

---

 **Jupiter Fund Management plc**

---

---

## ■ Forward-looking statements

---

- *This presentation may contain certain “forward-looking statements” with respect to certain plans of Jupiter Fund Management plc (Jupiter) and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words “believes”, “intends”, “expects”, “plans”, “seeks” and “anticipates”, and words of similar meaning, are forward looking.*
- *By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Jupiter’s control including, among other things, UK domestic and global economic and business conditions; market-related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities; the impact of competition, inflation and deflation; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which Jupiter and its affiliates operate.*
- *As a result, Jupiter’s actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Jupiter’s forward-looking statements. Jupiter undertakes no obligation to update the forward-looking statements contained in this presentation or any other forward-looking statements it may make. Nothing in this presentation should be considered as a profit forecast.*

---

 **Preliminary results**

---

## ■ Highlights

### 1 Performance and flows

63% of mutual funds above median over three years

Record net inflows of £2.3 billion, AUM up 24% to £24.1 billion

### 2 Financial

EBITDA up 37% to £124.6m; net debt reduced to £63m and leverage ratio at 0.5x

Initial final dividend of 4.7p

### 3 Market

Strong fundamental growth drivers for UK retail savings market

Record retail AUM of £377 billion, net retail sales of £24 billion (2nd best year ever)

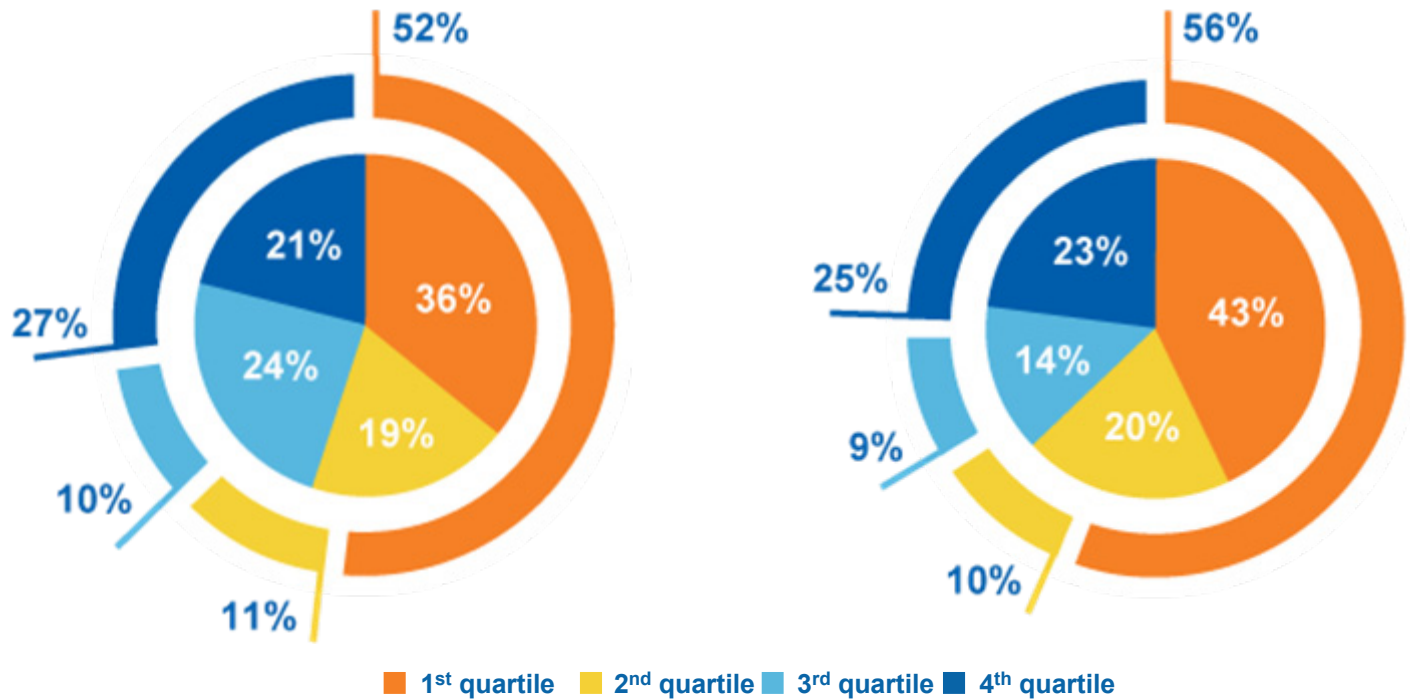
### 4 Strategy

Preserve investment culture and generate outperformance

Selective product development and distribution diversification

## Investment performance

### Mutual fund investment performance, quartile rankings (31 December 2010)

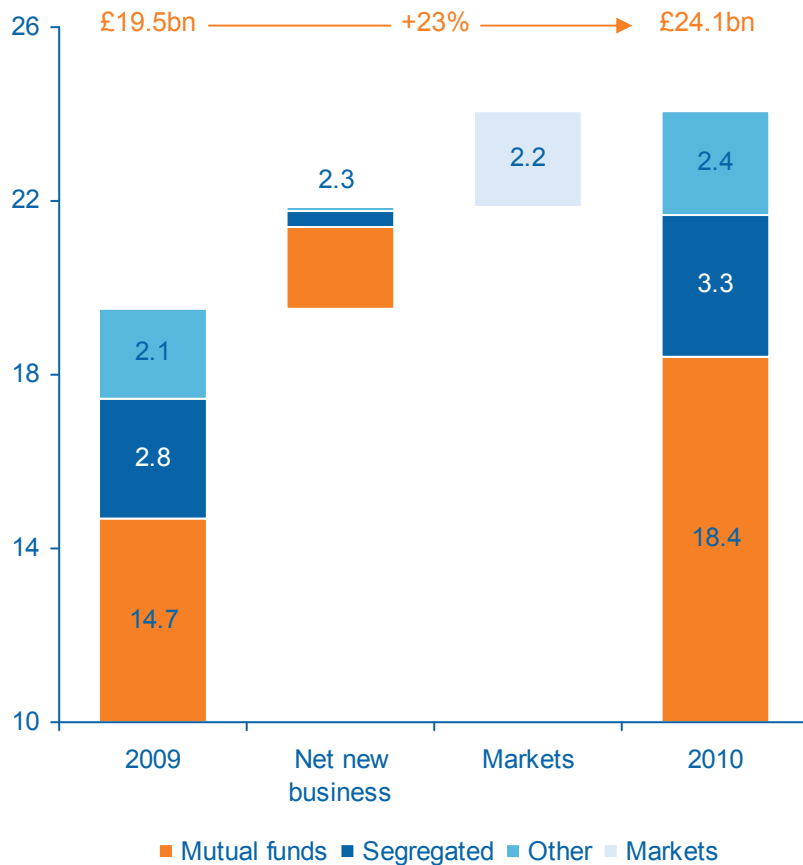


1 year performance

3 year performance

## Net new business

### AUM and net new business by product £bn

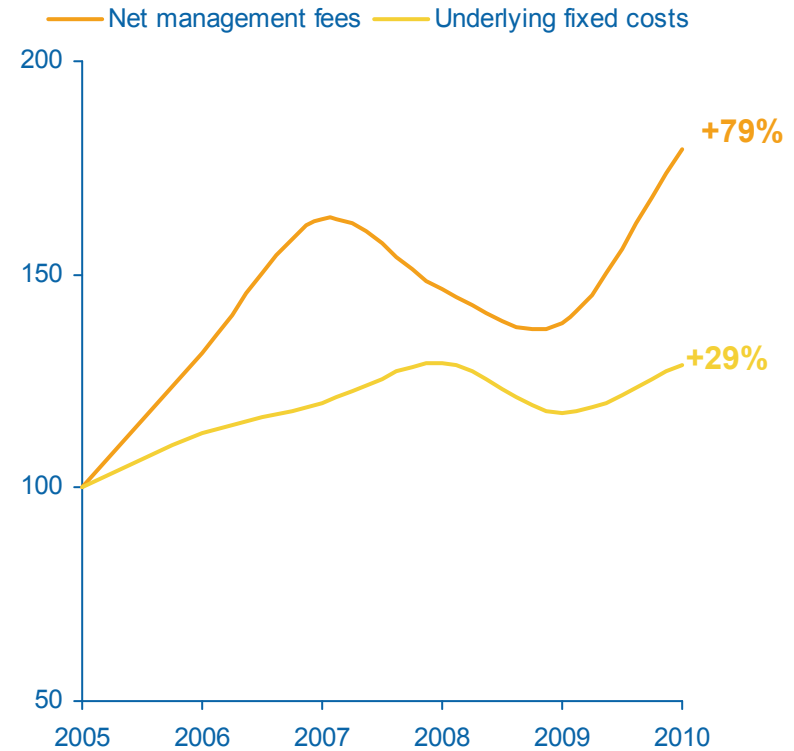
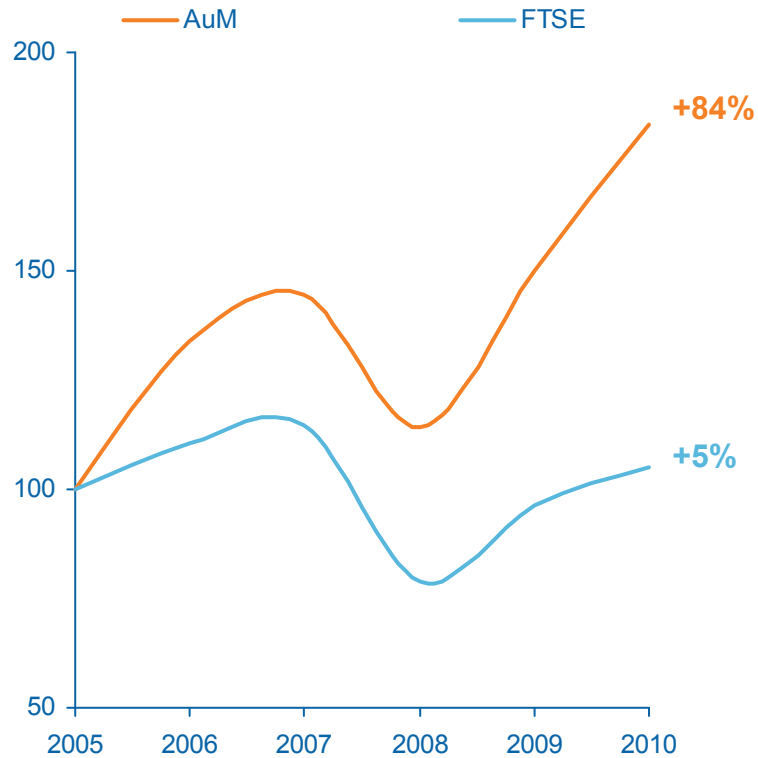


### Highlights

- Record net inflows of £2.3 billion
- Continued growth from mutual funds line
- International expansion
- Launch effects (£680m net flows from Absolute Return, International Financials, Strategic Total Return, Global Convertibles and Global Emerging Markets)
- Good end to year from segregated

## The commercial alpha

### Percentage change versus 2005 levels



Note: AUM figures are stated as at 31 December; net management fees and underlying fixed costs stated on a UK GAAP basis in 2005 and 2006 and on an IFRS basis 2007 through 2010.

---



## Financials

---

## Highlights

Measure	2009	2010	Change
▪ Net revenues	£182.1m	£230.5m	27%
▪ EBITDA	£91.2m	£124.6m	37%
▪ Profit before tax	£7.2m	£42.4m	
▪ Underlying EPS	11.4p	17.6p	54%
▪ Outstanding debt facility	£363m	£203m <sup>1</sup>	(£160m)
▪ Net debt <sup>2</sup>	£140m	£63m	
▪ Leverage ratio <sup>3</sup>	1.5x	0.5x	
▪ Final dividend	-	4.7p	

(1) Post paydown announced on 18 March 2011

(2) Gross cash less outstanding bank facility

(3) Gross cash less outstanding bank facility divided by last 12 month EBITDA; 2009 numbers stated on consistent basis before MBO capital structure

## Revenues

### Net revenues

(£ million)	2009	2010	% +/-
Net management fees	158.4	204.7	+29
Net initial charges and commissions	18.5	20.1	
Performance fees	5.2	5.7	
<b>Net revenues</b>	<b>182.1</b>	<b>230.5</b>	<b>+27</b>

- Net management fees continue to dominate group net revenues
- Increased net initial charges and commissions due to higher gross sales and redemptions
- Consistent contribution from performance fee revenues

### Net management fee margin

	2009	2010	% +/-
Average FTSE	4,541	5,465	+20
Average AUM (£ billion) <sup>1</sup>	16.3	21.1	+29
<b>Net management fee margin (bps)</b>	<b>97</b>	<b>98</b>	

(1) Average AUM stated on a 13-month basis.

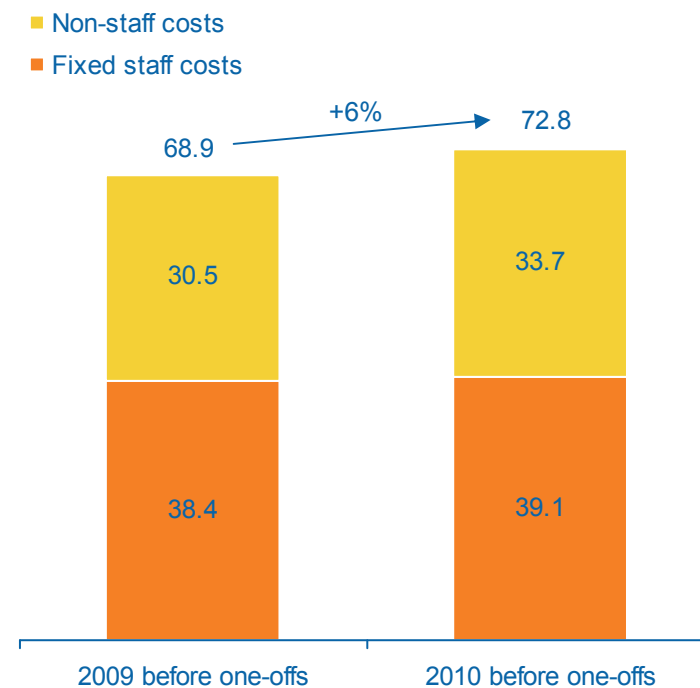
## Administrative expenses (1)

### Fixed costs

(£ million)	2009	2010	% +/-
Fixed staff costs	38.4	39.1	
Non-staff costs	28.1	35.7	
<b>Fixed costs</b>	<b>66.5</b>	<b>74.8</b>	<b>+12</b>
Add: 4 Grosvenor Place release	2.4	-	
Deduct: West Malling exit	-	(2.0)	
<b>Underlying fixed costs</b>	<b>68.9</b>	<b>72.8</b>	<b>+6</b>

- Scalability of operating model
  - 29% increase in net management fees
  - 6% rise in underlying fixed costs
- Outsourcing of transfer agency and relocation to single office

### Underlying fixed costs (£ million)<sup>1</sup>



(1) Stated before impact of property provisions (release of £2.4m in 2009; cost of £2.0m in 2010)

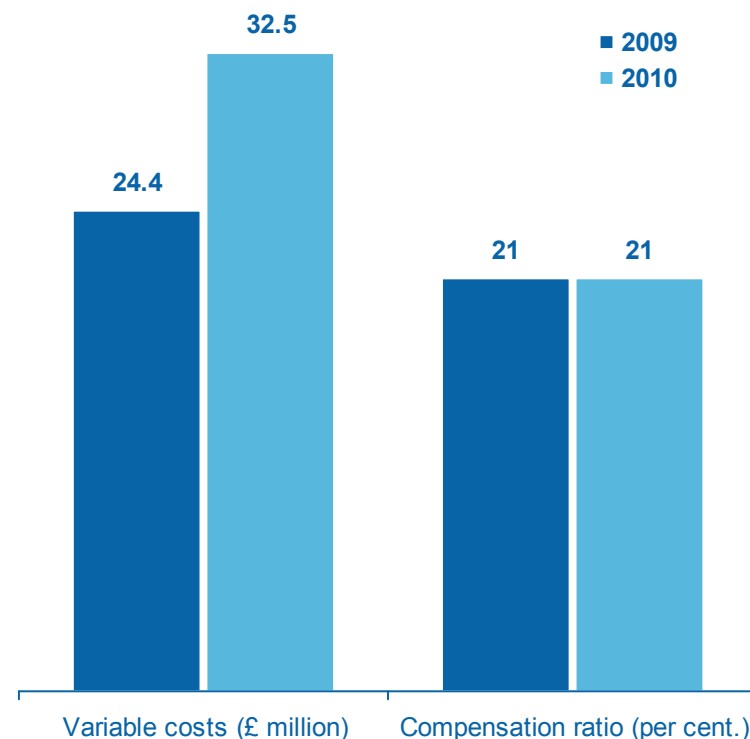
## Administrative expenses (2)

### Variable costs

(£ million)	2009	2010
Variable costs	24.4	32.5
Pre MBO incentive plan	1.4	-
Charge over pre-Listing options	-	7.8
<b>Total incentive costs</b>	<b>25.8</b>	<b>40.3</b>
<b>Variable compensation ratio<sup>1</sup></b>	<b>21%</b>	<b>21%</b>

- Non-cash, non-dilutive charge from options over MBO shares excluded from core earnings and ratios
- Variable costs increasing in line with increased profitability of business
- Stable variable compensation ratio
- Ratio expected to rise to high twenty per cents over medium-term

### Variable costs<sup>1</sup> and compensation ratio<sup>1</sup>

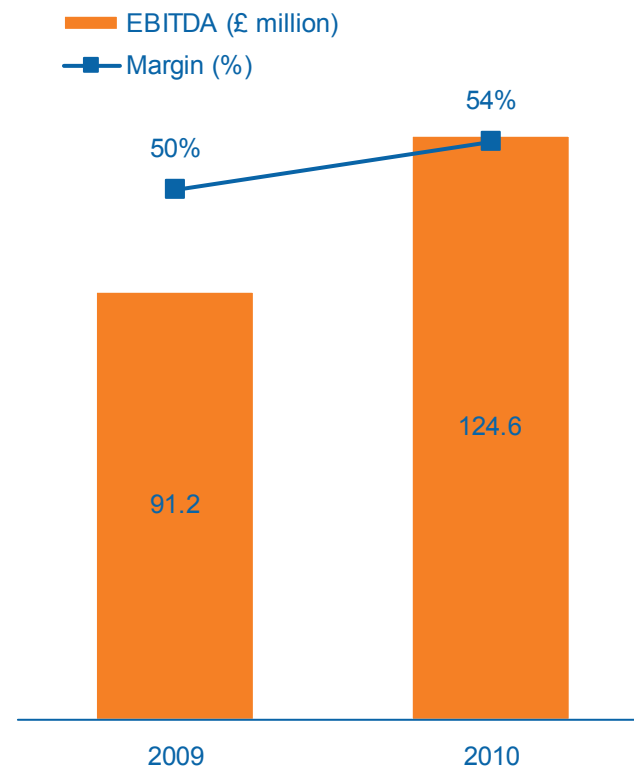


1) Variable costs in graph stated before legacy pre MBO schemes (2009: £1.4m), and IFRS 2 charge on options over MBO shares (2010: £7.8m); Ratio defined as variable staff costs adjusted for these items divided by operating earnings before adjusted variable staff costs

## EBITDA

### EBITDA

(£ million)	2009	2010
Operating earnings	89.8	115.4
Add: Charge over pre-Listing options	-	7.8
Add: Depreciation	1.4	1.4
<b>EBITDA</b>	<b>91.2</b>	<b>124.6</b>
<i>EBITDA margin<sup>1</sup></i>	<i>50%</i>	<i>54%</i>



1) EBITDA divided by net revenue

## Profit after tax

### Consolidated income statement

(£ million)	2009	2010
<b>Operating earnings</b>	<b>89.8</b>	<b>115.4</b>
Other gains	2.4	1.7
Exceptional cost - Keydata	-	(5.2)
Exceptional cost - IPO	-	(1.6)
Finance income	1.2	0.9
Finance expenses	(46.4)	(29.0)
Amortisation of intangibles	39.8	39.8
<b>Profit before tax</b>	<b>7.2</b>	<b>42.4</b>
Tax	1.4	(9.9)
<b>Profit after tax</b>	<b>8.6</b>	<b>32.5</b>

- Exceptional costs: IPO (as at Half Year) and Keydata levy
- Finance expenses were £5.9m in H2; includes £0.9 million gain from new interest rate swaps

## Underlying earnings per share

### Numerator

(£ million)	2009	2010
Statutory profit before tax	7.2	42.4
Add: amortisation of acquired intangible	38.7	38.7
Add: exceptional Keydata levy	-	5.2
Add: exceptional IPO costs <sup>(1)</sup>	-	1.6
Add: IPO debt waiver costs <sup>(1)</sup>	-	3.8
Add: charge over pre-Listing options	-	7.8
Add: pre-IPO financing charges	26.8	12.5
<b>Underlying profit before tax</b>	<b>72.7</b>	<b>112.0</b>
Notional tax charge at statutory rate	(20.4)	(31.4)
<b>Underlying profit after tax</b>	<b>52.3</b>	<b>80.6</b>

### Denominator

Actual number of shares in existence	457.7
<b>Shares used in underlying EPS calculation</b>	<b>457.7</b>

### Calculation

	2009	2010	% +/-
Numerator (£ million)	52.3	80.6	
Denominator (number)	457.7	457.7	
<b>Underlying EPS (pence)</b>	<b>11.4</b>	<b>17.6</b>	<b>+54</b>

(1) Together with £10.3m charged against share premium, comprise the £15.7m of disclosed IPO expenses

## Balance sheet

### Reduced leverage

- Net debt down to £63 million at year end from £140 million on comparable basis at end 2009
- Balances as at end 2010:
  - £220 million gross cash
  - £283 million gross debt outstanding
- Leverage ratio down to 0.5x
- Interest on £70 million of outstanding balance hedged at fixed rates of 1.33% and 1.62% (before margin)<sup>1</sup>

### Debt paydown

- Board has authorised repayment of £80 million<sup>2</sup>
- Gross debt reduced to £203 million<sup>2</sup>
- Anticipated net interest cost saving of £3.2 million per annum
- Cov-lite facility with June 2015 bullet repayment
- Prospective interest cover of 12.7 x<sup>3</sup>

### Reduced leverage

### Final dividend of 4.7 pence

(1) £35m over three years from 1 November 2010, £35m over four years from 1 November 2010, swap rates before loan margin of 3.75%  
 (2) Note: no penalties for early prepayment within facility. Gross debt balance post paydown announced on 18 March 2011  
 (3) £203m at current interest rates divided by 2010 operating earnings

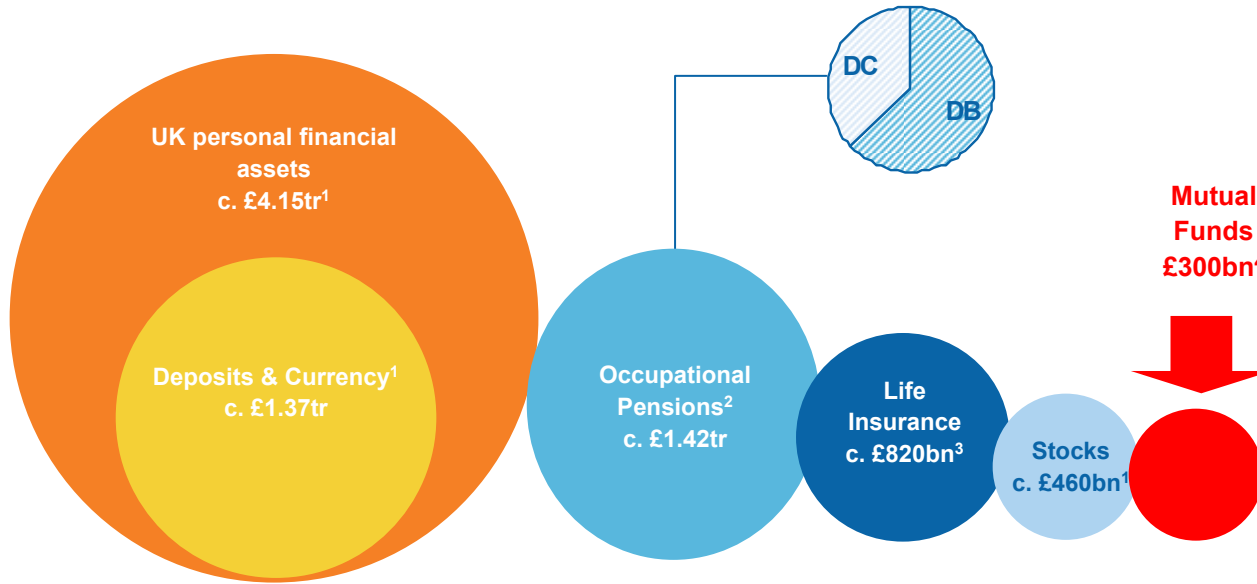
---



## Market review

---

## UK retail savings market



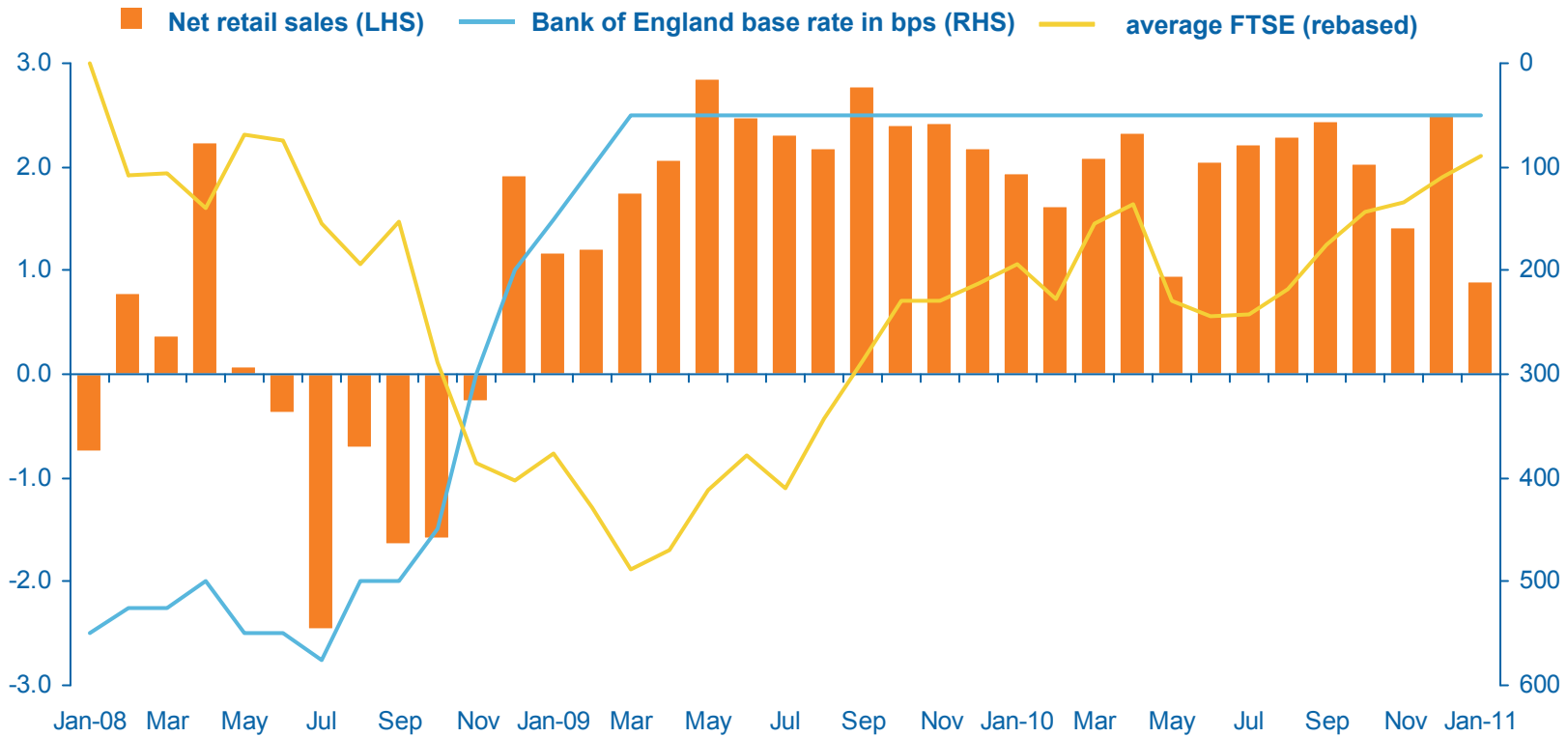
### Key trends

- Demographics
- Increased savings rate
- State withdrawal from pension provision
- Move from DB to DC
- Shift towards transparent products
- Pressure on insurance products
- Some inflation protection
- Tax changes

Sources: Data as at 31 December 2009; (1) Office of National Statistics, Blue Book (2009) — excludes housing market; (2) AON Consulting Dec 09, PPF7800 Index Dec 09; (3) Company estimate; (4) IMA (Retail mutual funds only);

## Attractive flow profile within UK retail mutual funds

### UK net retail sales by month (£ billion)

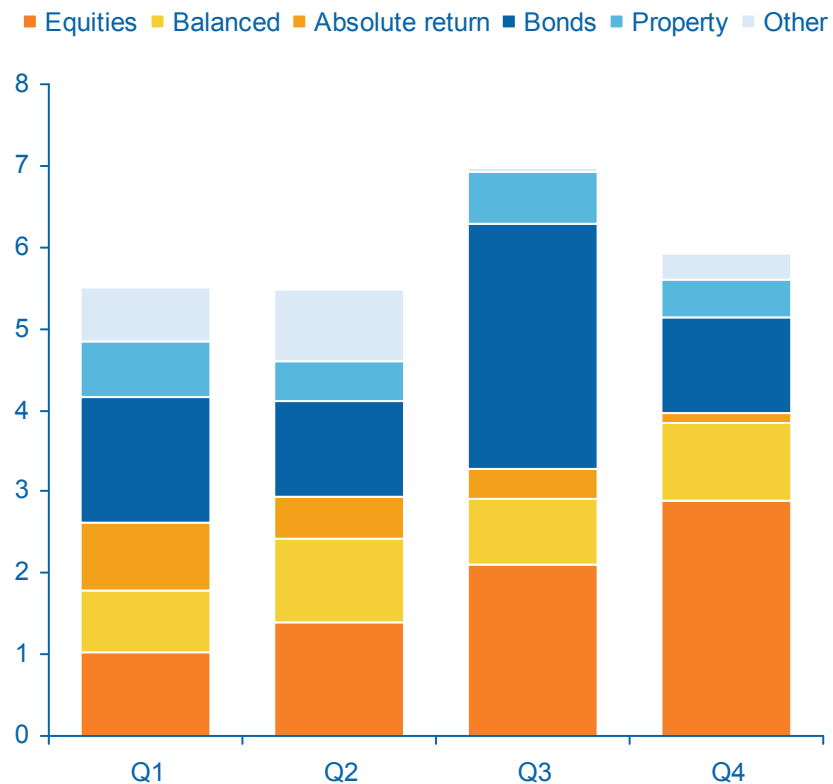


Source: IMA

## Highlights

- Record retail AUM of £377 billion
- Net retail sales of £24 billion, second best year ever
- Highest sales of ISAs in ten years at £4 billion
- Equities coming back into favour
- Record net retail sales of balanced funds
- 20% of gross sales going into global funds

## Net sales by asset class (£ billion)



## Net sales by IMA sector

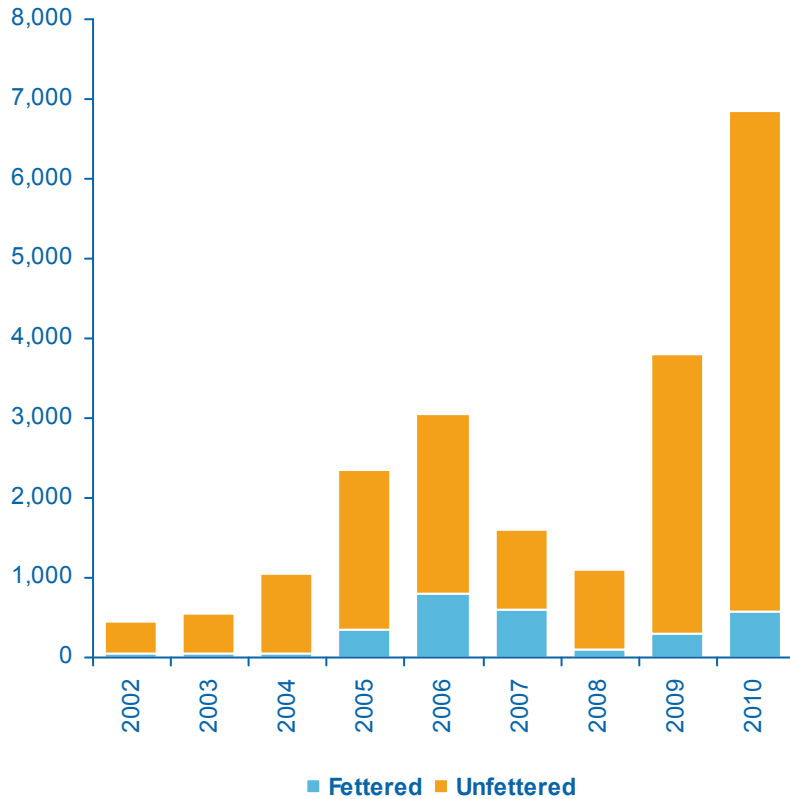
### Top and bottom selling IMA sectors

	Q1	Q2	Q3	Q4
Top	Strategic bond	Cautious managed	Corporate bond	Global emerging markets
	Property	Strategic bond	Global bonds	Specialist
	Absolute return	Property	Absolute return	Global growth
	Global bonds	Global growth	Strategic bond	Global bonds
	Cautious Managed	Absolute return	Global growth	Balanced managed
	↓	↓	↓	↓
Bottom	UK smaller co's	European smaller co's	Personal pensions	Money market
	Money market	UK smaller co's	North America smaller co's	UK equity & bond income
	Europe ex UK	Asia Pacific ex Japan	Japanese smaller co's	North America
	Corporate bond	Japanese smaller co's	UK equity & bond income	Corporate bond
	UK all companies	Europe ex UK	Money market	Europe ex UK

Source: IMA, ranked by net sales

## Fund of funds now represent £1 in every £8 sold

Net retail sales of fund of funds (£ million)

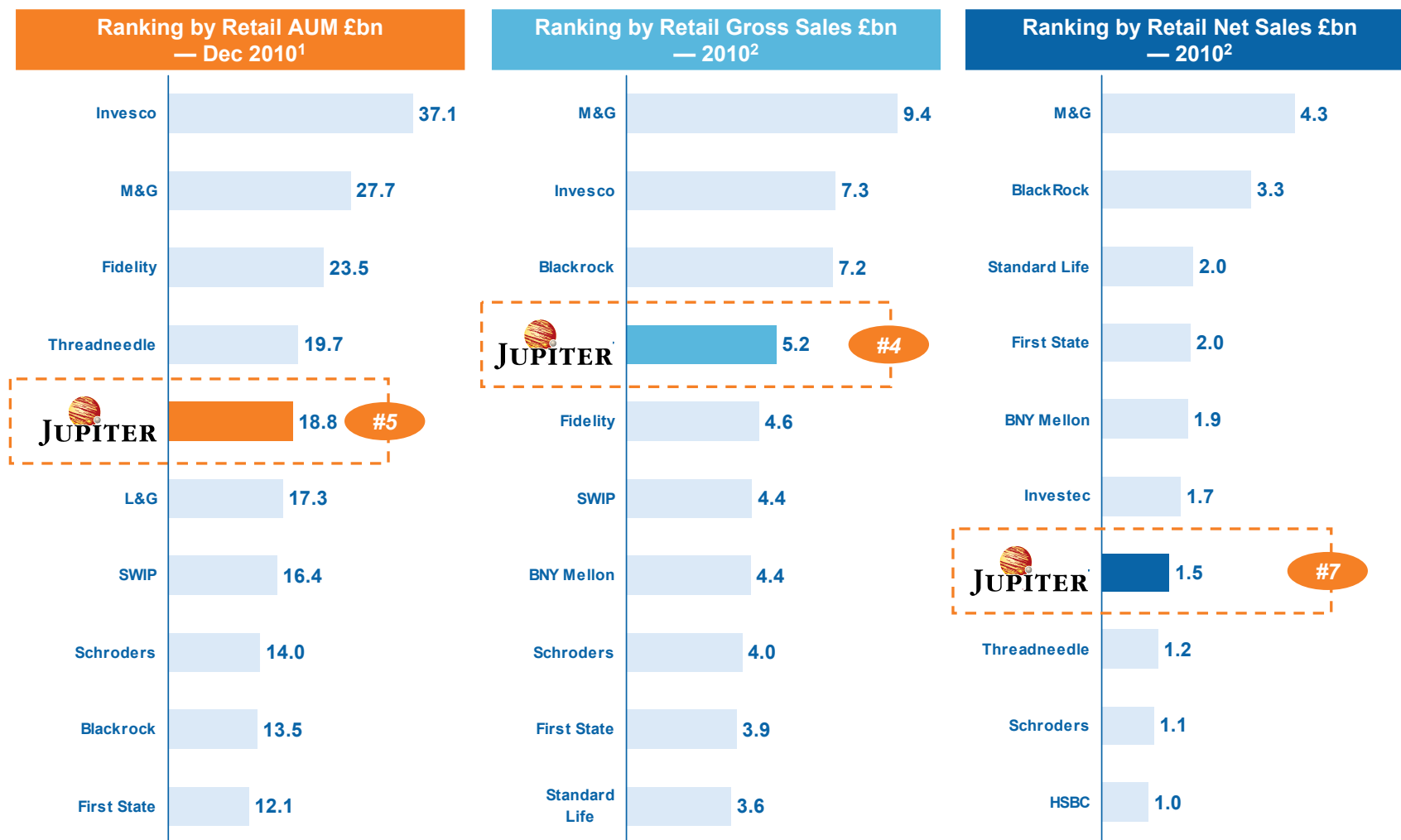


- Major secular trend towards fund of funds
- Record net retail sales of £7 billion in 2010
- Industry AUM grew 36% to £58 billion over last year
- 23% per annum compound growth over last eight years
- Jupiter has market-leading presence with its Merlin franchise
  - AUM over £6 billion
  - 48% per annum compound growth over last eight years
  - Leading sales position on main platforms

Source: IMA



## AUM and sales ranking



(1) Source: IMA as at Dec 2010 (excludes Capita and St James Place); AUM includes internal cross-holdings of Jupiter funds

(2) Source: Pridham Report

---

 **Strategy and outlook**

---

## Strategy

### 1 Preserving our investment culture and generating outperformance for our clients

The active management challenge

Front office diversification and talent development

### 2 Selling our expertise through products suited to our distribution strengths

Selective product development

Leveraging our brand recognition

Maintaining high levels of IFA and platform penetration in the UK

Deepening international presence

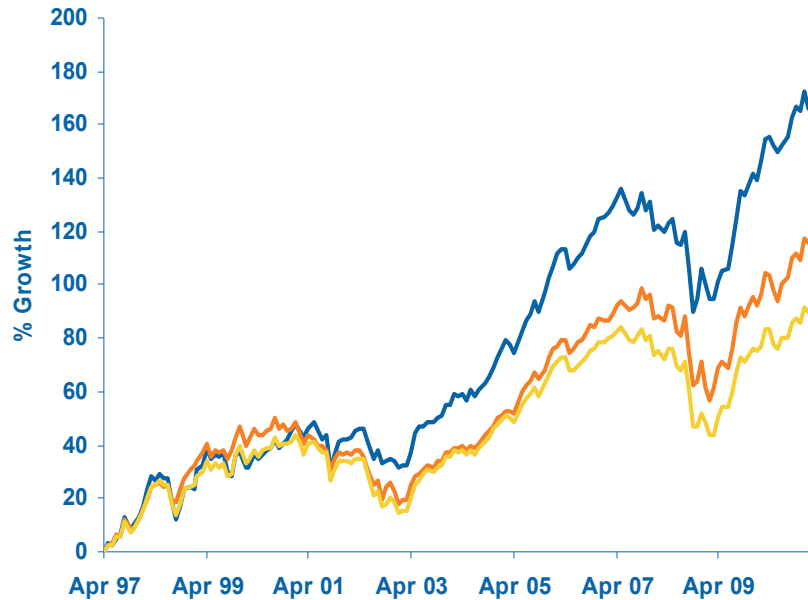
### 3 Leverage Jupiter's investment and distribution capabilities to deliver attractive economic returns

The commercial alpha from operational scalability

# The active management challenge

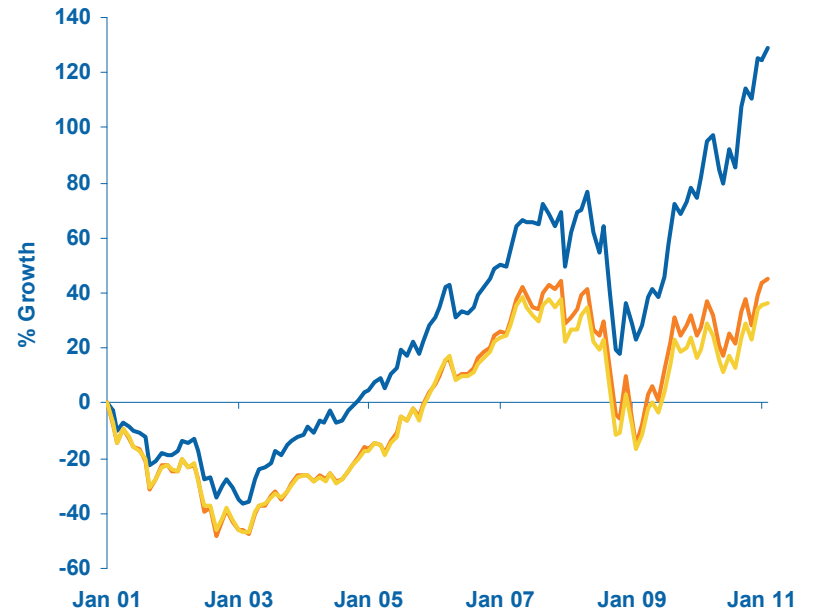
## Merlin Income<sup>1</sup>

- Jupiter - Merlin Income Portfolio Acc TR in GB 167.20
- FTSE APCIMS Income Portfolio TR in GB 118.88
- IMA Cautious Managed TR in GB 91.22



## European<sup>2</sup>

- Jupiter - European Inc TR in GB 128.94
- FTSE World Europe EX UK Index TR in GB 45.21
- IMA Europe Excluding UK TR in GB 36.25



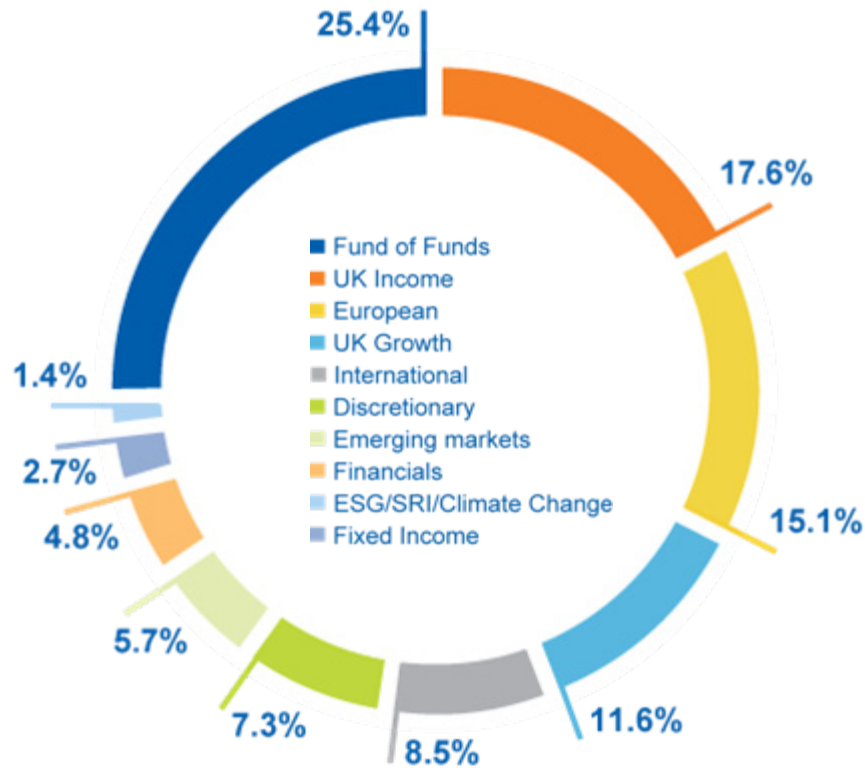
(1) Source: Financial Express, bid to bid; net income reinvested from 30.04.97 to 28.02.11. The Jupiter Merlin Income portfolio was managed by John Chaffeild-Roberts and his team at Lazard from 1 May 1997 until March 2001. In March 2002, the management of the funds were fully transferred to Jupiter Unit Trust Managers Limited, under the same management team;

(2) Source: Financial Express, bid to bid, net income reinvested from 31.01.01 to 28.02.11. Alexander Darwall has managed the fund since 31.01.01. Relative performance shows performance relative to IMA Europe Excluding UK Sector, geometric basis.



## Front office diversification and talent development

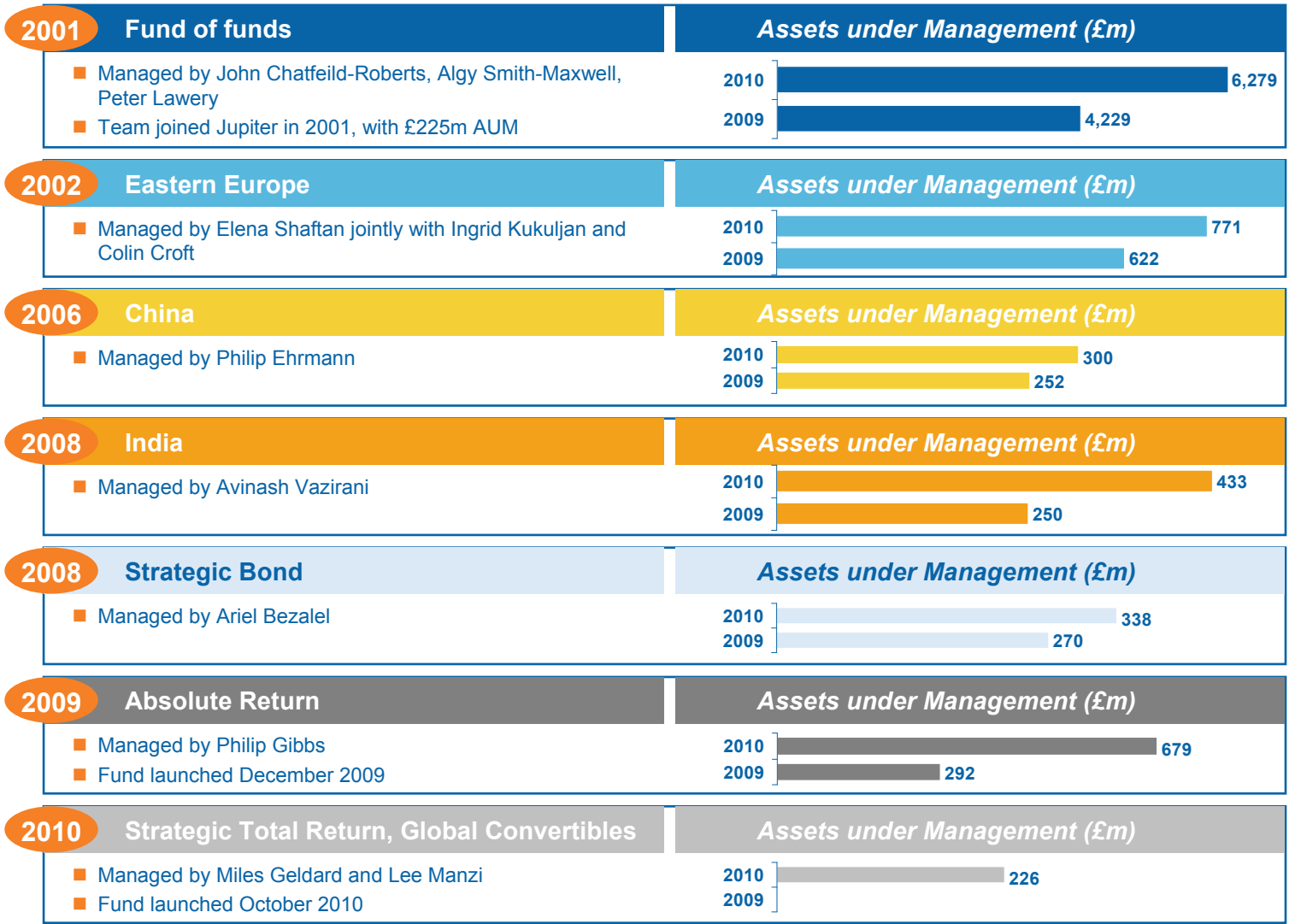
AUM by front office franchise



- Strong investment culture with empowered fund management talent
- Stable front office with diverse franchise offerings
- Succession planning with funds having named lead and junior managers
- Unvested MBO shares providing three year retention; new incentive schemes introduced post Listing

Source: Jupiter

## New product development initiatives



Source: Jupiter. Fund size is shown including cross-holdings, as at 31 December 2010.



# Leveraging our brand recognition

## Consistent brand values

Individual talent

Freedom and accountability

Built to outperform

Innovation

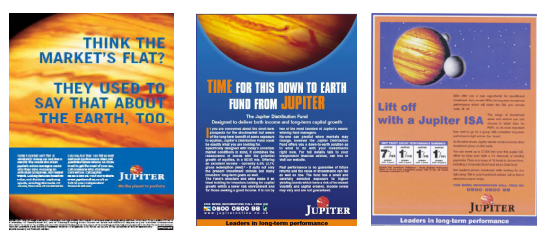
## Consistent imagery and spend



2010      2009      2008

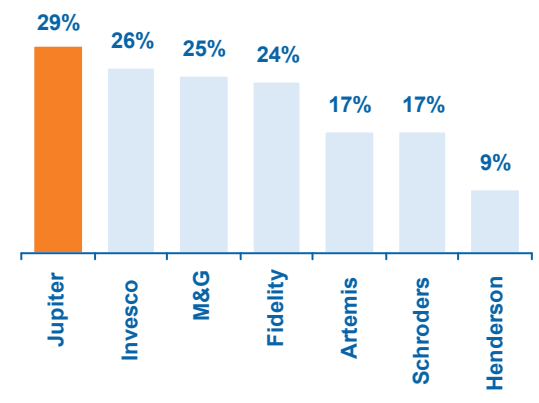


2007      2006      2005

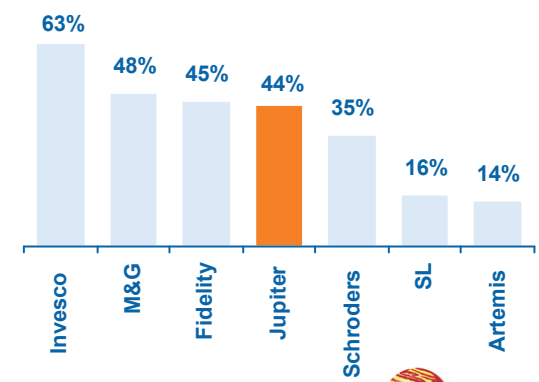


2004      2000-2003      1996

## #1 for advertising recall<sup>1</sup>



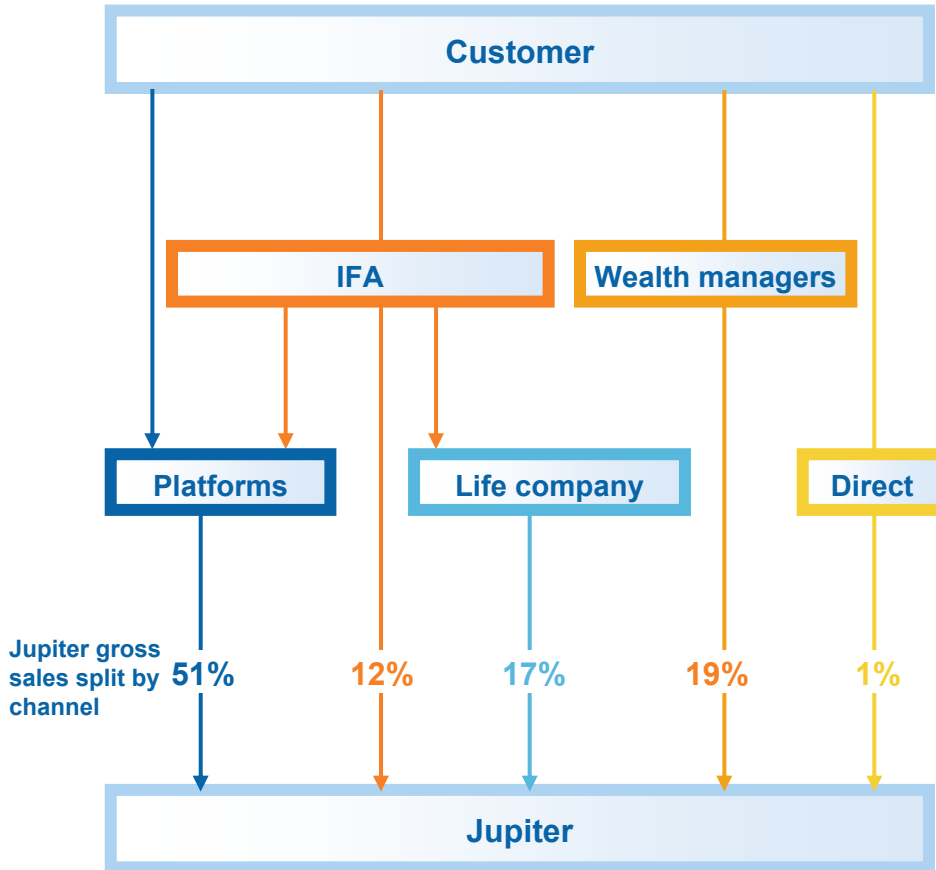
## #4 for spontaneous recall<sup>1</sup>



(1) Source: Consensus Research — Investment Funds Survey 2010 Intermediaries: IFA Report, "Advertising Recall: Benchmark Analysis" (Nov. 2010)



## UK mutual fund distribution



- UK consumer and financial education:
  - Financial services products are 'sold', not 'bought'
  - Direct distribution 8% of retail mutual funds gross flows and 4% of net
- Intermediary advice channel remains essential
- Key stated sales considerations:
  - Performance
  - Service
  - Brand / reputation
- Consolidation of fund providers via flows
- Increased role for platforms, esp. post RDR
- Opportunities in UK for Jupiter lie in increased wealth manager penetration, connections to major platforms, high IFA support

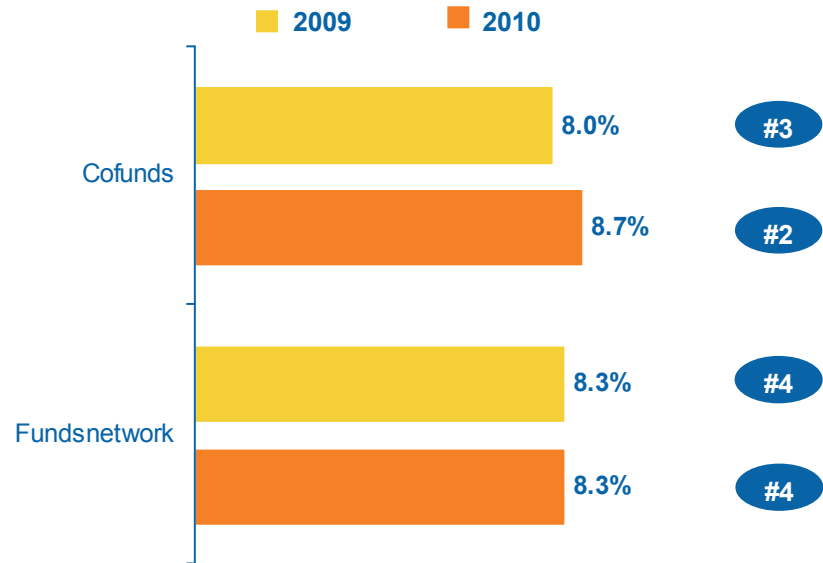
Source: Jupiter

# Maintaining strong position on platforms

## Distribution

- Platforms increasingly important:
  - 37% share of gross retail mutual fund sales<sup>1</sup>
  - AUM over £100 billion<sup>1</sup>
- Jupiter's penetration ahead of market due to focus on intermediaries
- Consistent high market shares on key platforms
- Merlin Income #1 selling fund on Cofunds and FundsNetwork YTD 2011

## Jupiter's platform position<sup>2</sup>



(1) Source: IMA; platforms included in data are Ascentric, Aviva Wrap, AXA-elevate; Cofunds, FundsNetwork, Hargreaves Lansdown, James Hay Wrap, Novia, Nucleus, Skandia. NB excludes life platforms such as Standard Life  
 (2) By gross sales; Source: Cofunds, FundsNetwork



## RDR: desired outcomes and reactions



(1) Source: FSA

## Our thoughts on RDR and retail asset management

### Distributors

- IFA community remains crucial to UK distribution
- IFA distribution consolidates
- Platforms continue to acquire share
- Paying intermediaries becomes more complex
- Margins continue to shift towards distributors
- Back book margins potentially grandfathered
- Low value investors pushed to simple decision processes

### Manufacturers

- Importance of branding increases
- Asset manager consolidation via flows concentration
- Differentially priced share classes
- Sales of passive / ETF products may increase
- Demand for high-performing active managers
- Fund of fund products favoured for efficiency of solution

**But beware of unintended consequences**

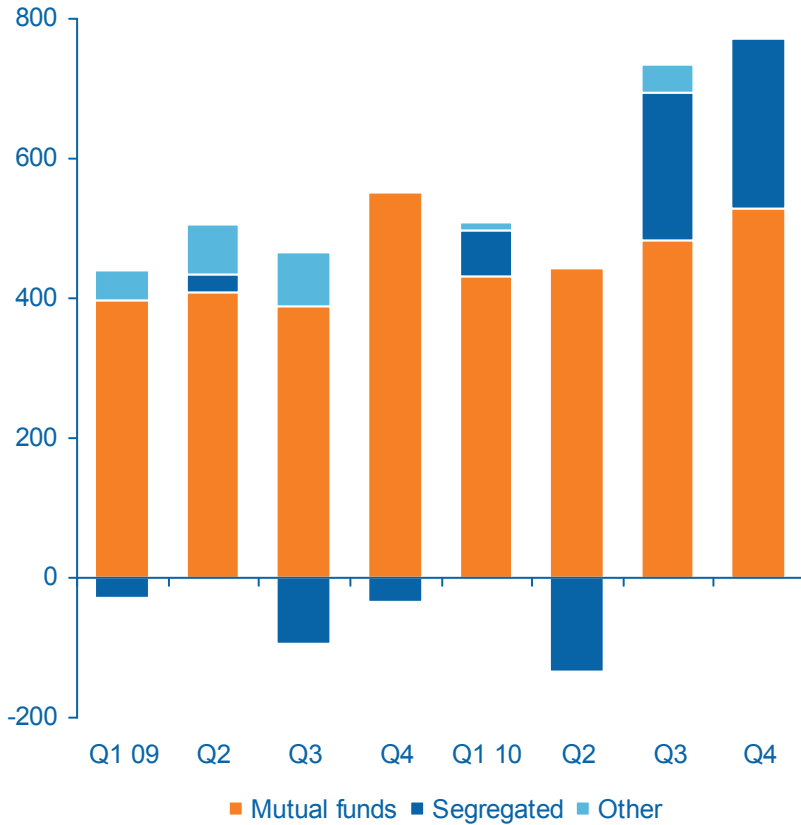
## Increased International opportunity

Measure	31-Dec-09	31-Dec-10
International AUM	£1,485m	<b>£2,365m</b>
International net flows	£262m	<b>£683m</b>
SICAV AUM	€660m	<b>€1,600m</b>
SICAV funds with three year track records	5	<b>6</b>
SICAV funds with 1 <sup>st</sup> quartile three year track records	4	<b>5</b>
SICAV funds with greater than €100m of assets	-	<b>8</b>

Source: Jupiter; total International flows and AUM include relevant SICAV, unit trust and segregated mandate flows; SICAV AUM stated on gross basis as per factsheets

# Outlook

New business by quarter (£ million)



## Outlook

- Core mutual fund business is dependent on our investment performance and external environment
  - Market levels
    - Inflation
    - Investor confidence
    - Interest rates
  - Investor sector and asset class preferences
- Launch effect in mutual funds
- Segregated pattern in last two quarters unusual, notice of £80 million outflow received for Q1
- 2011 focus on distribution development, new investment hires and product launches less likely
- Continued international expansion effort
  - Add geographies (e.g. Southern Europe, Switzerland)
  - Deepen penetration in France, Germany, Austria and Asia

## ■ Highlights

### 1 Performance and flows

63% of mutual funds above median over three years

Record net inflows of £2.3 billion, AUM up 24% to £24.1 billion

### 2 Financial

EBITDA up 37% to £124.6m; net debt reduced to £63m and leverage ratio at 0.5x

Initial final dividend of 4.7p

### 3 Market

Strong fundamental growth drivers for UK retail savings market

Record retail AUM of £377 billion, net retail sales of £24 billion (2nd best year ever)

### 4 Strategy

Preserve investment culture and generate outperformance

Selective product development and distribution diversification

## Q&A

