Jupiter **Asian Fund**

Short Annual Report – for the year ended 30 June 2013

Investment Objective

To achieve long-term capital growth by investing directly or indirectly in Asian and Pacific Basin markets in any economic sector.

Investment Policy

To invest primarily in companies with interests in countries in Asia and the Pacific Basin including Australasia and India.

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 30 June 2013

	1 year	3 years	5 years	Since launch*
Jupiter Asian Fund	11.4	15.5	46.0	74.2
Asia Pacific excluding Japan sector position	62/83	55/73	42/66	40/61

Source: FE, Retail Units, bid to bid, net income reinvested.
**Reconstructed from the Jupiter Far Eastern Fund on 20 October 2006. First dealing day of the Jupiter Asian Fund 23 October 2006.*

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 credit, counterparty or cash flow risk. The risks it faces from its financial instruments are liquidity, market price, foreign currency and interest rate risk. The Manager reviews policies for managing these risks in pursuance of the Investment Objective and Policy. Markets are less developed in the geographical areas that the Fund invests in. There is a greater risk of volatility and lower liquidity than western markets and the Fund may also be affected by exchange rate variations.

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 shares of companies based in Asia, 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:	30.06.13	30.06.12
Ongoing charges for Retail Units	1.95%	1.91%
Ongoing charges for I-Class Units	1.20%	n/a

Portfolio Turnover Rate (PTR)

Year to 30.06.13	Year to 30.06.12
113.72%	111.55%

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

	Total Distributions for period to 30.06.13	Total Distributions for period to 30.06.12
	Pence per unit	
Retail Income units	0.0000	0.0000
I-Class Accumulation units	2.4826	n/a

Fund Facts

Fund accounting dates		Fund payment/ accumulation date	
30 June	31 December	31 August	–

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 Accumulation*	Retail Income	I-Class Accumulation*
30.06.12	£45,605,363	532.89p	n/a	8,558,040	n/a
30.06.13	£42,419,441	593.58p	594.52p	7,142,999	3,328

Unit Price Performance

Calendar Year	Highest offer		Lowest bid	
	Retail Income	I-Class Accumulation*	Retail Income	I-Class Accumulation*
2008	563.55p	n/a	240.62p	n/a
2009	543.09p	n/a	302.19p	n/a
2010	658.05p	n/a	473.94p	n/a
2011	668.47p	n/a	473.25p	n/a
2012	627.45p	591.88p	502.75p	541.09p
to 30.06.13	695.39p	663.95p	558.54p	561.73p

Income/Accumulation Record

Calendar Year	Pence per unit	
	Retail Income	I-Class Accumulation*
2008	0.00p	n/a
2009	3.32p	n/a
2010	0.00p	n/a
2011	0.00p	n/a
2012	0.00p	n/a
to 31.08.13	0.00p	2.4826p

*I-Class accumulation units were introduced on 17 September 2012.

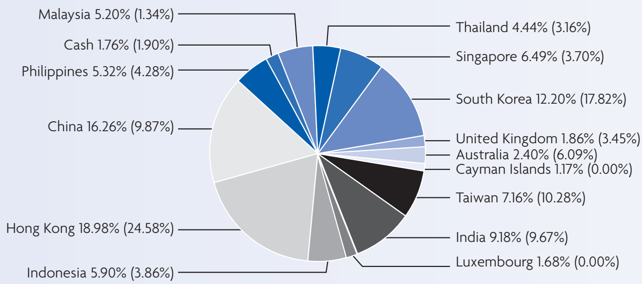
Major Holdings

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 30.06.13	Holding	% of Fund as at 30.06.12
Samsung Electronics GDR	3.86	Samsung Electronics GDR	3.68
PetroChina	2.88	China Mobile (Hong Kong)	3.07
Godfrey Phillips India	2.69	Hyundai Wia	2.69
Industrial and Commercial Bank of China	2.43	NHN	2.68
Yingde Gases	2.38	Yingde Gases	2.54
Samsung Fire & Marine Insurance	2.17	Hon Hai Precision Industry	2.31
Goodpack	2.08	Taiwan Semiconductor Manufacturing	2.26
AIA	2.06	Greatview Aseptic Packaging	2.24
Hyundai Wia	1.98	Samsung Fire & Marine Insurance	2.22
Hutchison Whampoa	1.95	Goodpack	2.19

Portfolio Information

Geographical spread of investments as at 30 June 2013



The figures in brackets show allocations as at 30 June 2012.

Investment Review

Performance Review

The year to 30 June 2013 saw the MSCI All Countries Asia ex-Japan Index post a 12.9%* return in sterling terms for the period under review. Against this, the Jupiter Asian Fund rose by 11.4%*. The Fund was ranked 62nd out of 83 funds over the period and 40th out of 61 funds since reconstruction in October 2006, in the IMA Asian Pacific excluding Japan sector*.

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

Market Review

In the first half of the period under review, Asian markets performed well, making up for weak returns in the first half of 2012. As Asian economies undergo long term structural change, reducing their dependence on external trade and shifting towards reliance on domestic drivers of growth, the overall investment picture is positive. Consumers are benefiting from rising disposable incomes and inflationary pressures have subsided. It remains the case that conditions in Europe and the US still influence emerging markets; from the point at which European Central Bank chief Mario Draghi committed to do 'whatever it takes' to shore up European debt, returns from the region improved considerably. Quantitative Easing programmes (QE3) were duly implemented in both Europe and the US in September prompting inflows of liquidity in emerging markets as investor appetite for risk was stimulated.

It also became clearer in the period under review that China was likely to avoid a 'hard landing' although the growth trajectory clearly slowed. Indeed Chinese economic data published during the third and fourth quarter of 2012 indicated that growth was stabilising. In November, the Chinese Communist Party undertook its once-in-a-decade leadership transition, with power passing into to the hands of Xi Jinping as president and Li Keqiang as premier. A potentially destabilising event, the handover passed off smoothly, with expectations largely met in terms of the selection of the members of the key policymaking body, the Politburo. The new government have begun to lay down their reform package which highlights the need for a 'greener' economy and one whose foundations are laid with domestically orientated building blocks.

In September, the Indian government announced a long-awaited programme of reform as politicians attempted to reignite their popularity, prompting a sharp improvement in the performance of its equity markets. The implementation of QE3 the same month subsequently sustained those gains and India has performed well in the period under review.

Elsewhere in the region, markets in South East Asia continued to march higher. A combination of supportive demographics and a low dependence on developed markets for their economic growth made the markets of the Philippines, Thailand and Indonesia a popular destination for emerging market capital flows. These secular trends should underpin the ongoing development of these economies, however, as is clear from the end the reporting period, the investment journey may prove to be a bumpy one. This belief is predicated on comments made by the US Federal Reserve Chairman who remarked that the next monetary policy direction will be to taper stimulus programmes. The response from international investors saw significant redemptions from the these countries presenting concerns that Indonesia, for example, had become too dependent on capital flows to shore up a deteriorating government balance sheet.

The Malaysian general election saw the prime minister re-elected although his party received fewer votes highlighting growing unease amongst various minorities. Due to the uncertainty in the run up to the election, the outcome provided a fillip to the stock market. The coalition election mandate should ensure the continuation of the economic transformation plan as well as a focus on reducing the fiscal deficit, both of which are positive.

Policy Review

In the period under review, top performance country-wise came from Thailand, Indonesia and the Philippines. Despite China's ongoing economic slowdown, and the recent (but short-lived) spike in interbank lending rates, the stock market produced good gains as the valuation for the market reduced to levels last seen during the financial crisis.

Sector-wise, industrials and consumer goods, both of which we have overweight positions in, made good returns for the Fund. We remained underweight utilities and oil and gas through the period and this also stood us in good stead. Our holdings in the healthcare sector performed poorly, however. Our weightings across the sectors have altered slightly in the period under review – financials have been increased to account for approximately a quarter of the Fund with industrials and consumer services the next two largest sectors.

During the period, the Fund initiated significant positions in Ginko (leading contact lens manufacturer in China) Silverlake (systems integrator for South East Asian banking sector) and Sapura Kencana (oilfield services operator in Malaysia). These holdings produced healthy returns for the Fund. Conversely, positions in Venture, Opto Circuits and Lock & Lock were removed as operational setbacks highlighted more structural issues within their business profiles. Panataloon Retail, renamed Future Retail, provided a disappointing contribution despite strong operational improvements. This is India's largest supermarket operator and management have continued to strengthen the balance sheet by selling non-core businesses whilst introducing new targets focussed on profit rather than expansion. Despite a weak backdrop for consumption, presently this is a position the Fund will continue to build upon on given the growth in modern trade versus traditional formats.

Against a challenging macro-economic backdrop for emerging markets, we remain confident in the underlying strength of our holdings and our stock selection ability.

Outlook

The perceived improvement in global economic conditions has brought central bankers to the point where they can consider tapering Quantitative Easing (QE) programmes. The result of this would be higher interest rates as growth improves. The effect this has had on emerging markets has been volatile, with the better-owned South East Asian markets bearing the brunt of investor capitulation. In our view, the process of winding down QE programmes will be extremely protracted given the impact that even the mention of it is having on market sentiment, however ultimately it will prove positive. A recent visit to a number of Far Eastern countries has lent clarity to circumstances in individual markets and while we are now less confident about prospects for Indonesia, our view is that Malaysia will continue to deliver strong performance in the wake of recent elections. With the earnings season over there does not appear to be any catalyst to push the market higher.

The one potentially destabilising event on the horizon that is difficult to quantify is China's shadow banking arena and the interconnected nature of local government financing. Should the scale of this phenomena deteriorate it may prove difficult to resolve and the subsequent ramifications for the rest of Asia would be dramatic. Despite this, we remain confident that fluctuations in Asian stock markets will continue to present patient long-term investors with attractive entry points without the need for compromise in terms of valuation thresholds.

It is our view that macro-economic risk in both Thailand and Indonesia is growing and we have recently cut exposure there accordingly. Both the Indonesian and Thai central banks have exhibited poor management and credit growth has run above GDP rates across the region for too long, fuelled by cheap money. The Fund will selectively pare down exposure to these countries.

Ben Surtees
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 Asian Fund for the year ended 30 June 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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