Jupiter **Responsible Income Fund**

Short Interim Report – for the six months ended 31 March 2014

Investment Objective

To provide income and long term capital growth through investing primarily in UK equities.

Investment Policy

To invest primarily in the UK, in a portfolio of companies that are considered by the Manager to be responding positively to and profiting from the challenges of environmental sustainability or are making a positive commitment to social well being.

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 March 2014

	6 months	1 year	3 years	10 years	Since launch*
Jupiter Responsible Income Fund	6.2	14.1	41.2	127.6	109.9
UK All Companies sector position**	150/270	118/269	85/259	72/171	44/119

Source: FE, Retail Units, bid to bid, net income reinvested.
**Launch date 29 November 1999.*

***From 28 March 2014 the Fund moved from the IMA UK Equity Income Sector to the IMA UK All Companies Sector.*

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.

Ethical and Environmental Screening

Ethical and environmental screening for the Jupiter Responsible Income Fund is undertaken by the Jupiter Sustainable Investment Team, a team of analysts specialising in the environmental and social performance of companies. The Team assesses companies against a set of ethical and environmental criteria, which is summarised in the full Report and Accounts. Additional research on FTSE 350 companies is provided by external research provider Sustainalytics

Risk Profile

The Fund has little exposure to liquidity, credit, foreign currency, counterparty or cash flow risk. The risks it faces from its financial instruments are market price and interest rate risk. The Manager reviews policies for managing these risks in pursuance of the Investment Objective and Policy. The risk profile of this Fund is also affected by the ethical and environmental screening of investments in accordance with its 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.

As at 31.03.14

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

As at 30.09.13

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 six months (annualised) to:	31.03.14	31.03.13
Ongoing charges for Retail Units	1.70%	1.71%
Ongoing charges for I-Class Units	0.95%	0.96%

Portfolio Turnover Rate (PTR)

Six months to 31.03.14	Six months to 31.03.13
3.11%	5.37%

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

	Interim Distributions/ Accumulations for six months to 31.03.14	Interim Distributions/ Accumulations for six months to 31.03.13
	Pence per unit	
Retail Income units	0.9200	0.9180
Retail Accumulation units	1.2451	1.1976
I-Class Income units	0.9514	0.9358
I-Class Accumulation units	1.2557	1.1946

Fund Facts

Fund accounting dates		Fund payment/ accumulation dates	
31 March	30 September	31 May	30 November

Comparative Tables

Net Asset Values

Date	Net Asset Value of Fund	Net Asset Value per unit				Number of units in issue			
		Retail Income	Retail Accumulation	I-Class Income*	I-Class Accumulation*	Retail Income	Retail Accumulation	I-Class Income*	I-Class Accumulation*
30.09.13	£55,291,883	69.37p	93.72p	71.42p	94.35p	18,988,425	36,793,101	6,854,146	2,905,691
31.03.14	£62,483,196	72.80p	99.58p	75.22p	100.63p	16,542,309	34,469,924	11,449,392	7,455,861

Unit Price Performance

Calendar Year	Highest offer				Lowest bid			
	Retail Income	Retail Accumulation	I-Class Income*	I-Class Accumulation*	Retail Income	Retail Accumulation	I-Class Income*	I-Class Accumulation*
2009	54.60p	63.10p	n/a	n/a	35.92p	40.02p	n/a	n/a
2010	62.10p	74.84p	n/a	n/a	47.95p	56.60p	n/a	n/a
2011	64.54p	77.92p	n/a	n/a	48.74p	60.28p	n/a	n/a
2012	64.65p	84.34p	62.90p	80.31p	52.28p	66.63p	58.75p	75.03p
2013	79.59p	107.40p	78.03p	103.01p	61.28p	80.00p	62.80p	80.19p
to 31.03.14	81.12p	109.48p	79.56p	105.03p	72.51p	97.93p	74.94p	98.99p

Income/Accumulation Record

Calendar Year	Pencer per unit			
	Retail Income	Retail Accumulation	I-Class Income*	I-Class Accumulation*
2009	1.9100p	2.1540p	n/a	n/a
2010	1.9400p	2.2752p	n/a	n/a
2011	2.1536p	2.6146p	n/a	n/a
2012	2.3003p	2.9048p	0.1135p	0.1446p
2013	2.3335p	3.0708p	2.3894p	3.0756p
to 31.05.14	0.9200p	1.2451p	0.9514p	1.2557p

*I-Class income and I-Class accumulation units were introduced on 17 September 2012.
All of the Fund's expenses have been charged to capital. This has had the effect of increasing the distributions paid on an annualised basis on Retail Units by up to 1.70% of the class' average Net Asset Value during the period under review (I-Class Units 0.95%) and constraining the class' capital performance to an equivalent extent.

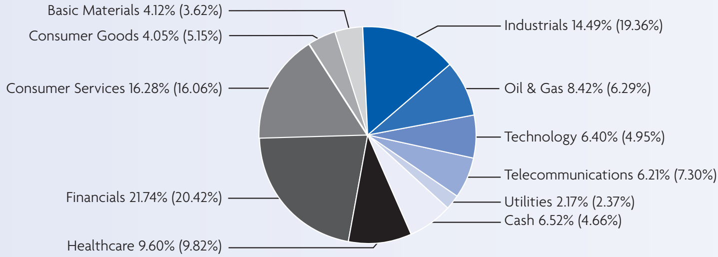
Major Holdings

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 31.03.14	Holding	% of Fund as at 30.09.13
HSBC Holdings (London listed)	4.81	HSBC Holdings (London listed)	5.99
GlaxoSmithKline	4.72	GlaxoSmithKline	5.21
Rio Tinto	4.12	Vodafone	4.70
Royal Dutch Shell 'B'	4.09	Lloyds Banking Group	4.19
Lloyds Banking Group	3.77	Reed Elsevier	3.63
Aviva	3.34	Rio Tinto	3.62
ITV	3.23	BG	3.33
Reed Elsevier	3.01	Aviva	3.11
BG	2.78	ITV	2.97
Barclays	2.48	Royal Dutch Shell 'B'	2.96

Portfolio Information

Classification of investments as at 31 March 2014



The figures in brackets show allocations as at 30 September 2013.
The sectors are based on the Industry Classification Benchmark (see page 4).

Investment Review

Performance Review

For the six months to 31 March 2014 the total return on the units was 6.2%* compared with 3.2%* for the Fund's benchmark, the FTSE4Good UK Index and 4.8%* for the FTSE All-Share Index. The Fund was ranked 150th out of 270 funds over the period in the IMA UK All Companies Sector*.

An interim distribution of 0.9200 pence per unit will be paid to holders of Retail income units on 31 May 2014 (Retail accumulation units 1.2451 pence per unit), compared to 0.9180 pence per unit for Retail income units (Retail accumulation units 1.1976 pence per unit) paid in respect of the same period last year. Also, an interim distribution of 0.9514 pence per unit will be paid to holders of I-Class income units on 31 May 2014 (I-Class accumulation units 1.2557 pence per unit), compared to 0.9358 pence per unit for I-Class income units (I-Class accumulation units 1.1946 pence per unit) paid in respect of the same period last year.

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

Market and Policy Review

The UK stock market made solid gains during the six month reporting period despite volatile conditions. In the first three months, markets continued to be influenced by political and macroeconomic developments in the US. The period had an uncertain start as the budget standoff in Washington forced a partial shutdown of the US federal government in October and prompted fears of a debt default. However global stocks soared to five-year highs mid-month as US politicians reached a last-minute deal to end the shutdown and raise the debt ceiling. The markets also reacted positively to the news that Janet Yellen was nominated to replace Ben Bernanke as Federal Reserve (Fed) chair. The European Central Bank cut its main interest rate to a record low of 0.25% in November to bolster the nascent European recovery and counter disinflation. In January, the Fed finally cut monthly asset purchases from $85bn to $75bn per month and $10bn per month subsequently. Developed world equities had anticipated the move but emerging markets fell sharply as investors repositioned themselves for a normalisation of US monetary policy. This, coupled with evidence of a Chinese slowdown, unrest in Thailand, nuclear negotiations with Iran and escalating conflict in the Ukraine, led to jittery markets. In the UK, economic growth for 2014 was revised up to 2.7%. The Bank of England (BoE), meanwhile, stressed monetary policy would remain unchanged for some time.

The Fund produced good returns during the six month reporting period, outperforming both the FTSE All-Share Index and its benchmark the FTSE4Good UK Index. Overweight positions in Stagecoach, TalkTalk Telecom, Howden Joinery, Aviva and Sage Group generated strong returns. Not holding Tesco, Standard Chartered and SAB Miller was positive for relative performance as well. However, overweight positions in Speedy Hire, Latchways, Tate & Lyle and Resolution detracted from relative performance. Speedy Hire had a very volatile performance during the period after finding a minor fraud in the Middle East in late November and then a issuing a profit warning in late March. Insurer Resolution was another detractor from relative performance, due to a heavy share price fall in March after Chancellor George Osborne in his budget lifted the requirement that retirees must convert their savings into an annuity.

During the period we took the opportunity to exit some smaller positions that had performed well for the Fund and where we felt valuations were full, such as Royal Mail, Michael Page and IMI. We also took profits on strong performers including Howden Joinery, Reed Elsevier, WS Atkins and TalkTalk Telecom. We recycled the proceeds from our sales by adding to existing holdings in stocks such as Premier Farnell, Rio Tinto and Barclays and by opening some new positions in Thomas Cook and Wood Group. Wood Group is an oilfield services company that had suffered significant share price underperformance in the latter half of 2013 on concerns that capital expenditure spend from oil majors would be cut aggressively as they sought to implement strategies of shrinking to grow. We felt the big picture concerns were more than reflected in the share price and used it as an opportunity to buy a very high quality and conservatively managed company on a very low valuation. Thomas Cook is a travel operator that is undergoing fundamental change under new management. We think the business has been severely mismanaged in the past and that there are significant opportunities for the new management team to radically transform the business and improve its profitability. Shares in Barclays have underperformed dramatically due to problems and credibility at its investment bank and they trade on a very low valuation. We had a meeting with the CFO in March and we were encouraged that there is a real determination to tackle the problems in the investment bank and to improve its profitability. We do not think the market is pricing in any strategic shift at Barclays investment bank. We also added to F&C Asset Management after a period of share price weakness. This was vindicated when the company announced it is to be taken over by Canada's Bank of Montreal.

At the end of the six month reporting period the Fund moved to the IMA UK All Companies Sector from the IMA UK Equity Income Sector because it failed to meet the rolling 3-year yield requirements. The impact of this change on unitholders should be minimal as the way the Fund is managed and its objectives are unchanged. My two aims are firstly to grow the Fund dividend every year in a sustainable manner and secondly to perform well against the sector peers.

I have always looked to balance capital growth and income growth and never looked to hold stocks just for their absolute yield levels. I could have grown the dividend more and kept the Fund in the IMA UK Equity Income Sector but this, in my opinion, would have put unnecessary risk in the portfolio and forced me to hold stocks that I did not believe in. I believe that this would not have been in the best interests of unitholders. The Fund grew its dividend during the period.

Investment Outlook

The UK market has made significant progress over the last 5 years and the FTSE All-Share Index is around its all-time high. In valuation terms, the market is at a slight premium to its long-term trailing price earnings ratio. However, earnings growth has been poor of late and market strength has been due to investors' willingness to pay an increasingly high multiple for company profits. In our view, improved earnings growth is needed to sustain the current market level. This is eminently possible as corporates seem to be gaining in confidence, which should filter through into higher capital expenditure. However, a degree of caution is required as the share prices of companies that do disappoint on the earnings front are treated very harshly. On the macroeconomic front, the outlook for central bank policy will remain a major focus for investors, with the Fed expected to continue reducing its large-scale stimulus. In the UK, there are stronger signs that the economy has entered a genuine and sustainable period of recovery, although this has caused some uncertainty about how long the BoE can maintain its accommodative stance. Our focus remains on high-quality businesses that trade at attractive valuations and convert a large proportion of profits into cash.

Christopher Watt
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 Responsible Income Fund for the period ended 31 March 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 period it covers and the results of those activities at the end of the period.

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