

Jupiter International Financials Fund

Short Interim Report – for the six months ended 30 April 2014



Investment Objective

To achieve long term capital growth principally through investment in equities and equity related securities of financial sector companies on an international basis, but with the power to invest in other asset types when the Manager considers it appropriate for market conditions.

Investment Policy

The Fund invests in a global portfolio of equities, equity related securities (including derivatives), cash, near cash, fixed interest securities, currency exchange transactions, index linked securities, money market instruments and deposits. At times the portfolio may be concentrated in any one of a combination of such assets and, as well as holding physical long positions the Manager may create synthetic long and short positions through derivatives.

The Fund aims to profit from falls as well as rises in value of market indices, currencies or shares by using derivatives. This may cause periods of high volatility for the price of units in the Fund. The Fund may incur losses greater than its initial investment into derivative contracts (although unitholders will not incur any liabilities beyond their initial investment). The Fund is able to gain market exposure in excess of its Net Asset Value which can increase or decrease the value of units to a greater extent than would have occurred had no additional market exposure beyond the Fund's net asset value been in place. The Fund's value is unlikely to mirror increases and decreases in line with the respective markets it is invested into. Further information is contained within the Supplementary Information Document.

Performance Record

Percentage change from launch to 30 April 2014

| | 6 months | 1 year | 3 years | Since launch* |
|---------------------------------------|----------|--------|---------|---------------|
| Jupiter International Financials Fund | -1.8 | 5.5 | 38.6 | 27.5 |
| FTSE All World Financials Index | -1.6 | 2.6 | 21.2 | 35.5 |

Source: FE, Retail Units, bid to bid, net income reinvested.

*Launch date 14 December 2009.

The Fund is in the IMA Specialist sector. Due to the diverse nature of the funds in the sector, sector rankings will not be shown.

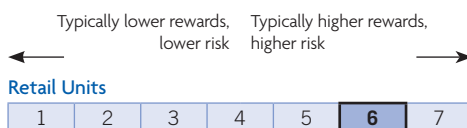
Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in a unit trust and the income from it can fall as well as rise and it may be affected by exchange rate variations. You may get back less than you invested.

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.

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.

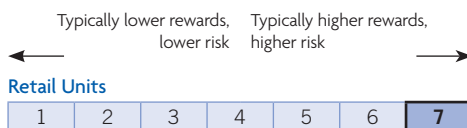
As at 18.03.14



I-Class Units

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

As at 31.10.13



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 and can use derivatives for investment purposes, all of which carry some level of risk.

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.

For more detailed information regarding these risks, derivatives used and the Risk Management procedures that the Manager has in place, unitholders should refer to the full report and accounts which are available as indicated on page 4.

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 below.

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: | 30.04.14 | 30.04.13 |
|--|----------|----------|
| Ongoing charges for Retail Units | 1.59% | 1.61% |
| Ongoing charges for I-Class Units | 1.09% | 1.12% |

No performance fee has been charged to the Fund during the period under review, however the Fund may incur a performance fee in certain circumstances. The fee is based on 15% of the out performance of the Fund's Net Asset Value (NAV), excluding

I-Class Units, over the benchmark (known as the Hurdle rate) as at 31 October each year. For more information please refer to the Scheme Particulars.

Portfolio Turnover Rate (PTR)

| Six months to to 30.04.14 | Six months to to 30.04.13 |
|---------------------------|---------------------------|
| 222.67% | 196.11% |

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.

Accumulations

There are no accumulations for the period under review

Fund Facts

| Fund accounting dates | | Fund accumulation date | |
|-----------------------|------------|------------------------|-------------|
| 30 April | 31 October | – | 31 December |

Comparative Tables

Net Asset Values

| Date | Net Asset Value of Fund | Net Asset Value per unit | | Number of units in issue | |
|----------|-------------------------|--------------------------|------------------------|--------------------------|------------------------|
| | | Retail Accumulation | I-Class Accumulation** | Retail Accumulation | I-Class Accumulation** |
| 31.10.13 | £43,145,108 | 61.78p | 62.31p | 55,280,017 | 14,429,295 |
| 30.04.14 | £41,501,314 | 60.64p | 61.29p | 45,827,741 | 22,373,258 |

Unit Price Performance

| Calendar Year | Highest offer | | Lowest bid | |
|---------------|---------------------|------------------------|---------------------|------------------------|
| | Retail Accumulation | I-Class Accumulation** | Retail Accumulation | I-Class Accumulation** |
| 2009* | 50.41p | n/a | 46.16p | n/a |
| 2010 | 55.34p | n/a | 43.91p | n/a |
| 2011 | 49.96p | 41.40p | 37.27p | 37.31p |
| 2012 | 51.97p | 49.63p | 39.76p | 39.82p |
| 2013 | 66.22p | 63.54p | 49.43p | 49.72p |
| to 30.04.14 | 68.12p | 65.38p | 58.83p | 59.51p |

Accumulation Record

| Calendar Year | Pence per unit | |
|---------------|---------------------|------------------------|
| | Retail Accumulation | I-Class Accumulation** |
| 2009* | n/a | n/a |
| 2010 | 0.0000p | n/a |
| 2011 | 0.0000p | 0.0143p |
| 2012 | 0.8872p | 1.0733p |
| 2013 | 0.8141p | 1.0818p |
| to 30.04.14 | n/a | n/a |

*Launch date 14 December 2009.

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

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 30.04.14 | Holding | % of Fund as at 31.10.13 |
|---------------------------|-----------------------------|---------------------------------|-----------------------------|
| Barclays | 2.28 | Mastercard | 3.25 |
| Scor 6.154% VRN perpetual | 2.12 | Sumitomo Mitsui Financial Group | 2.71 |
| Mediobanca | 2.06 | ING Groep | 2.11 |
| ING Groep | 2.02 | Bank of Nova Scotia | 2.07 |
| Banco de Sabadell | 1.97 | Scor 6.154% VRN perpetual | 2.05 |
| Close Brothers | 1.89 | Societe Generale | 2.01 |
| Amlin 6.5% VRN 19/12/2026 | 1.84 | American International Group | 1.91 |
| Sampo Oyj | 1.81 | Close Brothers | 1.83 |
| Bank of Nova Scotia | 1.76 | Invesco | 1.79 |
| Intesa Sanpaolo | 1.72 | Amlin 6.5% VRN 19/12/2026 | 1.73 |

Portfolio Information

| Sector breakdown as at 30.04.14 % of Net Assets* | Long | Market Exposure as at 30.04.14 | Net | Gross |
|---|----------------|--------------------------------|--------|--------|
| Banks | 28.71% | As a % of assets | 93.68% | 93.68% |
| Financial Services | 36.51% | | | |
| Non-Life insurance | 9.90% | | Long | Short |
| Real Estate Investments & Services | 5.28% | Positions as a % of assets | 93.68% | 0.00% |
| Real Estate Investment Trusts | 1.35% | | | |
| Life Insurance | 6.12% | | | |
| Equity Investment Instruments | 0.48% | | | |
| | 88.35% | | | |
| Fixed Income | 5.33% | | | |
| Cash | 6.32% | | | |
| Total | 100.00% | | | |

There were no short positions as at 30.04.14

*Including notional face value of derivative contracts.

Investment Review

Performance Review

For the six months to 30 April 2014 the total return on the units was -1.8%* compared to -1.6%* for the benchmark, the FTSE All World Financials Index.

*Source: FE, Retail Units, bid to bid, net income reinvested.

The performance statistics disclosed above relate to Retail Units unless otherwise stated.

Market Review

Global financial stocks consolidated during the six months under review. The performance of international holdings was adversely impacted by a notable rise in the value of sterling relative to the US dollar, other dollar-related currencies and emerging market currencies. European financials advanced by 3.2%** and US banks by 6.6%***, in local currency terms but Japanese stocks declined significantly. Stocks in emerging markets also suffered sharp falls before recovering somewhat towards the end of the period. The Fund outperformed its benchmark in

the first four months of the period under review, but this reversed in the last two months as a result of market rotation out of economically sensitive fee-earning businesses into those with defensive qualities and asset backing. This was partly in response to unexpectedly weak economic data for the first quarter of 2014.

Having performed strongly during 2012 and the first three quarters of 2013 in anticipation of a sustained global economic recovery, the market became unsettled by the decision of the US Federal Reserve to slow its programme of quantitative easing and by evidence of a slowdown in growth in China. Strong share price gains from companies in the US and peripheral Europe eroded over the first quarter of 2014 as the earnings outlook deteriorated, partly as a consequence of the fall in long bond yields. Property company share prices rallied in line with falling bond yields and reduced vacancies. Emerging market companies recovered strongly as the US dollar failed to

hang onto its gains. Regulatory conditions remained difficult with higher capital requirements driving increased deleveraging, particularly in investment banks. This had negative consequences for transaction volumes. Moreover, the clear-up of legacy issues from the financial crisis persisted with significant fines and penalties having to be absorbed.

***Source: Bloomberg, 30th April 2014, BE500 Banks & Financial Services in EUR*

****Source: Bloomberg, 30th April 2014, KBW Bank Index in USD*

Policy Review

The Fund's positions were predominantly concentrated in the US, Europe and the UK, with a focus on companies with high returns on equity and strong cash generation as well as those undergoing restructuring, which we believed benefited from 'sum-of-the-parts' discounts. The Fund was also positioned in banks expected to benefit from economic recovery in peripheral Europe and the US. These positions generally produced good returns but succumbed to selling pressure on the emergence of weak economic data from the US.

We continue to favour companies with high returns on equity, strong cash generation capabilities and competitive niches which are exposed to favourable structural trends. We believe that these are the kind of companies that should be able to generate revenue growth in the current low interest rate environment. We also continue to favour companies whose valuations are affected by 'sum-of-the-parts' discounts which can be addressed through restructuring. We believe that the Fund is geographically well diversified and have aimed to avoid any oversized individual stock positions. Stock selection is based on fundamental research, thematic views and meetings with companies.

Outlook

The immediate outlook is clouded by an uncertain macroeconomic environment and a challenging regulatory environment, including legacy fines and

penalties. We believe that earnings growth is likely to be subdued but that the persistently low interest rate environment should support equity valuations. Nevertheless, opportunities exist for those companies likely to benefit from increased regulation, such as specialist non-bank lenders and providers of risk management and centralised clearing services. We also believe there are opportunities among companies exposed to trends such as the move from cash to electronic payments and the switch from active to passive fund management. Low interest rates and ageing demographics could support wealth management companies able to offer higher return alternatives to bank deposits. Structural growth trends persist in emerging markets where, despite macroeconomic volatility, we believe penetration of financial services could continue to increase. We believe that US financials could have the potential to produce good returns, should the yield curve begin to steepen in the second half of the year.

Robert Mumby
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 International Financials Fund for the period ending 30 April 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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