Jupiter **UK Growth Fund**

Short Annual Report – for the year ended 31 December 2013

JUPITER

Investment Objective

To achieve long-term capital growth.

Investment Policy

To invest in any economic sector principally in the United Kingdom.

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 and sector ranking from launch to 31 December 2013

	1 year	3 years	5 years	10 years	Since launch*
Jupiter UK Growth Fund	33.9	54.1	154.2	211.4	1728.8
UK All Companies sector position	48/271	32/258	35/242	18/173	3/20

Source: FE, Retail Units, bid to bid, net income reinvested.
**Launch date 1 April 1988.*

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.

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:	31.12.13	31.12.12
Ongoing charges for Retail Units	1.79%	1.79%
Ongoing charges for I-Class Units	1.04%	1.04%

Portfolio Turnover Rate (PTR)

Year to 31.12.13	Year to 31.12.12
40.18%	22.16%

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 31.12.13	Interim Distributions/ Accumulations for six months to 30.06.13
	Pence per unit	
Retail Income units	0.0000	2.3400
I-Class Income units	0.8912	3.2922
I-Class Accumulation units	0.9207	3.3507

Fund Facts

Fund accounting dates		Fund payment/ accumulation dates	
30 June	31 December	31 August	28 February

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*
31.12.12	£778,027,629	226.13p	226.26p	230.57p	342,978,116	1,057,939	27,986
31.12.13	£1,003,232,500	300.04p	300.55p	311.17p	317,695,343	11,708,691	4,767,828

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	182.32p	n/a	n/a	102.37p	n/a	n/a
2010	215.17p	n/a	n/a	156.71p	n/a	n/a
2011	221.48p	188.95p	188.95p	161.23p	161.61p	161.61p
2012	241.23p	230.99p	234.50p	176.20p	176.55p	176.95p
2013	317.04p	303.64p	313.34p	230.73p	231.19p	235.60p

Income/Accumulation Record

Calendar Year	Pence per unit		
	Retail Income	I-Class Income*	I-Class Accumulation*
2009	2.9800p	n/a	n/a
2010	1.7700p	n/a	n/a
2011	1.6700p	n/a	n/a
2012	2.0500p	2.7932p	2.7985p
2013	2.3400p	4.1523p	4.2239p
to 28.02.14	0.0000p	0.8912p	0.9207p

*I-Class income and accumulation units were introduced on 19 September 2011.

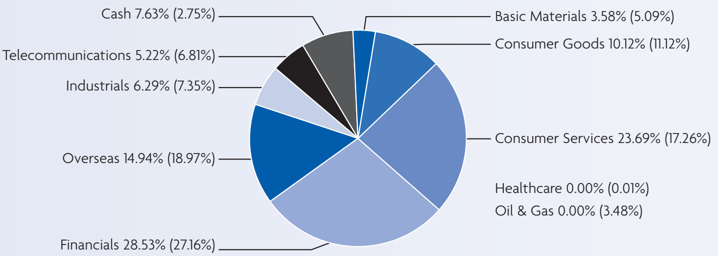
Major Holdings

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 31.12.13	Holding	% of Fund as at 31.12.12
Lloyds Banking Group	8.29	Lloyds Banking Group	6.78
Legal & General	5.83	BMW	5.85
Barclays	5.47	Barclays	5.43
BMW	4.91	GKN	5.16
British American Tobacco	4.21	Royal Bank of Scotland Group	5.13
GKN	3.85	British American Tobacco	4.97
Howden Joinery	3.74	Legal & General	4.89
TalkTalk Telecom	3.51	adidas	4.38
Dixons Retail	3.47	Howden Joinery	4.35
ITV	3.24	TalkTalk Telecom	3.45

Portfolio Information

Classification of investments as at 31 December 2013



The figures in brackets show allocations as at 31 December 2012.
The sectors as shown above are based on the Industry Classification Benchmark (see page 4).

Investment Review

Performance Review

In the year, the Fund returned 33.9%* compared with 20.8%* from its benchmark the FTSE All-Share Index and 154.2%* over 5 years against 95.2%* for its benchmark. The Fund is now materially ahead of its benchmark and in the top quartile of the IMA UK Smaller Companies Sector compared with its competitor funds over all time horizons back to when the current manager was appointed in April 2003.

In 2013, Steve Davies was appointed co-manager reflecting a strong stock-picking contribution since he joined the Fund in 2007.

**Source: FE, Retail Units, bid to bid, net income reinvested. The statistics disclosed above relate to Retail Units unless otherwise stated.*

Contributors to Performance

Our top 10 contributors to performance were: Howden Joinery, Lloyds Banking Group, GKN, ITV, Legal and General, Dixons Retail, adidas, Booker, WH Smith and Next. From the beginning of 2012 we thought that the domestic UK economy was more robust than was widely appreciated. We noted both the resilience of private sector employment and the highly politicised nature of the pessimism about the economy. Clearly the economic outturn in the UK was far stronger than most expected and as a result many of our best performers had a high degree of domestic exposure.

We divide stocks into 'Recovery' and 'Growth' and many of our UK consumer names were in the 'recovery' phase, but it is also good to see a broader contribution to performance from our 'growth' names like adidas and Booker.

Performance was also helped by not holding a number of stocks that severely lagged the market. These stocks included Shell, Anglo American and BHP. There has been a surge in supply of almost all commodities and we have been cautious on Emerging Market growth, which has been the key driver of commodity demand. We remain of the view that the momentum of economic growth is likely to continue to favour the Western Economies. One of the reasons one could give for being materially optimistic for markets is if we see further significant weakness in the oil price. Its strength has long acted as a drag on real incomes in the West and its reversal would materially boost those incomes.

Portfolio Activity

We purchased new holdings or materially added to: Arrow Global (Specialist Financial), Cobham, Thomas Cook, Countrywide, Glencore Xstrata, International Consolidated Airlines Group (IAG) and Taylor Wimpey. Two of them, Arrow Global and Countrywide, were new issues. The new issue pipeline has had a number of interesting companies and at this early stage is of generally high quality. We bought Cobham thinking the outlook for US defence spending couldn't get worse; Glencore Xstrata because of the close identification of the interests of the management with those of its shareholders and very low valuation; Countrywide and Taylor Wimpey as plays on continued UK housing recovery and IAG whose recovery partly depends on getting Iberia's pilots to work more than a 13 hour week!

We always like to keep a concentrated portfolio. At present 30 holdings account for circa 90% of the Fund. If we are to maintain this concentration, purchases have to be offset by sales and in the year we either sold or reduced our holdings in adidas, Alent, Coca-Cola, Google, Next, Reynolds Tobacco, Rio Tinto, Vesuvius, and Vodafone. These sales can be characterised as either outstanding performers that achieved their price targets or stocks whose growth fell short of our expectations and led us to look elsewhere. There were more of the former than the latter, with Next deserving a special mention, bought at less than £17 per share and sold for an average price of over £55 per share after four years. It serves as a remarkable reminder of the scale of the pessimism that reigned in 2009. We also took some profits in Howden Joinery with the share price ranging from 250-300p. We bought 10m shares of this company at 20.5p in 2009, compared with a current share price of 340p; a further reminder of that pessimism and the rewards that can accrue to the brave.

Corporate Governance

We participate very actively in making sure that our clients are having their interests properly looked after by the Non-Executive Directors of the companies we are invested in. We meet regularly with the Chairmen and others to raise concerns on issues from strategy to pay. In the banking sector, we have engaged actively on issues of remuneration, have been prepared to vote against deals we thought inappropriate and feel progress has been made, though with more to do.

Investment Outlook

From the start of 2012 to year end 2013 the Fund returned 76%. As a result, shares very likely offer significantly less upside for investors than was the case two years ago. We can however still see value, especially in financials and think that profits will continue to grow and push shares higher. We think also that equities remain likely to be the most attractive asset class and that the extreme volatility that we witnessed in recent years and which diminished in 2013 may well stay lower. Investors may therefore see a mix of lower returns but with less volatility in a way that may appeal after the thrills and spills of the last 5 years.

We believe the biggest upside would come from a falling oil price, but one that is driven by more supply; fewer supply interruptions and a bit less Emerging World demand.

The main risks on the downside are a sharp slowdown in Europe, though this looks less likely as we write and political risk as the UK election in 2015 comes into view.

Expectations for interest rates will be a key feature of 2014, but, if they rise, our holdings in the banking sector should materially benefit.

In summary, we can see a level of global economic growth that is sufficient to keep profits moving but not so strong as to put material upward pressure on interest rates. We see our current portfolio as still having good upside to fair value on a two year view and if the economic backdrop stays benign, the Fund should make further progress.

Ian McVeigh and Steve Davies
Fund Managers

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 UK Growth Fund for the year ended 31 December 2013. 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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