Jupiter **India Fund**

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

Investment Objective

To achieve long-term capital growth.

Investment Policy

The scheme will invest primarily in companies which operate or reside in India. The scheme may also invest in shares of investment trusts and other closed or (to the extent permitted by the COLL Sourcebook) open ended funds which are themselves dedicated to investments in India. The scheme shall be free to invest in companies which are established in countries outside India, which in the Manager's opinion, conduct a material proportion of their business in India, derive a material proportion of their earnings from activities in India or are significantly impacted by the activities of Indian companies or India in general. In addition the scheme shall be permitted to invest in aggregate of up to 10% of its total assets at the time of investment in any other companies which reside in Pakistan, Sri Lanka and Bangladesh. The Manager will only enter into derivative transactions for the purpose of efficient management of the portfolio and not for investment.

Performance Record

Percentage change and benchmark comparison from launch to 31 January 2014

	6 months	1 year	3 years	Since launch*
Jupiter India Fund	-3.1	-20.8	-22.2	13.8
MSCI India Index	-4.6	-15.0	-17.9	-8.0

Source: FE, Retail Units, bid to bid, net income reinvested.
**Last day of the fixed price launch period, 29 February 2008.*
Due to the diverse nature of the funds in the Specialist sector, sector positions are not 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.

Risk Profile

The Fund has little exposure to cash flow risk. The risks it faces from its financial instruments are liquidity, market price, credit, foreign currency, interest rate and counterparty risk. The Manager reviews policies for managing these risks in pursuance of the Investment Objective and Policy.

The Fund will be investing in a single geographic area which is in the course of development and therefore is an area at greater risk of volatility. Returns may also be affected by changing political, regulatory and fiscal measures. Fuller details of the specific risks affecting this Fund are contained in the Key Investor Information Document.

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 company shares, which carry a degree of risk.

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.

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:	31.01.14	31.01.13
Ongoing charges for Retail Units	1.82%	1.82%
Ongoing charges for I-Class Units	1.07%	1.07%

Portfolio Turnover Rate (PTR)

Six months to 31.01.14	Six months to 31.01.13
25.73%	19.03%

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 due in respect of the period under review.

Fund Facts

Fund accounting dates		Fund accumulation date	
31 January	31 July	–	30 September

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*
31.07.13	£194,762,062	56.01p	56.57p	323,073,482	24,425,444
31.01.14	£170,081,635	54.24p	54.99p	274,725,194	38,340,950

Unit Price Performance

Calendar Year	Highest offer		Lowest bid	
	Retail Accumulation	I-Class Accumulation*	Retail Accumulation	I-Class Accumulation*
2009	69.27p	n/a	29.71p	n/a
2010	87.41p	n/a	62.06p	n/a
2011	83.69p	70.81p	52.37p	52.49p
2012	71.62p	68.25p	53.42p	53.71p
2013	72.54p	69.60p	45.53p	46.23p
to 31.01.14	60.73p	58.70p	53.27p	54.26p

Accumulation Record

Calendar Year	Pence per unit	
	Retail Accumulation	I-Class Accumulation*
2009	0.00p	n/a
2010	0.00p	n/a
2011	0.00p	n/a
2012	0.00p	0.1721p
2013	0.00p	0.3538p
to 31.01.14	n/a	n/a

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

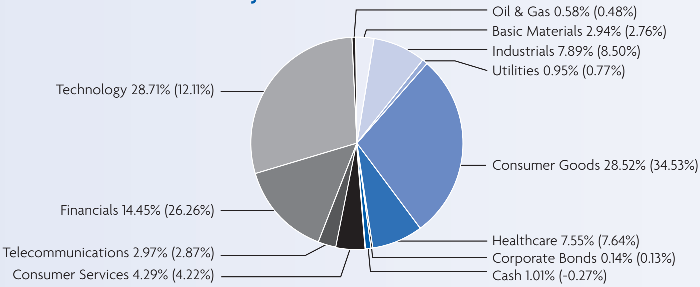
Major Holdings

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 31.01.14	Holding	% of Fund as at 31.07.13
Infosys Technologies	8.44	Godfrey Phillips India	9.58
Godfrey Phillips India	8.39	United Spirits	7.17
Tech Mahindra	8.24	Nestlé India	6.40
United Spirits	4.97	Tech Mahindra	5.80
Sun Pharmaceutical Industries	4.79	Sun Pharmaceutical Industries	5.09
Cognizant Technology Solutions	4.33	ICICI Bank	3.41
HCL Technologies	4.17	Bharti Airtel	2.87
Nestlé India	3.96	HCL Technologies	2.61
Wipro	3.39	Infosys Technologies	2.23
Bharti Airtel	2.97	Aditya Birla Nuvo	1.94

Portfolio Information

Classification of investments as at 31 January 2014



The figures in brackets show allocations as at 31 July 2013.
The sectors are based on the Industry Classification Benchmark (see page 4).

Investment Review

Performance Review

For the six months ended 31 January 2014, the total return on the Fund was -3.1%* compared to -4.6%* for its benchmark, the MSCI India Index in sterling terms. For the period since the last day of the fixed price launch period on 29 February 2008, the total return on the Fund was 13.8%* compared to -8.0%* for its benchmark.

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

Market Review

After a turbulent summer, financial markets steadied in September as it became clear that 'tapering', or reduction, of quantitative easing by the US Federal Reserve (Fed) would be delayed. Confidence firmed in the final quarter and financial markets rose. But all that changed at the end of January, the end of the period under review, when figures showing a slowing Chinese economy helped ignite a sell-off in emerging markets.

At the start of our period, domestic financial markets stablilised as July's measures to maintain liquidity put in place by the Reserve Bank of India (RBI) took effect and steps were taken to reduce the current account deficit (CAD).

The rupee began to reverse its earlier losses, rising 8% in September, and appreciating another 1.3% against the US dollar in Q4. Indian stocks rose more than 9% in that period on expectations of macroeconomic improvements, arising from lower external risks and stronger corporate results. Capital flows resumed, with net investment in equities but a disinvestment in debt until the end of November when flows subsequently turned positive, according to the RBI.

As markets stabilised, the RBI moved rapidly to normalise the exceptional liquidity and monetary measures it had taken in Q2 and to recalibrate its monetary policy in line with inflation and growth conditions. It eased liquidity aggressively, while also raising the benchmark repo rate by 0.5%. The RBI has maintained a tight monetary stance, supporting the currency and aiming to curb resurgent inflation, although the weak state of the economy has persuaded policy makers not to tighten policy severely. The RBI also provided extra liquidity through term repos and forex swaps, helping to boost reserve money growth.

India entered the final quarter with stronger financial reserves, helping it to weather the Fed's December announcement that it would 'taper' and emerge from the January sell-off relatively unscathed. More importantly, external risks were mitigated by the sharp reduction in the CAD from 4.9% earlier in the year.

The CAD is likely to be around 2.5% of gross domestic product (GDP) in 2013, according to the RBI.

Meanwhile, economic growth in the second half of the fiscal year is likely to disappoint, with the Finance Ministry forecasting 4.9% GDP expansion in the year to March 2014, below its 5% target. Agricultural output improved but exports weakened in the second half of 2013, industrial output was stagnant, leading indicators of the services sector were mixed and persistent high inflation discouraged consumer spending.

Even so, some bright spots shone at the end of the year. Inflation moderated in December, mainly due to a drop in food costs. The RBI now expects inflation to slow to around 8% by the end of 2014. Business confidence strengthened, particularly after the pro-reform opposition Bharatiya Janata Party won resounding victories in state elections in November.

While policy makers expect an incipient economic recovery in 2014, much will depend on the success of the RBI's anti-inflation measures and the commitment of the new government that will be elected in April to tackle bottlenecks in the mining and infrastructure sectors.

Policy Review

We made a significant change to sector allocation by cutting our weight in Financials and increasing the weighting in Technology in the portfolio. The Consumer Goods sector remains our biggest overweight sector by a large margin.

We added to our position in Technology, which is now overweight. We are positive on the sector as we believe analysts will continue to upgrade these companies, which are benefiting from a favourable conjuncture of increased order flow, more offshoring, a weaker rupee and lower employee costs. We increased our positions in Infosys Technologies, the country's second-biggest software exporter, and Cognizant Technology Solutions, and opened a new position in Wipro.

Our Bank holdings contributed positively in the final three months, after disappointing in the first half as the rupee weakened during the emerging markets turbulence. Not holding Oil & Gas stocks continued to help relative performance as well. Our overweight position in Consumer Goods contributed negatively to performance as the sector struggled with slower sales growth. Our underweight stance in Basic Materials was a detractor as well.

In terms of stocks, being underweight HDFC was positive for performance. Tech Mahindra and Cognizant Technology Solutions were significant contributors to performance, while being underweight Tata Consultancy Services and Infosys Technologies proved detrimental. Our position in Consumer Goods company Godfrey Phillips India was also among the negative contributors to performance.

We closed some underperforming positions such as Axis Bank and took profits on a number of holdings including Nestlé India, Sun Pharmaceutical Industries, Tata Motors and United Spirits after a strong run in the shares. We increased our position in Prism Cement.

Investment Outlook

Markets are likely to be volatile ahead of April's national elections, which have become even more difficult to call after the Third Front of regional and smaller parties joined the fray against the Congress, the Bharatiya Janata Party and the Aam Aadmi Party (common man party). Business confidence has strengthened amid hopes that a new government will implement long-awaited reforms that will boost activity. The short term macroeconomic environment remains challenging, although there are some bright spots. The recovery in the broader stock market appears to have continued, with better corporate profits, greater optimism about the political situation and a move back into equities by local investors. We remain confident in the positioning of our portfolio and will look for good opportunities to acquire strong companies at reasonable valuations.

Avinash Vazirani
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 India Fund for the period ended 31 January 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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