Jupiter **Financial Opportunities Fund**

Short Annual Report – for the year ended 30 April 2014

Investment Objective

To achieve long-term capital growth principally through investment in equities of financial sector companies on an international basis.

Investment Policy

To achieve long-term capital growth through investment in a concentrated international portfolio. The portfolio will principally comprise financial services companies and, to a lesser extent property related companies considered by the Manager to be undervalued and which exhibit favourable growth prospects arising from characteristics such as proven management or strong products or services. The Fund's investment in UK companies will be equal to or greater than the UK weighting in the MSCI All Country World Financials Index or any successor benchmark index. Investment in other countries is, however, unconstrained.

The Manager has the power to use derivatives but it is intended that these will only be used for efficient portfolio management and not for investment purposes.

Performance Record

Percentage change from launch to 30 April 2014

	1 year	3 years	5 years	10 years	Since launch*
Jupiter Financial Opportunities Fund	4.9	12.0	26.2	133.9	883.2
MSCI AC World Financials Index	1.8	19.3	71.2	48.0	109.4

Source: FE, Retail Units, bid to bid, net income reinvested.
**Launch date 2 June 1997.*
The Fund is in the IMA Specialist sector. Due to the diverse nature of the funds in this sector, sector positions will not be shown.

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in a unit trust and the income from it can fall as well as rise and it may be affected by exchange rate variations. You may get back less than you invested.

Risk Profile

The Fund has little exposure to liquidity, credit or cash flow risk. The risks it faces from its financial instruments are market price, foreign currency, interest rate and counterparty risk. The Manager reviews policies for managing these risks in pursuance of the Investment Objective and Policy. From time to time the Fund may enter into derivative contracts to protect the Fund from adverse market movement. In the event that the market rises in value these derivative contracts may detract from the Fund's performance.

Risk and reward indicator

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

← Typically lower rewards, lower risk | Typically higher rewards, higher risk →

Retail Units

1	2	3	4	5	**6**	7

I-Class Units

1	2	3	4	5	**6**	7

- The lowest category does not mean 'no risk'. Some risk will still be present in funds with a risk and reward rating of 1.
- The Fund is in this category as it invests in a wide range of company shares, which carry a degree of risk.

Unit Classes

In addition to the basic class of units which are available to all types of investors, the Fund also offers I-Class units which are available to investors who invest a minimum of £5,000,000. Further details are available from the Manager on request. Please note that in order to distinguish between the unit classes within the Fund they are defined in this report as either Retail Units (non I-Class) or I-Class Units. The unit types associated with each unit class are disclosed in the Comparative Tables on page 2.

Warning to Unitholders Customers of financial institutions can be prone to attempts by fraudsters to obtain personal information or money. There are many ways they can initiate contact, such as emails, letters and cold calls, but methods are constantly evolving so it is important that you are aware of the types of scams so that you are better able to protect yourself. Please visit our website www.jupiteronline.com or call 0844 620 7600 for further information.

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

Charges taken from the Fund over the year to:	30.04.14	30.04.13
Ongoing charges for Retail Units	1.76%	1.78%
Ongoing charges for I-Class Units	1.01%	1.03%

Portfolio Turnover Rate (PTR)

Year to 30.04.14	Year to 30.04.13
616.36%	591.71%

The PTR provides an indication of the rate the Manager has bought and sold the underlying assets of the Fund during the period as indicated above. In general, the higher the PTR of a fund, the greater level of portfolio transaction costs will be incurred.

Distributions/Accumulations

	Final Distributions/ Accumulations for six months to 31.10.14	Interim Distributions/ Accumulations for six months to 31.10.13
	Pence per unit	
Retail Income units	0.3387	1.9447
I-Class Income units	1.9340	3.5146
I-Class Accumulation units	1.9633	3.5435

Fund Facts

Fund accounting dates		Fund payment/ accumulation dates	
30 April	31 October	30 June	31 December

Comparative Tables

Net Asset Values

Date	Net Asset Value of Fund	Net Asset Value per unit			Number of units in issue		
		Retail Income	I-Class Income*	I-Class Accumulation**	Retail Income	I-Class Income*	I-Class Accumulation**
30.04.13	£519,950,825	395.85p	400.00p	403.06p	125,497,989	1,919,142	3,842,207
30.04.14	£505,375,064	412.44p	416.89p	425.43p	105,152,617	8,729,507	8,295,248

Unit Price Performance

Date	Highest offer			Lowest bid		
	Retail Income	I-Class Income*	I-Class Accumulation**	Retail Income	I-Class Income*	I-Class Accumulation**
2009	465.87p	n/a	n/a	309.32p	n/a	n/a
2010	448.04p	n/a	n/a	354.15p	n/a	n/a
2011	416.62p	n/a	307.12p	270.76p	n/a	270.88p
2012	361.97p	348.42p	348.42p	286.57p	323.27p	288.25p
2013	449.34p	432.31p	437.01p	343.54p	348.20p	348.19p
to 30.04.14	463.89p	447.35p	454.35p	402.06p	408.57p	414.96p

Income/Accumulation Record

Calendar Year	Pence per unit		
	Retail Income	I-Class Income*	I-Class Accumulation**
2009	0.8900p	n/a	n/a
2010	0.0000p	n/a	n/a
2011	0.9700p	n/a	0.0000p
2012	0.0000p	0.0000p	2.4236p
2013	3.4747p	6.4440p	6.4743p
to 30.06.14	0.3387p	1.9340p	1.9633p

*I-Class income units were introduced on 29 October 2012.
**I-Class accumulation units were introduced on 19 September 2011.

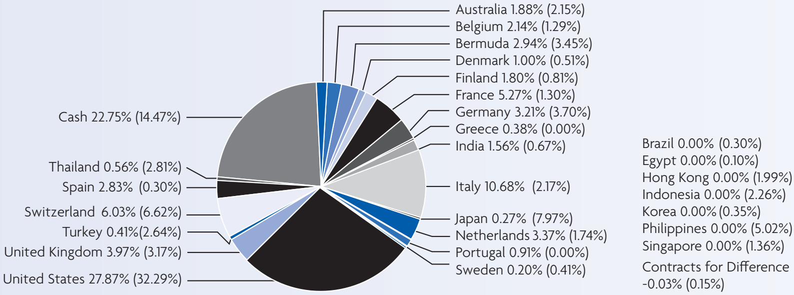
Major Holdings

The top ten holdings at the end of the current year and at the end of the previous year are shown below.

Holding	% of Fund as at 30.04.14	Holding	% of Fund as at 30.04.13
Mediobanca	3.16	Citigroup	2.99
Banco Popolare Societa Cooperativa	2.76	Security Bank	2.51
ING Groep Certificates	2.32	American International Group	2.31
Wirecard	2.19	GAM Holding	2.24
KBC Group	2.14	Invesco	2.21
Natixis Banques Populaires	1.92	Muenchener Rueckversicherungs	2.18
Azimut Holding	1.84	Sumitomo Mitsui Financial Group	1.96
Sampo Oyj	1.80	Sumitomo Mitsui Trust	1.93
Mastercard	1.69	Radian	1.88
Jupiter Second Split Trust	1.66	Jupiter Second Split Trust	1.86

Portfolio Information

Geographical spread of investments as at 30 April 2014



The figures in brackets show allocations as at 30 April 2013.

Investment Review

Performance Review

For the year ended 30 April 2014 the total return on the units was 4.9%* compared with a total return of 1.8%* for its benchmark, the MSCI All Country World Financials Index.

**Source: FE,Retail Units, bid to bid, net income reinvested. The statics disclosed above relate to Retail Units unless otherwise stated. With effect from 2 May 2013, the benchmark for the Jupiter Financial Opportunities Fund changed to the MSCI AC World Financials Index from the FTSE Financials Index.*

Market Review

Markets continued to be driven largely by monetary policy, economics and global events during the period under review. Global markets responded nervously to US Federal Reserve (Fed) statements throughout May and June stating that quantitative easing might be reduced sooner than anticipated. This eventually led to a decline in equities and a rise in Treasury yields. There was also increased concern over deteriorating economic data from China.

July saw a solid start to a US corporate earnings season, but global markets declined sharply in August, amid increasing geopolitical tension over developing situations in Syria and elsewhere. Positive economic data in the US led to a rise in government bond yields and a dramatic fall in emerging market currencies, as it seemed increasingly likely that the Fed would start reducing the pace of its asset purchases. This took longer to occur than initially feared, leading to a relief rally in September and October. By the time the Fed eventually did start tapering its asset purchases (in January, 2014) developed world markets seemed able to take this in their stride. Emerging markets, however, fell sharply.

Economic conditions continued to improve in Europe. In February, 2014, it was announced that the eurozone's economy expanded by 0.3% in the final quarter of 2013, with all six of the largest economies growing for the first time in nearly three years. The European Central Bank (ECB) also seems to remain fully committed to supporting this recovery, with many analysts now expecting further interest rate cuts.

In the US, after Fed Chair Janet Yellen stated in March that interest rates could rise as soon as six months after completing the process of tapering central bank asset purchases to zero, US banks benefited from markets anticipating a steepening of the yield curve. In April, however, she raised the possibility of easy monetary policy lasting for longer than currently expected. US government bond yields then eventually declined and the yield curve flattened again.

Policy Review

The Fund outperformed its benchmark over the period under review. On a regional basis, relative performance benefited from our overweight allocation to certain eurozone economies such as Italy, the Netherlands, France, Belgium and Portugal. The Fund also benefited from an underweight allocation to China, but suffered from positions in the Philippines, Turkey and Thailand.

Our best-performing holding over the period was Lloyds Banking Group. The group released good half-year results, demonstrating a return to profitability and an intention to resume dividend payments. The UK government sold part of its stake in a successful institutional share placing, raising £3.2bn and reducing the government's holding from 38.7% to 32.7%. We took some profits in the position after a strong run.

Among our other top-performing positions was the London Stock Exchange, which also posted good results. We believe the company should benefit from continued economic recovery due to the effect increasing transaction volumes would have on its business.

Our long-term theme of investing in companies that are well-placed to benefit from the move towards a cashless society also paid off, with holdings such as MasterCard, Wirecard and Monitise performing well.

Europe, where economic data continues to improve, now makes up the biggest regional allocation in the Fund. We have particularly increased allocations to France, Italy and the UK. This was funded in part by moving out of Japan and emerging markets like Thailand and Turkey.

Investment Outlook

Many financial stocks are now trading at increased valuations relative to their assets. This development, however, follows an extended period of historically low valuations. We believe that there is room for financial sector share prices to continue to rise from current levels, especially if long term interest rates eventually rise. This should benefit banks and other financial institutions that borrow funds at short term rates and lend them at long term rates.

A large proportion of the Fund is now invested across US and Europe. The US seems to be the developed world economy at the most advanced stage of recovery. While the Fed seems likely to continue to taper its asset purchases, this should not mean it will immediately tighten monetary policy. We expect supportive conditions to continue. In Europe, initially poor macroeconomic conditions continue to improve, driven by the ECB's commitment to provide support. We currently avoid exposure to China and Russia, but we will continue to monitor emerging markets for potential opportunities. Our main focus will remain on developed market companies that we believe can benefit from restructuring their operations to focus on improving profitability, rather than revenue growth alone.

Guy de Blonay
Fund Manager

Responsible Stewardship

Jupiter believes that responsible stewardship is an important issue and aims to act in the best interests of all its stakeholders by engaging with the companies that it invests in, and by exercising its voting rights with care. We believe companies with high standards of corporate responsibility, governance and sustainable business practices create an appropriate culture to enhance good investment performance. Jupiter's Corporate Governance and Voting Policy and its compliance with the UK Stewardship Code, together with supporting disclosure reports are available at www.jupiteronline.com

This document is a short report of the Jupiter Financial Opportunities Fund for the year ended 30 April 2014. The full Report and Accounts of the Fund is available on our website **www.jupiteronline.com** or upon written request to Jupiter Unit Trust Managers Limited, PO Box 10666, Chelmsford CM99 2BG.

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the year it covers and the results of those activities at the end of the year.

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