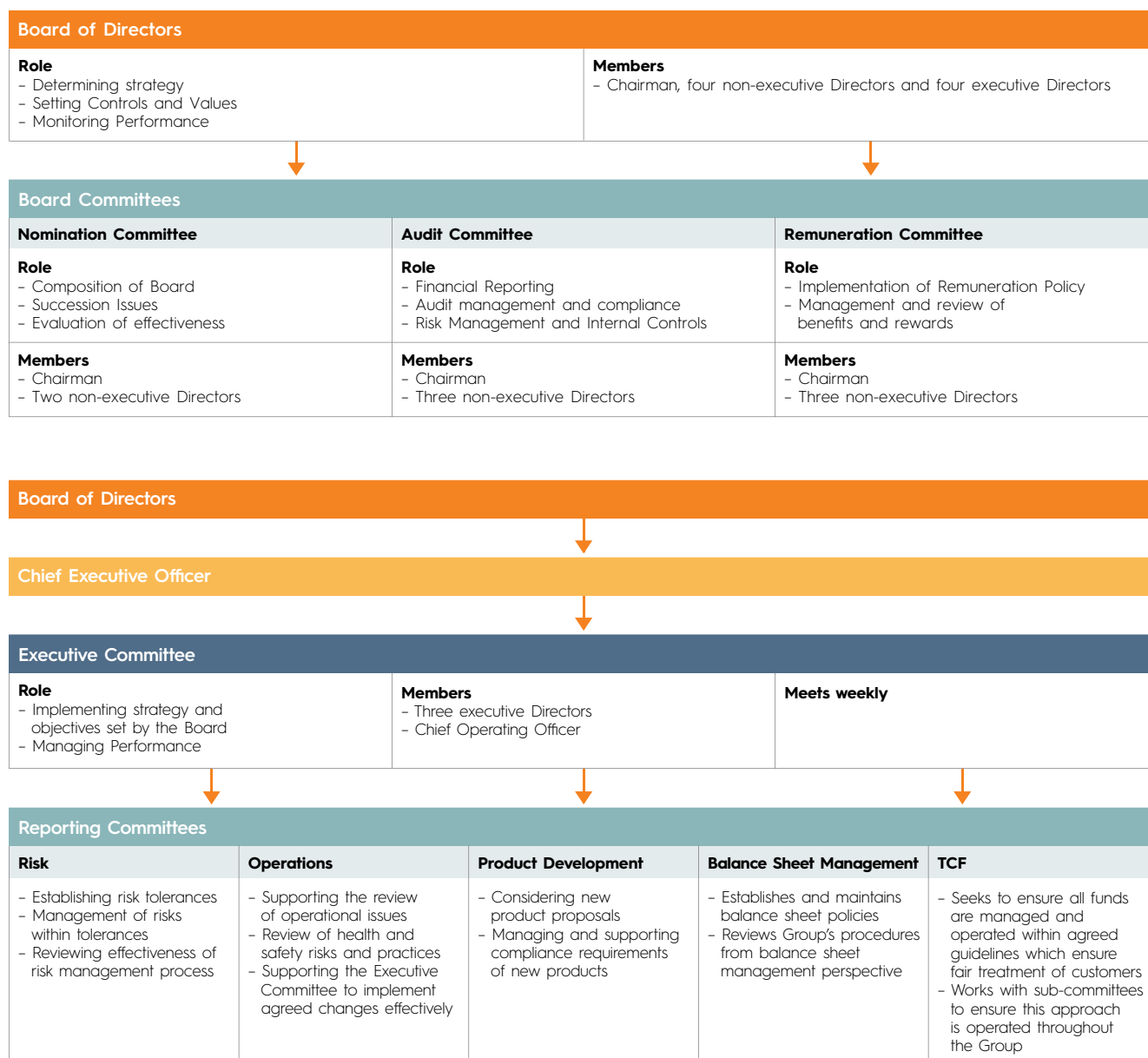
The Chief Executive Officer and executive Directors

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

Management committees

The Chief Executive Officer has established six principal management committees which assist with the management of the Group's day-to-day activities.

The activities of the principal management committees are set out in the framework below.



BOARD OF DIRECTORS



1.



2.



3.



4.



5.



6.



7.



8.



9.

1. Liz Airey

Chairman

Appointed

Non-executive Director in May 2010
Chairman in September 2014

Committees

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

Skills and experience

Liz brings a wealth of relevant financial skills and experience in financial governance and executive leadership. Her previous roles have included Chairman of the Unilever UK Pension Fund (2008-2014), non-executive Chairman of JP Morgan European Smaller Companies Trust PLC (2006-2011) and non-executive Chairman of formerly listed Zetex plc (2003-2007), a manufacturer of specialist semi-conductors. In 1999 she was appointed a non-executive Director of AMEC plc, and served as Senior Independent Director (2004-2009). From 1990 Liz was Finance Director of Monument Oil and Gas plc, a post she held until the sale of the company to Lasmo plc in 1999.

Other current roles

Liz is currently a Senior Independent Director of Tate & Lyle PLC. In 2005 she was appointed a non-executive Director of Dunedin Enterprise Investment Trust PLC and subsequently became Senior Independent Director and Chairman of the Audit Committee. Liz is also a member of the Corporate Governance Committee of the ICAEW and carries out mentoring work for Bird & Co Group.

2. Maarten Slendebroek

Chief Executive Officer

Appointed

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

Committees

None

Skills and experience

Maarten has more than 25 years of asset management and financial services experience including running cross-border asset operations in the international retail sector.

Before joining Jupiter in 2012 as Head of Distribution and Strategy, Maarten spent 18 years at BlackRock and its predecessor companies. He was a member of the global operating committee and European executive committee at BlackRock. His last two roles were Head of Solutions EMEA and Head of International Retail. Maarten has led teams responsible for complex portfolio analytics and asset valuation projects. As Head of International Retail, he was responsible for the build-out and running of all mutual fund-related business worldwide excluding the United States and Canada. Earlier in his career, Maarten gained extensive experience as a sell side European equity analyst.

3. Edward Bonham Carter

Vice Chairman

Appointed

Group Chief Executive in 2007
Vice Chairman in March 2014

Committees

None

Skills and experience

With over 30 years' experience in the investment market and 20 years' working at Jupiter including seven years as CEO, Edward has extensive knowledge of the fund management business.

Edward joined Jupiter in 1994 as a UK fund manager after working at Schroders (1982-1986) and Electra Investment Trust (1986-1994). He was appointed Chief Investment Officer in 1999 and Joint Chief Executive in May 2000. He became Group CEO in 2007, led Jupiter through its management buyout that year and its subsequent IPO in June 2010. Edward relinquished his role as CEO in March 2014 on Maarten Slendebroek's appointment. His role as Vice Chairman focuses on engaging with the Group's key stakeholders including clients, prospective clients and industry bodies.

Other current roles

On 1 January 2014, Edward joined the Board of Land Securities Group plc as a non-executive Director.

4. John Chaffeild-Roberts

Chief Investment Officer

Appointed

Chief Investment Officer in February 2010

Committees

None

Skills and experience

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

John joined Jupiter in March 2001 to establish and lead the team running the Jupiter Merlin portfolios.

5. Philip Johnson

Chief Financial Officer

Appointed

Chief Financial Officer in October 2009

Committees

None

Skills and experience

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

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. Philip is responsible for finance, information technology, investment operations, risk and investor relations.

6. Lorraine Trainer

Senior Independent Director

Appointed

Non-executive Director in May 2010
Senior Independent Director in September 2014

Committees

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

Skills and experience

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

In her executive career, Lorraine held a number of HR leadership roles in international organisations, focusing on performance and development, these included Citibank NA, the London Stock Exchange and Coutts, part of the NatWest Group. Lorraine was a non-executive Director of Aegis Group plc between August 2005 and March 2013.

Other current roles

In addition to her Board work, Lorraine works in the area of director development at and around Board level for a variety of international groups. She is a non-executive Director of Essentra plc and Colt Group S.A.

7. Jon Little

Independent non-executive Director

Appointed

Non-executive Director in September 2011

Committees

- Member of the Audit Committee

Skills and experience

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

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 and Chairman of Insight Investments. 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. From 1991 to 1997 he was at Fidelity Investments, latterly as Director of UK Business Development.

Other current roles

Jon is a Partner in Northill Capital, a private investment business backed by one of Europe's wealthiest families. Jon is also a Director of Alpha Strategic PLC.

8. Jonathon Bond

Independent non-executive Director

Appointed

Non-executive Director in July 2014

Committees

- Member of the Audit Committee
- Member of the Nomination Committee
- Member of the Remuneration Committee

Skills and experience

Prior to joining the Skagen Group, Jonathon spent 25 years in the private equity industry with a particular focus on governance standards and performance. He was a Founding Partner of Actis LLP, the emerging markets specialist alternatives fund manager, where he spent over 10 years. During that time he was a member of the Supervisory Board, Investment and Executive Committees as well as setting up and running the in-house fund raising team. For a number of years Jonathon was a non-executive Director on the Board of Celtel, the first pan-African mobile company. Jonathon previously worked as a founding Director of HSBC Private Equity in India (1994-2000), Electra Private Equity Partners in London and Paris (1988-1993) and Bain & Co in London (1985-1988).

Other current roles

Jonathon is Executive Chairman of the Skagen Group, a family office and group of private companies based in London and operating in the UK, Europe and the USA which includes green cleaning specialists Ecover and Method in its portfolio.

9. Matteo Dante Perruccio

Independent non-executive Director

Appointed

Non-executive Director in October 2008

Committees

- Member of the Remuneration Committee

Skills and experience

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

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, which 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. In 2008 he founded and became Chief Executive Officer of Hermes BPK Partners LLP. He left Hermes in December 2012 and from January to December 2013 he was Chief Executive Officer of Rebacapital, a renewable energy fund investment management company based in London.

Matters reserved to the Board

The Board has established a formal schedule of matters reserved for its decision.

The key issues which are reserved for its decision are:

- establishing the Group's long-term commercial objectives and strategy;
- deciding major acquisitions, disposals and investments;
- approving the dividend policy;
- setting the annual budgets;
- approving significant capital projects, expenditure and borrowings;
- determining the effectiveness of internal controls; and
- agreeing board membership and other senior appointments including the appointment or removal of the Company Secretary.

The Board delegates other matters to the Chief Executive Officer.

Appointments to the Board

The roles of Jupiter's Chairman and Chief Executive Officer are separated and there is a clear division of responsibilities between these roles. The Chairman is primarily responsible for leading the Board, ensuring its effectiveness and setting its agenda. The Chief Executive Officer is responsible for the execution of the strategy the Board has agreed and for the day-to-day management of the Group's business. At the beginning of 2014 the Board comprised:

Jamie Dundas (Chairman); Edward Bonham Carter (Chief Executive Officer); John Chatfeild-Roberts (Chief Investment Officer); Philip Johnson (Chief Financial Officer); Maarten Slendebroek (Distribution and Strategy Director); Liz Airey (Senior Independent Director); Jon Little (independent non-executive Director); Matteo Dante Perruccio (independent non-executive Director); Lorraine Trainer (independent non-executive Director) and Michael Wilson (non-executive Director).

On 17 March 2014 Maarten Slendebroek replaced Edward Bonham Carter as Chief Executive Officer. In the following May, Michael Wilson stepped down. He was nominated by TA Associates, L.P., which held over 10 per cent. of the Company's share capital during his appointment. Michael Wilson did not meet the Code's independence criteria. In order to maintain the Board's high standards of financial and governance experience, Jonathon Bond was appointed as an additional independent non-executive Director in July.

Change of Chairman

During August 2014, it became apparent that Jamie Dundas might need to step down as Chairman due to ill health. It had already been agreed that, in such circumstances, Liz Airey, then Senior Independent Director, would become Interim Chairman. The Board met twice in the next fortnight to discuss the appointment of a replacement Chairman should this prove necessary. As part of these meetings the Board discussed, without Liz being present, whether it would be appropriate to appoint her as Chairman on a permanent basis rather than an interim basis. The Board considered the relative merits of an external candidate being sought using an external search firm compared to appointing Liz Airey, who had a deep understanding of Jupiter, acquired since her appointment in 2010, as well as extensive relevant external experience for the role. The Board concluded that it would be in the best interests of the Company to appoint Liz Airey as Chairman and, accordingly, on 1 September 2014, when Jamie

Dundas resigned on the grounds of ill health, the Board appointed Liz Airey as Chairman. In addition, Liz was appointed as Chairman of the Nomination Committee. Following this appointment the role of Senior Independent Director was taken by Lorraine Trainer who, with four years as a Board member at Jupiter, was seen as an appropriate candidate for the position.

Board balance and independence

The Board now has nine members, comprising the Chairman, four executive Directors and four non-executive Directors. The Board considers each of its non-executive Directors – Jonathon Bond, Jon Little, Lorraine Trainer and Matteo Dante Perruccio – to be independent in both character and judgement and free of any relationship which could materially interfere with exercising their independent judgement. The Board considered the Chairman to be independent within the terms of the Code at her appointment. The biographies of all Directors are set out earlier in this report.

No 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. After nearly seven years on the Board, Matteo Perruccio has indicated he will not be standing for re-election at the Annual General Meeting. Polly Williams will be joining the Board in March 2015 as an independent non-executive Director and will begin chairing the Audit Committee in May, provided her election is approved by the shareholders at the Annual General Meeting.

Operation of the Board

The Board has a rolling agenda which ensures that the key issues set out above, including items relating to strategy, finance, operations, corporate governance and compliance, are appropriately reviewed at its meetings.

Five scheduled board meetings took place during the year with a further two ad hoc meetings arranged. The Board also met off site for a full day's discussion of strategy issues. A schedule of attendance is set out on the following page. To enable the Board to function effectively and to assist Directors in discharging their responsibilities, a comprehensive set of papers is circulated approximately one week before Board and Committee meetings. These include regular business progress reports, budgets, financial statements and shareholder information. The Company Secretary manages the provision of information to the Board, in consultation with the Chairman and Chief Executive Officer. He facilitates the induction of new Directors and assists with their personal development as required. He also ensures Board procedures are complied with and that applicable rules and regulations are followed. The Company Secretary reports to the Chairman on corporate governance matters.

Key areas discussed by the Board in 2014

- Jupiter's strategic plan
- Regulation and compliance
- Risk appetite
- Chairman's succession planning
- Remuneration
- Corporate values
- Regular review of fund management performance
- Balance sheet management
- Product development
- 2015 business plan and budget.

The Board requires all Directors to devote sufficient time to their duties and to use their best endeavours to attend meetings. The terms of appointment of the non-executive Directors require a commitment to the business of up to 30 days a year and a further commitment of up to 10 days a year is expected of Committee chairmen. The Chairman held one meeting during the year with non-executive Directors without the executive Directors present. A meeting is scheduled once a year when the Senior Independent Director meets with the non-executive Directors with neither the Chairman nor Executive Directors being present. Non-executive Directors also meet with senior management on a regular basis.

Attendance record table

The following table details the number of scheduled Board and Committee meetings held during the year ended 31 December 2014 and the attendance record of each Director:

| Number of Meetings held in 2014 | Board (7) | Audit (6) | Remuneration (5) | Nomination (3) |
|---------------------------------|-----------|-----------|------------------|----------------|
| Liz Airey | ●●●●●●● | ●●●●●● | ●●●●● | ●●● |
| Jonathon Bond (1) | ●●● | ●● | - | ●● |
| Edward Bonham Carter | ●●●●●●● | - | - | - |
| John Chatfeild-Roberts | ●●●●●●● | - | - | - |
| Jamie Dundas (2) | ●●●●● | - | ○○● | ●●● |
| Philip Johnson | ●●●●●●● | - | - | - |
| Jon Little | ●●●●●●● | ○●●●●● | - | - |
| Matteo Dante Perruccio | ●●●●●●● | - | ●●●●● | - |
| Maarten Slendebroek | ●●●●●●● | - | - | - |
| Lorraine Trainer | ●●●●●●● | ●●●●●● | ●●●●● | ●●● |
| Michael Wilson (3) | ●● | - | - | - |

● attended scheduled meeting ○ not able to attend scheduled meeting

(1) Jonathon Bond was appointed on 1 July

(2) Jamie Dundas did not attend some meetings due to ill health. He resigned on 1 September

(3) Michael Wilson resigned on 21 May

Effectiveness

Induction and development

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

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

Conflicts of interest

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

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. Accordingly, Jonathon Bond and Polly Williams are seeking election. Jonathon's biographical details can be found earlier in this report. Details of Polly's skills, and current and previous experience are set out in the Notice of Annual General Meeting which accompanies this report. Also in accordance with the Code, all serving Directors with the exception of Matteo Dante Perruccio, will seek re-election at the 2015 Annual General Meeting. The Chairman believes that the individual Directors' performances continue to be effective and demonstrate commitment to their roles and that their respective skills complement each other to enhance the Board's overall operation.

Accountability

Within the statement of Directors' responsibilities they have included a statement that the Annual Report and Accounts present a fair, balanced and understandable assessment of the Group's position and prospects. To help the Board discharge its responsibilities in this area a paper from the Company Secretary was considered, reminding them of their responsibilities and setting out some key considerations to help them with their assessment. In carrying out its review of the Annual Report and Accounts, the Board took into account the guidance from the Financial Reporting Council on best practice. In particular the Board considered whether:

- the business model and strategy were clearly described;
- the assessment of performance was balanced;
- KPIs were used consistently;
- the language used was concise with good linkages to different parts of the document;
- an appropriate forward looking orientation was adopted; and
- there was consistency with the results presentation to analysts on the website

The statement of Directors' responsibilities for preparing the Annual Report and Accounts is set out at the end of this Governance Section. Their report on the going concern basis of accounting, which the Directors' have determined to be appropriate, can be found in the Directors' report. The Strategic report describes the Group's performance during the year.

Internal control and risk management

Internal control

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

The Board, assisted by the Audit Committee, carried out its annual assessment of the effectiveness of internal controls during 2014. This covered all material controls including the following operational, financial and compliance aspects:

- **Compliance** – Reviewing the method by which the Executive Committee gains assurance that the business is operated in alignment with the risk appetite set by the Board examining the whole of the regulatory control environment within the Group.
- **Operational** – Reviewing the Risk Committee's 'heat map' methodology and overseeing the roles of various committees in overseeing risk within the business.
- **Financial** – Receiving and reviewing an annual report from the Money Laundering Reporting Officer on the Group's anti-money laundering and fraud prevention (financial crime measures).

The Board is of the view that the ongoing process for identifying, evaluating and managing the Group's principal risks to achieving its strategic objectives works effectively. The process was in place for the year ended 31 December 2014 and up to the date of approval of the Annual Report and Accounts and:

- is regularly reviewed by the Board; and
- complies with the 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 and significant contracts

During the financial year, Jupiter had 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 provided custodial services in respect of the Group's private client contracts up to the date of its disposal.

IFDS provides a number of services, including dealing and registration processing, distribution of income, record keeping and responding to customer enquiries.

HSBC provides fund accounting services and passive hedging services.

These organisations' activities are defined in service level agreements and they are closely monitored to ensure that service delivery standards are met.

Assurance process

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

Each year, Jupiter commissions the external auditors to test 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 Group's risk strategy and for determining an appropriate risk appetite, as well as the tolerance levels, within which the Group must operate. By defining these, the Board demonstrates that it is aware of and, where appropriate, has taken steps to mitigate the 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. All members of the Executive Committee attend the Risk Committee, together with the Heads of Compliance, Operational Risk and Investment Risk. The Committee is responsible for overseeing regulatory, capital and liquidity risks within a coherent and manageable structure.

Approach to risk

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

| | |
|---|--|
| 1 | Strategic risk The risk that the Group is unable to meet its strategic objectives as a result of matters inherent in the nature of its business or the markets in which it operates. |
| 2 | 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 properly to manage key outsourced relationships. |
| 3 | Liquidity risk The risk that the Group may be unable to meet its financial obligations. |
| 4 | Capital risk The risk that the Group may lack sufficient capital to be able to 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 Risk Committee or the Balance Sheet Management Committee will monitor these. If the latter has any concerns, those concerns will also then be considered by the Risk Committee.

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 adequate for capturing 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 the Operational Risk Team. 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 processes and controls. Where processes or controls are seen to be insufficiently robust, line management is required to define improvements to the operating environment to ensure they pose a minimal (or acceptable) level of risk to the Group.

Identified risks that are deemed to have a sufficiently high likelihood of potential impact on the Group, 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 its compliance monitoring programme. Any breaches found by the Compliance department are logged into the in-house error database and allocated to a failed control and the associated risk category. The business therefore considers any breaches as part of the risk and control assessment process.

Management, with the assistance of the Finance function, is responsible for 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.

Management completes a review of the consolidation and financial statements to ensure that the Group's financial position and results are appropriately recorded, circulated to members of the Board and published where appropriate. All financial information published by the Group is subject to the 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. 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. 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.

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

Remuneration

Executive Directors' remuneration is structured to promote the long-term success of the business, with variable remuneration paid to executive Directors based on stretching performance conditions which are aligned with the strategy of the business. No executive Director is involved in deciding their own remuneration. Further information on the Jupiter remuneration policy and executive Director remuneration outcomes for 2014 is set out in the Remuneration report.

Relations with shareholders

Communication with shareholders is given a high priority and is conducted to promote a common understanding of the Group's objectives. The Chief Executive and the Chief Financial Officer monitor investor relations closely and maintain a regular dialogue with major shareholders, potential investors, fund managers and analysts. During 2014, they held over 100 such meetings. The Chairman's usual dialogue with shareholders focuses on strategy, corporate governance and Directors' remuneration. The Directors receive a report at Board meetings giving information on changes in shareholders and any feedback from the Company's brokers and investors.

Shareholders are encouraged to attend the Annual General Meeting and to put their questions to the Directors and to the Chairmen of the Board's committees in person. The Company communicates electronically with its shareholders whenever possible and in order to reduce wasted resources and pollution associated with paper printing, shareholders are encouraged to accept electronic access to the Notice of Meeting and Annual Report and Accounts which will be made available at least 20 clear days prior to the AGM on the Company's web site at www.jupiteram.com.

The Company also holds briefings following the announcement of the interim and year-end financial results. Presentations to analysts and investors are simultaneously posted on the Company's web site. In 2014 due to ill health, Jamie Dundas was unable to attend post-results meetings with 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, Liz Airey has arranged meetings with key shareholders which are scheduled to take place during 2015.

In 2014, the Remuneration Committee Chairman engaged with investors regarding Jupiter's remuneration policy and disclosures in the Remuneration report. The Senior Independent Director is available to meet shareholders on request if they have concerns that contact through the Chairman has failed to resolve, or for which such contact is not appropriate.

Key Investor Relations activities in 2014

February 2014

- Full year results presentation for 2014

March 2014

- Full year results London roadshow

April 2014

- Investor roadshow, Scotland
- Annual General Meeting

June 2014

- Investor roadshow, USA

July 2014

- Half year results presentation

September 2014

- Half year results London roadshow

October/November 2014

- Investor dialogue relating to remuneration policy and Remuneration report

NOMINATION COMMITTEE REPORT

Dear shareholder,

Welcome to the report of the Nomination Committee, my first report as Chairman of this Committee since my appointment last September.

The Nomination Committee has an important role in ensuring the Board has the optimal composition: a good balance of the experience and skills required together with appropriate diversity of thought and perspective. The Committee actively undertakes succession planning for both executive and non-executive Directors and it makes recommendations to the Board when changes may be appropriate. It is responsible for determining the best selection process, involving choosing the external recruitment firm to help with identifying external candidates as well as itself identifying internal candidates for appointment to the Board if appropriate. Selected candidates are interviewed by the Committee and meet other Directors and senior managers as appropriate, before being nominated to the Board, which makes the final decision on Board appointments.

During the year, the Board's composition and succession planning remained a major focus with a number of non-executive changes. In May, Michael Wilson stepped down and in July, Jonathon Bond was appointed a non-executive Director. Jamie Dundas resigned from the Board in September and I was appointed to succeed him. As a result a search for a new non-executive Director to take my place as Chairman of the Audit Committee was commenced. Since the year end the successful conclusion of this search has been announced with the appointment of Polly Williams. The Governance report explains these changes in further detail.

In July, the Committee recommended the appointment of Independent Audit Limited, a well regarded independent organisation specialising in the evaluation of Board Effectiveness, and with no previous connections with the Company, to carry out an evaluation of the Board and its Committees. Further details can be found later in this report.

The Nomination Committee also reviewed the Company's diversity policy for the Board and has continued its work overseeing the Company's talent management and succession planning.

Liz Airey

Chairman

25 February 2015

Role of the Committee

The Committee's role and responsibilities include:

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

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

Committee members

At the beginning of 2014, the Committee was chaired by Jamie Dundas and Liz Airey and Lorraine Trainer were members. Following the changes to the composition of the Board which are explained earlier in the Governance section, Liz Airey now chairs the Nomination Committee. Its other members are Jonathon Bond and Lorraine Trainer.

Committee meeting attendees

Details of attendance by members of Board committees are set out in the Governance report. While only members of the Committee have the right to attend the Committee's meetings, from time to time others are invited to attend the discussion relevant to particular agenda items. These include other non-executive Directors, the Chief Executive Officer, the Chief Operating Officer and the HR Director. Representatives of the appointed external recruitment consultants also attend meetings where appropriate.

NOMINATION COMMITTEE REPORT

continued

Overview of the activities in 2014

The Committee is required to meet at least twice each year and three meetings were scheduled in 2014. Further meetings take place as required to consider immediate non-executive or senior executive recruitment or other matters relevant to the Committee's duties. In 2014, the Committee met on two further occasions. The Committee reports formally to the Board on its proceedings.

In March 2014 it was announced that Michael Wilson would step down as a non-executive Director on 21 May 2014, following the sale by TA Associates LP and related parties of their holding in the Company's shares. An independent recruitment consultancy, The Zygos Partnership, had already been instructed to undertake a search for an additional non-executive Director and in May we were pleased to announce that Jonathon Bond would join the Board as a non-executive Director in July. His business background in private equity with its focus on performance, together with his experience in the UK and overseas add to the Board's strengths. He subsequently joined this Committee with effect from 1 September 2014.

The search for an additional non-executive Director to become the Chairman of the Audit Committee was commenced immediately after Liz Airey's appointment as Chairman on 1 September and Korn Ferry was appointed to undertake the search assignment. The Committee identified the skills, knowledge and experience that would be required and the search has resulted in the appointment of Polly Williams who will join the Board in March 2015. Polly is a Chartered Accountant and was a partner in KPMG's financial services practice for a number of years. Polly is an experienced Audit Committee Chairman and will bring new insights to the role.

Non-executive Director searches

During the year Jupiter used two independent consultants for recruiting non-executive Directors, The Zygos Partnership, and Korn Ferry. Neither of these organisations have any other connection to the Company, though Zygos has been used for several previous non-executive recruitments.

Board effectiveness

The Committee has reviewed the Directors standing for election or re-election at the 2015 AGM (with Committee members recusing themselves in respect of their own review), taking into account their effectiveness and commitment. It has also considered the independence of the non-executive Directors and is satisfied that they are independent in both character and judgment, in accordance with the Code. All the Directors standing for election or re-election at the Annual General Meeting are recommended by the Committee.

During the autumn of 2014 an externally facilitated evaluation of the Board and its Committees was conducted by Independent Audit Limited, a specialist independent consultancy. The evaluation report was received in December and concluded that the Board and Committees are working effectively and have in place excellent foundations for further development to support Jupiter's growth. The main recommendations were to:

- take the opportunity of reviewing the split of responsibilities between the Chairman and the Chief Executive Officer following the appointment of a new Chairman and CEO in 2014;
- continue to develop the inductions offered to non-executive Directors by increasing the time they spend in the business;
- enhance the amount of Board contact outside Board meetings; and
- consider continued improvements to the preparation and dissemination of Board papers.

The Committee will be proposing to the Board how the recommendations can best be implemented.

Diversity

The Committee considers diversity when looking to appoint additional Directors. It is a prerequisite that each Board member must have the skills, experience and character 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, the Board believes that diversity, amongst its members, including gender diversity, is of great value and it is the Board's policy to give careful consideration to issues of overall Board balance and diversity, in making new appointments to the Board. Female directors currently constitute 22 per cent. of the Board. Following Polly Williams' appointment in March 2015, female Directors will constitute 30 per cent. of the Board. The Board aims to maintain the proportion of females on the Board at least at the current number and to increase the number if appropriate candidates are available when Board vacancies arise. The Company's statement on diversity is available at: www.jupiteram.com

The Company operates a policy of equal opportunity, details of which can be found in the Corporate Responsibility report.

Conflicts

During the year, the Committee continued its review of the operation by the Board of the Conflict of Interest policy to identify and, where appropriate, manage conflicts or potential conflicts of interest. Further details of the operation of this policy can be found in the Directors' report.

AUDIT COMMITTEE REPORT

Dear shareholder,

I am pleased to introduce the Audit Committee's report for 2014. This will be my last report in this role. As the Chairman's Statement explains, during the autumn I took on the role of Chairman of the Company itself, following the early retirement due to ill health of my predecessor, Jamie Dundas. As a result, we started a search for a new non-executive Director, who would also become Chairman of the Audit Committee.

As previously announced, Polly Williams has been appointed as a non-executive Director with effect from 1 March 2015 and she will chair the Audit Committee. Polly is highly qualified for the role. She is a chartered accountant and was a partner in KPMG's financial services practice for a number of years. She is also an experienced audit committee chairman and currently chairs the audit committees of three financial services entities including TSB Banking Group plc. We very much look forward to Polly taking on the role and to the insights and good practice she will bring with her for 2015 and beyond.

The Committee's role and principal responsibilities are set out on the opposite page. Our explanation of how we carried them out during 2014, and how we satisfied ourselves that we had done so effectively, is set out in the full Committee report that follows.

In last year's introduction to the Audit Committee report, I explained the context in which the Committee works. I reflected on the Group's quite specific business model, its compact organisation, its limited geographical footprint, its strong culture of excellence and respect for clients, and its highly regulated operating environment.

One year on, these continue to be key Jupiter characteristics. In a methodical, risk-aware way, management is pursuing the Group's strategy to deliver value to its shareholders through significant increases in funds under management. In 2014, management's focus was on ensuring we had robust strategic building blocks in place: the right organisational and fund management structures, IT and operational processes, and the need to have an embedded statement of corporate values. The Group also simplified its business model by disposing of the private client contracts.

In 2014 the Audit Committee carried out its work against this backdrop. Whilst its routine work programme was completed as usual, the focus of its specific reviews reflects the way management is implementing the Group's corporate strategy. In terms of the Committee's routine work, our relationship with the external auditor came under specific review as this year we undertook an external audit tender. Details of how we carried this out are contained in the report below. I would like to pay tribute to the quality, enthusiasm and professionalism of the teams from all three audit firms who participated in the tender process. It made our choice exceptionally difficult, however, we were particularly impressed with PwC's approach to supporting the Group's international growth plans. It therefore resulted in a decision to recommend the re-appointment of PwC, who presented for appointment under a new partner, Jeremy Jensen (the current partner having served for the maximum allowable time).

The Audit Committee conducts its own effectiveness reviews alongside those led by the Board and the Nomination Committee on the composition and membership of Committees. During the year we determined that both the Board and Audit Committee would benefit from fresh insight and perspective from somebody

who would bring a private-equity like focus on performance and the fundamentals of the business model. Following an external search, I am pleased to say that Jonathon Bond joined the Board and the Audit Committee. His contribution in both roles has been much in evidence since. The Committee now comprises four non-executive Directors, including me, and will remain as four members during 2015 as I shall step down as a Committee member upon Polly's appointment.

The Committee's terms of reference are available on the Company's website and both Polly and I will be available at our AGM on 15 April 2015 to answer questions about the Committee's work.

Liz Airey

Chairman of the Audit Committee

25 February 2015

Role of the Committee

The Committee's roles and responsibilities include:

- overseeing the Group's financial reporting processes;
- monitoring and reviewing the Group's internal controls and risk management systems;
- reviewing the external and internal audit work plans, their findings and their effectiveness;
- overseeing the appointment, remuneration, independence and performance of the Group's internal and external auditors; and
- reporting to the Board on how the Committee discharges its responsibilities.

Committee members

Liz Airey currently chairs the Committee but will relinquish that role on the appointment of the new Audit Committee Chairman in early 2015. The Committee's members are Jonathon Bond, Jon Little and Lorraine Trainer, all of whom are independent non-executive Directors.

All of the Committee members, including Liz Airey, are considered by the Board to be appropriately experienced and qualified to fulfil their duties on this Committee, with Liz Airey being considered to have recent and relevant financial experience. The Committee members' profiles in the Board of Directors section detail their qualifications and experience.

Committee meeting attendees

Only Committee members have the right to attend the Committee's meetings. Representatives of the Group's external and internal auditors, the Executive Committee, the Chairman of the Board, other non-executive Directors and members of the senior management team are invited to attend the Committee's meetings where appropriate.

As part of its routine meetings, the Committee meets at least twice a year with the internal and external auditors, without Jupiter's management being present. Ahead of the Committee's meetings, the Committee Chairman has separate meetings with the internal and external auditors, to prepare for the Audit Committee meeting itself.

AUDIT COMMITTEE REPORT

continued

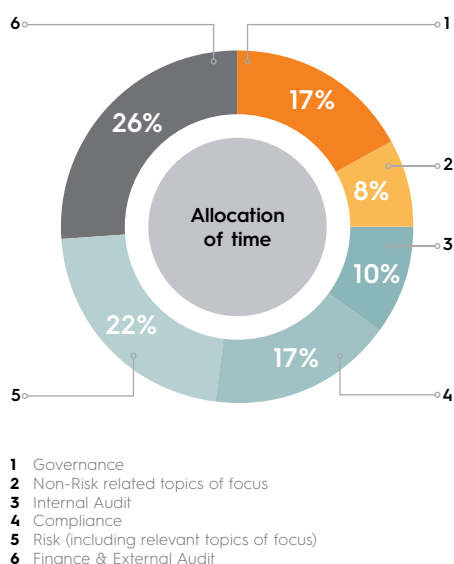
Overview of activities in 2014

During the year, the Audit Committee completed its full annual cycle of regular agenda items. The Committee sets these in advance to ensure its work fulfils the requirements of the UK Corporate Governance Code and other relevant regulations. This work included overseeing the Group's complete external reporting cycle and its internal assurance functions, as well as reviewing and reappointing both the internal and external auditors. As discussed in more detail later in this report, the Committee formally tendered the Group's external audit, which resulted in the decision to recommend to the Board that PwC be put forward for shareholder approval for re-appointment as external auditor for 2015 onwards.

The Committee complemented its regular annual work programme with reviews of topics of particular interest and relevance, which the Committee determined on a rolling basis during the year. A fuller description of the Committee's regular activities and topics of focus is included later in this report.

The Committee carried out a formal annual review of its own effectiveness and concluded that it had performed its duties effectively and had successfully followed up on the findings of the 2013 effectiveness review. The Committee identified enhancements for 2015 and beyond, in particular to deepen its members' knowledge of the executive Risk Committee's work, as well as to ensure that the Committee most effectively reviews topics of interest.

The pie chart set out below shows the approximate proportion of its time that the Committee spent on the stated aspects during the year.



As in previous years, the Committee continued to build on the existing awareness of the importance of its activities within the business. The Committee also reviewed its terms of reference and associated meeting procedures and made some minor changes.

The Committee has an ongoing training programme. In addition to attending seminars on relevant topics during the year, the Committee members received updates from both the external auditors, PwC, and the internal auditors, Ernst & Young LLP ("EY").

Committee meetings

The Committee's terms of reference require it to meet at least three times a year. It also meets at other times, as necessary.

As detailed in the Governance review, the Committee held six meetings during 2014. Two meetings had short agendas, with the primary focus of those meetings being a proposed trading update and an interim Management Statement respectively.

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 2014, as well as the external auditors' reports on the outcome of their reviews and audits in 2014. The Committee considered that, in relation to the Group's financial statements and disclosures, the significant issues which arose and the main areas of judgement were the:

1. carrying value of goodwill;
2. valuation of accrued income and accrued expenses;
3. share-based payments expense; and
4. the sale of private client contracts.

Each of these items requires management to make judgements as to their treatment. The Committee and PwC therefore scrutinise them closely. To enable the Committee to do this, management prepares a briefing paper that summarises the nature of the item and why it is considered to be a key judgement in preparing the Group's financial statements. The Committee considers the judgements and the appropriateness of the resulting disclosures in the financial statements, and requests follow-up analysis where necessary. As a matter of good practice, the Committee also asks PwC to confirm if they agree with the judgements made by management.

As a result of the Group structure adopted at the time of the management buyout in 2007, the Group has goodwill of £341.2m on its balance sheet. The Committee was presented with the results of the 2014 year-end impairment review, which demonstrated very substantial headroom. The Committee was satisfied that no impairment was required.

With respect to accrued income and expenses, the Committee reviewed the key assumptions behind the amounts included in the financial statements for areas where judgement had been applied. The most significant item in accrued expenses at the year end was, as in previous years, the level of the annual bonus accrual. Bonuses are not paid until after the date of signing the financial statements, as such an accrual for the charge is made, based on the calculated bonus pool and the amounts approved by the Remuneration Committee (which looks at bonuses on a total view as well as on an individual view for certain employees). The Committee reviews the amount of the bonus pool, as well as the estimated levels of deferral (into both options over the Company's shares or a cash equivalent value of units in the Group's funds). Since options under the deferred bonus plan are not granted until April, the Committee looks at both the expected level of share grants applicable to the year as well as reviewing the quality of prior year estimates. The Audit Committee ensures that the information used by the Remuneration Committee to recommend individual payments is considered and consistent with the process for calculating the overall charge.

With respect to share-based payments, the Committee has in the past reviewed in detail the valuation process (which is by means of an independent expert's model) for share options and awards, including the underlying judgements and assumptions and the

number of shares and options expected to vest as a result. At this year end, it satisfied itself that this process was being consistently used and the underlying basis was still appropriate.

During the year, the Group announced and then completed the sale of its private client contracts to Rathbones Investment Management. The Audit Committee reviewed the judgements, including the accrual of costs relating to completion, in the Interim Report and Accounts and also reviewed the disclosures in both the Interim and full year Annual Report and Accounts. There were no significant areas of judgement relating to this transaction at the year end.

In addition, the Committee considered the adoption of IFRS 10 Consolidated Financial Statements and the impact of this on the Group, specifically the associated restatement. The restatement resulted in a gross-up of the 2013 balance sheet and statement of cash flows, as well as the requirement to include a restated balance sheet as at 1 January 2013. There was no impact on opening reserves or the income statement.

Going Concern

The Committee also considered the Group's position as a going concern at both the half-year and year-end. This assessment was informed by the Group's business and cash flow projections and their sensitivities, the current net cash balance and the loan facilities available to the Group. The Committee considered that the Group's current surplus capital and cash liquidity were both well above the levels which might bring the going concern basis into question.

The Committee also reviewed a number of other factors, over a timescale up to the end of 2017. These included liquidity management and cash generation from operations, contingent liabilities, unfavourable market scenarios versus the Group's core forecasts and other risks to the Group's operations or balance sheet position. After reviewing these factors, the Committee considered that none cast significant doubt on the Group's ability to continue as a going concern. The Committee therefore considered it appropriate to adopt the going concern basis of accounting in preparing the half-year and annual financial statements for the year ended 31 December 2014, and did not identify any material uncertainties or notify the Board of any qualifications or assumptions as to the Company's ability to continue to do so over a period of at least 12 months from the date of approving such financial statements.

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

Internal controls and risk management systems

At each of its regular meetings, the Committee received a report from:

- the Compliance Director, who reported on regulatory compliance across the Group and the status of any other 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 reported on the status of the internal audit programme and any recommendations for changes to it; and
- the Head of Legal, who provided an update on litigation as appropriate.

As part of its routine control and risk management work, the Committee also 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 to the confidential helpline provided by an independent third party.

Towards the end of its annual work cycle, and in line with the Financial Reporting Council's guidance, the Committee reviewed a report from the Compliance Director on the overall system of internal control and risk management. This, together with the reports given to the Board by the Committee in relation to the overall system, 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 and Accounts.

The Audit Committee places consideration of risk at the heart of all its activities. In addition to its regular meetings, the Committee has achieved this by maintaining a close and open dialogue with executive management and the Group's assurance functions throughout the year. Reports from the executive Risk Committee highlight issues across the Group's potential risk areas, including operational, investment, market, credit, liquidity and counterparty risk, as well as risks inherent in the Group's broader business environment.

In line with the Group's 'three lines of defence' control assurance model, the Committee assesses the effectiveness of business controls. This assessment is informed by any material or potentially material errors or breaches, as well as regular reports from the independent Compliance and Risk functions, with Internal Audit providing verification or challenge as appropriate. The Committee is informed of any material changes to the Group's control environment, and in 2014 received reports showing the process and control interfaces across and between departments, in order to highlight any potential areas of weakness.

Topics of focus

In addition to the routine activities described above, during the year the Committee also identified topics of focus for review. This was primarily based on their importance to the Group's strategy or current or anticipated regulatory focus. The main topics covered during 2014 and to date in 2015, which were presented to the Committee by senior stakeholders in the relevant business areas, were:

Distribution

- relationship management with institutional clients; and
- arrangements for paying rebates and trail commissions.

Platform

- IT work focus, including cyber security;
- data management within the Group and in relation to data held by the Group's suppliers; and
- programme/change assurance in relation to specific ongoing projects within the Group, including the sale of the Group's private client contracts to Rathbones.

AUDIT COMMITTEE REPORT

continued

Risk and governance

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

These reviews have a particular emphasis on risk and the presenters are required to highlight to the Committee any potential risk areas or areas where controls may need enhancing.

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

Internal audit function

EY were appointed to provide the Group's internal audit function in 2008. The internal auditors report directly to the Audit Committee and, in addition to submitting status reports for each Committee meeting, provide Committee members with copies of any internal audit reports completed between meetings. The status reports tabled at meetings include findings and recommendations, as well as the Group's progress with implementing previous recommendations. These help inform the Committee's discussion of any required follow-up. The Committee works with the internal auditors to ensure that their work is embedded in the business and is co-ordinated with that of the external auditors. During the year, the Committee amended the Internal Audit Charter and some aspects of internal audit's way of working, to bring it into line with best practice. These changes should further embed internal audit into the Group's operations.

During 2014, the Audit Committee reviewed the internal auditors' performance and effectiveness. The Committee did this by reviewing the key performance indicators it had set and obtaining feedback from stakeholders within operations and executive management, as well as from the Audit Committee's members. In addition, the Committee received a quality assurance report from an independent partner of EY.

The Committee remains of the view that outsourcing the function to a specialist independent provider is appropriate and helps to ensure that it is adequately resourced. The current internal audit plan runs until December 2015, in advance of which the Committee will consider EY's continued appointment as internal auditors. The Committee intends that this will include a review of the internal audit function in 2015 conducted through a third party's assessment process.

External auditors

Routine matters

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

and approved PwC's terms of engagement and the proposed fee for the 2014 audit. In addition, as part of its annual work cycle, the Committee carried out a full review of the external auditors' effectiveness, following the 2013 audit. This review took the form of a questionnaire 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 Audit Committee meeting.

As part of the process, the Committee followed the FRC's Guidance on Audit Committees and 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 2014 audit in the months ahead. There are no contractual obligations restricting Jupiter's choice of external auditor, other than in respect of EY's appointment as internal auditors.

The Audit Committee has a primary responsibility to safeguard the external auditors' objectivity and independence. To achieve this, it has developed and implemented a policy which the Board has approved. This policy is regularly reviewed and was unchanged during the year. It provides that certain types of non-audit services are pre-approved, whilst others are not permitted under any circumstances. Prohibited services are those where the Committee considers that the associated threats to auditor independence are unacceptable. Pre-approved services are those considered to have a low threat to auditor independence. Nonetheless, pre-approved services still need the Committee's approval if the expected fee exceeds £50,000.

The Committee must approve in advance any proposed services which are neither pre-approved nor prohibited. In such circumstances, the Committee will need to be persuaded that it is in the Group's best interests for the external auditors to be appointed and that using the external auditors will not impair their independence and objectivity. In its reports to the Board in relation to the external auditors' provision of non-audit services, the Committee did not identify any matters of concern. The policy also sets out certain disclosures the external auditors must make to the Committee, restrictions on employing the external auditors' former employees, partner rotation and the procedures for approving non-audit services provided by the auditors.

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 PwC's audit and non-audit services is included within Note 1.3 of the financial statements, which covers administrative expenses.

The value of PwC's non-audit services of £0.2m as a proportion of audit services in the year was 25 per cent. During the year under review, the majority of non-audit fees the Group paid to the external auditors were in relation to two main areas. These were advice relating to taxation and remuneration. Remuneration advice included assistance in respect of changes to remuneration regulations and the 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.

The Audit Committee has primary responsibility for the Group's relationship with the external auditors. During the year it reviewed

In addition, the Group spent £0.2m on audit-related assurance services. These predominantly related to four main pieces of work which the Committee believes would be impractical and/or not cost effective for another audit firm to provide. They were: (a) the half yearly review; (b) the Jupiter report on Internal Controls (AAF 01/06 – ISAE 3402); (c) the annual client assets assurance report to the FCA; and (d) regulatory audits for various overseas branches. 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.

External audit tender

PwC have been the Group's statutory auditors since 2001. Prior to 2014, the Group had not conducted a tender for this work and the last rotation of the audit partner responsible for the Company's account took place in 2010. In the 2013 Annual Report, the Committee set out its intention to conduct a formal tender for the external audit, in line with the latest best practice in this area. Following the publication of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, and with the current audit partner due to rotate after completing the current year's audit, the Committee decided to conduct the tender during the autumn of 2014.

The Committee drew up a shortlist of three firms, including PwC, taking into account their knowledge and experience of Jupiter's sector and the appropriate specialist and technical capability that a successful tender would require. Each firm submitted a list of candidates for audit partner and the Chairman of the Committee decided which partner from each firm should participate in the final presentation to the Committee, with the partner from the successful firm becoming the Group's new audit partner.

The tender process was carried out with an open mind towards a change of auditors, if that would benefit the Group. Following a comprehensive process and careful consideration of the participating firms, the Committee recommended to the Board that PwC (under a new audit partner, Jeremy Jensen) was the most suitable firm to serve the Group, based on their approach of evolving the audit process to support Jupiter's changing environment and markets. In December the Board reviewed and accepted the Committee's recommendation, subject to shareholder approval at the AGM.

The tender process complied with the requirements of the 2014 Order, even though the Order only came into force on 1 January 2015 and relates to financial years beginning on or after that date. Overall, it was a valuable exercise and one which the Committee believes will bring a number of benefits to the Group via an improved audit process.

The Committee will evaluate when next to tender the external audit in line with applicable guidelines.

Reappointment of PwC

Based on the outcome of the tender process, the Committee's satisfactory assessment of the external auditors' performance and its work to safeguard their independence, the Committee considers that it is in the Group's best interests for PricewaterhouseCoopers LLP to continue to act as the Group's auditors. The Committee has therefore recommended to the Board that a resolution to re-appoint them be proposed to shareholders at the forthcoming AGM.

Liz Airey

Chairman of the Audit Committee

25 February 2015

REMUNERATION REPORT

Dear shareholder,

I am pleased to present our Remuneration report for 2014. At our 2014 AGM, shareholders approved our Directors' remuneration policy. We are not proposing any changes to this policy and so have only included the policy summary table in this year's report. Our Annual report on remuneration, outlining how we implemented our policy in 2014 and intend to apply it in 2015, follows the policy summary table. The Annual report on remuneration will be subject to an advisory vote at our 2015 AGM.

The link between performance, remuneration and strategy

Our philosophy is that by combining investment outperformance with our distribution strategy and efficient operations, we can create value for our shareholders. We have a performance pay culture, with decisions on pay for our executive Directors, and the Company as a whole, driven by our results.

Our practice of capping all salaries at a maximum of £250,000 and rewarding employees for performance means that a high proportion of total remuneration continues to be delivered as variable pay, with this element determined by profits and individual performance. All employees including executive Directors are incentivised in a similar way and rewarded according to personal performance and the Company's success.

The Committee believes that capped base salaries and flexible individual incentives are an important part of our performance culture and are appropriate for a cyclical business such as Jupiter. Affordability is key. Our approach does not result in unlimited payouts because, in normal circumstances, the variable compensation pool is capped at 27.5 per cent. of pre-incentive operating profit, with bonuses in respect of prior-year performance and the value of long-term awards granted not exceeding the variable compensation pool cap.

When setting executive Director bonuses, the Committee considers profits, net sales and investment performance, alongside strategic goals and personal performance. In addition, our LTIP performance measures have a strong link to our business strategy, with vesting of awards dependent on underlying EPS performance against a comparator index, net sales, investment outperformance and achievement of key strategic goals. The Committee considers that these performance conditions give a balanced assessment of Jupiter's long-term performance.

Remuneration for 2014

The Committee considered Jupiter's overall performance in the year against the predetermined performance measures when assessing appropriate incentive levels for 2014. Jupiter has continued to deliver good financial performance, with five per cent. growth in underlying earnings per share from 2013, continued progress against net sales and investment performance targets, and sustained strong total returns to shareholders. In 2014, there was also excellent progress against strategic objectives which provides a strong foundation to secure Jupiter's future growth. Such achievements include the completion of the sale of our private client contracts, the successful handover of CEO responsibilities to Maarten Slendebroek, and a significant increase in cash returns to shareholders, as demonstrated by the continued increase in dividends from 12.6p per share for 2013 to a total of 24.7p per share for 2014, including a special dividend of 11.5p per share. These achievements were reflected in the executive Directors' incentive levels for 2014, as set out in further detail in the Annual report on remuneration.

Taking into consideration feedback received from some of our shareholders, a larger proportion of total variable remuneration in respect of 2014 will be delivered in the form of long-term incentives. This will also apply in future years and will further align Executive Committee members' interests with those of shareholders. However, the quantum of the total variable compensation pool will remain unchanged at, in normal circumstances, 27.5 per cent. of pre-incentive operating profit.

Board changes in 2014

As mentioned above, Maarten Slendebroek succeeded Edward Bonham Carter as Chief Executive Officer on 17 March 2014. Edward Bonham Carter remained on the Board and took on a new executive role as Vice Chairman, reporting to Maarten Slendebroek. As Chief Executive Officer, Maarten's base salary remained unchanged. His variable compensation is determined based on the usual performance measures applicable to executive Directors and will now reflect his increased responsibility for the Company's success.

Edward's salary was reduced to £160,000 per annum, reflecting an appropriate rate for his new role. His 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.

Liz Airey succeeded Jamie Dundas as Chairman on 1 September 2014. Remuneration for the Chairman's role remains unchanged at £200,000 per annum.

Rebalancing remuneration for 2015

As set out above, we are not seeking to make any changes to our remuneration policy this year. In consideration of how to implement the policy for 2015, the Committee determined that, as part of a rebalancing of remuneration, all executive Directors (excluding Edward Bonham Carter) should receive a salary of £250,000. This results in an increase of c.16 per cent. for Philip Johnson. Total remuneration opportunity for executive Directors will remain unchanged and salary levels remain very conservatively positioned against the market, reflecting Jupiter's philosophy of pay for performance.

Employee share ownership

At Jupiter, employee share ownership continues to be a key area of focus. Currently, around 25 per cent. of employees hold awards under one or both of the DBP and LTIP and are therefore aligned with shareholders in having a long-term interest in the Company's performance. We also operate an HMRC approved Sharesave scheme (in which around 80 per cent. of eligible employees participate) and an HMRC approved Share Incentive Plan (in which around 70 per cent. of eligible employees participate) to complement and encourage our culture of long-term employee share ownership.

We have provided more detail on the work of the Committee in the Overview of the activities in 2014 section below.

We are keen to encourage an ongoing dialogue with our shareholders on our remuneration framework and look forward to receiving your views and support at the forthcoming AGM.

Lorraine Trainer

Chairman of the Remuneration Committee

25 February 2015

Role of the Committee:

The Committee's 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 Company's performance, the Group's financial and non-financial performance against targets, and any constraints on 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 for the executive Directors, in accordance with the remuneration policy and consistent with the Company's financial situation and prospective performance;
- assessing the extent to which the above group of employees have met their individual performance targets for incentive awards;
- approving the design of, determining the targets for, and monitoring the operation of, any performance related pay schemes operated by the Company, ensuring appropriate links exist between risk and reward, and approving the total annual payments made under such schemes;
- reviewing the design of all share incentive plans and deferred bonus arrangements for approval by the Board and, if applicable, shareholders. For any such plans, determining each year whether awards will be made, and if so, the overall amount of such awards, the eligibility criteria for such awards and the performance targets attaching to those awards, taking into account future risks;
- overseeing any major changes in employee benefit structures throughout the Company;
- determining and reviewing annually individuals who may be included as Material Risk Takers 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 Material Risk Takers.

Committee members

- Lorraine Trainer (Chairman)
- Jamie Dundas (until 1 September 2014)
- Liz Airey
- Matteo Perruccio

Overview of the activities in 2014

The Committee considered a number of key issues in 2014, as follows:

- Regulatory environment. The Committee considered the impact of possible EU regulations on Jupiter's current remuneration framework and potential changes that may need to be implemented in due course. The Committee intends to undertake a review of the remuneration policy throughout the Company before implementing any such changes resulting from the regulations, to ensure that the overall remuneration framework remains appropriate and effective for Jupiter.
- Clawback and malus. Jupiter's approach to the new UK Corporate Governance Code's requirements was also

considered in detail, in particular in relation to clawback and malus provisions on variable remuneration. As a result, clawback will be introduced and apply to all incentives to executive Directors and Executive Committee members funded from the 2015 variable compensation pool onwards, including annual bonus, DBP and LTIP awards. In addition, the existing malus provisions that apply to DBP awards will be broadened in scope and also extended to the LTIP, ensuring our continued compliance with the UK Corporate Governance Code.

- Wider Board briefing. To give the Board greater clarity of the Committee's work, a Board briefing was held late in 2014 to provide an update on remuneration trends, regulations and the Committee's activities during 2014 as well as providing an opportunity for wider Board members to feed in to the forward looking agenda.

Compliance statement

This remuneration report was prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

This report contains both audited and non-audited information. The information subject to audit is set out in the Annual report on remuneration and is identified accordingly.

FCA Remuneration Code. Jupiter is a level three company for the purposes of the FCA Remuneration Code. The Committee fulfils all of its requirements under that Code and ensures that the remuneration policy adheres to its principles.

UK Corporate Governance Code. The Company has followed the requirements of the UK Corporate Governance Code.

Directors' remuneration policy

This section of the Remuneration report provides an overview of the key remuneration elements in place for executive Directors. After the strong support received from shareholders last year, we have not made any changes to our remuneration policy and as such remain bound by the policy.

We have not reproduced the full policy report in this report. The below presents our approved policy table for reference. A copy of our full Directors' Remuneration Policy as approved by shareholders can be found in our 2013 Remuneration report, on pages 47 to 68 of our Annual Report and Accounts 2013 (available on our website: www.jupiteram.com).

In determining the remuneration policy, the Committee also considered the principles of the UK Corporate Governance Code. As described above, in light of the recent changes to the UK Corporate Governance Code, the Remuneration Committee intends to implement clawback and malus provisions to all elements of variable remuneration payable to executive Directors and Executive Committee members, funded from the 2015 variable compensation pool onwards. Further details on the implementation of these clawback and malus provisions will be included in our 2015 Remuneration report.

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 (with reference to the strategic growth objectives set by the Board) <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

Annual report on remuneration

Implementation in 2015

As set out above, we are not proposing to make any changes to our remuneration policy in 2015. The following section provides an overview as to how each element of the remuneration policy will be applied in 2015.

Base salary

In line with our policy, base salaries remain capped at £250,000 per annum. The Committee considered salary levels for 2015 and determined that, as part of a rebalancing of remuneration, Philip Johnson will receive a salary increase to £250,000 per annum, effective from 1 May 2015 to align his salary with Maarten Slendebroek and John Chaffeild-Roberts. This is an increase of c. 16 per cent., although salaries remain conservatively positioned against the market, reflecting Jupiter's philosophy of pay for performance. Total remuneration opportunity for executive Directors will remain unchanged

Annual bonus

Annual bonus awards will continue to be funded through the variable compensation pool. In line with our policy, a portion of bonus awards in excess of £100,000 will be deferred into Jupiter shares for a period of three years.

The Committee reviewed the annual bonus performance measures to ensure that they continue to be aligned to Jupiter's objectives and business strategy. For bonuses in respect of 2015 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 (with reference to the strategic growth objectives set by the Board) |
| 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, an appropriate risk control and compliance environment must be maintained. If it is not, then any executive Director's bonus amounts would be reduced according to the severity of any breaches. The Committee considers more specific details of the 2015 performance measures and targets to be commercially sensitive. Further details of performance against the measures and targets will be provided in our 2015 Remuneration report.

For the annual bonus in respect of 2015, clawback and malus provisions will apply whereby the payment of such bonus (and deferred bonus) can be reduced, withheld or reclaimed in certain circumstances, including material misstatement of results, material failure of risk management, gross misconduct or material damage to the Company's reputation for which the individual is personally responsible or directly accountable.

LTIP

LTIP awards will be awarded in line with prior years, funded from the variable compensation pool. As described in the introduction from the Chairman of the Committee, the Committee has taken into consideration feedback from shareholders and, going forward, a larger proportion of total variable remuneration will be delivered in the form of long-term incentives to further align Executive Committee members' interests with those of shareholders. The quantum of the total variable compensation pool remains unchanged at, in normal circumstances, 27.5 per cent. of pre-incentive operating profit.

The table below sets out the performance conditions attached to LTIP awards. These remain unchanged from 2013.

| Proportion of award | Performance condition | Details |
|---------------------|--|---|
| 25% | Jupiter's underlying EPS performance against a comparator index The Remuneration Committee will determine the comparator index, based on a weighted average of an approximation of the markets in which the Group's AUM 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. |
| 25% | Jupiter's net sales against net sales performance targets The Remuneration Committee sets the net sales target for each year with reference to the net sales target in the budget prepared by the Board. | 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 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. | 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 |
| 25% | Jupiter's net sales against net sales performance targets The Remuneration Committee sets the net sales target for each year with reference to the net sales target in the budget prepared by the Board. | 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. |
| 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 retains 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. | 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 retains 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. |
| 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 retains 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. | 50 per cent. |
| | | 25 per cent. |
| | | 50 per cent. to 80 per cent. |
| | | Pro rata between 25 per cent. and 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 retains 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. | 80 per cent. |
| | | 100 per cent. |
| | | (i) Developing existing employees and recruiting new talent, to provide the performance, products and service that clients require; |
| | | (ii) Broadening the client base in the UK and internationally; and |
| 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 retains 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. | (iii) Maintaining an appropriate risk control and compliance environment. |
| | | |
| | | |
| | | |

For the LTIP awards funded from the 2015 variable incentive pool (granted in 2016), clawback and malus provisions will apply whereby awards can be reduced, withheld or reclaimed in certain circumstances, including material misstatement of results, material failure of risk management, gross misconduct or material damage to the Company's reputation for which the individual is personally responsible or directly accountable.

Non-executive Director fees

The annual fee rates applicable for non-executive Directors for 2015 are as follows:

- Base fee: £60,000 (2014: £55,000);
- Senior Independent Director fee: £7,500 (2014: £7,500);
- Audit Committee Chairman fee (in addition to member fee): £15,000 (2014: £15,000);
- Remuneration Committee Chairman fee (in addition to member fee): £15,000 (2014: £15,000);
- Audit Committee member fee: £7,500 (2014: £5,000);
- Remuneration Committee member fee: £7,500 (2014: £5,000); and
- Non-executive Chairman (all inclusive fee): £200,000 (2014: £200,000)

These are unchanged from 2014, with the exception of the Base fee and the Audit Committee and Remuneration Committee member fees. These fee elements were increased from 1 January 2015 to reflect the increasing size, complexity and time commitment required of these roles, in particular due to the ongoing changes to the regulatory environment.

REMUNERATION REPORT

continued

Non-executive Directors are reimbursed for reasonable business expenses.

The roles and committee responsibilities of the non-executive Directors during 2014 were as follows:

| Director | Title | Roles and Committee responsibilities |
|------------------------|------------------------------------|--|
| Liz Airey | Independent Chairman | Audit Committee Chairman Nomination Committee Chairman Remuneration Committee member |
| Jonathon Bond | Independent non-executive Director | Audit Committee member Nomination Committee member |
| Jon Little | Independent non-executive Director | Audit Committee member |
| Matteo Dante Perruccio | Independent non-executive Director | Remuneration Committee member |
| Lorraine Trainer | Independent non-executive Director | Audit Committee member Remuneration Committee Chairman Senior Independent Director |

Implementation in 2014

Maarten Slendebroek succeeded Edward Bonham Carter as Chief Executive Officer with effect from 17 March 2014. Edward Bonham Carter took on a new executive role as Vice Chairman. In addition, Liz Airey succeeded Jamie Dundas as Chairman on 1 September 2014. Remuneration arrangements following these changes were as follows:

- Maarten Slendebroek: As Chief Executive Officer, Maarten's base salary remained unchanged at £250,000. His variable compensation continues to be determined based on the usual performance measures applicable for executive Directors and will also reflect his increased responsibility for the Company's success;
- Edward Bonham Carter: Edward's salary is £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; and
- Liz Airey: Remuneration for the Chairman's role remains unchanged at £200,000 per annum.

Single total figure

Executive Directors' 2014 and 2013 remuneration (audited information)

| Director | Edward Bonham Carter | | John Chatfeild-Roberts | | Philip Johnson | | Maarten Slendebroek | |
|--|----------------------|--------------|------------------------|--------------|--------------------|------------------|---------------------|--------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Base salary | 178 | 250 | 245 | 243 | 215 | 210 | 250 | 250 |
| Taxable benefits ¹ | 2 | 2 | 2 | 2 | 1 | 1 | 2 | 2 |
| Pension/allowance in lieu of pension contributions | 23 | 33 | 37 | 36 | 29 | 32 | 38 | 38 |
| Annual cash bonus ⁴ | 340 | 940 | 1,060 | 1,060 | 490 | 460 | 1,120 | 790 |
| DBP award ⁴ | 160 | 560 | 640 | 640 | 260 | 240 | 680 | 460 |
| LTIP awards vesting ⁶ | 160 ² | - | 160 ² | - | 263 ^{2,3} | 170 ⁵ | - | - |
| Sharesave options granted | - | 2 | - | - | 1 | 2 | - | - |
| SIP matching shares | 2 | 2 | 2 | 1 | 2 | 2 | 2 | - |
| Total | 865 | 1,789 | 2,146 | 1,982 | 1,261 | 1,117 | 2,092 | 1,540 |

1 Comprised of private medical insurance.

2 Estimated value of 2012 LTIP award vesting in 2015, based on the average closing share price over the period 1 October 2014 to 31 December 2014 (the actual vesting date, from which the option is exercisable, is 2 April 2015).

3 Estimated value of 2011 LTIP award vesting in 2015, based on the average closing share price over the period 1 October 2014 to 31 December 2014 (the actual vesting date, from which the option is exercisable, is 18 April 2015).

4 These amounts have been determined by the Remuneration Committee based on performance against the relevant annual bonus performance measures in respect of 2014.

5 The value of this award vesting has been restated based on a share price on the vesting date of 2 April 2014 of £3.81.

6 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

2014 bonus

The table below outlines the performance measures used to determine 2014 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 Company's profits.

| 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 2014 exceeded expectations and the prior year outcomes across all key metrics.</p> <p>When market levels became unfavourable mid-year, the business reacted quickly to reduce cost and headcount growth, maintaining operating margins and delivering absolute profit growth.</p> <p>Successful balance sheet management has paid off all debt, eliminated the need for our capital waiver and allowed dividends to shareholders to double this year.</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 mutual fund inflows of £1.4bn represented organic growth of 6 per cent. Net flows were 21 per cent. ahead of the prior year; gross mutual fund inflows were 29 per cent. ahead. These reflect the increasingly diversified nature of the Group's distribution reach.</p> <p>Net inflows of £0.9bn were above expectations given external market conditions, the private client contracts sale and a single large, low margin, segregated mandate redemption.</p> <p>Flows at a fund level were written at consistent rates with the previous year, with the aggregate net management margin declining as expected given the business mix effect from a higher proportion of SICAV and fixed income funds.</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>Overall investment performance was good. This was split between:</p> <p>Mutual funds: 51 per cent. above median (weighted by AUM over three years). This includes 67 per cent. of non-Merlin strategies above median and 32 per cent. in the top quartile (weighted by AUM over three years); and</p> <p>Other mandates: 97 per cent. of segregated mandates and 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 Remuneration Committee (with reference to the strategic growth objectives set by the Board). | ++ | <p>Continued implementation of the Group's strategy, with strong delivery across main key performance indicators.</p> <p>Successful sale of private client contracts, executed on time and with proceeds above expectations.</p> <p>CEO transition delivered.</p> <p>Continued improvements in the Group's operating platform.</p> <p>Significant increase in cash returns to shareholders.</p> |

Summary

Overall, outcomes against the performance measures were above the previous year and 2014 expectations, with value delivered for both clients and shareholders. This resulted in a dividend per share of 24.7p for 2014, including a special dividend of 11.5p per share, an increase of 96 per cent. from 2013. 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 corporate performance and the 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 individual's role.

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

Single total figure continued

Personal performance: Maarten Slendebroek, Chief Executive Officer

As Chief Executive Officer for the majority of the year, Maarten has shown strong leadership in a year of implementing and delivering on the Company's strategy. In addition to a strong financial performance, good progress has been made on developing and diversifying our distribution platform, bringing new talent into the Company and enhancing Jupiter's high performance culture. The sale of the private client contracts was successfully completed enabling Jupiter to focus on its core client base.

Bonus amount for 2014: £1,800,000, of which £680,000 is deferred into Jupiter shares for a period of three years.

Personal performance: Edward Bonham Carter, Vice Chairman

Edward fulfilled the Chief Executive Officer role until 17 March 2014. Through the CEO transition, Edward supported Maarten and the whole Board to ensure that the transition was a success. In his new role, Edward has attended many investor meetings and spoken at numerous events to raise Jupiter's profile as well as providing the benefit of his long experience as a fund manager and CEO to the Company. In addition, Edward has helped Maarten and the Head of Investments with talent development in the Company, has joined a number of industry bodies and has a continuing relationship with a number of clients.

Bonus amount for 2014: £500,000, of which £160,000 is deferred into Jupiter shares for a period of three years.

Personal performance: John Chatfeild-Roberts, Chief Investment Officer

As Chief Investment Officer, John has primary responsibility for the continued good investment performance of Jupiter's mutual funds, segregated mandates and investment trusts. John also leads the Merlin strategy where investment performance has improved during 2014. John has worked closely with the Head of Investments as a number of initiatives were taken in the fund management department to support Jupiter's future strategic objectives and growth.

Bonus amount for 2014: £1,700,000, of which £640,000 is deferred into Jupiter shares for a period of three years.

Personal performance: Philip Johnson, Chief Financial Officer

Philip's 2014 bonus amount reflects the Group's continued strong financial performance and success of the long-term balance sheet management strategy. This has resulted in 2014 total dividends of 24.7p per share, representing increase of 96 per cent. compared to 2013. Philip has contributed to the successful CEO transition during 2014. In addition to his specific Board related responsibilities, Philip was responsible for very good progress in the IT function, the improvement of management information and continued progress of the risk function. Philip also took on additional responsibility for investment operations and investment risk during the year.

Bonus amount for 2014: £750,000, of which £260,000 is deferred into Jupiter shares for a period of three years.

Single total figure continued

Performance condition testing for 2012 LTIP award, vesting 2 April 2015

The LTIP awards vesting figures for Edward Bonham Carter, John Chatfeild-Roberts and Philip Johnson shown in the Single total figure in the previous table include LTIP awards due to vest on 2 April 2015, subject to performance conditions measured over a three year period to 31 December 2014. 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 below:

| Performance condition | Performance against the condition over the performance period | Proportion of award vesting | Options over shares vesting (per individual) |
|--|--|--|--|
| 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 11.39 per cent. on an annualised basis.</p> <p>The index grew by 5.8 per cent. on an annualised basis.</p> | <p>Jupiter's annualised underlying EPS growth exceeded the index by 5.59 per cent.</p> <p>This equates to 38 per cent. vesting</p> | 12,569 |
| 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"> • 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 long-term investment performance. • Maintaining an appropriate risk control and compliance environment. | <p>Developing talent within Jupiter and recruiting talent from external sources has been a key feature during the performance period, in particular during 2014. There have been a range of key hires in fund management, distribution (in particular internationally) and support. The succession of a number of senior Fund Managers has been managed successfully during the performance period, as well as the Fund Management department being re-organised.</p> <p>International expansion and broadening the client base has progressed at pace throughout the performance period. Offices in Austria, Hong Kong, Sweden and Switzerland have been added during the performance period, with a presence in Spain also established. This growth has been focused on the locations of large global institutions and has resulted in the broadening of the international client base and left us well placed to further increase this in the future. The value of external mutual fund assets in SICAVs has increased from c. £1bn at the start of the performance period to £4.3bn in December 2014.</p> <p>51 per cent. of mutual funds (weighted by AUM over three years) are above median over three years to December 2014. Performance on other mandates was exceptional with 97 per cent. of segregated mandates and investment trusts (weighted by AUM over three years) beating their benchmarks. There have been no major risk or compliance issues over the performance period. In addition, risk and control processes have been enhanced.</p> | 100 per cent. vesting | 33,076 |
| Total | | 46 per cent. vesting | 45,645 |

REMUNERATION REPORT

continued

Single total figure continued

Performance condition testing for 2011 LTIP award, vesting 18 April 2015

The LTIP awards vesting figure for Philip Johnson shown in the Single total figure in the previous table also includes an LTIP award due to vest on 18 April 2015, subject to performance conditions measured over a four year period to 31 December 2014. 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 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 10.67 per cent. on an annualised basis.</p> <p>The index grew by 7.8 per cent. on an annualised basis.</p> | <p>Jupiter's annualised underlying EPS growth exceeded the index by 2.87 per cent.</p> <p>This equates to 0 per cent. vesting</p> | 0 |
| 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"> • 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 long-term investment performance. • Maintaining an appropriate risk control and compliance environment. | <p>The comments above relating to the assessment of performance over the period 1 January 2012 to 31 December 2014 in respect of the 2012 LTIP award also apply to the assessment of this performance condition. Furthermore, assessment of the strategic goals for the period 1 January 2011 to 31 December 2013 also resulted in 100 per cent. vesting, as outlined in our 2013 Remuneration report. Therefore, the two combined result in an assessment of 100 per cent. vesting over the four year period.</p> | 100 per cent. vesting | 29,192 |
| Total | | 33 per cent. vesting | 29,192 |

LTIP awards granted in 2014

LTIP awards were also granted to executive Directors during 2014. The face value of the award granted to Maarten Slendebroek was £500,000, with awards of £250,000 granted to each of John Chatfeild-Roberts and Philip Johnson. Edward Bonham Carter was granted an award with a face value of £150,000. These awards will vest over a three year period, subject to the achievement of underlying EPS performance against a comparator index, net sales, investment outperformance and achievement of key strategic goals. These measures remain unchanged since 2013 and are described in the Implementation in 2015 section above in more detail.

Single total figure continued

External directorships

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

Non-executive Directors' 2014 and 2013 fees (audited information)

| Director | Liz Airey ¹ | | Jonathon Bond ² | | Jamie Dundas ³ | | Jon Little | | Matteo Dante Perruccio | | Lorraine Trainer | | Michael Wilson ⁴ | |
|----------|------------------------|-------|----------------------------|-------|---------------------------|-------|------------|-------|------------------------|-------|------------------|-------|-----------------------------|-------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Total | 125 | 70 | 30 | - | 184 | 200 | 60 | 50 | 60 | 50 | 83 | 65 | - | - |

1 Appointed Chairman from 1 September 2014.

2 Board member from 1 July 2014.

3 Board member until 1 September 2014 and paid the sum of £50,000 in respect of the three months' notice that he was not required to serve.

4 Board member until 21 May 2014.

Directors' shareholdings (audited information)

| Director | Ordinary shares held at 31 December 2014 (no restrictions) | Unvested ordinary shares held at 31 December (subject to continued employment) | Total ordinary shares held at 31 December 2014 | Vested but unexercised options at 31 December 2014 | Unvested options, vesting not subject to performance conditions at 31 December 2014 | Unvested options, vesting subject to performance conditions at 31 December 2014 | Total options over ordinary shares held at 31 December 2014 | Shareholding as a percentage of salary |
|-------------------------------------|--|--|--|--|---|---|---|--|
| Edward Bonham Carter | 12,005,630 | 919 | 12,006,549 | - | 390,526 | 211,241 | 601,767 | 27,380% |
| John Chatfeild-Roberts ¹ | 4,450,915 | 876 | 4,451,791 | - | 557,100 | 235,380 | 792,480 | 6,497% |
| Philip Johnson ¹ | 1,337,627 | 919 | 1,338,546 | - | 203,708 | 330,535 | 534,243 | 2,270% |
| Maarten Slendebroek | 173,736 | 462 | 174,198 | - | 385,864 | 370,848 | 756,712 | 254% |
| Liz Airey | 45,450 | - | 45,450 | - | - | - | - | - |
| Jonathon Bond | 6,228 | - | 6,228 | - | - | - | - | - |
| Jon Little | 2,513 | - | 2,513 | - | - | - | - | - |
| Matteo Dante Perruccio | 76,833 | - | 76,833 | - | - | - | - | - |
| Lorraine Trainer | 24,242 | - | 24,242 | - | - | - | - | - |

1 Includes connected person's holding.

There have been no changes to the above interests between the year end and 20 February 2015 (the latest practicable date before the printing of the Annual Report and Accounts).

The Remuneration Committee has a policy that executive Directors should maintain a significant holding of shares in the Company. The policy provides that executive Directors should hold shares in the Company with a value equivalent to at least 150 per cent. of base salary (to be built up over a three to five year period from appointment to the Board). Each of the executive Directors currently holds shares with a value in excess of 150 per cent. of base salary.

REMUNERATION REPORT

continued

Share awards (audited information)

DBP – options over Jupiter shares

| Director | Year granted | 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 held as at 1 January 2014 | Market value per share at date of grant | Grant date | Face value at award | Price used to determine number of shares ¹ | Number of shares under option | Number of shares under option exercised during the year | Number of shares under option held as at 31 December 2014 | Earliest exercise date | Latest exercise date |
| Edward Bonham Carter | 2011 (in respect of 2010) | 185,658 | £2.85 | - | - | - | - | 185,658 ² | - | - | - |
| | 2012 (in respect of 2011) | 190,098 | £2.39 | - | - | - | - | - | 190,098 | 02 April 2015 | 02 July 2015 |
| | 2013 (in respect of 2012) | 62,158 | £3.30 | - | - | - | - | - | 62,158 | 04 April 2016 | 04 July 2016 |
| | 2014 (in respect of 2013) | - | - | 03 April 2014 | £560,000 | £4.14 | 135,178 | - | 135,178 | 03 April 2017 | 03 July 2017 |
| | 2011 (in respect of 2010) | 253,967 | £2.85 | - | - | - | - | 253,967 ³ | - | - | - |
| John Chatfeild-Roberts | 2012 (in respect of 2011) | 315,437 | £2.39 | - | - | - | - | - | 315,437 | 02 April 2015 | 02 July 2015 |
| | 2013 (in respect of 2012) | 87,174 | £3.30 | - | - | - | - | - | 87,174 | 04 April 2016 | 04 July 2016 |
| | 2014 (in respect of 2013) | - | - | 03 April 2014 | £640,000 | £4.14 | 154,489 | - | 154,489 | 03 April 2017 | 03 July 2017 |
| | 2011 (in respect of 2010) | 75,314 | £2.85 | - | - | - | - | 75,314 ⁴ | - | - | - |
| | 2012 (in respect of 2011) | 83,559 | £2.39 | - | - | - | - | - | 83,559 | 02 April 2015 | 02 July 2015 |
| Philip Johnson | 2013 (in respect of 2012) | 56,094 | £3.30 | - | - | - | - | - | 56,094 | 04 April 2016 | 04 July 2016 |
| | 2014 (in respect of 2013) | - | - | 03 April 2014 | £240,000 | £4.14 | 57,933 | - | 57,933 | 03 April 2017 | 03 July 2017 |
| | 2014 (in respect of 2013) | - | - | 03 April 2014 | £460,000 | £4.14 | 111,039 | - | 111,039 | 03 April 2017 | 03 July 2017 |
| | 2014 (in respect of 2013) | - | - | 03 April 2014 | £460,000 | £4.14 | 111,039 | - | 111,039 | 03 April 2017 | 03 July 2017 |
| | 2014 (in respect of 2013) | - | - | 03 April 2014 | £460,000 | £4.14 | 111,039 | - | 111,039 | 03 April 2017 | 03 July 2017 |
| Maarten Slendebroek | 2014 (in respect of 2013) | - | - | 03 April 2014 | £460,000 | £4.14 | 111,039 | - | 111,039 | 03 April 2017 | 03 July 2017 |

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

2 Closing share price on date of exercise, 17 June 2014, was £3.95. This resulted in a gain on exercise of £733,349.

3 Closing share price on date of exercise, 28 April 2014, was £3.88. This resulted in a gain on exercise of £985,392.

4 Closing share price on date of exercise, 24 April 2014, was £3.93. This resulted in a gain on exercise of £295,984.

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.

Share awards continued (audited information)

DBP – options over units in Jupiter funds

| | | Options held at start of year | | Options granted during the year | | | | Options held at end of year | | |
|------------------------|---------------------------|--|--|---------------------------------|---------------------|---|------------------------------|---|------------------------|----------------------|
| Director | Year granted | Number of units under option held as at 1 January 2014 | Market value per unit at date of grant | Grant date | Face value at award | Price used to determine number of units | Number of units under option | Number of units under option as at 31 December 2014 | Earliest exercise date | Latest exercise date |
| Edward Bonham Carter | 2013 (in respect of 2012) | 317,042 ¹ | £0.65 | – | – | – | – | 317,042 | 11 April 2016 | 11 April 2016 |
| John Chatfeild-Roberts | 2013 (in respect of 2012) | 220,154 ² | £1.31 | – | – | – | – | 220,154 | 11 April 2016 | 11 April 2016 |

1 Options over units in Jupiter Japan Income Accumulation Fund.

2 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);
- No exercise price is payable on the exercise of DBP options; and
- Executive Directors can no longer elect to receive any part of their DBP award in the form of options over units in Jupiter funds for grants from 2014 (in respect of 2013) and beyond.

REMUNERATION REPORT

continued

Share awards continued (audited information)

LTIP

| Director | Year granted | Options held at start of year | | Options granted during the year | | | | Options exercised/ lapsed during the year | | Options held at end of year | | |
|------------------------|--------------|---|---|---------------------------------|---------------------|---|-------------------------------|--|---|---|------------------------|----------------------|
| | | Number of shares under option held as at 1 January 2014 | Market value per share at date of grant | Grant date | Face value at award | Price used to determine number of shares ¹ | Number of shares under option | Number of shares under option lapsed during the year | Number of shares under option exercised during the year | Number of shares under option held as at 31 December 2014 | Earliest exercise date | Latest exercise date |
| Edward Bonham Carter | 2012 | 99,228 | £2.39 | - | - | - | - | - | - | 99,228 | 02 April 2015 | 02 April 2017 |
| | 2013 | 75,804 | £3.30 | - | - | - | - | - | - | 75,804 | 04 April 2016 | 04 April 2018 |
| | 2014 | - | - | 03 April 2014 | 150,000 | £4.14 | 36,209 | - | - | 36,209 | 03 April 2017 | 03 April 2019 |
| John Chatfeild-Roberts | 2012 | 99,228 | £2.39 | - | - | - | - | - | - | 99,228 | 02 April 2015 | 02 April 2017 |
| | 2013 | 75,804 | £3.30 | - | - | - | - | - | - | 75,804 | 04 April 2016 | 04 April 2018 |
| | 2014 | - | - | 03 April 2014 | 250,000 | £4.14 | 60,348 | - | - | 60,348 | 03 April 2017 | 03 April 2019 |
| Philip Johnson | 2011 | 87,575 | £2.85 | - | - | - | - | 42,911 | 44,664 ² | - | - | - |
| | 2011 | 87,575 | £2.85 | - | - | - | - | - | - | 87,575 | 18 April 2015 | 18 April 2017 |
| | 2012 | 99,228 | £2.39 | - | - | - | - | - | - | 99,228 | 02 April 2015 | 02 April 2017 |
| | 2013 | 83,384 | £3.30 | - | - | - | - | - | - | 83,384 | 04 April 2016 | 04 April 2018 |
| | 2014 | - | - | 03 April 2014 | 250,000 | £4.14 | 60,348 | - | - | 60,348 | 03 April 2017 | 03 April 2019 |
| 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 | 105,924 | £3.30 | - | - | - | - | - | - | 105,924 | 04 April 2016 | 04 April 2018 |
| | 2013 | 72,114 | £3.30 | - | - | - | - | - | - | 72,114 | 04 April 2017 | 04 April 2019 |
| | 2013 | 72,114 | £3.30 | - | - | - | - | - | - | 72,114 | 04 April 2018 | 04 April 2020 |
| | 2014 | - | - | 03 April 2014 | 500,000 | £4.14 | 120,696 | - | - | 120,696 | 03 April 2017 | 03 April 2019 |

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

2 Closing share price on date of exercise, 24 April 2014, was £3.93. This resulted in a gain on exercise of £174,636.

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 exercised during the year | Options held at end of year | | |
|---------------------|--------------|--|---|---------------------------------|---------------------|--|-------------------------------|---|--|------------------------|----------------------|
| | | Number of shares under option as at 1 January 2014 | 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 2014 | Earliest exercise date | Latest exercise date |
| Maarten Slendebroek | 2012 | 320,649 | £2.26 | - | - | - | - | 320,649 ¹ | - | - | - |
| | 2012 | 42,554 | £2.26 | - | - | - | - | - | 42,554 | 31 January 2015 | 31 January 2017 |

¹ Closing share price on date of exercise, 5 March 2014, was £4.06. This resulted in a gain on exercise of £1,295,422.

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. 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 2014 | Market value per share at date of grant | Grant date | Face value at award | Price used to determine number of shares ¹ | Number of shares under option | Number of shares under option exercised during the year | Number of shares under option as at 31 December 2014 | Earliest exercise date | Latest exercise date |
| Edward Bonham Carter | 4,663 | £2.56 | - | - | - | - | 4,663 ² | - | - | - |
| | 3,092 | £3.64 | - | - | - | - | - | 3,092 | 01 December 2016 | 31 May 2017 |
| Philip Johnson | 3,092 | £3.64 | - | - | - | - | - | 3,092 | 01 December 2016 | 31 May 2017 |
| | - | - | 02 October 2014 | £10,405 | £2.97 | 3,030 | - | 3,030 | 01 December 2017 | 31 May 2018 |

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

² Closing share price on date of exercise, 24 March 2014, was £4.07. This resulted in a gain on exercise of £9,979.

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 held at start of year | | Awards granted during the year | | | | Awards held at end of year | |
|------------------------|--|---------------------------------|--------------------------------|---------------------|---|------------------|--|-----------------------|
| | Number of shares subject to award as at 1 January 2014 | Market value per share at award | Award date | Face value at award | Price used to determine number of shares ¹ | Number of shares | Number of shares subject to award as at 31 December 2014 | Earliest vesting date |
| Edward Bonham Carter | 457 | £3.28 | – | – | – | – | 457 | 02 May 2016 |
| | – | – | 02 May 2014 | £1,799 | £3.89 | 462 | 462 | 02 May 2017 |
| John Chatfeild-Roberts | 38 | £3.28 | – | – | – | – | 38 | 02 May 2016 |
| | 38 | £3.24 | – | – | – | – | 38 | 03 June 2016 |
| | 43 | £2.91 | – | – | – | – | 43 | 02 July 2016 |
| | 35 | £3.56 | – | – | – | – | 35 | 02 August 2016 |
| | 36 | £3.46 | – | – | – | – | 36 | 02 September 2016 |
| | 34 | £3.72 | – | – | – | – | 34 | 02 October 2016 |
| | 32 | £3.94 | – | – | – | – | 32 | 04 November 2016 |
| | 32 | £3.90 | – | – | – | – | 32 | 02 December 2016 |
| | – | – | 02 January 2014 | £124 | £3.86 | 32 | 32 | 02 January 2017 |
| | – | – | 03 February 2014 | £125 | £3.68 | 34 | 34 | 03 February 2017 |
| | – | – | 03 March 2014 | £126 | £4.20 | 30 | 30 | 03 March 2017 |
| | – | – | 02 April 2014 | £124 | £4.26 | 29 | 29 | 02 April 2017 |
| | – | – | 02 May 2014 | £1,802 | £3.89 | 463 | 463 | 02 May 2017 |
| Philip Johnson | 457 | £3.28 | – | – | – | – | 457 | 02 May 2016 |
| | – | – | 02 May 2014 | £1,799 | £3.89 | 462 | 462 | 02 May 2017 |
| Maarten Slendebroek | – | – | 02 May 2014 | £1,799 | £3.89 | 462 | 462 | 02 May 2017 |

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

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

| Director | Number of shares under option as at 1 January 2014 ¹ | Number of shares under option exercised during the year | Number of shares under option as at 31 December 2014 | Exercise price (per share) |
|------------------------|---|---|--|----------------------------|
| John Chatfeild-Roberts | 645,750 | 645,750 ² | – | £0.02 |

1 Prior to Listing, John Chatfeild-Roberts was granted an option under the pre-Listing Share Plan over 1,562,500 ordinary shares which became 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 vested on 21 June 2014) was subject to the satisfaction of performance conditions. The performance conditions were 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 Closing share price on date of exercise, 6 November 2014, was £3.58. This resulted in a gain on exercise of £2,298,870.

Dilution

Our policy regarding dilution from employee share awards is 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.

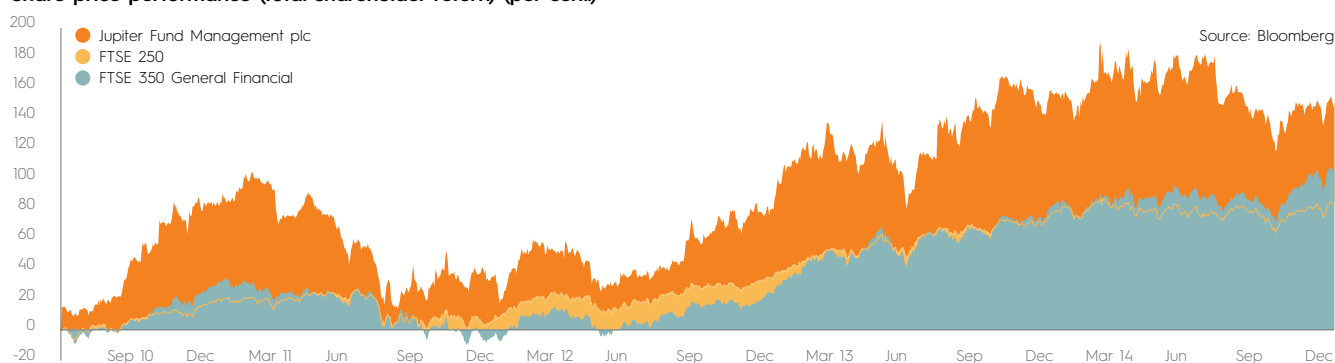
As at 31 December 2014, share awards granted under the DBP, LTIP and Sharesave in the four and a half years since Jupiter's Listing were outstanding over 17m shares (including 2.4m granted to executive Directors). This represented 3.7 per cent. (0.5 per cent. to executive Directors) of the Company's issued share capital. Our current intention is to settle all share awards outstanding as at 31 December 2014 with market purchased shares and our ongoing practice is to purchase shares in the market to settle obligations. No new shares have been issued since Listing in 2010. Therefore, we are currently operating within the relevant dilution targets by a comfortable margin.

Notwithstanding the target outlined above, as a business exposed to both market shocks and critical people issues, we believe we should retain flexibility to act very quickly to take steps that could increase dilution up to a maximum of 15 per cent., on a temporary and short-term basis, if the Remuneration Committee and 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 | 2014 |
|--|-------|-------|-------|-------|--------------------|
| CEO single figure of total remuneration (£'000) | 2,035 | 1,785 | 1,634 | 1,789 | 2,301 ¹ |
| Long-term incentive vesting rates against maximum opportunity ² | N/A | N/A | N/A | N/A | 46% |

¹ Calculated as Edward Bonham Carter's remuneration to 17 March 2014 and Maarten Slendebroek's from 17 March 2014 when he took on the role of CEO, plus the value of Edward Bonham Carter's LTIP award vesting based on performance to 31 December 2014.

² No LTIP awards vested 2010 to 2013 as the first LTIP awards granted to the CEO after Listing were in 2012.

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 2014 and the prior year, and the same information, on an averaged basis, for all employees (excluding executive Directors) is shown in the table below:

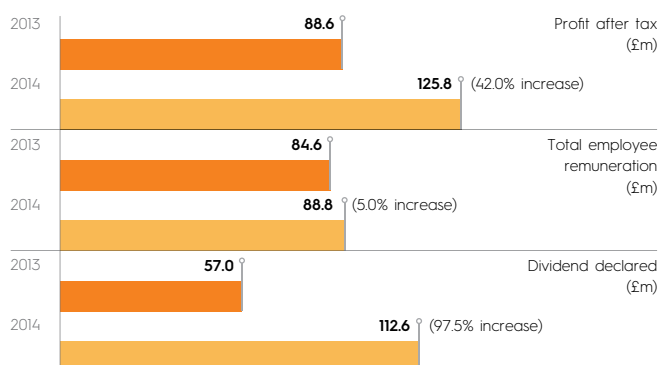
| | CEO percentage change (2013 to 2014) | All employees (excluding executive Directors) percentage change (2013 to 2014) |
|--|--------------------------------------|--|
| Base salary | 0% | 6% |
| Benefits ¹ | 27% | 27% |
| Bonus (including DBP portion) ² | 23% | 7% |

1 The cost of benefits (comprised of private medical insurance) increased by 27 per cent. between 2013 and 2014 due to a large increase in premiums.

2 CEO 2014 bonus based on Edward Bonham Carter's bonus in respect of the CEO role to 17 March 2014 and Maarten Slendebroek's bonus in respect of the CEO role for the remainder of 2014.

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 2014 and 2013.



Shareholder context

At the Company's AGM held on 21 May 2014, the voting outcome on resolutions two (to approve the Annual report on remuneration for the year ended 31 December 2013) and three (to approve the Directors' remuneration policy to take effect from 21 May 2014) were as follows:

| | For | Percentage of total votes cast | Against | Percentage of total votes cast | Withheld |
|--------------|-------------|--------------------------------|------------|--------------------------------|-----------|
| Resolution 2 | 335,514,223 | 99.75 | 854,152 | 0.25 | 805,503 |
| Resolution 3 | 322,158,578 | 96.93 | 10,216,245 | 3.07 | 4,799,064 |

Advisers

Deloitte LLP is the adviser to the Remuneration Committee. 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 £26,585 in 2014. Deloitte LLP also provides advice to the Company relating to IFRS 2 accounting valuations. The Remuneration Committee does not consider that the other advice provided has any impact on Deloitte's independence as advisers to the Remuneration Committee.

In addition, the Chief Executive Officer, Chief Operating Officer, HR Director and Head of Reward are invited to and attend Remuneration Committee meetings to contribute to the Committee's deliberations. On occasion, the Head of Compliance, Head of Risk, Head of Investments and Head of Portfolio Analytics are also invited to and attend Remuneration Committee meetings. No individual is present when their remuneration is being discussed.

On behalf of the Board

Lorraine Trainer

Chairman of the Remuneration Committee

25 February 2015

DIRECTORS' REPORT

The Directors present their report and the Group's audited financial statements for the year ended 31 December 2014.

Principal activities and results

The Company's principal activity is to act as a holding company for a group of investment management companies. Our business model based on investment performance, growing value and effective distribution is explained earlier in the Annual Report. The Group operates principally in the United Kingdom and has branches overseas. The Company is incorporated with Company Number 6150195 and is domiciled in England and Wales.

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

- Commentary on the development and performance in the year ended 31 December 2014 and likely future developments in the Group's business, are included in the Chairman's Statement and the Chief Executive's Statement which can be found in the Strategic report.
- 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 5.4 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 2014 amounted to 499.9 tCO₂e. This is equal to 1.09 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 also given in the Corporate Responsibility section.

Disclosure required under the Listing Rules

LR 4.1.5.(R) and DTR 4.1.8 R

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

LR 9.8.4R

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

| Information | Location |
|---|--|
| Interest capitalised | Not applicable |
| Shareholder waiver of dividends | Notes to Accounts 4.3 |
| Shareholder waiver of future dividends | Notes to Accounts 4.3 |
| Agreements with controlling shareholders | The agreement with TA Associates LP (now expired), is referred to in Governance report |
| Provision of services by a controlling shareholder | Not applicable |
| Details of long-term incentive schemes | Remuneration report and notes to the Accounts 1.5 |
| Waiver of emoluments by a Director | Not applicable |
| Waiver of future emoluments by a Director | Not applicable |
| Significant contracts | Governance report |
| Non-pre-emptive issues of equity for cash | Not applicable |
| Non-pre-emptive issues of equity for cash in relation to major subsidiary | Not applicable |
| Participation by parent of a placing by a listed subsidiary | Not applicable |
| Publication of unaudited financial information | Historical Summary |

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

DTR 7.2 Structure of capital and voting rights

As at 31 December 2014 and 20 February 2015, there were 457,699,916 fully paid ordinary shares of 2p amounting to £9,153,998. Each share in issue is listed on the Official List maintained by the FCA in its capacity as the UK Listing Authority.

There were no changes to the share capital during the year.

The Company has one class of ordinary shares which carry the right to attend, speak and vote at general meetings of the Company. The holders of ordinary shares have the right to participate in dividends and other distributions according to their respective rights and interests in the profits of the Company and a return of capital on a winding-up of the Company. Full details regarding the exercise of voting rights in respect of the resolutions to be considered at the Annual General Meeting to be held on 15 April 2015 are set out in the Notice of Annual General Meeting. To be valid, the appointment of a proxy to vote at a general meeting must be received not less than 48 hours before the time appointed for holding the meeting.

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

Compliance Statement

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

DIRECTORS' REPORT

continued

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 Trustee"). Voting rights are exercised by the SIP Trustee on receipt of participants' instructions. If a participant does not submit an instruction to the SIP Trustee, no vote is registered. In addition, the SIP Trustees do not vote on any unallocated shares held in trust. As at 20 February 2015 the SIP Trustee held 0.07 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 in trust for the benefit of the Group's employees. Where the EBT Trustee has allocated shares held in the trust in respect of specific awards granted under the Jupiter Employee Share Plan, the holders of such awards may 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 2015 the EBT Trustee held 2.3 per cent. of the Company's issued share capital.

Board of Directors

On 21 May 2014 Michael Wilson, a nominee of TA Associates LP (TA), resigned from the Board following the sale by TA and related parties of their holding in the Company's shares as a result of which TA was no longer entitled to nominate one non-executive Director to Jupiter's Board.

On 1 July 2014 Jonathon Bond joined the Board and his biography is set out in the Governance review.

On 1 September 2014 Jamie Dundas resigned as Chairman and Liz Airey was appointed Chairman.

Also on 1 September 2014, Lorraine Trainer who has served as a non-executive Director since May 2010, was appointed Senior Independent Director.

The Directors who served during the year are as follows:

Liz Airey
 Edward Bonham Carter
 Jonathon Bond (from 1 July 2014)
 John Chatfeild-Roberts
 Jamie Dundas (to 1 September 2014)
 Philip Johnson
 Jonathon Little
 Maarten Slendebroek
 Matteo Dante Perruccio
 Lorraine Trainer
 Michael Wilson (to 21 May 2014)

Directors and Directors' interests

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

Statement of Directors' Responsibilities

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

Appointment and replacement of Directors

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

In accordance with the requirements of the Code, all Directors offer themselves for election or re-election at the Annual General Meeting in 2015 with the exception of Matteo Perruccio. Having served on the Board for six years, Matteo Perruccio will not be standing for re-election at the Annual General Meeting.

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

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

Substantial share interests

As at 20 February 2015, the Company had received notifications from the following shareholders of their direct or indirect shareholding of three per cent. or more in the Company's issued share capital. This information is disclosed pursuant to the UK Listing Authority's Disclosure and Transparency Rules.

| Name | Number of shares as at 31 December 2014 | Percentage interest (%) | Number of shares as at 20 February 2015 | Percentage interest (%) |
|---|---|-------------------------|---|-------------------------|
| BlackRock Inc. | 32,988,363 | 7.21 | 41,251,880 | 9.01 |
| Invesco Ltd | 30,541,584 | 6.67 | 29,150,725 | 6.37 |
| Bailie Gifford & Co Ltd (SC) | 27,058,281 | 5.91 | 27,596,340 | 6.03 |
| M&G Investment Management Ltd (UK) | 20,475,221 | 4.47 | 21,410,616 | 4.68 |
| Legal & General Investment Mgmt Ltd | 17,972,290 | 3.93 | 18,111,616 | 3.96 |
| Marathon Asset Management Ltd (UK) | 15,658,443 | 3.42 | 16,735,959 | 3.66 |
| Silchester International Investors LLP (UK) | 11,504,087 | 2.51 | 15,001,009 | 3.28 |

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 (who beneficially owned approximately 35 per cent. of the Company's issued share capital at that time) agreed to restrictions on the sale and transfer of their ordinary shares during the three years following Listing. As at 31 December 2014, shares representing 0.035 per cent. of the current issued share capital continue to be subject to these restrictions due to arrangements in place with a small number of individuals.

Employees

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

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

Dividends

The Directors have recommended a final dividend of 9.5p per ordinary share (2013: 9.1p 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 21 April 2015 to shareholders on the register at the close of business on 20 March 2015.

The Directors have also declared a special dividend of 11.5p per ordinary share. The 2014 special dividend is made up of two components, 6.6p generated from underlying trading and 4.9p from the return of net proceeds from the sale of the private client contracts. To align the payment of all dividends relating to 2014, the payment of the special dividend will be made on 21 April 2015 to all ordinary shareholders on the Register of Members at the close of business on 20 March 2015.

The Board is proposing to change its approach to future dividends to enable prompt payment alongside potential future special dividend declarations, with the expectation that these can then both be consistently paid in early April. This means that dividend approvals will not be sought at future Annual General Meetings.

Authority to allot shares

An ordinary resolution was passed at the Annual General Meeting on 21 May 2014 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 2015, 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 on 30 June 2016 or, if earlier at the conclusion of the Annual General Meeting in 2016.

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 2016 or, if earlier, until 30 June 2016. This authority will be limited to the allotment of equity securities, up to an aggregate nominal amount of £457,699, being five per cent. of the Company's issued share capital as at 20 February 2015. 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 2014, 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 2015, 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 2015) 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 on 30 June 2016, or, if earlier, at the conclusion of the Annual General Meeting in 2016.

Independent auditors and audit information

In 2012 the UK Finance Reporting Council ("FRC") published its Guidance for Audit Committees and in line with its recommendations the Board agreed it would conduct a tender for external audit services. The tender was conducted during the autumn of 2014.

Following a thorough tender process which is detailed in the Audit Committee report, the Audit Committee recommended to the Board that PwC was the most suitable firm to serve the Group. The Board decided to accept this recommendation based upon the experience of PwC and their approach in seeking to evolve the audit process to Jupiter's changing environment and markets.

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.

DIRECTORS' REPORT

continued

Change of control

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

Directors' indemnities

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

Directors' Service Agreements

Each executive Director has a written service agreement which may be terminated by either party on not less than six months' notice in writing. Non-executive Directors also have a written service agreement, for an initial period of three years though the Director which may be renewed for further terms as appropriate. Three months' notice in writing is required to be served by either party to terminate the agreement. The non-executive Directors' service agreements will be available for inspection 15 minutes prior to, and during the Annual General Meeting on 15 April 2015.

Political donations

The Group made no political donations or contributions during the year (2013: £nil).

Annual General Meeting

The Annual General Meeting will take place on 15 April 2015. 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.jupiteram.com.

By order of the Board

Adrian Creedy

Company Secretary

25 February 2015

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 Company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU").

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 and 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

25 February 2015

FINANCIAL STATEMENTS

Group

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SECTION 1: RESULTS FOR THE YEAR

Consolidated income statement for the year ended 31 December 2014

| | Notes | 2014 £m | 2013 £m |
|--|----------|--------------|--------------|
| Revenue | 1.1 | 388.3 | 388.8 |
| Fee and commission expenses | 1.1 | (85.3) | (100.3) |
| Net revenue | 1.1, 1.2 | 303.0 | 288.5 |
| Administrative expenses | 1.3 | (149.2) | (142.1) |
| Operating earnings | 1.6 | 153.8 | 146.4 |
| Other gains (including sale of private client contracts) | 1.7 | 26.1 | 9.5 |
| Amortisation of intangible assets | 3.2 | (20.2) | (39.7) |
| Operating profit | | 159.7 | 116.2 |
| Finance income | 1.8 | 0.5 | 1.0 |
| Finance costs | 1.9 | (0.2) | (3.1) |
| Profit before taxation | | 160.0 | 114.1 |
| Income tax expense | 1.10 | (34.2) | (25.5) |
| Profit for the year | | 125.8 | 88.6 |
| Earnings per share | | | |
| Basic | 1.11 | 28.4p | 21.1p |
| Diluted | 1.11 | 27.2p | 20.0p |

Consolidated statement of comprehensive income for the year ended 31 December 2014

| | Notes | 2014 £m | 2013 £m |
|---|----------|--------------|--------------|
| Profit for the year | | 125.8 | 88.6 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Exchange movements on translation of subsidiary undertakings | | 0.1 | - |
| Net change in fair value of available for sale investments reclassified to the consolidated income statement | 3.4, 5.4 | - | (6.6) |
| Other comprehensive income for the year net of tax | | 0.1 | (6.6) |
| Total comprehensive income for the year net of tax | | 125.9 | 82.0 |

Notes to the Group financial statements – Income statement

Introduction

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

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.

| | 2014 £m | 2013 £m |
|---------------------------------|--------------|--------------|
| Management fees | 364.7 | 360.7 |
| Initial charges and commissions | 18.7 | 22.4 |
| Performance fees | 4.9 | 5.7 |
| Fee and commission expenses | (85.3) | (100.3) |
| Total net revenue | 303.0 | 288.5 |

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

| Net revenue by location of clients | 2014 £m | 2013 £m |
|--------------------------------------|--------------|--------------|
| UK | 268.9 | 261.1 |
| Continental Europe | 27.8 | 21.7 |
| Rest of the world | 6.3 | 5.7 |
| Total net revenue by location | 303.0 | 288.5 |

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 (2013: none).

Non-current assets for the Group (excluding financial instruments and deferred tax assets) are domiciled in the UK (£355.9m) and Asia (£0.1m). In 2013 all non-current assets were domiciled 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:

| | 2014 £m | 2013 £m |
|--|--------------|--------------|
| Staff costs (Note 1.4) | 100.1 | 98.2 |
| Depreciation of property, plant and equipment (Note 3.3) | 1.1 | 0.9 |
| Auditors' remuneration (see below) | 0.8 | 0.9 |
| Operating lease rentals for land and buildings | 1.4 | 1.1 |
| Other administrative expenses | 45.8 | 41.0 |
| Total administrative expenses | 149.2 | 142.1 |

Auditors' remuneration

| | 2014 £m | 2013 £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 | 0.2 |
| Total audit and audit-related fees of the Group | 0.6 | 0.6 |
| Tax advisory services | 0.1 | 0.1 |
| Other non-audit services | 0.1 | 0.2 |
| Total non-audit fees | 0.2 | 0.3 |
| Total auditors' remuneration | 0.8 | 0.9 |

1.4. Staff costs

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

Pension costs

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

| | 2014 £m | 2013 £m |
|---------------------------------|--------------|-------------|
| Wages and salaries | 70.8 | 66.8 |
| Share-based payments (Note 1.5) | 13.7 | 13.8 |
| Social security costs | 10.9 | 13.3 |
| Pension costs | 4.3 | 4.0 |
| Redundancy costs | 0.4 | 0.3 |
| | 100.1 | 98.2 |

Fund units

As described in Note 1.5(ii), deferred bonuses can be deferred into either options over the Company's shares or a cash equivalent to units in the Group's funds. The expense included within wages and salaries in the income statement in relation to fund units for the year ended 31 December 2014 was £1.3m (2013: £2.0m).

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.

Average number of employees

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

| | 2014 | 2013 |
|-------------------------------|------------|------------|
| Fund management | 76 | 72 |
| Distribution and marketing | 102 | 90 |
| Infrastructure and operations | 281 | 293 |
| | 459 | 455 |

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 £14.3m (2013: £13.1m).

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

| | 2014 £m | 2013 £m |
|---|-------------|-------------|
| Interests in options under pre-Listing Share Plan | 0.3 | 2.2 |
| Deferred Bonus Plan (DBP) | 6.4 | 4.8 |
| Long-term Incentive Plan (LTIP) | 6.3 | 6.3 |
| Sharesave Plan (SAYE) | 0.3 | 0.3 |
| Share Incentive Plan (SIP) | 0.4 | 0.2 |
| Total (Note 1.4) | 13.7 | 13.8 |

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:

| | 2014 | | | 2013 | | |
|--|----------|-----------|-----------|----------|-----------|-----------|
| | DBP 2013 | LTIP 2014 | SAYE 2014 | DBP 2012 | LTIP 2013 | SAYE 2013 |
| Weighted average share price (£) | 4.21 | 4.15 | 3.43 | 3.28 | 3.34 | 3.64 |
| Exercise price (£) | – | 0.02 | 2.97 | – | 0.02 | 2.91 |
| Weighted average expected volatility (%) | 32.1 | 31.3 | 31.6 | 32.3 | 32.4 | 32.3 |
| Weighted average option life (years) | 3.1 | 4.0 | 3.5 | 3.1 | 4.2 | 3.6 |
| Weighted average dividend yield (%) | 3.0 | 3.1 | 3.7 | 2.7 | 2.7 | 2.7 |
| Weighted average risk-free interest rate (%) | 1.3 | 1.6 | 1.4 | 0.3 | 0.8 | 1.1 |

Expected volatility for options granted in 2014 and 2013 has been calculated using the historical volatility of the Group.

The numbers above in relation to the LTIP 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:

| | 2014 | | 2013 | |
|-----------------------------------|------------------|-------------|------------------|-------------|
| | Number | WAEP £ | Number | WAEP £ |
| Options outstanding | | | | |
| At 1 January | 9,679,504 | 0.02 | 14,798,616 | 0.02 |
| Exercised | (6,487,449) | 0.02 | (4,514,629) | 0.02 |
| Forfeited | (955,000) | 0.02 | (604,483) | 0.02 |
| At 31 December | 2,237,055 | 0.02 | 9,679,504 | 0.02 |
| Exercisable at 31 December | 287,055 | 0.02 | 1,377,168 | 0.02 |

The weighted average share price at the date of exercise of these options was £3.92 (2013: £3.29) per ordinary share.

No options were granted under this plan in 2014 or 2013. For the options granted in 2010, the weighted average fair value per option granted was £1.48.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2014 is 0.4 years (31 December 2013: 0.6 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 2013 and 2014 in relation to 2012 and 2013 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 2015 in relation to 2014 performance, thus a charge for these awards has been taken to the income statement in 2014.

| | 2014 | | 2013 | |
|-----------------------------------|------------------|-----------|------------------|-----------|
| Options outstanding | Number | WAEP £ | Number | WAEP £ |
| At 1 January | 6,911,376 | - | 5,678,943 | - |
| Granted | 1,665,121 | - | 1,319,487 | - |
| Exercised | (2,616,795) | - | - | - |
| Forfeited | - | - | (87,054) | - |
| At 31 December | 5,959,702 | - | 6,911,376 | - |
| Exercisable at 31 December | - | - | - | - |

There were 2,616,795 options exercised under this plan in 2014 (2013: nil). The weighted average share price at the date of exercise of these options was £3.87 (2013: no options exercised).

The weighted average fair value of options granted under this plan during the year was £3.61 (2013: £2.83).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2014 was 1.1 years (31 December 2013: 1.2 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 2014 and 2013 took the form of nominal cost options over the Company's shares.

| | 2014 | | 2013 | |
|-----------------------------------|------------------|-------------|-------------------|-------------|
| Options outstanding | Number | WAEP £ | Number | WAEP £ |
| At 1 January | 10,354,618 | 0.02 | 7,871,879 | 0.02 |
| Granted | 2,281,028 | 0.02 | 3,281,062 | 0.02 |
| Exercised | (1,216,271) | 0.02 | - | - |
| Forfeited | (1,723,363) | 0.02 | (798,323) | 0.02 |
| At 31 December | 9,696,012 | 0.02 | 10,354,618 | 0.02 |
| Exercisable at 31 December | 290,361 | 0.02 | - | - |

There were 1,216,271 options exercised under this plan in 2014 (2013: nil). The weighted average share price at the date of exercise of these options was £3.90 (2013: no options exercised).

The weighted average fair value of options granted under this plan during the year was £3.42 (2013: £2.74).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2014 was 1.4 years (31 December 2013: 1.8 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 the maximum amount permitted under legislation and, at the expiry of a fixed three or five year term, have the option to use these savings to acquire shares in the Company at a discounted price, calculated under the rules of the plan (currently a 20 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.

| | 2014 | | 2013 | |
|-----------------------------------|------------------|-------------|------------------|-------------|
| Options outstanding | Number | WAEP £ | Number | WAEP £ |
| At 1 January | 1,375,397 | 2.0 | 1,429,776 | 1.78 |
| Granted | 675,614 | 2.97 | 301,023 | 2.91 |
| Exercised | (466,689) | 1.71 | (264,996) | 1.93 |
| Forfeited/converted to new scheme | (105,629) | 2.23 | (90,406) | 1.81 |
| At 31 December | 1,478,693 | 2.5 | 1,375,397 | 2.00 |
| Exercisable at 31 December | 121,623 | 1.69 | 27,978 | 1.93 |

The weighted average share price at the date of exercise of these options was £3.63 (2013: £3.88) per ordinary share.

The weighted average fair value of the options granted under this scheme during the year was £0.77 (2013: £1.01).

The range of exercise prices of options granted under this scheme is between £1.69 and £2.97.

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2014 was 2.2 years (31 December 2013: 1.8 years).

(v) Share Incentive Plan (SIP)

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

The number of matching shares purchased under this scheme during the year was 143,018 (2013: 62,476).

1.6. Operating earnings

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

1.7. Other gains (including sale of private client contracts)

| | 2014 £m | 2013 £m |
|---|-------------|------------|
| Gain on sale of private client contracts | 28.5 | – |
| (Loss)/gain on available for sale ("AFS") investments | (2.6) | 6.7 |
| Dividend income | 0.3 | – |
| Other | (0.1) | 2.8 |
| Total other gains | 26.1 | 9.5 |

Other gains for the year were £26.1m (2013: £9.5m). On 1 April 2014, the Group announced that it had reached an agreement to sell its private client contracts to Rathbone Investment Management Limited ("Rathbones"), a subsidiary of Rathbone Brothers plc. This transaction completed in the third quarter of 2014, with consideration received of £39.6m. As part of the transaction, the Group incurred £11.1m of costs, which related to employee, professional and other costs of £8.1m, £2.2m and £0.8m respectively. Of these costs, the Group owed £3.2m at 31 December 2014 (see Note 3.9). The net of the consideration received and costs incurred resulted in a pre-tax gain of £28.5m for the year.

1.8. Finance income

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

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

| | 2014 £m | 2013 £m |
|--|------------|------------|
| Interest on bank deposits | 0.5 | 0.5 |
| Other interest income | – | 0.3 |
| Fair value movement on interest rate swaps | – | 0.2 |
| | 0.5 | 1.0 |

1.9. Finance costs

The majority of the finance costs are associated with the Revolving Credit Facility ("RCF").

Interest payable is charged on an accruals basis using the effective interest rate 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 rate method. Other finance costs include ancillary charges for commitment fees and non-utilisation fees that are charged as incurred.

| | 2014 £m | 2013 £m |
|---|------------|------------|
| Interest payable on bank borrowings | – | 1.8 |
| Amortisation of debt issue costs (Note 3.8) | – | 0.7 |
| Debt issue cost expense | – | 0.3 |
| Interest payable on interest rate swaps | – | 0.2 |
| Other finance costs | 0.2 | 0.1 |
| | 0.2 | 3.1 |

During 2013, the Group repaid the remaining £78.0m of senior debt under its previous loan facility (Note 3.8). This resulted in an acceleration of £0.4m in the amortisation of the debt issue costs.

The Group subsequently entered into an RCF of £50.0m of which £11.0m was drawn at 31 December 2013 (see Note 3.8 for further details). During 2014, the Group repaid the remaining £11.0m of the RCF, leaving an undrawn facility at 31 December 2014 of £50.0m.

Interest rate swaps

The Group terminated the last of its interest rate swaps in 2013, and therefore there were no interest rate swap contracts outstanding as at 31 December 2014 (2013: nil).

SECTION 1: RESULTS FOR THE YEAR

Notes to the Group financial statements – Income statement continued

1.10. 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). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans.

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

| | 2014 £m | 2013 £m |
|---|--------------|--------------|
| Current taxation – UK corporation tax | | |
| Tax on profits for the year | 35.6 | 34.5 |
| Adjustments in respect of prior years | - | (0.8) |
| | 35.6 | 33.7 |
| Deferred taxation | | |
| Origination and reversal of temporary differences | (1.7) | (8.9) |
| Impact of changes in corporation tax rate | 0.3 | 0.7 |
| Total deferred tax (Note 3.5) | (1.4) | (8.2) |
| | 34.2 | 25.5 |

Total tax expense

With effect from 1 April 2014, the UK corporation tax rate changed from 23 per cent. to 21 per cent. The weighted average UK corporation tax rate for the year ended 31 December 2014 was therefore 21.5 per cent. (2013: 23.25 per cent.). The tax charge in the year is lower (2013: lower) than the standard rate of corporation tax in the UK and the differences are explained below:

| Factors affecting tax expense for the year | 2014 £m | 2013 £m |
|---|-------------|-------------|
| Profit before taxation | 1600 | 114.1 |
| Taxation at the standard corporation tax rate (2014: 21.5 per cent.; 2013: 23.25 per cent.) | 34.4 | 26.5 |
| Non-taxable expenditure/(income) | 0.4 | (1.2) |
| Disallowable expenses | 0.2 | 0.1 |
| Other permanent differences | (1.1) | 0.2 |
| Adjustments in respect of prior years | - | (0.8) |
| Impact of tax rate change on deferred tax balances | 0.3 | 0.7 |
| Total tax expense | 34.2 | 25.5 |

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

1.11. 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:

| | 2014 Number m | 2013 Number m |
|---|---------------------|---------------------|
| Weighted average number of shares | | |
| Issued share capital | 457.7 | 457.7 |
| Less own shares held | (14.1) | (38.6) |
| Weighted average number of ordinary shares for the purpose of basic EPS | 443.6 | 419.1 |
| Add back weighted average number of dilutive shares | 19.5 | 22.9 |
| Weighted average number of ordinary shares for the purpose of diluted EPS | 463.1 | 442.0 |
| | | |
| Earnings per share | 2014 p | 2013 p |
| Basic | 28.4 | 21.1 |
| Diluted | 27.2 | 20.0 |

SECTION 2: CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows for the year ended 31 December 2014

| | Notes | 2014 £m | Restated 2013 £m |
|--|-------|---------------|------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 2.1 | 154.0 | 156.7 |
| Income tax paid | | (31.2) | (33.3) |
| Net cash inflows from operating activities | | 122.8 | 123.4 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 3.3 | (1.6) | (0.5) |
| Purchase of intangible assets | 3.2 | (1.0) | (2.5) |
| Purchase of financial assets at FVTPL | | (7.5) | (2.8) |
| Proceeds from disposal of financial assets at FVTPL | | 14.2 | 6.8 |
| Proceeds from disposal of available for sale investments | | – | 16.6 |
| Proceeds on transfer of private client contracts | | 39.6 | – |
| Costs incurred on transfer of private client contracts | | (7.9) | – |
| Dividend income received | | 0.3 | – |
| Finance income received | | 0.5 | 0.7 |
| Net cash generated from investing activities | | 36.6 | 18.3 |
| Cash flows from financing activities | | | |
| Dividends paid | 4.3 | (56.7) | (42.8) |
| Purchase of shares by EBT | | (12.3) | (3.8) |
| Finance costs paid | | (0.2) | (3.3) |
| Proceeds from bank loan | 3.8 | – | 40.0 |
| Repayment of bank loan | 3.8 | (11.0) | (107.0) |
| Net cash used in financing activities | | (80.2) | (116.9) |
| Net increase in cash and cash equivalents | | 79.2 | 24.8 |
| Cash and cash equivalents at beginning of year | | 171.8 | 147.0 |
| Cash and cash equivalents at end of year | 3.7 | 251.0 | 171.8 |

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

2.1. Cash flows from operating activities

| | 2014 £m | Restated 2013 £m |
|--|--------------|------------------------|
| Operating profit | 159.7 | 116.2 |
| Adjustments for: | | |
| Amortisation of intangible assets | 20.2 | 39.7 |
| Depreciation of property, plant and equipment | 1.1 | 0.9 |
| Other gains | (27.8) | (7.7) |
| Share-based payments | 12.9 | 13.8 |
| Cash inflows on exercise of share options | 0.8 | 0.5 |
| Decrease/(increase) in trade and other receivables | 6.0 | (0.8) |
| Decrease in trade and other payables | (18.9) | (5.9) |
| Cash generated from operations | 154.0 | 156.7 |

SECTION 3: ASSETS AND LIABILITIES

Consolidated balance sheet at 31 December 2014

| | Notes | 2014 £m | Restated 31 December 2013 £m | Restated 1 January 2013 £m |
|--|----------|--------------|------------------------------------|----------------------------------|
| Non-current assets | | | | |
| Goodwill | 3.1 | 341.2 | 341.2 | 341.2 |
| Intangible assets | 3.2 | 8.1 | 27.3 | 64.5 |
| Property, plant and equipment | 3.3 | 1.7 | 1.2 | 1.6 |
| Available for sale investments | 3.4, 5.4 | – | 2.6 | 19.1 |
| Deferred tax assets | 3.5 | 12.4 | 18.4 | 15.3 |
| Trade and other receivables | 3.6 | 5.0 | 9.0 | 13.9 |
| | | 368.4 | 399.7 | 455.6 |
| Current assets | | | | |
| Investments in associates | 3.4 | 13.8 | 15.6 | 11.8 |
| Financial assets at fair value through profit or loss | 3.4 | 37.1 | 47.5 | 51.9 |
| Trade and other receivables | 3.6 | 94.7 | 96.5 | 90.6 |
| Cash and cash equivalents | 3.7 | 251.0 | 171.8 | 147.0 |
| | | 396.6 | 331.4 | 301.3 |
| Total assets | | 765.0 | 731.1 | 756.9 |
| Equity attributable to owners of the parent | | | | |
| Share capital | 4.1 | 9.2 | 9.2 | 9.2 |
| Own share reserve | 4.2 | (0.2) | (0.4) | (1.3) |
| Other reserve | 4.2 | 8.0 | 8.0 | 8.0 |
| Available for sale reserve | 4.2 | – | – | 6.6 |
| Foreign currency translation reserve | 4.2 | 7.2 | 7.1 | 7.1 |
| Retained earnings | 4.2 | 562.0 | 489.8 | 429.4 |
| Total equity | | 586.2 | 513.7 | 459.0 |
| Non-current liabilities | | | | |
| Loans and borrowings | 3.8 | – | 11.0 | 77.3 |
| Trade and other payables | 3.9 | 12.3 | 16.8 | 22.3 |
| Deferred tax liabilities | 3.5 | 2.3 | 5.6 | 14.5 |
| | | 14.6 | 33.4 | 114.1 |
| Current liabilities | | | | |
| Financial liabilities at fair value through profit or loss | 3.4 | 3.0 | 14.0 | 13.4 |
| Trade and other payables | 3.9 | 146.8 | 154.9 | 154.8 |
| Current income tax liability | | 14.4 | 15.1 | 15.6 |
| | | 164.2 | 184.0 | 183.8 |
| Total liabilities | | 178.8 | 217.4 | 297.9 |
| Total equity and liabilities | | 765.0 | 731.1 | 756.9 |

The financial statements on pages 72 to 104 were approved by the Board of Directors and authorised for issue on 25 February 2015. They were signed on its behalf by

Philip Johnson
Chief Financial Officer

Notes to the Group financial statements – Assets and liabilities

3.1. Goodwill

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

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

| | 2014 £m | 2013 £m |
|----------|--------------|--------------|
| Goodwill | 341.2 | 341.2 |
| | 341.2 | 341.2 |

No additional goodwill was recognised in the year (2013: £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. A significant headroom was noted, and therefore no impairment was implied. No impairment losses have been recognised in the current or preceding years.

3.2. Intangible assets

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

Following initial recognition, intangible assets are held at cost less any accumulated amortisation and any provision for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the 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 period of the trade name is 2.5 years, and as at 31 December 2014, the investment management contracts were fully amortised. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement on a straight line basis.

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

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

An assessment is made at each reporting date as to whether there is any indication that an asset in use may be impaired. If any such indication exists and the carrying values exceed the estimated recoverable amount at that time, 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 2014 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

| | 2014 | | | | 2013 | | | |
|---------------------------------|---------------------------------------|------------------|-------------------------|--------------|---------------------------------------|------------------|-------------------------|--------------|
| | 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 | 10.0 | 286.7 | 258.0 | 18.7 | 7.5 | 284.2 |
| Additions | – | – | 1.0 | 1.0 | – | – | 2.5 | 2.5 |
| Disposals | – | – | – | – | – | – | – | – |
| At 31 December | 258.0 | 18.7 | 11.0 | 287.7 | 258.0 | 18.7 | 10.0 | 286.7 |
| Accumulated amortisation | | | | | | | | |
| At 1 January | 240.7 | 12.3 | 6.4 | 259.4 | 203.9 | 10.4 | 5.4 | 219.7 |
| Charge for the year | 17.3 | 1.9 | 1.0 | 20.2 | 36.8 | 1.9 | 1.0 | 39.7 |
| Disposals | – | – | – | – | – | – | – | – |
| At 31 December | 258.0 | 14.2 | 7.4 | 279.6 | 240.7 | 12.3 | 6.4 | 259.4 |
| Net book value | | | | | | | | |
| At 31 December | – | 4.5 | 3.6 | 8.1 | 17.3 | 6.4 | 3.6 | 27.3 |

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.

| | 2014 | | | 2013 | | |
|---------------------------------|------------------------------|------------------------------------|-------------|------------------------------|------------------------------------|-------------|
| | Leasehold improvements £m | Office furniture & equipment £m | Total £m | Leasehold improvements £m | Office furniture & equipment £m | Total £m |
| Cost | | | | | | |
| At 1 January | 0.5 | 4.9 | 5.4 | 0.5 | 4.5 | 5.0 |
| Additions | 0.2 | 1.4 | 1.6 | – | 0.5 | 0.5 |
| Disposals | – | – | – | – | (0.1) | (0.1) |
| At 31 December | 0.7 | 6.3 | 7.0 | 0.5 | 4.9 | 5.4 |
| Accumulated depreciation | | | | | | |
| At 1 January | 0.5 | 3.7 | 4.2 | 0.4 | 3.0 | 3.4 |
| Charge for the year | 0.1 | 1.0 | 1.1 | 0.1 | 0.8 | 0.9 |
| Disposals | – | – | – | – | (0.1) | (0.1) |
| At 31 December | 0.6 | 4.7 | 5.3 | 0.5 | 3.7 | 4.2 |
| Net book value | | | | | | |
| At 31 December | 0.1 | 1.6 | 1.7 | – | 1.2 | 1.2 |

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 in the period in which they arise. Assets in this category are classified as current assets. Where the Group is deemed to have control, the investment is consolidated. Where the Group is deemed to have significant influence, the investment is classified as an investment in associate. Further information is included in the Basis of consolidation in Note 5.1.

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 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.

As at 31 December 2014, the Group held the following financial instruments measured at fair value:

| | Notes | 2014 £m | Restated 2013 £m |
|--------------------------------|-------|-------------|------------------------|
| Available for sale investments | | – | 2.6 |
| Investments in associates | | 13.8 | 15.6 |
| Financial assets at FVTPL | | 37.1 | 47.5 |
| Financial liabilities at FVTPL | | (3.0) | (14.0) |
| | 5.4 | 47.9 | 51.7 |

SECTION 3: ASSETS AND LIABILITIES

Notes to the Group financial statements – Assets and liabilities continued

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 | – | 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 |
| Assets | – | 1.4 | 9.5 | 1.5 | 12.4 | 6.8 | 5.6 |
| Liabilities | (0.9) | – | – | (1.4) | (2.3) | (1.8) | (0.5) |
| At 31 December 2014 | (0.9) | 1.4 | 9.5 | 0.1 | 10.1 | 5.0 | 5.1 |

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

| | Intangible assets £m | Deferred income/ expense £m | Share-based payments £m | Other £m | Total £m |
|--|-------------------------|-----------------------------------|-------------------------------|-------------|-------------|
| At 1 January 2013 | (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 |
| Credited/(charged) to the income statement | 4.1 | (0.4) | (1.7) | (0.6) | 1.4 |
| Charged to equity | – | – | (4.1) | – | (4.1) |
| At 31 December 2014 | (0.9) | 1.4 | 9.5 | 0.1 | 10.1 |

The other deferred tax balances at 31 December 2014 includes short-term timing differences and temporary differences between depreciation and capital allowances.

Information on changes in the tax rate is included in Note 1.10.

3.6. Trade and other receivables

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

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

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

| | 2014 £m | 2013 £m |
|---|-------------|-------------|
| Current | | |
| Trade receivables | 66.8 | 68.2 |
| Prepayments and accrued income | 23.2 | 22.7 |
| Deferred acquisition and commission costs | 4.7 | 5.6 |
| | 94.7 | 96.5 |
| Non-current | | |
| Deferred acquisition and commission costs | 5.0 | 9.0 |
| | 5.0 | 9.0 |

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 5.4.

3.7. Cash and cash equivalents

| | 2014 £m | Restated 2013 £m |
|--|--------------|------------------------|
| Cash at bank and in hand | 130.8 | 88.7 |
| Short-term deposits | 117.0 | 77.5 |
| Cash held by EBT and seed capital subsidiaries | 3.2 | 5.6 |
| | 251.0 | 171.8 |

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 £0.3m (2013: £2.4m) 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 rate 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.

| | 2014 £m | 2013 £m |
|-----------|------------|-------------|
| Bank loan | - | 11.0 |
| | - | 11.0 |

At 1 January 2013, 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 ("RCF") of £50m was entered into by Jupiter Fund Management plc, of which £40m was immediately drawn. In 2013, the Group repaid £29m of the RCF. In 2014, it repaid the remaining £11m. The RCF remained undrawn at 31 December 2014.

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

| | 2014 £m | 2013 £m |
|---|------------|-------------|
| At 1 January | 11.0 | 77.3 |
| Voluntary prepayments made in the year | (11.0) | (107.0) |
| Proceeds from new loan | - | 40.0 |
| Amortisation of debt issue costs (Note 1.9) | - | 0.7 |
| At 31 December | - | 11.0 |

Interest on the RCF 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 RCF 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.

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 | 2014 £m | 2013 £m |
|--|--------------|--------------|
| Trade payables | 79.6 | 83.0 |
| Accrued expenses | 43.9 | 46.0 |
| Deferred income | 7.4 | 8.7 |
| Social security and other taxes | 12.1 | 15.7 |
| Accruals relating to private client transaction | 3.2 | – |
| Amounts due to employees in respect of share and option awards | – | 0.2 |
| Other payables | 0.6 | 1.3 |
| | 146.8 | 154.9 |

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 2014, 0.2m (2013: 3.5m) shares and 2.0m (2013: 8.3m) options were subject to these restrictions.

| Non-current | 2014 £m | 2013 £m |
|------------------|-------------|-------------|
| Deferred income | 9.0 | 14.8 |
| Accrued expenses | 3.3 | 2.0 |
| Other payables | – | – |
| | 12.3 | 16.8 |

Accrued expenses of £3.3m (2013: £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 2014

| | Share capital £m | Own share reserve £m | Other reserve £m | Available for sale reserve £m | Foreign currency translation reserve £m | Retained earnings £m | Total equity £m |
|---|---------------------|-------------------------|---------------------|----------------------------------|--|-------------------------|--------------------|
| At 1 January 2013 | 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 |
| Profit for the year | - | - | - | - | - | 125.8 | 125.8 |
| Exchange movements on translation of subsidiary undertakings | - | - | - | - | 0.1 | - | 0.1 |
| Other comprehensive income | - | - | - | - | 0.1 | - | 0.1 |
| Total comprehensive income | - | - | - | - | 0.1 | 125.8 | 125.9 |
| Vesting of ordinary shares and options | - | 0.2 | - | - | - | 0.8 | 1.0 |
| Dividends paid | - | - | - | - | - | (56.7) | (56.7) |
| Purchase of shares by EBT | - | - | - | - | - | (11.6) | (11.6) |
| Share-based payments | - | - | - | - | - | 12.9 | 12.9 |
| Current tax | - | - | - | - | - | 5.1 | 5.1 |
| Deferred tax | - | - | - | - | - | (4.1) | (4.1) |
| Total transactions with owners | - | 0.2 | - | - | - | (53.6) | (53.4) |
| At 31 December 2014 | 9.2 | (0.2) | 8.0 | - | 7.2 | 562.0 | 586.2 |
| 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.

| | 2014 £m | 2013 £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 Employee Benefit Trust (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 2014, 0.2m (2013: 3.5m) ordinary shares beneficially owned by senior employees or former 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 year. The shares are held within the Group's EBT and, together with a further 10.4m (2013: 17.4m) shares held for the purpose of satisfying share option obligations to employees, are treated as own shares with a cost of £0.2m (2013: £0.4m).

(ii) Other reserve

The other reserve of £8.0m (2013: £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 (2013: £nil). At 1 January 2013, it related 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 £7.2m (2013: £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 £562.0m (2013: £489.8m) 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.

| | 2014 £m | 2013 £m |
|--|-------------|-------------|
| Final dividend 2013 (9.1p per ordinary share) (2012: 6.3p per share) | 40.2 | 27.5 |
| Interim dividend 2014 (3.7p per ordinary share) (2013: 3.5p per share) | 16.5 | 15.3 |
| | 56.7 | 42.8 |

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 2014 (2013: £nil).

A final dividend for 2014 of 9.5p per share (2013: 9.1p) will be proposed at the Annual General Meeting on 15 April 2015. A special dividend of 11.5p per share has been declared by the Directors. These dividends amount to £43.5m and £52.6m respectively (before adjusting for any dividends waived on shares in the EBT) and will be accounted for in 2015. Including the interim dividend for 2014 of 3.7p per share (2013: 3.5p), this gives a total dividend per share of 24.7p (2013: 12.6p).

SECTION 5: OTHER NOTES

Notes to the Group financial statements – Other

5.1. Basis of preparation and other accounting policies

Basis of preparation

The Group financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and 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 2014 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 Group financial statements, with no new policies adopted for the year ended 31 December 2014, except as disclosed later in this note within the section titled "New standards and interpretations adopted for 2014". The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed later in this note within the section titled "Critical accounting estimates, judgements and assumptions".

Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities over which the Group has control. The Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: the purpose and design of an investee, relevant activities, substantive and protective rights, and voting rights and potential voting rights. The Group assesses where it is acting as an agent or principal for its holdings in its seed capital investments. Where the Group concludes it is acting as a principal the entity is consolidated. This assessment is based on the Group's total exposure. This incorporates direct holdings and income earned from management and performance fees. There is no fixed minimum percentage at which the Group consolidates, and each exposure is reviewed individually. In addition to these exposures the Group considers any kick out rights the entity may have. This is in contrast to the previous accounting policy where only holdings over 50 per cent. were consolidated.

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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 in the income statement and as liabilities at fair value through profit or loss in the consolidated balance sheet. This is due to the ability of the external shareholders in these funds to put the shares back to the funds.

SECTION 5: OTHER NOTES

Notes to the Group financial statements – Other continued

5.1. Basis of preparation and other accounting policies continued

(ii) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control. Generally, it is presumed that the Group has significant influence if it has between 20 per cent. of the voting rights up to the point where it is deemed the Group gains control. This is in contrast to the previous accounting policy where all entities with holdings between 20 per cent. and 50 per cent. were deemed to be an associate. Investments that are held as part of the Group's investment portfolio in mutual funds and similar entities are carried in the balance sheet at fair value even though the Group may have significant influence over those companies as permitted by IAS 28, Investment in Associates, with changes in fair value recognised in the consolidated income statement. The fair value of investments in associates is determined by reference to the quoted bid prices or net asset value of the underlying investments at the close of business on the balance sheet date. The Group has no investment in associates other than these and, therefore, no associates are currently equity accounted.

Foreign currency

(i) Functional and presentational currency

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

(ii) Transactions and balances

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

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

New standards and interpretations adopted for 2014

The following new and revised standards and interpretations have been adopted in the current year.

| | |
|--|--|
| 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. |
| 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. |
| 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. |
| Amendment to IAS 32 Financial Instruments | These amendments clarify some of the requirements for offsetting financial assets and liabilities on the balance sheet. |
| IAS 36 Impairment of Assets | Clarifies the disclosure requirement for Recoverable Amount Disclosures for Non-Financial Assets. |
| Amendment to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting | These amendments provide a relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. |
| IFRIC 21 Levies | Provides guidance on when to recognise a liability for a levy imposed by a government. |

The main change resulting from IFRS 10 Consolidated Financial Statements relates to the definition of control and establishes control as the basis for consolidation. As such, the Group has applied IFRS 10 retrospectively in accordance with the transition provisions of IFRS 10. The financial effects of this can be seen in Note 5.2.

The main changes resulting from IFRS 12 Disclosures of Interests in Other Entities require disclosure of all forms of interests in other entities, including associates. The financial effects of this can be seen in Note 5.5. The effect of the adoption of IFRS 12 has resulted in additional disclosures in the Group 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 by the EU | Summary | Effective for periods beginning on or after |
|--|--|---|
| IFRS 9 Financial Instruments | Replacement project on financial instruments consists of three phases: <ul style="list-style-type: none"> • Phase 1: Classification and measurement of financial assets and financial liabilities; • Phase 2: Impairment methodology; and • Phase 3: Hedge accounting | 1 January 2018 |
| IFRS 15 Revenue from Contracts with Customers | Establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue Standards and Interpretations upon its effective date: <ul style="list-style-type: none"> • IAS 18 Revenue; • IAS 11 Construction Contracts; • IFRIC 13 Customer Loyalty Programmes; • IFRIC 18 Transfers to Assets from Customers; and • SIC 31 Revenue-Barter Transactions Involving Advertising Services | 1 January 2017 |
| Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations | These amendments provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations. | 1 January 2016 |
| Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation | These amendments prohibit using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. | 1 January 2016 |
| Endorsed by the EU but not yet adopted | | |
| Annual Improvements to IFRSs 2010-2012 Cycle | These improvements address changes to: <ul style="list-style-type: none"> • IFRS 2 Share Based Payments • IFRS 3 Business Combinations • IFRS 8 Operating Segments • IFRS 13 Fair Value Measurement • IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets • IAS 24 Related Party Disclosures | 1 July 2014 |
| Annual Improvements to IFRSs 2011-2013 Cycle | These improvements address changes to: <ul style="list-style-type: none"> • IFRS 3 Business Combinations • IFRS 13 Fair Value Measurement • IAS 40 Investment Property | 1 July 2014 |

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group. The adoption of the accounting standards endorsed but not yet applied above are not expected to have a significant impact on the financial statements of the Group.

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 |
| 3.6 | Accrued income |
| 3.9 | Accrued expenses |

5.2. Restatement due to the adoption of IFRS 10

From 1 January 2014, the Group adopted IFRS 10 Consolidated Financial Statements for the first time. This required retrospective application meaning that the impact of adoption was applied from 1 January 2013. This has resulted in a restatement of the comparative balance sheet as at 31 December 2013, and also a requirement to disclose the restated opening balance sheet as at 1 January 2013. The adoption of IFRS 10 has resulted in consolidation of certain funds which previously did not require consolidation. For 31 December 2013 this resulted in the Jupiter Global Fund SICAV: North American Equities being consolidated and at 1 January 2013 Jupiter Global Fund SICAV: Asia Pacific. These funds had not been consolidated under the previous rules as the Group held less than 50 per cent. of the voting interest. Under IFRS 10, ownership of less than 50 per cent. of the voting interests can constitute control, and therefore consolidation, if it has the power, ability to direct, and exposure to variable returns.

The table below shows extracts of the consolidated statement of cash flows and consolidated balance sheet as at 31 December 2013 and 1 January 2013, including the amounts previously reported, the adjustment arising from the adoption of IFRS 10 and the restated amounts. There was no impact on the income statement in any period.

| | 31 December 2013 | | | 1 January 2013 | | |
|---|------------------------------|------------------|-------------------|------------------------------|------------------|-------------------|
| | As previously reported £m | Adjustment £m | As restated £m | As previously reported £m | Adjustment £m | As restated £m |
| Consolidated statement of cash flows extract | | | | | | |
| Cash generated from operations | 155.4 | 1.3 | 156.7 | 141.2 | – | 141.2 |
| Consolidated balance sheet extract | | | | | | |
| Assets: | | | | | | |
| Investments in associates | 19.3 | (3.7) | 15.6 | 19.2 | (7.4) | 11.8 |
| Financial assets at FVTPL | 41.3 | 6.2 | 47.5 | 34.2 | 17.7 | 51.9 |
| Cash and cash equivalents | 170.5 | 1.3 | 171.8 | 147.0 | – | 147.0 |
| Liabilities: | | | | | | |
| Financial liabilities at FVTPL | (10.2) | (3.8) | (14.0) | (3.1) | (10.3) | (13.4) |

5.3. Financial commitments

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

| | 2014 £m | 2013 £m |
|---|------------|------------|
| Not later than one year | 1.4 | 1.4 |
| Later than one year and not later than five years | 1.3 | 1.6 |
| | 2.7 | 3.0 |

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

In September 2014, the Group signed an agreement for a 20 year lease on an uncompleted building. Until completion, there is no obligation to make lease payments, and therefore no amount in relation to this has been included above.

5.4. Financial risk management

Financial instruments by category

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

| | Available for sale £m | 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 |
|---|-----------------------------|---|--------------------------------|--|---|---|--|--------------|
| 2014 | | | | | | | | |
| Goodwill | - | - | - | - | - | - | 341.2 | 341.2 |
| Intangible assets | - | - | - | - | - | - | 8.1 | 8.1 |
| Property, plant and equipment | - | - | - | - | - | - | 1.7 | 1.7 |
| Deferred tax assets | - | - | - | - | - | - | 12.4 | 12.4 |
| Non-current trade and other receivables* | - | - | - | - | - | - | 5.0 | 5.0 |
| Investments in associates | - | 13.8 | - | - | - | 13.8 | - | 13.8 |
| Financial assets at FVTPL | - | 37.1 | - | - | - | 37.1 | - | 37.1 |
| Current trade and other receivables* | - | - | 84.1 | - | - | 84.1 | 10.6 | 94.7 |
| Cash and cash equivalents | - | - | 251.0 | - | - | 251.0 | - | 251.0 |
| Non-current trade and other payables* | - | - | - | - | (3.3) | (3.3) | (9.0) | (12.3) |
| Deferred tax liabilities | - | - | - | - | - | - | (2.3) | (2.3) |
| Current trade and other payables* | - | - | - | - | (127.3) | (127.3) | (19.5) | (146.8) |
| Current income tax liability | - | - | - | - | - | - | (14.4) | (14.4) |
| Financial liabilities at FVTPL | - | - | - | (3.0) | - | (3.0) | - | (3.0) |
| Total | - | 50.9 | 335.1 | (3.0) | (130.6) | 252.4 | 333.8 | 586.2 |
| Restated 2013 | | | | | | | | |
| 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 | - | 15.6 | - | - | - | 15.6 | - | 15.6 |
| Financial assets at FVTPL | - | 47.5 | - | - | - | 47.5 | - | 47.5 |
| Current trade and other receivables* | - | - | 86.8 | - | - | 86.8 | 9.7 | 96.5 |
| Cash and cash equivalents | - | - | 171.8 | - | - | 171.8 | - | 171.8 |
| 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 | - | - | - | (14.0) | - | (14.0) | - | (14.0) |
| Total | 2.6 | 63.1 | 258.6 | (14.0) | (143.5) | 166.8 | 346.9 | 513.7 |

*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 2014 and 2013, there was no material difference between the carrying value and fair value.

SECTION 5: OTHER NOTES

Notes to the Group financial statements – Other continued

5.4. Financial risk management continued

Gains and losses recognised in the income statement during the year ended 31 December 2014 by category are shown below:

| | 2014 | | | | | 2013 | | | | |
|--------------------------------------|--------------------------|--|--|---|-------------|--------------------------|--|--|---|-------------|
| | Available for sale £m | Financial assets designated at FVTPL £m | Financial liabilities designated at FVTPL £m | Other income and expense £m | Total £m | Available for sale £m | Financial assets designated at FVTPL £m | Financial liabilities designated at FVTPL £m | Other income and expense £m | Total £m |
| Revenue | - | - | - | 388.3 | 388.3 | - | - | - | 388.8 | 388.8 |
| Fee and commission expenses | - | - | - | (85.3) | (85.3) | - | - | - | (100.3) | (100.3) |
| Administrative expenses | - | - | - | (149.2) | (149.2) | - | - | - | (142.1) | (142.1) |
| Other gains | (2.6) | 1.5 | - | 27.2 | 26.1 | 6.7 | 2.5 | - | 0.3 | 9.5 |
| Amortisation of intangible assets | - | - | - | (20.2) | (20.2) | - | - | - | (39.7) | (39.7) |
| Finance income | - | - | - | 0.5 | 0.5 | - | - | 0.2 | 0.8 | 1.0 |
| Finance costs | - | - | - | (0.2) | (0.2) | - | - | - | (3.1) | (3.1) |
| Income tax expense | - | - | - | (34.2) | (34.2) | - | - | - | (25.5) | (25.5) |
| | (2.6) | 1.5 | - | 126.9 | 125.8 | 6.7 | 2.5 | 0.2 | 79.2 | 88.6 |

During the year, £28.5m was recognised in the income statement in relation to the sale of the private client contracts (see Note 1.7 for further information). In 2013, £6.6m was recycled from equity to the income statement on disposal of an available for sale investment (see Note 3.4).

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 2014, the Group held the following financial instruments measured at fair value:

| 2014 | Level 1 £m | Level 2 £m | Level 3 £m | Total £m |
|--------------------------------|---------------|---------------|---------------|-------------|
| Available for sale investments | - | - | - | - |
| Investments in associates | 13.8 | - | - | 13.8 |
| Financial assets at FVTPL | 37.1 | - | - | 37.1 |
| Financial liabilities at FVTPL | (3.0) | - | - | (3.0) |
| | 47.9 | - | - | 47.9 |

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

| Restated 2013 | Level 1 £m | Level 2 £m | Level 3 £m | Total £m |
|--------------------------------|---------------|---------------|---------------|-------------|
| Available for sale investments | - | - | 2.6 | 2.6 |
| Investments in associates | 15.6 | - | - | 15.6 |
| Financial assets at FVTPL | 47.5 | - | - | 47.5 |
| Financial liabilities at FVTPL | (14.0) | - | - | (14.0) |
| | 49.1 | - | 2.6 | 51.7 |

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 included in Note 5.5.

Level 2 financial instruments

At 31 December 2014, the Group did not have any level 2 financial instruments. In 2013, 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 1.9.

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.

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 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 2014, the notional value of the swaps was £21.2m (2013 £22.6m). The settlement amount at 31 December 2014 was £0.2m due from the counterparty and is included within trade and other receivables (2013: £0.4m 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 2014 relates to an investment in iO Adria Limited ("Adria"). At 31 December 2014, an impairment review was performed and the balance was fully written off.

The Group previously held an investment in Cofunds Holdings Limited ("Cofunds"). In May 2013, the Group sold its investment for £16.6m. 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:

| | 2014 | | 2013 | | |
|--|-------------|-------------|-------------|---------------|-------------|
| | Adria £m | Total £m | Adria £m | Cofunds £m | Total £m |
| At 1 January | 2.6 | 2.6 | 2.6 | 16.5 | 19.1 |
| Disposals | – | – | – | (16.6) | (16.6) |
| Losses recognised in other comprehensive income | – | – | – | (6.6) | (6.6) |
| (Losses)/gains recognised in consolidated income statement | (2.6) | (2.6) | – | 6.7 | 6.7 |
| At 31 December | – | – | 2.6 | – | 2.6 |

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.

SECTION 5: OTHER NOTES

Notes to the Group financial statements – Other continued

5.4. Financial risk management continued

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 2014, the exposure to unlisted equity securities at fair value was £nil (2013: £2.6m) and the exposure to listed securities at fair value was £48.2m (2013: £52.9m).

The Group's policy is to hedge the equity market and currency exposure of its seed capital investments depending on the fund mandate and whether available transactions are cost effective. As at 31 December 2014, 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 | 2014 | | 2013 | |
|-----------------------|------|-------|------|-------|
| | +10% | -10% | +10% | -10% |
| Income statement | 2.7 | (2.7) | 3.0 | (3.3) |
| Equity | - | - | 0.3 | - |

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

Foreign exchange risk

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

Interest rate risk

Interest rate risk is the risk that the 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 1.9). 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. 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 | 2014 £m | 2013 £m |
|--|------------|------------|
| +50 bps | 1.3 | 0.8 |
| -50 bps | (0.8) | (0.5) |

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).

5.4. Financial risk management continued

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

| | 2014 £m | Restated 2013 £m |
|--------------------------------------|--------------|------------------------|
| Trade receivables (Note 3.6) | 66.8 | 68.2 |
| Cash and cash equivalents (Note 3.7) | 251.0 | 171.8 |
| | 317.8 | 240.0 |

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

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

| | 2014 £m | Restated 2013 £m |
|-------------------------------|-------------|------------------------|
| Neither past due nor impaired | 65.8 | 67.0 |
| Days past due | | |
| < 30 | 0.9 | 1.0 |
| 30-60 | 0.1 | 0.1 |
| 61-90 | - | - |
| > 90 | - | 0.1 |
| | 66.8 | 68.2 |

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.

| | 2014 | | | Restated 2013 | | |
|--------------|----------------------------|---------------------------------------|--------------|----------------------------|---------------------------------------|--------------|
| | Trade receivables £m | Cash and cash equivalents £m | Total £m | Trade receivables £m | Cash and cash equivalents £m | Total £m |
| AAA | - | - | - | - | - | - |
| AA | - | 131.3 | 131.3 | - | 23.8 | 23.8 |
| A | - | 119.7 | 119.7 | - | 148.0 | 148.0 |
| BBB | - | - | - | - | - | - |
| Not rated | 66.8 | - | 66.8 | 68.2 | - | 68.2 |
| Total | 66.8 | 251.0 | 317.8 | 68.2 | 171.8 | 240.0 |

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.

SECTION 5: OTHER NOTES

Notes to the Group financial statements – Other continued

5.4. Financial risk management continued

During the year, the Group had a revolving credit facility ("RCF") of £50m of which £50m was unutilised at 31 December 2014 (2013: £39m).

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2014 and 31 December 2013 based on contractual undiscounted payments:

| Financial liabilities | 2014 | | | | Restated 2013 | | | |
|--------------------------------|---|--------------|--------------|--------------|---|--------------|--------------|--------------|
| | 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 |
| Trade and other payables | 127.3 | 3.3 | – | 130.6 | 130.5 | 2.0 | – | 132.5 |
| Financial liabilities at FVTPL | 3.0 | – | – | 3.0 | 14.0 | – | – | 14.0 |
| Total | 130.3 | 3.3 | – | 133.6 | 144.8 | 13.6 | – | 158.4 |

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.

| | 2014 £m | Restated 2013 £m |
|--|--------------|------------------|
| Loans and borrowings | – | (11.0) |
| Cash and short-term deposits | 251.0 | 171.8 |
| Net cash | 251.0 | 160.8 |
| Equity | 17.0 | 16.8 |
| Retained earnings and foreign currency translation reserve | 569.2 | 496.9 |
| Total capital | 586.2 | 513.7 |

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.

5.5. Interests in structured entities

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The Group has assessed whether the funds it manages are structured entities and concluded that managed funds are structured entities unless substantive removal or liquidation rights exist.

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, and structured entities. The adoption of IFRS 12 has resulted in additional disclosures in respect of these interests. The standard has been applied retrospectively, with disclosure for the comparative period (except for disclosure on interests in unconsolidated structured entities) in line with the transitional provision of the standard. There is no impact on the Group's profit or loss for the current or prior period or on the equity reported.

The Group manages several investment funds, which are deemed to be structured entities. The Group holds interests in these funds through the receipt of management and other fees and an equity holding in certain of these funds. The Group's investments in these funds are subject to the terms and conditions of the respective fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those funds. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

Where the Group has no equity holding, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future management fees. Where the Group does have an equity holding, the maximum exposure to loss relates to future management fees plus the fair value of the Group's investment in that fund.

The Group does not sponsor any of the structured entities and there are no guarantees or commitments.

Structured entities with direct holdings

Direct investments in structured entities relate to seed capital investments in funds and investments made through subsidiary undertakings. Details of structured entities with direct holdings as at 31 December 2014 are given below:

| Type | Number of funds | Net AUM of funds £bn | Financial assets at FVTPL £m | Investment in associates £m | Investment management/ performance fees £m | Management/ performance fees receivable as at 31/12/2014 £m |
|--------------|-----------------|----------------------|------------------------------|-----------------------------|--|---|
| Mutual funds | 30 | 23.2 | 37.1 | 13.8 | 277.5 | 9.6 |

Details of the subsidiary and associate seed capital investments are given below:

| Name | Category | Country of incorporation | Principal activities | Financial assets at FVTPL £m | Investment in associates £m | Percentage of ordinary shares held | Date of the end of the reporting period |
|--|------------|--------------------------|----------------------|------------------------------|-----------------------------|------------------------------------|---|
| Jupiter Global Fund SICAV: Asia Pacific | Subsidiary | Luxembourg | SICAV sub-fund | 11.2 | – | 76 | 30 September |
| Jupiter Global Emerging Markets Fund | Associate | England & Wales | Unit Trust | – | 8.3 | 35 | 31 May |
| Jupiter US Small and Midcap Companies Fund | Associate | England & Wales | Unit Trust | – | 5.5 | 24 | 31 May |

As at 31 December 2013, the subsidiary seed investments were Jupiter Strategic Reserve Fund and Jupiter Global Fund SICAV: North American Equities. The associate seed investments were Jupiter Global Emerging Markets Fund, Jupiter Global Fund SICAV: Asia Pacific and Jupiter Merlin Conservative Portfolio.

Subsidiaries

At 31 December 2014, the Group consolidated Jupiter Global Fund SICAV: Asia Pacific. As a result of this consolidation, financial assets at fair value through profit or loss, consolidated cash and cash equivalents and financial liabilities at fair value through profit or loss increased by £2.7m, £0.3m and £3.0m respectively. There was no impact on the consolidated income statement as a result of this consolidation.

SECTION 5: OTHER NOTES

Notes to the Group financial statements – Other continued

Associates

Summarised financial information for associate seed capital investments are given below:

| | Global emerging markets* £m | US small and midcap companies fund £m |
|----------------------------|--------------------------------|--|
| Current assets | 26.2 | 22.5 |
| Non-current assets | – | – |
| Current liabilities | 1.2 | 0.1 |
| Non-current liabilities | – | – |
| Revenue | 2.2 | 1.7 |
| Total comprehensive income | 1.7 | 1.5 |

*Based on information as at 30 November 2014. The net asset value as at 31 December 2014 was £24.3m.

Other interests in structured entities

These relate to funds that the Group manages but has no direct holding in, however has an interest through the receipt of management and performance fees.

The table below shows the assets under management of funds that the Group manages and the fees received.

| Type | Number of funds | Net AUM of funds £bn | Investment management/ performance fees £m | Management/ performance fees receivable as at 31/12/2014 £m |
|-------------------|-----------------|-------------------------|--|--|
| Mutual funds | 27 | 4.3 | 59.3 | 2.2 |
| Investment trusts | 5 | 0.8 | 5.8 | 1.0 |

5.6. 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 37 (2013: 39) authorised unit trusts. Each unit trust is jointly administered with the trustees, National Westminster Bank plc. The aggregate total value of transactions for the year was £3,192.0m (2013: £2,799.6m) for unit trust creations and £3,320.0m (2013: £2,596.1m) 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 £2.8m (2013: £15.2m). The amount received in respect of gross management and registration charges was £343.0m (2013: £349.6m). At the end of the year, there was £7.9m (2013: £9.1m) accrued for annual management fees and £1.3m (2013: £1.5m) 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 2014, the Group had a total net investment in collective investment vehicles of £48.2m (2013: £52.9m) and received distributions of £0.3m (2013: £0.2m). During 2014, it invested £7.5m (2013: £2.8m) in seed capital investments and received £14.2m (2013: £6.8m) on disposal of them.

TA Associates, L.P. was 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:

| | 2014 £m | 2013 £m |
|------------------------------|------------|------------|
| Short-term employee benefits | 5.2 | 5.3 |
| Share-based payments | 3.0 | 2.9 |
| Post-employment benefits | 0.1 | 0.1 |
| Other long-term benefits | 0.1 | 0.3 |
| | 8.4 | 8.6 |

FINANCIAL STATEMENTS

Company

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SECTION 6: COMPANY FINANCIAL STATEMENTS

Company balance sheet at 31 December 2014

| | Notes | 2014 £m | 2013 £m |
|---------------------------------------|-------|--------------|--------------|
| Non-current assets | | | |
| Investment in subsidiary undertakings | 6.2 | 150.5 | 137.6 |
| | | 150.5 | 137.6 |
| Current assets | | | |
| Trade and other receivables | 6.4 | 109.3 | 184.0 |
| Cash and cash equivalents | 6.5 | 3.8 | 2.2 |
| | | 113.1 | 186.2 |
| Total assets | | 263.6 | 323.8 |
| Equity capital and reserves | | | |
| Share capital | 4.1 | 9.2 | 9.2 |
| Own share reserve | 4.2 | (0.2) | (0.4) |
| Other reserve | 4.2 | 8.0 | 8.0 |
| Retained earnings | | 238.9 | 294.8 |
| Total equity | | 255.9 | 311.6 |
| Non-current liabilities | | | |
| Loans and borrowings | 6.7 | - | 11.0 |
| | | - | 11.0 |
| Current liabilities | | | |
| Trade and other payables | 6.8 | 7.7 | 1.0 |
| Current income tax liability | | - | 0.2 |
| | | 7.7 | 1.2 |
| Total liabilities | | 7.7 | 12.2 |
| Total equity and liabilities | | 263.6 | 323.8 |

The financial statements of Jupiter Fund Management plc (registered number 6150195) on pages 106 to 111 were approved by the Board of Directors and authorised for issue on 25 February 2015. They were signed on its behalf by

Philip Johnson

Chief Financial Officer

Company statement of cash flows for the year ended 31 December 2014

| | Notes | 2014 £m | 2013 £m |
|---|-------|---------------|---------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 6.6 | 82.0 | 34.7 |
| Income tax paid | | (0.2) | (0.9) |
| Net cash inflows from operating activities | | 81.8 | 33.8 |
| Cash flows from financing activities | | | |
| Purchase of shares by EBT | | (12.3) | (3.8) |
| Proceeds from bank loans | 6.7 | - | 40.0 |
| Repayment of bank loans | 6.7 | (11.0) | (29.0) |
| Finance costs paid | | (0.2) | (0.6) |
| Dividends paid | 4.3 | (56.7) | (42.8) |
| Net cash outflows from financing activities | | (80.2) | (36.2) |
| Net increase/(decrease) in cash and cash equivalents | | 1.6 | (2.4) |
| Cash and cash equivalents at beginning of year | | 2.2 | 4.6 |
| Cash and cash equivalents at end of year | 6.5 | 3.8 | 2.2 |

SECTION 6: COMPANY FINANCIAL STATEMENTS

Company statement of changes in equity for the year ended 31 December 2014

| | Share capital £m | Own share reserve £m | Other reserve £m | Retained earnings £m | Total £m |
|--|---------------------|-------------------------|---------------------|-------------------------|---------------|
| At 1 January 2013 | 9.2 | (1.3) | 8 | 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 |
| Loss for the year | - | - | - | (1.3) | (1.3) |
| Total comprehensive income | - | - | - | (1.3) | (1.3) |
| Vesting of ordinary shares and options | - | 0.2 | - | 0.8 | 1.0 |
| Dividends paid | - | - | - | (56.7) | (56.7) |
| Share-based payments | - | - | - | 12.9 | 12.9 |
| Purchase of shares by EBT | - | - | - | (11.6) | (11.6) |
| Current tax | - | - | - | - | - |
| Total transactions with owners | - | 0.2 | - | (54.6) | (54.4) |
| At 31 December 2014 | 9.2 | (0.2) | 8.0 | 238.9 | 255.9 |
| Notes | 4.1 | 4.2 | 4.2 | | |

Notes to the Company financial statements

6.1. Accounting policies

Basis of preparation

The separate financial statements of the Company have been prepared in accordance with IFRS as adopted by the European Union and 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

| | 2014 £m | 2013 £m |
|-----------------------|--------------|--------------|
| At 1 January | 137.6 | 124.2 |
| Share-based payments | 12.9 | 13.8 |
| Impairment | – | (0.4) |
| At 31 December | 150.5 | 137.6 |

During 2014 and 2013, 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 2014 and 2013, 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 2014 and 2013.

| Name | Country of incorporation | Principal activities |
|---|--------------------------|----------------------------|
| 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

| | 2014 £m | 2013 £m |
|---------------------------------|--------------|--------------|
| Prepayments and accrued income | – | – |
| Amounts owed from subsidiaries | 108.5 | 183.4 |
| Trade receivables | 0.7 | 0.6 |
| Social security and other taxes | 0.1 | – |
| | 109.3 | 184.0 |

SECTION 6: COMPANY FINANCIAL STATEMENTS

Notes to the Company financial statements continued

6.5. Cash and cash equivalents

| | 2014 £m | 2013 £m |
|--------------------------|------------|------------|
| Cash at bank and in hand | 0.8 | 0.4 |
| Cash held by EBT | 3.0 | 1.8 |
| | 3.8 | 2.2 |

6.6. Cash flows from operating activities

| | 2014 £m | 2013 £m |
|---|-------------|-------------|
| Operating loss | (1.1) | (1.8) |
| Adjustments for: | | |
| Decrease in trade and other receivables | 74.7 | 35.7 |
| Decrease in trade and other payables | 7.6 | (0.1) |
| Cash inflows on exercise of share options | 0.8 | 0.5 |
| Impairment of investment in subsidiary | - | 0.4 |
| Cash generated from operations | 82.0 | 34.7 |

6.7. Loans and borrowings

| | 2014 £m | 2013 £m |
|-----------|------------|-------------|
| Bank loan | - | 11.0 |
| | - | 11.0 |

| | 2014 £m | 2013 £m |
|--|------------|-------------|
| At 1 January | 11.0 | - |
| Proceeds from new loan | - | 40.0 |
| Voluntary prepayments made in the year | (11.0) | (29.0) |
| At 31 December | - | 11.0 |

The Company has a three year revolving credit facility of £50m. Further details of this are given in Note 3.8.

6.8. Trade and other payables

| | 2014 £m | 2013 £m |
|--|------------|------------|
| Accruals | 0.2 | 0.1 |
| Due to employees in respect of share and option awards | - | 0.2 |
| Amounts due to subsidiary undertakings | 7.5 | - |
| Other payables | - | 0.7 |
| | 7.7 | 1.0 |

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 |
|--------------------------------------|--------------------------------|---|---|------------------------------------|--------------|
| 2014 | | | | | |
| Investment in subsidiary undertaking | – | – | – | 150.5 | 150.5 |
| Current trade and other receivables | 109.3 | – | 109.3 | – | 109.3 |
| Cash and cash equivalents | 3.8 | – | 3.8 | – | 3.8 |
| Loans and borrowings | – | – | – | – | – |
| Current trade and other payables | (7.5) | (0.2) | (7.7) | – | (7.7) |
| Current income tax liability | – | – | – | – | – |
| Total | 105.6 | (0.2) | 105.4 | 150.5 | 255.9 |

| | 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 |

At 31 December 2014 and 2013 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. In 2014, Jupiter Fund Management Group Limited repaid the Company £54.5m (2013: £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:

| | 2014 £m | 2013 £m |
|------------------------------|------------|------------|
| Short-term employee benefits | 1.2 | 1.2 |
| Share-based payments | 0.4 | 0.5 |
| | 1.6 | 1.7 |

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER FUND MANAGEMENT PLC

Report on the financial statements

Our opinion

In our opinion:

- Jupiter Fund Management plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2014 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
- The Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- The Company financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

What we have audited

Jupiter Fund Management plc's financial statements comprise:

- The Consolidated and Company balance sheets as at 31 December 2014;
- The Consolidated income statement and Consolidated statement of comprehensive income for the year then ended;
- The Consolidated and Company statements of cash flows for the year then ended;
- The Consolidated and Company statements of changes in equity for the year then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report and Accounts ('Annual Report'), rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

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

Our audit approach

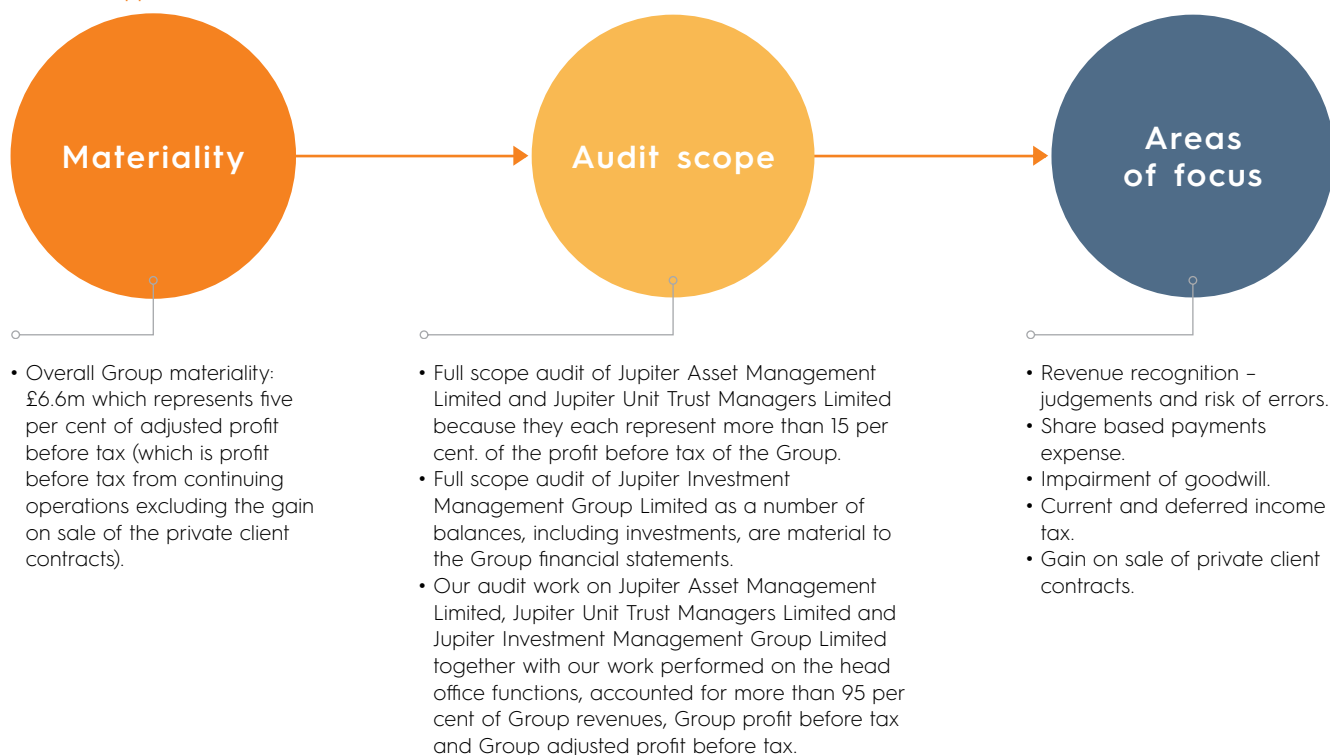
The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls and fraud in revenue recognition, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Our audit approach – overview



Revenue recognition – judgements and risk of error

Refer to Note 1.1. Net revenue and Note 5.1. Basis of preparation and other accounting policies.

Revenue is the most significant account balance in the Consolidated income statement. Revenue is made of a number of streams including:

- Gross management fees (relating to Unit Trust/SICAV, segregated mandates/investment trusts, private clients and rebates);
- Performance fees;
- Initial charges; and
- Box profits;

and result from the business activities of the Group.

We focused on a number of aspects of revenue as follows:

- The calculation of gross management fee, which makes up the majority of the revenue balance, is calculated as a percentage of the assets under management ('AUM') of the funds managed by the Group. Assessing the AUM of these funds involves judgement as it is correlated to the market value of a range of financial instruments held by these funds. Various valuations methodologies are used to value those instruments, some straightforward and some more complex and judgemental, which leaves room for manipulation of the fund AUM and as such the gross management fee;
- The revenue from segregated mandates/investment trusts is manually calculated as a percentage, per Investment Management Agreements ('IMAs'), of the segregated mandates/investment trusts holdings. The value of the holdings is provided by either the administrator or the segregated mandates/investment trusts, which are clients of the Group. The judgement involved in valuing these holdings together with the manual process, increase the risk of error and fraud through the manipulation of the valuations;
- Rebates are calculated by a combination of in-house systems and external parties mandated by the Group to sell units/shares of funds it manages, with both processes being performed on spreadsheets. The key fraud risks arise around (i) the manipulation of the percentages of rebates granted, (ii) the manipulation of the calculations contained in the spreadsheets, and (iii) the postings of fraudulent journals to understate rebates and thus inflate revenue;
- Performance fees are often one-off or infrequent and involve complex calculations. As Jupiter fund managers are entitled to receive a significant portion of each performance fee earned, there is an incentive to overstate this fee and/or recognise it before the performance criteria have been met;
- Initial charges are a one-off type of revenue and different client contractual terms dictate the calculation of these fees and are thus more susceptible to the risk of fraud and error;
- Box profits vary from one transaction to another and is quite complex and as such there is an increased risk of fraud and error; and
- The value of bonuses, and other long-term schemes, is linked to revenue measures which could add additional pressure on management to achieve target results.

We understood and evaluated the design and implementation of key controls, including relevant Information Technology systems and controls, in place around revenue. This included both in-house and outsourced activities at the administrators and transfer agent.

To obtain audit evidence over the key controls at the outsourced providers (such as at administrators and transfer agent) supporting the calculation and recognition of revenue, we either:

- Performed testing of key controls to obtain evidence of operational effectiveness of those key controls throughout the year; or
- Assessed the control environment in place to the extent that it was relevant to our audit. This assessment of the operating and accounting structure in place involved obtaining and reading the report issued by the independent auditor of the third party providers in accordance with generally accepted assurance standards for such work. We then identified those key controls on which we could place reliance to provide audit evidence. When the controls reports had not been prepared as at 31 December 2014, we obtained a bridging letter from one of the administrators and the transfer agent.

We found that the key controls on which we sought to place reliance for the purposes of our audit on were designed, implemented and operated effectively.

We also obtained substantive audit evidence which included the matters noted below:

Gross management fees

- Obtained evidence over the valuation of AUM by either testing the related key controls in place at the administrator or identifying those key controls in the administrator's controls report as mentioned above;
- Reconciled management fees calculated by the administrators to amounts included in the Group financial statements; and
- Reconciled a sample of management fee rates to the Unit Trusts documents published on Jupiter's website.

Segregated mandates/investment trusts

- Obtained comfort over the AUM by either getting confirmations from a sample of the segregated mandate/ investment trust clients or reconciled a sample of holdings to the administrator system on which key controls have been tested;
- Re-performed the management fee calculation over a sample of invoices agreeing a sample of the key inputs back to source documentation; and
- Manually recalculated and reconciled management fee selected for testing to the management fee schedule.

Rebates

- Obtained data generated by administrators of the SICAVs and used data auditing techniques to re-perform the SICAV rebate calculations for a selected sample, agreeing the rates to discount forms signed by the clients of the Group and reconciled the amounts back to the general ledger;
- Used data auditing techniques to recalculate 100 per cent. of the Unit Trust rebates computed by the transfer agents' or Jupiter's rebate calculator system. We obtained evidence over the key controls of the transfer agent for the value of the holdings and over the administrator for pricing and agreed a sample of rates to discount forms signed by the clients of the Group; and
- Agreed the classification of amounts between rebates and renewal commissions by confirming whether the discounts have been paid to end investors or to intermediaries. To do so we looked at the discount forms signed by the investors and at the agent websites.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER FUND MANAGEMENT PLC

continued

Area of focus

How our audit addressed the area of focus

Performance fees

- Assessed whether a sample of performance fees has been recognised in the appropriate period;
- Re-performed the computation of performance fees for that sample to check that it has been calculated in accordance with the signed IMA; and
- Agreed that for the same sample the fee had crystallised and hence should be recognised during the year.

Initial charges and box profits

- Used data auditing techniques to re-compute 100 per cent. of initial charges calculated by Jupiter's calculation system and 100 per cent. of box profits calculated by the transfer agent's calculation tool;
- Relied on information from the transfer agent for which controls evidence was obtained for both initial charges and box profits; and
- Agreed the rate and terms to the discount forms for a sample of clients paying initial charges.

Based on our work, we found that:

- Revenue has been appropriately measured and recognised in accordance with the various contractual agreements in place with customers and service providers; and
- The judgements made by the Directors were supportable and reasonable in the context of materiality and that the input data used was consistent with supporting documentation.

We also performed tests over manual and automated journal entries posted to revenue to identify unusual or irregular items which included understanding the nature and purpose of the journal and agreed the details to supporting and corroborative evidence.

Area of focus

Share based payments expense

Refer to the Audit Committee report, Note 1.5. Share based payment and Note 5.1. Basis of preparation and other accounting policies.

We focused 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, the number of schemes in operation, the required record keeping and the manual nature of the calculations.

In addition, the expense is material to the financial statements (refer to Note 1.5 in the Group financial statements).

How our audit addressed the area of focus

We understood and evaluated design and implementation of the key controls in place over the share based payment expense and performed the following to address the risks identified for each type of share based payment transaction:

- Obtained and read the Deeds of Grant for new and amended awards in the year;
- Tested each of the new awards in the year by checking that they were appropriately authorised, consistent with scheme plans, classified correctly as equity or cash settled and used the correct share price;
- Obtained and read third party valuation reports for new schemes and grants made in the year and tested those valuations by agreeing key inputs used to source documentation and independently re-calculated the value of the award using an industry accepted mathematical model;
- Assessed the reasonableness of the estimates in relation to performance conditions and/or service conditions for existing awards. The key assumptions in calculating the share based payment expense are the leaver rate and performance conditions. We therefore assessed the reasonableness of management's judgements by examining historical data and performing sensitivity analysis and used this to challenge management on their judgements;
- Tested a sample of options exercised during the year to ensure they were exercised in accordance with the terms of the grant, recorded at the correct value and appropriately authorised;
- Obtained details of all outstanding awards and checked that the charge was spread in accordance with the appropriate period of the award; and
- Assessed whether all disclosures required by IFRS 2 'Share based payments' had been made and appropriately reflected the scheme agreements and the calculations and estimates made.

Based on our work, the treatment and disclosures relating to the schemes, and changes made to schemes in the year, were consistent with the requirements of IFRS 2. Furthermore, we found that the pricing model used to value the awards was in line with accepted market practice and that the assumptions made by management were reasonable.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER FUND MANAGEMENT PLC

continued

Area of focus

Impairment of goodwill

Refer to the Audit Committee report, Note 3.1. Goodwill and Note 5.1. Basis of preparation and other accounting policies.

Management are required by IAS 36 'Impairment of assets' to perform an annual impairment review and consider if there are any impairment indicators in respect of the carrying value of goodwill.

The carrying value of the cash generating unit containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Management has assumed that the Group is made of one operating segment, investment management. As such the Group is one cash generating unit.

Management have used the fair value less costs to sell approach under IAS 36. As they have not identified any impairment they have not considered value in use.

The impairment review involves a number of significant judgements to be made by management, and as the balance of goodwill is material, the impairment of goodwill has been considered an area of focus.

How our audit addressed the area of focus

We obtained and understood management's impairment review and checked that it was in compliance with the requirements of IAS 36 and performed the following:

- Agreed Jupiter's share price as at 31 December 2014 to external sources, confirmed the number of share outstanding at that date with the registrar and re-computed the market capitalisation;
- Net cash was composed of cash and cash equivalent. Cash was reconciled without exception to our cash testing;
- Agreed that net assets other than goodwill was deducted from the enterprise value and consistent with the financial statements; and
- Agreed that the estimated costs of disposal was reasonable. A sensitivity analysis was performed and management's assessment of the costs of disposals is reasonable based on our work.

We also compared the fair value less costs of disposal to the value in use derived from the financial analysis performed by analysts external to the Group using a discounted cash flow method.

Based on our work, we found that management's goodwill impairment review was consistent with the requirements of IAS 36 and that all appropriate matters had been considered by management as part of that review.

We also read and assessed the disclosures made in the financial statements and concluded that they were sufficient.

Current and deferred income tax

Refer to Note 1.10. Income tax expense, Note 3.5. Deferred tax and Note 5.1. Basis of preparation and other accounting policies.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generate taxable income. 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 income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The calculation of the current and deferred tax is produced manually and is based on a number of supporting complex calculations including share based payments, deferred bonuses, the spreading of initial charges, commissions and sale of private client contracts.

The manual process and judgements involved increase the risk of misstatement and as such, we have considered current and deferred taxation to be an area of focus.

In assessing the current and deferred income tax, we:

- Assessed whether management had reflected appropriately the changes in UK corporation tax in their current and deferred income tax calculations;
- Obtained and read tax working papers for the Group's material legal entities and, where appropriate, agreed these to our audit work papers and supporting documentation;
- Read management's assessment of the tax impact of its sale of private client contracts and challenged management's assumptions and estimates, where appropriate;
- Obtained the deferred tax calculations and assessed the recoverability of the deferred tax assets. We evaluated whether the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised; and
- Tested the tax disclosures and presentation in the Annual Report complied with IAS 1 'Presentation of financial statements' and IAS 12 'Income taxes'.

We also evaluated whether the Group had met its compliance obligations for the material territories in which the Group operates, and as such we:

- Evaluated the tax reporting and compliance position of the Group including consideration of ongoing or new tax audits being undertaken by various fiscal authorities in the UK; and
- Assessed the conclusions reached by management in relation the current transfer pricing arrangements, worldwide debt cap, changes to the group structure and controlled foreign companies' position.

Management's assumptions and judgements in respect of the Group's current and deferred tax positions are supportable and reasonable in the context of the information currently available.

Area of focus

Gain on sale of private client contracts

Refer to the Audit Committee report, Note 1.7. Other gains (including sale of private client contracts) and Note 5.1 Basis of preparation and other accounting policies.

The Group sold its private client contracts to Rathbone Investment Management Limited ('Rathbones') during the year.

This was a significant non-standard transaction for the Group and as such posed greater risk that it had not been accounted for correctly in accordance with IFRSs as adopted by the European Union. The key aspects of the transaction which required our focus as a result included:

- The judgements made by management in determining the fair value assumptions used in calculating the asset values of the contracts sold;
- The costs related to the transactions were composed of fund managers incentive costs, redundancy cost and other professional fees; and
- The judgement required in identifying and classifying these costs as transactions costs.

How our audit addressed the area of focus

In checking that the assets under management ('AUM') transferred were correctly determined we:

- Tested key controls supporting the valuation of the AUM for private clients including ITGC controls;
- Tested the completeness of the population transferred by testing a sample of private client contracts which executed the transfer to Rathbones;
- Obtained and read communications between the Group and Rathbones approving the AUM of the contracts transferred;
- Randomly selected a sample of clients transferred to Rathbones and tested withdrawals and enrichments made to assess the final accuracy of the AUM transferred;
- Reconciled the sale proceeds to bank statements; and
- Obtained and read the signed contract of sale to check that the terms of the contract appropriate to the determination of AUM to be transferred were consistent with our audit work.

With respect to assessing that the costs had been appropriately accounted for, we:

- Tested the completeness of the costs related to the sale of the private client contracts through discussion with management, reading the relevant documentation and reconciling the costs to the general ledger;
- Selected a random sample of costs and agreed them to supporting documentation;
- Used our experience to assess whether these costs were directly attributable to the sale, paying attention to costs such as incentives and redundancy costs and agreed those costs to supporting documentation; and
- Evaluated the incentives and redundancy packages received by the Group's staff to establish that the conditions for payment had been met and that the payments made were in line with the packages agreed.

We also assessed that the presentation and disclosure in the financial statements of 'Other gains (including sale of private client contracts)' complied with the requirements of IFRSs as adopted by the European Union.

Based on our work, the computation of the private client sale consideration was consistent with the sale/purchase agreement, controls evidence was obtained over the valuation of the AUM of the private client contracts sold and the sale costs were supported by corroborating documentation and were appropriately classified.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER FUND MANAGEMENT PLC

continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is structured along a single business line being investment management. The Group is composed of the Company incorporated in the United Kingdom and 18 subsidiary entities. 11 subsidiaries are incorporated in the United Kingdom and 7 abroad. The Group is operated centrally from the UK.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed for each one of the components to be able to conclude whether sufficient appropriate audit evidence as a basis for our opinion on the Group financial statements as a whole had been obtained. We therefore performed full scope audits on the complete financial information of Jupiter Asset Management Limited and Jupiter Unit Trust Managers Limited because they are financially significant components, each representing more than 15 per cent. of the profit before tax of the Group. We also performed a full scope audit on the complete financial information of Jupiter Investment Management Group Limited because there are a number of balances within this company, including investments, which are material to the Group financial statements.

The Group consolidation, financial statement disclosures and a number of complex items were also audited at the head office. Taken together, the entities and head office functions where we performed our audit work accounted for more than 95 per cent. of Group revenues, Group profit before tax and Group adjusted profit before tax.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures 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 financial statements as a whole as follows:

| | |
|--|---|
| Overall Group materiality | £6.6m (2013: £5.7 m). |
| How we determined it | Five per cent. of adjusted profit before tax which is the profit before tax from continuing operations excluding the gain on sale of the private client contracts. This materiality level represents four per cent. of profit before tax. |
| Rationale for benchmark applied | We have used the adjusted the profit before tax as a benchmark due to the sale of private client contracts being a non-recurring transaction, as such this year the adjusted profit before tax is a better representation of the day to day business of the Group than the profit before tax. |

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.3m (2013: £0.3m) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the Directors' statement, set out in the Directors' report, in relation to going concern. We have nothing to report having performed our review.

As noted in the Directors' report, the Directors have concluded that it is appropriate to prepare the 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.

Other required reporting

Consistency of other information

Companies Act 2006 opinions

In our opinion:

- The information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The information given in the corporate governance statement set out within the Annual Report with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

| | |
|---|---|
| Information in the Annual Report is: <ul style="list-style-type: none">- Materially inconsistent with the information in the audited financial statements; or- Apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Company acquired in the course of performing our audit; or- Otherwise misleading. | We have no exceptions to report arising from this responsibility. |
| The statement given by the Directors in the Statement of Directors' responsibilities, in accordance with provision C.1.1 of the UK Corporate Governance Code ("the Code"), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's and Company's performance, business model and strategy is materially inconsistent with our knowledge of the Group and Company acquired in the course of performing our audit. | We have no exceptions to report arising from this responsibility. |
| The section of the Annual report included within the Audit Committee report, as required by provision C.3.8 of the Code, describing the work the Audit Committee, does not appropriately addresses matters communicated by us to the Audit Committee | We have no exceptions to report arising from this responsibility. |

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

Directors' remuneration report - Companies Act 2006 opinion

In our opinion, the part of the Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the 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. We have nothing to report having performed our review.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER FUND MANAGEMENT PLC

continued

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- Whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
- The reasonableness of significant accounting estimates made by the Directors; and
- The overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

25 February 2015

(a) The maintenance and integrity of Jupiter Fund Management plc's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

OTHER INFORMATION



 JUPITER

HISTORICAL SUMMARY (UNAUDITED)

For the year ended 31 December 2014

| | 2014 £m | Restated 2013 £m | 2012 £m | 2011 £m | 2010 £m |
|--|--------------|------------------------|--------------|--------------|--------------|
| Net revenue | 303.0 | 288.5 | 244.5 | 248.5 | 230.5 |
| Administrative expenses | (149.2) | (142.1) | (128.4) | (123.8) | (115.1) |
| Operating earnings | 153.8 | 146.4 | 116.1 | 124.7 | 115.4 |
| Other gains/(losses) | 26.1 | 9.5 | (0.9) | (1.2) | 1.7 |
| Amortisation of intangible assets | (20.2) | (39.7) | (39.7) | (39.9) | (39.8) |
| Operating profit before exceptional costs | 159.7 | 116.2 | 75.5 | 83.6 | 77.3 |
| Exceptional items | - | - | 5.0 | - | (6.8) |
| Operating profit | 159.7 | 116.2 | 80.5 | 83.6 | 70.5 |
| Finance income | 0.5 | 1.0 | 0.5 | 1.0 | 0.9 |
| Finance costs | (0.2) | (3.1) | (7.4) | (14.3) | (29.0) |
| Profit before taxation | 160.0 | 114.1 | 73.6 | 70.3 | 42.4 |
| Income tax (expense)/credit | (34.2) | (25.5) | (17.4) | (18.9) | (9.9) |
| Profit for the year | 125.8 | 88.6 | 56.2 | 51.4 | 32.5 |
| Earnings per share | | | | | |
| Basic (p/share) | 28.4 | 21.1 | 14.9 | 15.6 | 10.8 |
| Diluted (p/share) | 27.2 | 20.0 | 14.2 | 15.0 | 7.6 |
| Assets under management at year end (£bn) | 31.9 | 31.7 | 26.3 | 22.8 | 24.1 |
| Average headcount (number) | 459 | 455 | 432 | 409 | 444 |
| Operating earnings to EBITDA reconciliation | | | | | |
| Operating earnings | 153.8 | 146.4 | 116.1 | 124.7 | 115.4 |
| Add: charge for options over pre-Listing shares | 0.7 | 4.2 | 7.3 | 9.6 | 7.8 |
| Add: depreciation | 1.1 | 0.9 | 0.8 | 0.6 | 1.4 |
| EBITDA | 155.6 | 151.5 | 124.2 | 134.9 | 124.6 |
| Net cash/(debt) (£m) | 251.0 | 160.8 | 69.0 | 7.4 | (62.7) |
| Net cash inflows from operating activities (£m) | 122.8 | 123.4 | 110.6 | 107.1 | 108.1 |
| Underlying earnings per share (p) | 26.4 | 25.2 | 19.0 | 19.1 | 17.6 |

SHAREHOLDER INFORMATION

Shareholder enquiries

All enquiries relating to holdings of shares in Jupiter Fund Management plc, including notification of change of address, queries regarding dividend/interest payments or the loss of a share certificate, should be addressed to the Company's Registrars:

Capita Asset Services

The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Tel: 0871 664 0300 (Calls cost 10p per minute plus network extras, lines are open 9.00am-5.30pm Monday to Friday.)

Email: shareholderenquiries@capita.co.uk

Other shareholder queries should be addressed to the Company Secretary.

Share dealing service

There is a share dealing service offered by the Registrars. It is a simple way to buy and sell shares via the internet or telephone with quick settlement. For information visit:

www.capitadeal.com

For telephone purchases:

Tel: 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 | 19 March 2015 |
| Record date for final dividend | 20 March 2015 |
| Trading update | 15 April 2015 |
| Annual General Meeting | 15 April 2015 |
| Final dividend payment date | 21 April 2015 |
| Interim results announcement | 29 July 2015 |
| Interim dividend payment date | 28 August 2015 |
| Trading update | 12 October 2015 |

Company details and principal office

Jupiter Fund Management plc

1 Grosvenor Place
London SW1X 7JJ
Registered number: 6150195
Company Secretary
Adrian Creedy
Tel: 020 3817 1287

Website

The Company has a corporate website, which holds, amongst other information, copies of its latest annual report and copies of all press announcements released. This site can be found at **www.jupiteram.com**

Share information

The Company's ordinary shares are traded on the London Stock Exchange:

ISIN GB00B53P2009

SEDOL B53P200

TICKER JUP.LN

GLOSSARY OF TERMS

A

Act

Companies Act 2006
(as amended, supplemented or replaced from time to time)

AGM

Annual General Meeting

AUM

Assets under management

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 adviser

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
Jupiter Asset Management (Switzerland) AG

P

PBT

Profit before tax

Platforms

Service providers that enable investors to buy and hold in a single place a range of investments from multiple providers with different tax wrappers

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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JUPITER FUND MANAGEMENT PLC

 JUPITER