Jupiter **Merlin Balanced Portfolio**

Short Interim Report – for the six months ended 30 November 2013

Investment Objective

To achieve long-term capital growth with income.

Investment Policy

To invest predominantly in unit trusts, OEICs, Exchange Traded Funds and other collective investment schemes across several management groups. The underlying funds invest in international equities, fixed interest stocks, commodities and property.

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 November 2013

	6 months	3 years	5 years	10 years	Since launch*
Jupiter Merlin Balanced Portfolio	-0.2	22.3	72.6	133.6	176.5
Mixed Investment 40-85% Shares sector position	134/146	87/129	48/105	9/57	10/51

Source: FE, Retail Units, bid to bid, net income reinvested.
**Launch date 1 October 2002.*

The increase in the annual management charge as from 1 September 2005 and the introduction of a registration fee as from the same date have had the effect of increasing the total expenses of the Fund by approximately 1% p.a. The performance would have been correspondingly reduced had the current fees and charges applied since launch. As from the same date the Fund's objective changed to aim for growth with income as opposed to growth only and this may also impact performance going forward.

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, counterparty or cash flow risk. The main risks it faces from its financial instruments are market price, credit, foreign currency and interest rate 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 into funds that invest in a wide range of company shares and bonds issued by governments and companies, which carry a degree of risk.

I-Class Units

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:	30.11.13	30.11.12
Ongoing charges for Retail Units	2.49%	2.40%
Ongoing charges for I-Class Units	1.73%	1.65%

Portfolio Turnover Rate (PTR)

Six months to 30.11.13	Six months to 30.11.12
39.73%	30.52%

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 30.11.13	Interim Distributions/ Accumulations for six months to 30.11.12
	Pence per unit	
Retail Income units	1.1228	1.1451
Retail Accumulation units	1.4603	1.4511
I-Class Income units	1.1430	1.1569
I-Class Accumulation units	1.4773	1.4607

Fund Facts

Fund accounting dates		Fund payment/ accumulation dates	
31 May	30 November	31 July	31 January

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*
31.05.13	£1,592,907,041	101.16p	131.56p	102.76p	133.02p	186,129,093	1,009,737,822	21,172,681	40,894,132
30.11.13	£1,627,456,951	99.92p	131.41p	101.88p	133.37p	146,590,295	939,257,254	69,242,107	132,067,898

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*
2008	89.60p	101.38p	n/a	n/a	62.46p	71.67p	n/a	n/a
2009	85.88p	103.56p	n/a	n/a	62.33p	73.15p	n/a	n/a
2010	95.95p	118.02p	n/a	n/a	79.07p	95.36p	n/a	n/a
2011	96.33p	118.49p	87.13p	108.18p	80.95p	100.52p	81.23p	100.87p
2012	96.56p	123.43p	92.89p	118.20p	84.42p	106.15p	85.21p	106.63p
to 30.11.13	110.97p	142.63p	107.06p	136.91p	91.40p	117.48p	92.59p	118.45p

Income/Accumulation Record

Calendar Year	Pencer per unit			
	Retail Income	Retail Accumulation	I-Class Income*	I-Class Accumulation*
2008	2.6600p	2.9790p	n/a	n/a
2009	2.4700p	2.8600p	n/a	n/a
2010	1.9600p	2.3477p	n/a	n/a
2011	1.5933p	1.9517p	n/a	n/a
2012	1.8622p	2.3194p	1.4932p	1.8597p
2013	2.3404p	2.9870p	2.3788p	3.0057p
to 31.01.14	1.1228p	1.4603p	1.1430p	1.4773p

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

All of the Fund's expenses are charged to capital. This has had the effect of increasing the distributions paid on an annualised basis on Retail Units by up to 1.72% of the class' average Net Asset Value during the period under review (I-Class Units 0.97%) and constraining the class' capital performance to an equivalent extent.

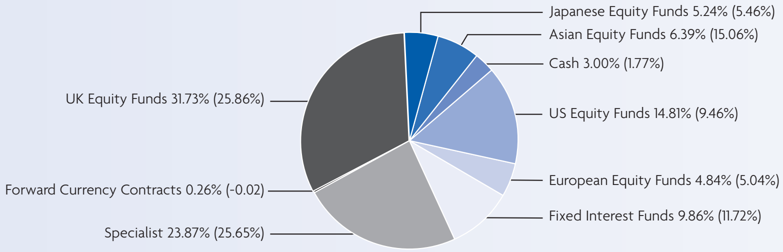
Major Holdings

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 30.11.13	Holding	% of Fund as at 31.05.13
Findlay Park American Fund	9.48	Invesco Perpetual Income Fund	9.57
Jupiter Growth & Income Fund	8.56	Findlay Park American Fund	9.46
M&G Global Dividend Fund	8.51	M&G Global Dividend Fund	8.71
Prusik Asian Equity Income Fund	6.39	First State Global Umbrella – Asian Equity Plus Fund	8.12
Fundsmith Equity Fund	5.86	Jupiter Growth & Income Fund	8.11
Odey Allegra Developed Markets Fund	5.33	Prusik Asian Equity Income Fund	6.94
AXA Framlington UK Select Opportunities Fund	5.29	Fundsmith Equity Fund	5.98
Jupiter Global Fund – Dynamic Bond	5.12	Threadneedle European Select Fund	5.04
Aptus Global Financials Fund	5.11	AXA Framlington UK Select Opportunities Fund	4.98
Invesco Perpetual Income Fund	4.87	ETFS Physical Gold	4.36

Portfolio Information

Classification of investments as at 30 November 2013



The figures in brackets show allocations as at 31 May 2013.

Investment Review

Performance Review

For the six months to 30 November 2013, the total return on the units was -0.2%*, compared to 1.9%* for the FTSE APCIMS Balanced Portfolio Index and 1.9%* for the IMA Mixed Investment 40-85% Shares sector average. Over 10 years the Fund has returned 133.6% compared to 92.6% from the sector average. The Fund is ranked 134th out of 146 funds over the period, 87th out of 129 funds over 3 years, 48th out of 105 funds over 5 years and 9th out of 57 funds over 10 years.

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

Dividend

An interim distribution of 1.1228 pence per unit will be paid to holders of Retail income units (Retail accumulation units 1.4603 pence per unit) on 31 January 2014, also for I-Class income units 1.1430 pence per unit (I-Class accumulation units 1.4773 pence per unit). This is compared to 1.1451 pence per unit for holders of Retail income units (Retail accumulation units 1.4511 pence per unit) and I-Class income units 1.1569 pence per unit (I-Class accumulation units 1.4607 pence per units) for the same period last year.

Market Review

Markets in aggregate rose strongly into the close of 2012 and carried this momentum into 2013, making a short term peak in March before rallying again until late May. Since this point, gyrations have curbed capital returns. Much of this volatility has surrounded the US Federal Reserve's (Fed) plans to curb its monthly injections of further quantitative easing (QE), its initial comments stimulating falls, but the subsequent downplaying of previous statements and the then postponement of tapering resulting in relief rallies.

The key development in markets during the last six months has been the marked underperformance of the emerging world relative to that of the developed. As developed market economies have picked up momentum from a low base, a cyclical slowdown has simultaneously hit these emerging regions, resulting in capital flight and deteriorating fundamentals. Whether these areas are likely to be the real losers when the Fed finally tapers QE is still uncertain, but if this is the case, it will result in global reverberations.

Policy Review

The Portfolio lagged its benchmark and sector over the period as our bias towards Asia and the emerging markets assets hindered performance in the wake of the Fed's taper talk. Our holdings in these regions struggled to recover any of the lost ground against the developed world in October and November. The Portfolio also did not participate fully in the market's upswing due to its quality bias as cyclical sectors led markets higher.

We have however made a number of alterations to the Portfolio during the period which we believe will enhance performance going forward. We sold out of our dedicated emerging market debt fund in July, upon concerns surrounding the slowing growth and negative debt dynamics in a number of these countries, reinvesting the proceeds into M&G Global Macro Bond, a flexible strategy that has the potential to make absolute money for our clients even in the uncertain market for fixed interest funds that we currently face. Again within the fixed interest component, in September, we consolidated our two holdings managed by Ariel Bezalel into his Jupiter Global Dynamic Bond Fund.

During October and November we cut back our Asian and quality-biased UK and European holdings, which allowed us to introduce some new, somewhat more cyclical positions into the Portfolio; Royal London UK Equity Income, Waverton European, Odey Allegra Developed Markets and Aptus Global Financials. The Royal London UK Equity Income Fund is managed by Martin Cholwill who is well known to the team and we believe that his pragmatic investment approach will be a valuable addition to the portfolio. The Waverton European Fund is managed by Oliver Kelton who takes a valuation-conscious approach, looking to identify change and mispricing in markets. Odey Allegra Developed Markets Fund is managed by James Hanbury and Jamie Grimston who are fundamental investors, seeking capital growth opportunities across the Western world, backed by the strong research capabilities at Odey. Finally, Aptus Global Financials Fund is managed by a team, led by Johnny de la Hey, which looks to identify the most attractive securities in this specialist sector of world markets. We have a high degree of confidence in each of these managers and believe that they are individuals who transpire to have the longevity within our portfolios that many of our long standing managers have achieved.

Investment Outlook

2013 has been something of a bumper year for equity market performance in general. However, if the status quo is to continue into 2014, we may need to see further flows of capital into equities from fixed interest securities or, what seems to be have been the theme year-to-date, from cash. Having recently gone through a corporate earnings' season, companies do not appear to be reporting blow-out profits, but as has been the case all year, this has not meant that markets cannot continue to make progress. Virtually all of the return in equity markets has been due to multiple expansion, with investors becoming happier to pay a higher multiple of current or future expected earnings in order to gain access to the potential for dividend and earnings growth. This pattern cannot go on for ever, but as 2013 has proved it can be a very lucrative driver of returns in the short run. On many metrics, equity markets are not excessively expensive at these levels but it is extremely important to hold in the back of one's mind that we are in the midst of a massive monetary experiment, the result of which is uncertain to even the most educated and experienced amongst us.

For equity markets to move on from here, we expect that growth in corporate profits will have to materialise during 2014 on the back of stronger global growth. In concert with our underlying managers we remain vigilant to changes in markets, economies and politics to enable our investors' assets to prosper over the medium to long term.

Thank you for your continued support.

John Chatfeild-Roberts, Peter Lawery and Algy Smith-Maxwell
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 Merlin Balanced Portfolio for the period ended 30 November 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 period it covers and the results of those activities at the end of the period.

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