

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 31 December 2013

	6 months	1 year	3 years	5 years	Since launch*
Jupiter Asian Fund	0.9	2.5	-3.5	75.4	75.8
Asia Pacific excluding Japan sector position	34/86	32/84	45/73	49/65	39/59

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
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I-Class Units

1	2	3	4	5	6	7
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- 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 six months (annualised) to:	31.12.13	31.12.12
Ongoing charges for Retail Units	1.95%	1.91%
Ongoing charges for I-Class Units	1.20%	1.16%

Portfolio Turnover Rate (PTR)

Six months to 31.12.13	Six months to 31.12.12
49.78%	47.50%

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.

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*
30.06.13	£42,419,441	593.58p	594.52p	7,142,999	3,328
31.12.13	£38,384,084	598.76p	602.13p	6,398,571	11,988

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
2013	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
2013	0.00p	2.4826p

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

Distributions/Accumulations

There are no distributions or accumulations due in respect of the period under review.

Fund Facts

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

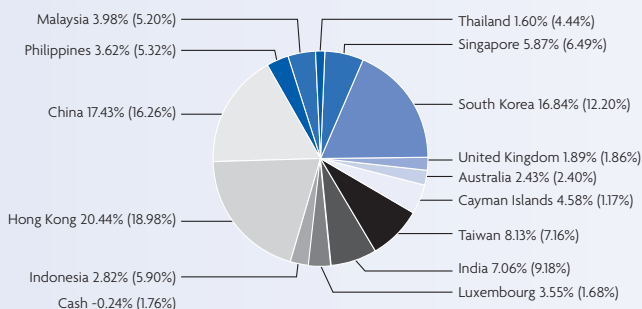
Major Holdings

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

Holding	% of Fund as at 31.12.13	Holding	% of Fund as at 30.06.13
Samsung Electronics GDR	4.11	Samsung Electronics GDR	3.86
Industrial and Commercial Bank of China	2.61	PetroChina	2.88
PetroChina	2.42	Godfrey Phillips India	2.69
Samsung Fire & Marine Insurance	2.31	Industrial and Commercial Bank of China	2.43
Hyundai Wia	2.26	Yingde Gases	2.38
Goodpack	2.19	Samsung Fire & Marine Insurance	2.17
KB Financial	2.08	Goodpack	2.08
Max India	2.07	Alia	2.06
Bursa Malaysia	2.04	Hyundai Wia	1.98
Jupiter Global Fund - China Select	1.96	Hutchison Whampoa	1.95

Portfolio Information

Geographical spread of investments as at 31 December 2013



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

Investment Review

Performance Review

For the six months to 31 December 2013 the Fund returned 0.9%*, compared to a return of 0.2%* for the MSCI All Countries Asia ex-Japan Index in sterling terms for the period under review. The Fund was ranked 34th out of 86 funds over the period and 39th out of 59 funds since reconstruction in October 2006, in the IMA Asian Pacific excluding Japan sector.

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

Market Review

Sentiment strengthened in September and October, which helped regional markets recapture losses earlier in the year. Fears of a repeat of a 1990s-style emerging market crisis faded and more positive economic data indicated that China's economy was stabilising. Subsidising currency fluctuations, central bank interventions in India and Indonesia and easing political anxieties were also supportive factors in September. All this took place even before the US Federal Reserve's (Fed) surprise announcement that 'tapering' would be postponed, which was broadly welcomed by investors. The global economic background also brightened as US politicians resolved the standoff in Congress over funding and the debt ceiling, allaying fears of a global recession.

The immediate beneficiaries of this more stable environment were countries with large external imbalances and high requirements for inflows of foreign funds, including Indonesia. However, investors were discouraged by bouts of volatility that only served to emphasise that countries with structural problems, and which were slow to implement reforms, remained vulnerable to shifts in investor flows. On the other hand, cyclical and valuation factors cast South Korea, Taiwan and China in a more attractive light as they benefited from a more positive backdrop of resilient domestic growth and rising global manufacturing activity.

The end of our period was dominated by the outcome of the reformist Third Plenum session in China and the Fed's decision to start reducing its stimulus to \$75bn from \$85bn in January 2014. The Asian region weathered the Fed's decision better than in May as the outcome was received as more benign than anticipated. In China, plans to institute wide-ranging, market-led, structural reforms boosted investor confidence and eased some of the concern about the economic slowdown that had weighed on sentiment. However, the near-term obstacles faced by China were illustrated by the spike in interest rates in December, the second in six months, as the central bank tries to curb the shadow banking system. Rising wages, a tightening labour market and soaring property prices may also put pressure on policy makers to tighten monetary policy, a potential curb on economic growth.

Some of the larger economies in the region also face challenges as they try to cut their current account deficits and implement structural reforms. India, however, defied expectations, having suffered from a steep plunge in its currency in the summer, and was one of the strongest performing markets. China was the best performing market in the region over the period while Indonesia and Thailand were among the worst. Indonesian equities fell as the currency depreciated further, even as the central bank raised interest rates. Thai stocks dropped with the intensification of anti-government protests.

Policy Review

The Fund outperformed its benchmark, the MSCI Asia ex Japan Index, during the period under review. The main challenge to the Fund was how to navigate the turmoil that beset emerging markets after the Fed's suggestion it might withdraw large-scale stimulus to the US economy. A visit in June to the region assured the manager that a repeat of the 1990s Asian crisis was unlikely, leading him to treat the period of volatility as an opportunity to build long-term positions in companies that were brought down unwarrantedly by exaggerated market fluctuations. Concerns raised by the trip about countries such as Indonesia turned out to be justified and also prompted a reduction in exposure to the southeast Asian nations that bore the brunt of investor capitulation and a tilt in the focus of the Fund towards north Asia, in particular China. The economic data there was more stable; long-term prospects were more enticing and valuations represented highly attractive long-term entry points.

This led to the sale of a number of holdings, particularly in Thailand, battered by a slowing economy and intensifying political instability. These included Bank of Ayudhya, Big C Supercenter, one of the country's largest supermarket operators, and Advanced Information Services, a mobile telephone services company. The rebound in the region at the end of the summer, amid expectations the Fed would delay 'tapering', was an opportunity to take further profits in shares such as Matahari Department Store and IndoFood CBP of Indonesia. The Fund also selectively added to positions which we believed had been oversold such as UEM Sunrise, a leading real estate company in Malaysia, Max India, the insurer and healthcare services provider, South Korea's E-mart, a discount store operator, and Philippines utilities company Metro Pacific. Meanwhile, the manager instigated new investments in Bursa Malaysia, the exchange-clearing house, and Chinese companies benefiting from reform-related themes such as Ping An Insurance, leading brokerage CITIC Securities, and Beijing Capital International Airport. We took part in two initial public offerings, in China Cinda Asset Management, the first Chinese asset manager to list, and Kerry Logistics, a leading logistics operator in the region that stands to benefit from the development of e-commerce in China.

The Fund performed well particularly in the final quarter and it was pleasing to see that a number of new holdings returned the most, including Baidu, China's largest search engine company, Korean gaming company NCsoft Corp., pram-maker Goodbaby International Holdings and China Gas Holdings. The main detractors from performance were companies in countries affected by volatility, Hero Supermarket, Modern Internasional, AirAsia and Matahari Department Store, among others.

Outlook

In our view, markets are assuming that a reduction in stimulus to the US economy by the Fed will be a gradual and smooth process under the new chair Janet Yellen. This, we believe, may be an unlikely outcome, given the difficulty of exiting 'tapering'. Markets may therefore remain volatile in 2014 as the US stock market is already, by most traditional valuation metrics, overvalued and has now hit all-time highs. We continue to use the rebound selectively to adjust some of our portfolio positions in southeast Asia. The upheaval in Asian markets is unlikely to be a repeat of the financial crisis of the late 1990s because governments and corporates have cut their dollar exposure and banking systems are far more robust. Political developments related to upcoming elections in Thailand, Indonesia and India are likely to add to the general uncertainty. Rising leverage ratios in Thailand and Indonesia will also need to be closely monitored. In our view, further political upheaval and the distraction caused by speculation about the timing of the Fed's 'tapering' should provide patient long-term investors with opportune entry points.

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 period 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 CM9 2BG.

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

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