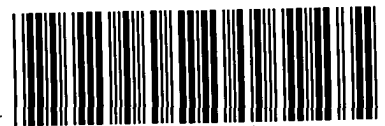


**Jupiter European  
Opportunities Trust PLC**

**Annual Report & Accounts  
for the year ended 31 May 2014**

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**Investment Objective, Investment Policy and Benchmark Index**

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**Objective of the Company**

The objective of the Company is to invest in securities of European companies and in sectors or geographical areas which are considered by the Investment Adviser to offer good prospects for capital growth, taking into account economic trends and business development.

**Investment Policy**

The Investment Adviser adopts a stock picking approach in the belief that a thorough analysis and understanding of a company is the best way to identify long-term superior growth prospects. This understanding begins with identifying those companies where the ownership structure and incumbent management are conducive to the realisation of the aim of achieving superior long-term earnings growth. The Investment Adviser will seek to identify companies which enjoy certain key business characteristics including some or all of the following:

- a strong management record and team, and the confidence that the Investment Adviser has in that management's ability to explain and account for its actions;
- proprietary technology and other factors which indicate a sustainable competitive advantage;
- a reasonable expectation that demand for their products or services will enjoy long-term growth; and
- an understanding that structural changes are likely to benefit rather than negatively impact that company's prospects.

There may be sectors which do not enjoy the business characteristics described above and in such circumstances the Investment Adviser will seek to identify companies that are expected to generate superior earnings growth within that sector.

In analysing potential investments, the Investment Adviser will employ differing valuation techniques depending on their relevance to the business characteristics of a particular company. However, the underlying feature will be the sustainability and growth of free cashflow in the long-term.

Any material change in the investment policy of the Company described above may only be made with the approval of Shareholders by an ordinary resolution

**Benchmark Index**

FTSE World Europe ex UK Total Return Index  
(Bloomberg Indication Code FTRSERXU)

THE COMPANY IS A MEMBER OF THE

**aic**

The Association of  
Investment Companies

## Strategic Report

## Financial Highlights for the year ended 31 May 2014

### Capital Performance

	31 May 2014	31 May 2013	% change
Total assets less current liabilities (£'000)	409,191	340,801	+20.1

### Ordinary Share Performance

	31 May 2014	31 May 2013	% change
Net asset value (pence)	451.26	403.58	+11.8***
Middle market price (pence)	460.00	410.00	+12.2
FTSE World Europe ex UK Total Return Index*	969.03	854.18	+13.4
Premium to net asset value (%)	1.9	1.6	–

### Performance since launch

Year ended 31 May	Total Assets less Current Liabilities £'000	Net Asset Value per Ordinary Share p	Year- on-year change in Net Asset Value per Ordinary Share %	Year- on-year change in Benchmark Index %
20 November 2000 (launch)	93,969	94.66	–	–
2001	83,600	89.29	-5.7	-8.0
2002	91,028	91.12	+2.0	-10.7
2003	84,592	83.82	-8.0	-19.0
2004	97,915	109.25	+30.3	+15.7
2005 (restated)**	117,679	133.54	+22.2	+19.3
2006	154,927	167.47	+25.4	+26.2
2007	182,278	224.58	+34.1	+30.0
2008	188,519	230.56	+2.7	-0.1
2009	131,457	162.35	-29.6	-25.3
2010	185,504	232.40	+43.1	+14.4
2011	252,813	316.73	+36.3	+24.2
2012	231,584	291.05	-8.1	-24.2
2013	340,801	403.58	+38.7	+43.3
2014	409,191	451.26	+11.8	+13.4

\* This document contains information based on the FTSE World Europe ex UK Total Return Index. 'FTSE' is a trade mark jointly owned by the London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited ('FTSE') under licence. The FTSE World Europe ex UK Total Return Index is calculated by FTSE. FTSE does not sponsor, endorse or promote the product referred to in this document and is not in any way connected to it and does not accept any liability in relation to its issue, operation and trading. All copyright and database rights in the index values and constituent list vest in FTSE.

\*\* Prior to 2005, financial information was prepared under UK GAAP. From 2006 all information is prepared under IFRS.

\*\*\*Ongoing Charges figure for the year was 1.09% (2013: 1.17%).

## Strategic Report continued

## Chairman's Statement

### Investment Performance

Over the course of the year under review, the Net Asset Value ("NAV")\* per share of your Company rose from 403.58p to 451.26p, a gain of 11.8 per cent. While satisfactory, this performance was slightly behind the 13.4 per cent. return of our benchmark, the FTSE World Europe ex UK Total Return Index.

Alexander Darwall, the fund manager, has given a candid appraisal of the past year in the accompanying Investment Adviser's Review. No fund manager gets everything right, and there are times when it is simpler to make money out of bombed-out, second-rate companies than from those with first class managements, strong track records and tested business models. But in my limited experience it is dangerous to change one's management style at a time when different approaches appear, in the short term at least, to be more successful.

Meanwhile, the price of your shares rose by 12.2 per cent. over the year, and for most of that time your shares traded at a premium to NAV.

### Growing Your Company

Over the past year a total of 6,231,951 new shares were issued at a premium to NAV, under our existing blocklisting authority, raising a net amount of £25,959,000 (gross £26,115,423) for your Company and achieving an uplift in net assets of £377,516 for existing Shareholders. The premium to NAV at which new shares were issued varied from 1 per cent. to 3.11 per cent. At our year end 25,848,100 shares remained to be issued under the existing authority, which we will invite Shareholders to permit us to renew at this year's Annual General Meeting ('AGM'). At an average price of 419p for the shares issued during the past year, almost all those who bought shares in this way are showing a profit, on paper, at the time of writing.

### Dividend

Shareholders will recall that it is not our investment objective to pay dividends, but inasmuch as we end the year with surplus income, that surplus is paid out to shareholders. As was the case last year, in order to retain our status as an investment trust under Section 1158 of the Corporation Tax Act 2010 we are not permitted to retain more than 15% of eligible investment income. Accordingly an interim dividend of 3.50p per Ordinary Share (2013: 3.5p) was declared on 2 September 2014 payable on 10 October 2014 to shareholders on the Register of Members on 12 September 2014.

### Gearing

As Alexander notes in his review, the level of gearing has once again fallen, from 16.5 to 11.6 per cent. As equity markets rise, and the level of borrowings remains static, the gearing percentage will reduce; and, as equity markets rise, it makes sense consciously to bring the gearing level down since, as we all know, markets can surprise us on the downside, often for reasons which only become apparent some time later. None of us wishes once again to experience the time when markets were tumbling and the Company's gearing rose above the 40 per cent. level. But at least we are making some use of our gearing facility, the running cost of which is lower than the dividend yield on many of the investments in the portfolio.

### Regulatory

#### Alternative Investment Fund Managers Directive

The Alternative Investment Fund Managers Directive ('AIFMD') came into force on 22 July 2014. The Company has entered into a new Investment Management Agreement ('IMA') with Jupiter Unit Trust Managers Limited ('JUTM'), who have become the Alternative Investment Fund Manager ('AIFM') to the Company pursuant to the requirements of the AIFMD. The fees schedule, calculation of performance fee, and termination provisions are unchanged from those set out in the previous IMA, which was drawn up between the Company and Jupiter Asset Management Limited ('JAM'), except that the wording of certain clauses has been updated to reflect current market practice. JUTM subsequently appointed JAM as Investment Adviser to the Company. JAM had earlier completed negotiations with our Depositary, JP Morgan Europe Limited, for the purpose of compliance with the AIFMD. The new Depositary Agreement was entered into by the Company on 22 July 2014. The Board very much appreciate the hard work of all those involved in preparing both agreements. Shareholders can be assured that the Board has kept the additional costs of implementing the AIFMD as low as it has been able.

#### New reporting requirements

As a result of recent legislative changes to reporting requirements, shareholders will note that a number of changes have been made to this year's Annual Report & Accounts. These include the provision of a new Strategic Report and Directors' Remuneration Policy as well as an updated Directors' Remuneration Report. The new Strategic Report as set out on pages 3 to 12 of the Annual Report replaces the Business Review and is designed to enhance shareholders' ability to assess how the directors have performed their duty to promote the success of the Company over the year. The new Directors' Remuneration Policy ('DRP') can be found on page 21 of the Annual Report. In essence, the DRP sets out the remuneration policy that will be adhered to by the Company for the next three years. In addition to shareholders being asked to approve the Directors' Remuneration Report (Resolution 2) at the forthcoming AGM, shareholders will also be asked to approve the Directors' Remuneration Policy (Resolution 3).

#### New Articles of Association

At the forthcoming AGM, shareholders will be asked to approve new Articles of Association of the Company in substitution for the current Articles of Association. The Board is proposing to make these amendments to the Articles in response to the AIFMD Regulations coming into force. Further details on the proposed changes are provided on page 17 of the Report of the Directors.

#### Annual General Meeting

The Company's AGM will be held on Wednesday, 5 November 2014 at the offices of Jupiter Asset Management Limited, 1 Grosvenor Place, London SW1X 7JJ. Notice of the AGM, containing full details of the business to be conducted at the meeting, is set out on page 52. The Board would welcome your attendance at the AGM as it provides shareholders with an opportunity to ask questions of the Board and Investment Adviser.

\* As at 29 August 2014, the Net Asset Value per share of your Company was 439.75p.

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■ **Strategic Report** continued

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■ **Chairman's Statement** continued

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**Continuation Vote**

In accordance with the current Articles of Association of the Company, the Board is required to put an ordinary resolution to shareholders at this year's AGM proposing that the Company continues as an investment trust. The Board are of the opinion that it is in the interest of shareholders that the Company continues as an investment trust and would encourage all shareholders to vote in favour of this resolution.

**Outlook**

Fears that "tapering" of monthly asset purchases by the Federal Reserve Bank, America's central bank, would lead to rising bond yields and falling equity prices have so far proved wide of the mark. It may be that when interest rates begin to rise – from an historically low base – the market may see this development as proof of a stronger economy. However, with 10 year German bunds yielding 0.96 per cent., and Spanish bonds yielding less than US Treasuries, the attraction of European bond markets is less than compelling, especially if the authorities take steps to minimise the risk of deflation. Meanwhile, UK and European shares at least offer the prospect of rising dividends as well as capital appreciation.

**Hugh Priestley**  
Chairman  
4 September 2014

## ■ Strategic Report continued

### ■ Investment Adviser's Review

The Net Asset Value of the Company's Ordinary shares rose by 11.8 per cent. during the twelve months to 31 May 2014. This compares with a 13.4 per cent. rise, in sterling, of the FTSE World Europe ex UK Total Return index. The level of the Company's borrowings at the year-end was £47m. These borrowings, representing 11.6 per cent. of net assets at year end, obviously improved returns. Borrowing costs were low at barely 1 per cent. (1.2 per cent. a year ago) and were comfortably covered by the increasing dividends of 'our' companies. The FTSE World (total return) index was up 7 per cent. in sterling. The MSCI Latin America index retreated 13.6 per cent., the Brazilian market being the main reason for this; the Asian markets (including China and Japan) were all lower; the S&P 500 returned 9 per cent. in sterling.

The explanation for European equities' outperformance is not so much positive developments in Europe as a reversal of expectations in emerging markets. According to the IMF's most recent forecasts, whilst expectations for Eurozone growth are almost unchanged at 1.2 per cent., those for the world economy have retreated to 3.6 per cent. The most remarkable setback is in Brazil where estimates for progress this year have fallen to 1.8 per cent. from 4 per cent. a year ago. It is not often the case that these macro drivers are so starkly reflected in stock markets. The advance in European equities is also underpinned by the recommitment to the ECB's 'cheap money' policy, first announced by the ECB President Mario Draghi in 2012. A further positive factor for Europe has been lower corporate tax rates. With the notable exception of France, European governments have reduced corporate taxes to encourage investment.

Your Company's relatively limited exposure to financial and utility companies has hurt performance as both sectors did well in the period under review. Nevertheless, as ever, individual stock performance is more important to understanding our results. On the positive side, the principal contributors were long-standing investments. Provident Financial, the home lending and credit card business, is benefiting from the structural problems of the mainstream banks. Wirecard and Reed Elsevier, respectively payments technology and publishing, are both beneficiaries of digital technology as it leverages further their core skills. Another significant 'winner' was Novo Nordisk, the world's leading insulin supplier, which continues to prosper by treating the diabetes pandemic. Novozymes, another significant holding, was also a strong performer. This company dominates the global industrial enzymes market; the shift to 'greener' solutions plays to its expertise. Leonteq, a Swiss based 'manufacturer' of structured financial products performed well, benefiting from an outsourcing trend in the banking sector. Of the detractors to performance, the most important is Experian. A leader in credit data and analytics, the company has been affected by the marked slowdown in Brazil. Notwithstanding this disappointment, it remains a well-positioned company with good growth potential so we have retained the holding. Likewise, Syngenta's performance has been disappointing but we maintain our confidence in the company as we consider most of the causes of weak results to be temporary. On the other hand, Vopak's business model, which had delivered so much value for us, has stuttered as their service has become commoditised. So we sold it.

The combination of slowing growth in emerging markets and signs of life in the developed economies of North America and Europe tested our companies; many in our portfolio were found wanting. Therefore we sold fourteen holdings. We sold all shares in Essilor, a company which has been a long-standing investment but which now faces challenges, notably the need to develop a more convincing consumer strategy. Another important sale was that of adidas. Having been a 'winner' from the emerging market opportunity, the company is now

clearly struggling with some fresh challenges and therefore we decided to sell. In addition to Vopak, we also sold the holding in Schneider Electric, as the company's prospects appear to be overly dependent on macro factors. The list of new investments is shorter, not least because we reinforced a number of existing positions. Chief amongst the new purchases was Inmarsat. This company, a world leader in satellite networks, has multiple growth possibilities building on its unique position. A new position was taken in Gemalto, a leader in data security software, as it enjoys many growth opportunities. We increased the holding in Coloplast, the Danish medical devices company, as results show that it is well rewarded for its innovation. Again, good results were the catalyst for further purchases of Grenkeleasing, a German leasing company that benefits from the structural challenges of the mainstream banks.

#### Outlook

The continuing commitment to 'cheap money' is the most significant factor underpinning the buoyancy of the equity market. It would be foolish, however, to rely on this as a basis for our borrowings and enthusiasm. Our optimism is grounded on finding companies that can compete and succeed in different macro scenarios and are able to monetise the delivery of special products or services. There are certain ingredients for success that we identify in all our successful investments including pricing power, high barriers to entry, visible and recurrent demand growth, and a favourable competitive landscape. After a period where our businesses have been tested, there are reasonable grounds for confidence that the current portfolio has the key business characteristics that have served your Company well in the past.

#### Alexander Darwall

Fund Manager  
Jupiter Asset Management Limited\*  
Investment Adviser  
4 September 2014

\*Appointed as Investment Manager to the Company until 21 July 2014. Subsequently appointed as Investment Adviser to JUTM, who were appointed as AIFM to the Company on 22 July 2014.

## Annual Report &amp; Accounts 2014

## Strategic Report continued

### Investments as at 31 May 2014

Company	Country of Listing	Market value £'000	31 May 2014 Percentage of Portfolio	Market value £'000	31 May 2013 Percentage of Portfolio
Provident Financial	UK	34,230	7.6	21,632	5.7
Wirecard	Germany	33,898	7.6	24,620	6.5
Novo Nordisk	Denmark	32,247	7.2	21,225	5.6
Syngenta	Switzerland	29,491	6.6	24,552	6.4
Reed Elsevier	Netherlands	28,203	6.3	22,247	5.8
Novozymes	Denmark	27,711	6.2	21,664	5.7
Experian	UK	23,736	5.3	27,645	7.2
Fresenius	Germany	21,811	4.9	18,866	4.9
Intertek Group	UK	18,517	4.1	20,402	5.3
Johnson Matthey	UK	17,710	3.9	13,992	3.7
Amadeus	Spain	16,645	3.7	9,914	2.6
Croda International	UK	16,563	3.7	20,211	5.3
Inmarsat	UK	13,916	3.1	–	–
Coloplast	Denmark	13,891	3.1	8,461	2.2
Grenkeleasing	Germany	12,032	2.7	9,132	2.4
DnB NOR	Norway	11,208	2.5	12,302	3.2
Ingenico	France	10,617	2.4	450	0.1
Edenred	France	9,383	2.1	10,548	2.8
Gemalto	Netherlands	8,475	1.9	–	–
Zodiac Aerospace	France	7,990	1.8	6,054	1.6
Tomra Systems	Norway	7,969	1.8	9,349	2.5
Leonteq	Switzerland	7,768	1.7	–	–
Biotest	Germany	6,451	1.4	–	–
Hexagon	Sweden	5,912	1.3	6,070	1.6
Deutsche Börse	Germany	5,483	1.2	–	–
Ryanair	Ireland	5,253	1.2	2,050	0.5
Dassault Systemes	France	3,027	0.7	11,609	3.0
KWS Saat	Germany	3,004	0.7	1,093	0.3
Svenska Cellulosa	Sweden	2,908	0.6	2,874	0.8
CGG	France	2,794	0.6	–	–
Borregaard	Norway	2,131	0.5	–	–
Elementis	UK	1,859	0.4	–	–
UPM-Kymmene	Finland	1,575	0.4	–	–
CTS Eventim	Germany	1,102	0.2	–	–

## Annual Report &amp; Accounts 2014

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**Strategic Report** continued
 

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**Investments** as at 31 May 2014 continued
 

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<b>Company</b>	<b>Country of Listing</b>	<b>Market value £'000</b>	<b>31 May 2014 Percentage of Portfolio</b>	<b>Market value £'000</b>	<b>31 May 2013 Percentage of Portfolio</b>
Neopost	France	1,094	0.2	–	–
Luxottica Group	Italy	995	0.2	856	0.2
Fugro	Netherlands	873	0.2	2,827	0.7
East European Food Fund	–	25	–	28	–
<b>Total</b>		<b>448,497</b>	<b>100.0</b>		

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**Cross Holdings in other Investment Companies**


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As at 31 May 2014 and 2013, none of the Company's total assets were invested in the securities of other UK listed investment companies. It is the Company's stated policy that this exposure should not be permitted to exceed 15 per cent. of total assets.

## Annual Report &amp; Accounts 2014

## Strategic Report continued

### Classification of Investments as at 31 May 2014

2013 %	2014 %	Equities	Denmark %	France %	Germany %	Netherlands %	Norway %	Switzerland %	UK %	Other %
<b>0.8</b>	<b>0.8</b>	<b>Oil &amp; Gas</b>								
0.8	0.8	Oil Equipment, Services & Distribution		0.6		0.2				
<b>15.3</b>	<b>15.4</b>	<b>Basic Materials</b>								
15.3	15.1	Chemicals					0.5	6.6	8.0	
0.0	0.3	Forest Products & Paper								0.3
<b>25.6</b>	<b>30.6</b>	<b>Industrials</b>								
1.6	1.8	Aerospace & Defence		1.8						
2.4	1.3	Electronic & Electrical Equipment								1.3
0.5	1.8	Industrial Engineering					1.8			
3.0	0.0	Industrial Transportation								
18.1	25.7	Support Services		2.1	10.5				9.4	3.7
<b>3.6</b>	<b>1.6</b>	<b>Consumer Goods</b>								
0.3	0.7	Food Producers			0.7					
3.3	0.9	Personal Goods								0.9
<b>19.4</b>	<b>22.8</b>	<b>Health Care</b>								
7.6	8.0	Health Care Equipment & Services	3.1		4.9					
11.8	14.8	Pharmaceuticals & Biotechnology	13.4		1.4					
<b>6.3</b>	<b>7.5</b>	<b>Consumer Services</b>								
5.8	6.3	Media				6.3				
0.5	1.2	Travel & Leisure								1.2
<b>0.4</b>	<b>3.1</b>	<b>Telecommunications</b>								
0.4	3.1	Mobile Telecommunications							3.1	
<b>17.1</b>	<b>13.0</b>	<b>Financials</b>								
3.2	2.5	Banks					2.5			
0.6	10.5	Financial Services			1.2			1.7	7.6	
13.3	0.0	General Financial								
<b>11.5</b>	<b>5.2</b>	<b>Information Technology</b>								
11.4	2.6	Software & Computer Services		0.7		1.9				
0.1	2.6	Information Technology Hardware		2.6						
<b>100.0</b>	<b>100.0</b>	<b>Totals</b>	<b>16.5</b>	<b>7.8</b>	<b>18.7</b>	<b>8.4</b>	<b>4.8</b>	<b>8.3</b>	<b>28.1</b>	<b>7.4</b>

## ■ Strategic Report continued

### ■ Strategic Review

The Strategic Report has been prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, which the Company is required to comply with for the first time for the year ended 31 May 2014.

The Strategic Report seeks to provide shareholders with the relevant information to enable them to assess the performance of the Directors and the Company during the period under review.

#### Business and Status

During the year the Company carried on business as an investment trust with its principal activity being portfolio investment. The Company has been approved by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the eligibility conditions of sections 1158 and 1159 of the Corporation Tax Act 2010 and the ongoing requirements for approved companies as detailed in Chapter 3 of Part 2 of the Investment Trust (Approved Company) (Tax) Regulations 2011. In the opinion of the Directors, the Company has conducted its affairs in the appropriate manner to retain its status as an investment trust.

The Company is an investment company within the meaning of section 833 of the Companies Act 2006.

The Company is not a close company within the meaning of the provisions of the Corporation Tax Act 2010 and has no employees.

The Company was incorporated in England & Wales on 28 September 1999 and started trading on 20 November 2000, immediately following the Company's launch.

Reviews of the Company's activities are included in the Chairman's Statement and Investment Adviser's Review on pages 4 to 9.

There has been no significant change in the activities of the Company during the year to 31 May 2014 and the Directors anticipate that the Company will continue to operate in the same manner during the current financial year.

#### Planned Life of the Company

The Articles of Association provide that at the AGM of the Company to be held in 2014 an ordinary resolution shall be proposed that the Company shall continue in existence as an investment trust. If the resolution is passed, a similar ordinary resolution will be proposed at every third annual general meeting thereafter. If any such resolution is not passed at any of those meetings, the Directors shall, within 90 days of the date of the resolution, put forward to shareholders proposals (which may include proposals to wind up or reconstruct the Company) whereby shareholders are entitled to receive cash in respect of their shares equal as near as practicable to that to which they would be entitled on a liquidation of the Company at that time (and whether or not shareholders are offered other options under the proposals).

Shareholders should note that the valuations used to produce the financial statements on a going concern basis might not be appropriate if the Company were to be liquidated.

During the course of the year, representatives of the Investment Adviser and the Company's Corporate Broker have sought the views of the Company's substantial shareholders in respect of the continuation vote. The Directors have been informed that both parties believe that the resolution on the continuation vote will be passed. Having taken this information into account, the Directors are of the opinion that the going concern valuation basis remains appropriate (details of which can be found on page 15).

#### Strategy

In order to achieve the objective of investing in securities of European companies and geographical sectors or areas which offer good prospects for capital growth, the Investment Adviser adopts a stock picking approach, in the belief that a thorough analysis and understanding of a company is the best way to identify long-term superior growth prospects.

#### Business Model & Investment Policy

The investment policy of the Company is set out in full on page 2 of this document.

It is the Company's policy to invest no more than 15% of its gross assets in other UK listed investment companies (including investment trusts listed on the London Stock Exchange). As at 31 May 2014 the Company had no such investments.

#### Benchmark Index

The Company's benchmark index is the FTSE World Europe ex UK Total Return Index.

#### Dividend Policy

The Directors intend to manage the Company's affairs to achieve shareholder returns through capital growth rather than income. It is therefore not expected that the Company will pay a regular annual dividend. However, in order to qualify for approval by HM Revenue and Customs as an investment trust, no more than 15% of the income which the Company derives from ordinary shares or securities can be retained in respect of each accounting period. As such, the Company may declare a dividend from time to time.

#### Management

The Company has no employees and most of its day-to-day responsibilities are delegated to Jupiter Asset Management Limited, who act as the Company's Investment Adviser and Company Secretary respectively. Further details of the Company's arrangements with Jupiter Asset Management Limited and Jupiter Unit Trust Managers Limited can be found in Note 22 to the accounts on page 47.

As detailed in the Chairman's Statement on page 4, the Company appointed J.P. Morgan Europe Limited as its Depositary with effect from 22 July 2014.

With effect from 1 October 2013, JP Morgan Chase Bank N.A. entered into an outsourcing arrangement with the Company to provide accounting and administration services.

#### Gearing

Gearing is defined as the ratio of a Company's total loan liability, expressed as a percentage of net assets less cash held. The effect of gearing is that in rising markets a geared share class tends to benefit from any outperformance of the relevant company's investment portfolio above the cost of payment of the prior ranking entitlements of any lenders and other creditors. Conversely, in falling markets the value of the geared share class suffers more if the Company's investment portfolio underperforms the cost of those prior entitlements.

In order to improve the potential for capital returns to shareholders the Company had access to a flexible loan facility with Scotiabank Europe PLC for amounts up to £65 million. Further details of the Scotiabank Europe PLC's loan facility can be found in Note 12 to the accounts on page 38.

## Strategic Report continued

## Strategic Review continued

On 30 September 2014 the Company's existing £65 million loan facility is due to expire. The Board will be seeking to renew the loan facility.

The Directors consider it a priority that the Company's level of gearing should be maintained at appropriate levels with sufficient flexibility to enable the Company to adapt at short notice to changes in market conditions.

The Board has not set any limits or restrictions on the Company's loan facility other than the £65 million limit of the Company's current loan facility with Scotiabank Europe PLC. The Board frequently reviews the Company's level of gearing.

### Key Performance Indicators

At the quarterly board meetings the Directors consider a number of performance indicators to help assess the Company's success in achieving its objectives. The key performance indicators used to measure the performance of the Company over time are as follows:

- Net Asset Value changes over time
- Ordinary share price movement
- A comparison of the absolute and relative performance of the Ordinary share price to Net Asset Value and the Company's Benchmark Index
- Discount over varying periods
- Peer Group comparative performance
- Funds in/outflows of the retail investment wrapper products managed by the Investment Adviser.

A history of the Net Asset Value, Ordinary share price, discount/premium and benchmark is shown on page 3 under the heading 'Performance since Launch' and in the monthly factsheets which can be viewed on the Company's section of the Investment Adviser's website [www.jupiteronline.com/European](http://www.jupiteronline.com/European) and which are available on request from the Company Secretary.

### Capital Gains Tax Information

The closing middle market price of Ordinary shares on the first date of dealing (20 November 2000) for Capital Gains Tax purposes was 101.5p.

### Discount to Net Asset Value

The Directors review the level of the discount or premium between the middle market price of the Company's Ordinary shares and their Net Asset Value on a regular basis and take the opportunity to issue shares when there is sufficient demand at not less than NAV.

The Directors have powers granted to them at the last annual general meeting to purchase Ordinary shares and hold them in treasury as a method of controlling the discount to Net Asset Value and enhancing shareholder value.

No Ordinary shares were bought back for cancellation or to be held in Treasury during the year.

Under the Listing Rules, the maximum price that may currently be paid by the Company on the repurchase of any Ordinary shares is 105% of the average of the middle market quotations for the Ordinary shares for the five business days immediately preceding the date of repurchase. The minimum price will be the nominal value of the Ordinary shares.

The Board is proposing that its authority to repurchase up to approximately 14.9% of its issued share capital should be renewed at the Annual General Meeting. The new authority to repurchase will last until the conclusion of the Annual General Meeting of the Company in 2015 (unless renewed earlier). Any repurchase made will be at the discretion of the Board in light of prevailing market conditions and within guidelines set from time to time by the Board, the Companies Act, the Listing Rules and Model Code.

### Treasury Shares

In accordance with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the 'Regulations') which came into force on 1 December 2003 any Ordinary shares repurchased, pursuant to the above authority, may be held in Treasury. These Ordinary shares may subsequently be cancelled or sold for cash. This would give the Company the ability to reissue shares quickly and cost effectively and provide the Company with additional flexibility in the management of its capital. The Company may hold in Treasury any of its Ordinary shares that it purchases pursuant to the share buy back authority granted by shareholders.

### Risks and Uncertainties

The principal risk factors that may affect the Company and its business can be divided into the following areas:

**Investment Strategy and Share Price Movements** – The Company is exposed to the effect of variations in the price of its investments. A fall in the value of its portfolio will have an adverse effect on shareholders' funds. It is not the aim of the Board to eliminate entirely the risk of capital loss, rather it is its aim to seek capital growth. The Board reviews the Company's investment strategy and the risk of adverse share price movements at its quarterly board meetings taking into account the economic climate, market conditions and other factors that may have an effect on the sectors in which the Company invests.

**Foreign Currency Movements** – The Company has exposure to foreign currency through its overseas investments. The Board considers carefully factors which may affect the foreign currency in which the Company has an exposure at its quarterly board meetings taking into account the economic and political climate of various regions and the prospects for sterling.

**Interest Rates** – The Company has exposure to cash which generates interest through interest bearing accounts. The Board is mindful of interest rates when setting limits on the Company's exposure to cash.

**Liquidity Risk** – This risk can be viewed both as the liquidity of the securities in which the Company invests and the liquidity of the Company's shares. The Company may invest in securities that have a very limited market which will affect the ability of the Company's Investment Adviser to dispose of securities when he no longer feels they offer the potential for future returns. Likewise the Company's shares may experience liquidity problems when shareholders are unable to realise their investment in the Company because there is a lack of demand for the Company's shares. At its quarterly meetings the Board considers the current liquidity in the Company's investments when setting restrictions on the Company's exposure. The Board also reviews on a quarterly basis the Company's buy back programme and in doing so it is mindful of the liquidity in the Company's shares. In addition, the Board seeks the advice of the Company's brokers, Cenkos, who give advice on ways in which the Board can influence the liquidity in the Company's shares. The Company monitors performance to ensure it is able to meet the financial objectives of the loan repayment.

## ■ Strategic Report continued

## ■ Strategic Review continued

**Gearing Risk** – The Company's gearing can impact the Company's performance by accelerating the decline in value of the Company's net assets at a time when the Company's portfolio is declining. Conversely gearing can have the effect of accelerating the increase in the value of the Company's net assets at a time when the Company's portfolio is rising. The Company's level of gearing is under constant review by the Board who take into account the economic environment and market conditions when reviewing the level.

**Discount to Net Asset Value** – A discount in the price at which the Company's shares trade to Net Asset Value would mean that shareholders would be unable to realise the true underlying value of their investment. As a means of controlling the discount to Net Asset Value the Board has established a discount control policy which is under constant review as market conditions change. Further details of the buy back programme can be found on page 11 under the heading 'Discount to Net Asset Value'.

**Regulatory Risk** – The Company operates in a complex regulatory environment and faces a number of regulatory risks. A breach of section 1158 of the Corporation Tax Act 2010 could result in the Company being subject to capital gains on portfolio movements. Breaches of other regulations, such as the UKLA Listing Rules, could lead to a number of detrimental outcomes and reputational damage. Breaches of controls by service providers such as the Investment Adviser could also lead to reputational damage or loss. The Board relies on the services of its Company Secretary, Jupiter Asset Management Limited, and its professional advisers to ensure compliance with, amongst other regulations, the Companies Act 2006, the UKLA Listing Rules and the Alternative Investment Fund Managers Directive.

**Loss of Key Personnel** – The day-to-day management of the Company has been delegated to the Investment Adviser. Loss of the Investment Adviser's key staff members could affect investment return. The Board is aware that Jupiter Asset Management Limited recognises the importance of its employees to the success of its business. Its remuneration policy is designed to be market competitive in order to motivate and retain staff and succession planning is regularly reviewed. The Board also believes that suitable alternative experienced personnel could be employed to manage the Company's portfolio in the event of an emergency.

**Operational** – Failure of the Investment Adviser's core accounting systems, or a disastrous disruption to its business, could lead to an inability to provide accurate reporting and monitoring. The Investment Adviser is contractually obliged to ensure that its conduct of business conforms to applicable laws and regulations. Details of how the Board monitors the services provided by Jupiter Asset Management Limited and its associates are included within the Internal Control section of the Corporate Governance review on page 15.

**Financial** – Inadequate financial controls could result in misappropriation of assets, loss of income and debtor receipts and inaccurate reporting of Net Asset Value per share. The Board annually reviews the Investment Adviser's statements on its internal controls and procedures.

**Derivatives** – The Company invests in derivatives from time to time. Derivatives may be a riskier investment than equities as they can exaggerate the return that can be achieved compared to investing directly in equities. The Board has set limits on the amount of exposure the Company has to derivatives and it reviews these limits at its quarterly board meetings.

## **Social and Environmental Matters**

The Investment Adviser considers various factors when evaluating potential investments. While an investee company's policy towards the environment and social responsibility, including with regard to human rights, is considered as part of the overall assessment of risk and suitability for the portfolio, the Investment Adviser does not necessarily decide to, or not to, make an investment on environmental and social grounds alone.

All of the Company's activities are outsourced to professional third parties. As such it does not have any physical assets, property, employees or operations of its own and does not generate any greenhouse gas or other emissions.

## **Global Greenhouse Gas Emissions**

The Company has no greenhouse gas emissions to report from its operations as its day-to-day management and administration functions have been outsourced to third parties and it neither owns physical assets, property nor has employees of its own. It therefore does not have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

## **Board Diversity**

It is seen as a prerequisite that each member of the Board must have the skills, experience and character that will enable each Director to contribute individually, and as part of the Board team, to the effectiveness of the Board and the success of the Company. Subject to that overriding principle, diversity of experience and approach, including gender diversity, amongst Board members is of great value, and it is the Board's policy to give careful consideration to issues of overall Board balance and diversity in appointing new directors.

The Board currently comprises of 5 male directors.

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**Report of the Directors & Governance**


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**Directors**


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**Hugh Michael Priestley\***

(Chairman), is a former deputy chairman of the Association of Investment Companies. He was a director of Henderson Administration from 1972-1993 and the managing director of the Witan Investment Company from 1980-1992. He is an Honourable Fellow of University College London, having been its Treasurer from 1981-1998, and is a member of the Investment Panel of SAUL (Superannuation Arrangements of the University of London), a Governor of Reed's School and member of its investment committee and was until recently a member of the Investment Committee of Winchester College.

**Philip Edward Fraser Best\***

(Chairman of the Audit Committee), is an investment manager based in Geneva, where he co-founded Argos Investment Managers and is the fund manager of the Argos Argonaut Fund – a Luxembourg-listed UCITS created in 2003. Prior to that he worked in broking at Jefferies & Co and Enskilda Securities, after starting out as a fund manager at Mercury Asset Management in the 1980s.

**Alexander Frederick Clifford Darwall**

joined Jupiter in 1995 from Goldman Sachs where he worked as a French equity analyst. He took over the management of Jupiter European Investment Trust PLC (the Company's predecessor) in early 1999 and has been the fund manager of the Company since its launch in November 2000.

**Andrew Lang Sutch\***

is a solicitor and was until recently the senior partner of Stephenson Harwood. He is a corporate lawyer and has for much of his career advised investment trusts and other investment funds. He is a director of JP Morgan Claverhouse Investment Trust plc and a member of the council of the Royal Academy of Dramatic Art.

**John David Arnold Wallinger\***

is currently Non-executive Chairman of Zebedee Growth Fund Limited, Zebedee Trading Fund Limited, Zebedee Focus Limited and Kingsbridge Capital Advisers Limited, all unlisted. He has over fifty years' experience in investment management and financial services, having been a director of Euroland Plus (Smaller Companies) PLC, and an executive director of UBS. Mr Wallinger was a member of the Association of Institutional Investment Management & Research, and a consultant to UBS AG.

*\*Members of the Audit, Remuneration, Nomination and Conflicts of Interest Committees.*

## Report of the Directors & Governance continued

### Report of the Directors

The Directors present the Annual Report and Accounts of the Company for the year ended 31 May 2014.

#### Results and Dividends

Results and reserve movements for the year are set out in the Statement of Comprehensive Income on page 27 and the Notes to the Accounts on pages 31 to 47.

#### Capital Structure

All of the Company's shares are fully paid and carry one vote per share. The Ordinary shares carry no additional obligations or special rights. The Ordinary shares are listed on the London Stock Exchange.

As at 31 May 2014 the Company's issued share capital and voting rights totalled 90,676,474.

Amendment to the Articles of Association and powers to issue or buy back the Company's shares require a special resolution to be passed by shareholders at a General Meeting. The rules governing the directors' powers to buy back shares or reissue shares are detailed on pages 16 and 17 under the heading 'Resolution 14: Authority to buy back shares'.

#### Ordinary shares

	31 May 2014	
	Number of shares	% of total voting rights
Jupiter Asset Management Limited (ISA, PEP and Savings Schemes)*	9,007,807	9.93
Investec Wealth & Investment Limited	5,364,932	5.92
Reliance Mutual Insurance Society Ltd	3,993,247	4.40
	<b>18,365,986</b>	<b>20.25</b>

\* Includes shares held by Alexander Darwall & family.

#### Directors

The Directors of the Company and their biographies can be found on page 13. All Directors held office throughout the year under review.

#### Directors' Remuneration and Interests

The Directors Remuneration Report and Policy on pages 21 to 23 provides information on the remuneration and shareholdings of the Directors.

#### Conflicts of Interest

Each Director has a statutory duty to avoid a situation where he has or might have a direct or indirect interest which conflicts or might conflict with the interests of the Company, unless, in terms of the Articles of Association, the relevant conflict or potential conflict has been authorised by the Board. The Directors have declared all potential conflicts of interest with the Company. The Register of potential conflicts of interests is kept at the Registered Office of the Company. It is reviewed regularly by the Board and all Directors will advise the Company Secretary as soon as they become aware of any potential conflicts of interest. Directors who have potential conflicts of interest will not take part in any discussions which relate to any of their potential conflicts.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its directors concerning compensation for loss of office.

As the Company does not have any employees it also does not have an employee share scheme.

#### Notifiable Interests in the Company's Voting Rights

In accordance with the FCA's Disclosure and Transparency Rules, the Company has been notified of the following substantial interests in the Ordinary shares. The Directors are not aware of any other material interests amounting to 3 per cent. or more of the share capital of the Company.

#### Directors' and Officers' Liability Insurance and Indemnification

During the year under review the Company purchased and maintained liability insurance for its Directors and officers as permitted by Section 233 of the Companies Act 2006.

The Company has indemnified each of its Directors to cover any liabilities that may arise to a third party, as defined by Section 234 of the Companies Act 2006.

#### Directors and Company Secretary Indemnification

The Company has indemnified its Directors and Company Secretary in respect of their duties as Directors and officers of the Company, certain civil claims brought by third parties and associated legal costs to the extent that they are permitted by the Companies (Audit, Investigations and Community Enterprise) Act 2004.

#### Appointment of the Investment Adviser

The Independent Directors have reviewed the performance and terms of appointment of Jupiter Asset Management Limited ('Jupiter') as the Company's Investment Adviser which acted as Investment Manager to 21 July 2014. A summary of the terms of the appointment including the notice of termination period, annual fee and any performance fee payment is set out in Note 22 of the accounts on page 47. The Directors

## Report of the Directors & Governance continued

### Report of the Directors continued

believe that it is in the best interests of all shareholders for the Company to continue the appointment of the new Alternative Investment Fund Manager and the associated appointment of the Investment Adviser on their existing terms of appointment having reviewed the company secretarial, accounting, fund management and other services provided by both entities and having regard to the Company's performance against its Benchmark Index during the year under review. The Directors are of the view that the portfolio should remain under the Alternative Investment Fund Manager's stewardship.

#### Going Concern

The financial statements have been prepared on a going concern basis. The Directors consider that this is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the Directors took into account the Company's investment objective, risk management policies and capital management policies, the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments and the ability of the Company to meet all of its liabilities and ongoing expenses. The Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors have also taken into account the planned life of the Company and forthcoming continuation vote, details of which can be found on page 10. As noted in the Chairman's Statement on page 4, a resolution will be put to shareholders at the 2014 AGM proposing that the Company continue as an investment trust.

#### ISA Qualification

The Company currently manages its affairs so as to be a qualifying investment trust under the New Individual Savings Account (NISA) rules. As a result, under current UK legislation, the Ordinary shares qualify for investment via the stocks and shares component of a NISA up to the full annual subscription limit, currently £15,000\*, in each tax year. It is the present intention that the Company will conduct its affairs so as to continue to qualify for NISA products.

#### Bribery Prevention Policy

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board takes its responsibility to prevent bribery by Jupiter on its behalf very seriously. To aid the prevention of bribery being committed for the benefit of the Company, Jupiter Asset Management Limited has adopted a Bribery Prevention Policy.

#### Internal Control

The Board is responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to meet the particular requirements of the Company and to manage rather than eliminate the risks of failure to achieve its objectives. The systems by their very nature can provide reasonable but not absolute assurance against material misstatement or loss. There is an ongoing process which accords with the Turnbull guidance on internal controls for identifying, evaluating and managing risks significant to the Company. The Board has reviewed the effectiveness of the Company's internal control systems including the financial, operational and compliance controls and risk management. These systems have been in place for the period under review and to the date of signing the accounts.

\* £15,000 with effect from July 2014.

The Company receives services from Jupiter Asset Management Limited and JP Morgan Chase Bank N.A. ('JP Morgan') relating to its investment management, global custody and certain accounting and administration services. Documented contractual arrangements are in place with Jupiter and JP Morgan which define the areas where the Company has delegated authority to them. The Directors have considered the report on the internal control objectives and procedures of Jupiter together with the opinion of the service auditor for that report. That report details the measures and the testing of the measures which are in place to ensure the proper recording, valuation, physical security and protection from theft of the Company's investments and assets and the controls which have been established to ensure compliance with all regulatory, statutory and fiscal obligations of the Company.

The Directors have also had regard to the procedures for safeguarding the integrity of the computer systems operated by the Investment Adviser and the key business disaster recovery plans. By way of the procedures described above the Board reviews the procedures in place to manage the risks to the Company on an annual basis.

The Company does not have an internal audit function. The Audit Committee considers whether there is a need for an internal audit function periodically. As most of the Company's functions are delegated to third parties the Board does not consider it necessary for the Company to establish its own internal audit function.

#### UK Stewardship Code and the Exercise of Voting Powers

The Company's Investment Adviser is responsible for voting the shares it holds on the Company's behalf. The Investment Adviser supports the FRC's UK Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of monitoring and engaging with investee companies.

Details of the Investment Adviser's approach to the UK Stewardship Code can be found at [www.jupiteronline.com](http://www.jupiteronline.com).

The Board and the Investment Adviser believe that shareholders have a vital role in encouraging a higher level of corporate performance and therefore adopt a positive approach to corporate governance. The Investment Adviser aims to act in the best interests of all its stakeholders by engaging with companies that it invests in, and by exercising its voting rights with care. Not only is this commensurate with good market practice, it goes hand in hand with ensuring the responsible investment of its clients' funds. Equally, companies are asked to present their plans for maintaining social and environmental sustainability within their businesses.

The Board and the Investment Adviser believe that institutional investors should exercise their corporate governance rights including voting at general meetings.

The Investment Adviser supports the FRC's UK Stewardship Code, and its UK voting policies are consistent with the UK Stewardship Code. The Investment Adviser's Corporate Governance & Voting Policy can be found at [www.jupiteronline.com](http://www.jupiteronline.com).

In order to assist in the assessment of corporate governance and sustainability issues and contribute to a balanced view, the Investment Adviser subscribes to external corporate governance and sustainability research providers but does not routinely follow their voting recommendations. Contentious issues are identified and, where necessary (and where timescales permit), are discussed with corporate governance and/or sustainability analysts and portfolio managers, and with the companies themselves. The Investment Adviser ensures that its policy is voted in practice and timely voting decisions made.

## Report of the Directors & Governance continued

### Report of the Directors continued

From time to time resolutions will be brought to Annual General Meetings by third parties encouraging companies to address specific environmental and/or social concerns. In such instances, Jupiter's corporate governance and sustainability analysts will discuss their views with the fund manager and the investee company if appropriate. The Investment Adviser will then vote for what it considers to be in the best financial interests of shareholders, whilst having regard for any specific sustainability concerns unless otherwise directed.

#### AIFM Remuneration Code

With effect from 1 January 2015 (being the first financial year following its authorisation as an AIFM) Jupiter Unit Trust Managers Limited ('JUTM') will be required to comply with the AIFM Remuneration Code. This includes an obligation to disclose in the annual report of each Alternative Investment Fund ('AIF') for which it has been appointed as AIFM, details of the total remuneration paid to its staff including, amongst other things, splitting remuneration into fixed and variable remuneration and breaking down remuneration for those whose actions have a material impact on the risk profile of the relevant AIF. As JUTM is not required to comply with the AIFM Remuneration Code until 1 January 2015, it lacks the relevant information and, accordingly, this has been omitted from the Company's annual report & accounts for this year, as permitted by the guidance published by the Financial Conduct Authority in January 2014.

#### Global Greenhouse Gas Emissions

Details on the Company's greenhouse gas emissions can be found on page 12 of this report.

#### Shareholder Relations

All shareholders have the opportunity to attend and vote at the AGM during which the Directors and Investment Adviser will be available to answer questions regarding the Company. The Notice of Meeting sets out the business of the AGM and any item not of an entirely routine nature is explained in the Directors' Report or Notes accompanying the Notice. Separate resolutions are proposed for each substantive issue. Information about proxy votes is available to shareholders attending the AGM and published thereafter on the Investment Adviser's website.

The Company reports to shareholders four times a year by way of the Interim Report, Annual Report & Accounts and two quarterly Interim Management Statements. In addition, Net Asset Values are published on a daily basis and factsheets are published monthly on the Investment Adviser's website [www.jupiteronline.com](http://www.jupiteronline.com).

The Board has developed the following procedure for ensuring that each Director develops an understanding of the views of shareholders. Regular contact with major shareholders is undertaken by the Company's corporate brokers and by the corporate finance executive of the Investment Adviser. Any issues raised by major shareholders are then reported to the Board. The Board also receives details of all material correspondence with shareholders and the Chairman and individual Directors are willing to meet shareholders to discuss any particular items of concern regarding the performance of the Company. The Chairman, Directors and representatives of the Investment Adviser are also available to answer any questions which may be raised by a shareholder at the Company's AGM.

#### Statement in Respect of the Annual Report & Accounts

Having taken all available information into consideration, the Board has concluded that the Annual Report & Accounts for the year ended 31 May 2014, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. The Board's

conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 24.

#### Annual General Meeting

This year's AGM will be held at 1 Grosvenor Place, London SW1X 7JJ at 10.30am on 5 November 2014.

Resolutions relating to the following special business will be proposed:

##### Resolution 11: Continuation vote

In accordance with the Articles, the Directors are required to propose an ordinary resolution at the forthcoming AGM (and at every third annual general meeting thereafter) that the Company shall continue in being as an investment trust. Accordingly, the Directors are proposing Resolution 11, which will be proposed as an ordinary resolution.

##### Resolution 12: Authority to Allot Shares

The Directors may only allot shares for cash if they are authorised to do so by shareholders in general meeting. At the Annual General Meeting of the Company held on 3 October 2013, the Directors were authorised to allot up to 28,998,100 Ordinary shares with an aggregate nominal value of £289,981. This authority will expire at the conclusion of the next Annual General Meeting. Since the authority was granted 3,200,000 shares have been issued.

The Directors are now seeking to renew their authority to allot up to 30,211,916 Ordinary shares with an aggregate nominal value of £302,119. This authority will lapse at the conclusion of the Annual General Meeting to be held in 2015. The sum of £302,119 is approximately one third of the current issued share capital.

The Directors believe that it would be beneficial to the Company for them to allot shares whenever they consider that it would be in the best interests of the Company's existing shareholders to do so. The shares will only be issued at a premium to Net Asset Value at the time of issue.

##### Resolution 13: Authority to disapply pre-emption rights

The Directors may only allot shares for cash or sell shares held in treasury other than by way of offer to all existing shareholders pro rata to their shareholdings if they are authorised to do so by shareholders in general meeting. This resolution seeks authority for the Directors to allot Ordinary shares for cash or sell Ordinary shares held in treasury up to a nominal amount of £302,119 without first offering them to existing shareholders. This sum represents 30,211,916 Ordinary shares of 1p each being equivalent to one third of the current issued share capital. The Directors will only use this authority where it believes that it is in the best interest of the Company to issue Ordinary shares for cash or sell Ordinary shares held in treasury. Shares will only be issued at a premium to Net Asset Value at the time of the issue.

In the light of the continuing demand for shares and having regard to the benefits of enlarging the Company, the Directors are seeking a larger Shareholder authority to issue further Shares on a non-pre-emptive basis should conditions warrant such allotments.

Notwithstanding recent issues, the shares have predominantly traded at a premium to their NAV. As at the close of business on 29 August 2014 the Ordinary shares were trading at a discount of 3.0% to NAV. If both resolutions are passed in this regard, the Directors will be authorised to issue up to a maximum of 30,211,916 Ordinary Shares (representing one third of the Company's issued share capital as at the date of the Notice of Meeting) for cash on a non-pre-emptive basis. The Directors intend to use this authority when they consider that it is the best interests of Shareholders to do so and to satisfy continuing demand for the Shares.

## Report of the Directors & Governance continued

### Report of the Directors continued

As with the shares issued to date the new Ordinary shares will be issued (or sold if held in Treasury) only at prices greater than the prevailing NAV and therefore will be accretive to the NAV per share.

#### Resolution 14: Authority to buy back shares

Resolution 14 seeks shareholder approval for the Company to renew the power to purchase its own Ordinary shares. The Board believes that the ability of the Company to purchase its own Ordinary shares in the market will potentially benefit all shareholders of the Company. The purchase of Ordinary shares at a discount to the underlying Net Asset Value would enhance the Net Asset Value on the remaining Ordinary shares if they were cancelled on repurchase or reissued (as treasury shares) at a lesser discount than that on which they were first repurchased.

The Company is seeking shareholder approval to repurchase up to 13,599,898 Ordinary shares, representing 14.99% of the Company's issued share capital (the maximum permitted under the Listing Rules) at a price that is not less than 1p per Ordinary share (the nominal value of each Ordinary share) and not more than 5% above the average of the middle market quotations for the five business days preceding the day of purchase. The authority being sought will expire at the conclusion of the Annual General Meeting to be held in 2015. The decision as to whether to repurchase any Ordinary shares will be at the absolute discretion of the Board. Ordinary shares repurchased under this authority may either be held by the Company in treasury for resale or cancelled. The Company will fund any purchases by utilising existing cash resources or loan facilities.

The Board has determined the following policies in respect of the Investment Adviser's discretion in the use of treasury shares. In the event that treasury shares are not reissued to the market within six months of their date of purchase they will automatically be cancelled. Treasury shares will only be reissued at a premium to Net Asset Value. Any treasury shares will only be reissued at a price not less than the market bid price at the time of purchase.

#### Resolution 15: Notice of General Meetings

Resolution 15 is required to reflect the Shareholders' Rights Directive (the 'Directive'). The Directive has increased the notice period for General Meetings of the Company to 21 days. If Resolution 15 is passed the Company will be able to call all General Meetings, (other than Annual General Meetings), on 14 clear days' notice. In order to be able to do so shareholders must have approved the calling of meetings on 14 clear days' notice. Resolution 15 seeks renewal of the approval given at the 2013 AGM. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a General Meeting on 14 clear days' notice. This shorter notice period will only be used where it is merited by the purpose of the meeting.

#### Resolution 16: Adoption of articles of association

Regulations implementing the Alternative Investment Fund Managers Directive ('AIFMD Regulations') came into force in the UK on 22 July 2013. The Board is proposing to make amendments to the Company's existing articles of association in response to the AIFMD Regulations coming into force.

The principal changes proposed to be introduced in the proposed articles of association, and their effect, are set out below.

##### (i) Net asset value

The proposed articles of association will provide that the net asset value of the Company shall be calculated at least annually and be disclosed to shareholders from time to time in such manner as may

be determined by the Board. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFMD Regulations.

##### (ii) Valuation

The proposed articles of association provide that valuation of the Company's assets shall be performed in accordance with prevailing accounting standards. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFMD Regulations.

##### (iii) Liability for loss of financial assets held in custody

The AIFMD Regulations require that the Company has a depositary. Under the AIFMD Regulations, the depositary has strict liability for the loss of the Company's financial assets in respect of which it has safe-keeping duties. This rule applies even where the depositary has delegated the actual custody of an asset to another entity. The Company may wish to hold assets in a country where the depositary is required to use a local sub-custodian to hold the relevant asset.

The depositary may not wish the Company to acquire or retain such an asset, unless it can discharge its strict liability to the local sub-custodian. A discharge of strict liability in these circumstances will only be possible if the Company's 'rules or instruments of incorporation' (for example, the proposed articles of association) permit such a discharge. The Board is cognisant that situations may arise where allowing the depositary to discharge its strict liability will be commercially necessary. An amendment to the existing articles of association is therefore proposed with the effect of enabling the Board, should the need arise and subject to applicable laws, to allow a depositary to discharge its strict liability for loss of certain of the Company's assets. This proposed amendment provides the Company with commercial flexibility, and the Board will exercise its discretion in the usual way in determining whether or not to provide such a discharge.

The Board has also taken the opportunity to make certain non-material amendments to the existing articles of association including the update of certain statutory references.

Copies of the proposed new articles of association of the Company, including a version showing by tracked changes the alterations from the existing articles, will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company up to and including the date of the AGM.

#### Jupiter Investment Companies Savings Scheme and ISA holders – voting

Investors in the Jupiter Investment Companies Savings Scheme or ISA will find Forms of Direction at the end of this report which they are asked to complete and return so as to be received by Jupiter as soon as possible and, in any event, no later than 11.30am on 29 October 2014 at the address noted on the form.

#### Recommendation

The Board considers that the passing of the resolutions being put to the AGM would be in the best interests of the Company and its Shareholders as a whole. They therefore recommend that Shareholders vote in favour of Resolutions 1 to 16, as set out in the Notice of Meeting.

#### By Order of the Board

Jupiter Asset Management Limited  
Company Secretary  
4 September 2014

## Report of the Directors & Governance continued

### Corporate Governance

#### Corporate Governance Compliance Statement

This statement, together with the Statement of Directors' Responsibilities on page 24, indicates how the principles of the UK Corporate Governance Code (the 'Code') issued by the Financial Reporting Council (the 'FRC') in September 2012 and the AIC's Code of Corporate Governance (the 'AIC Code') issued by the Association of Investment Companies in February 2013, have been applied to the affairs of the Company. The Financial Reporting Council ('FRC') has confirmed that investment companies which report against the AIC Code and which follow the AIC Guide on Corporate Governance will meet their obligations in relation to the UK Corporate Governance Code and paragraph 9.8.6 of the Listing Rules.

The Board considers that the Company has complied with the provisions of the Code throughout the accounting period under review, in so far as they are relevant to the business of an investment trust.

#### The Board

##### Role of the Board

The Board receives monthly reports and meets at least quarterly to review the overall business of the Company and to consider matters specifically reserved for its review. At these meetings the Board monitors the investment performance of the Company. The Directors also review the Company's activities every quarter to ensure that it adheres to its investment policy or, if appropriate, to make any changes to that policy.

Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Board has adopted a schedule of items specifically reserved for its decision.

A procedure has been adopted for the Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

##### Composition

As at 31 May 2014 the Board of Directors comprised five non-executive Directors of whom four are independent of the Investment Adviser. Hugh Priestley is the Chairman. The Company has no executive Directors and no employees. The structure of the Board is such that it is considered unnecessary to identify a senior independent Director other than the Chairman. The Directors biographies can be found on page 13.

##### Diversity

The Company's policy on diversity can be found on page 12 under the heading 'Board Diversity'.

##### Appointment of Directors

Appointments to the Board are made on merit with due regard for the benefits of diversity, including gender. The priority in appointing new directors is to identify the candidate with the best range of skills and experience to complement the existing Directors.

##### Tenure

The Board does not consider it appropriate that Directors should be appointed for a specific term.

##### Re-election of Directors

Directors are subject to election by shareholders at the Annual General Meeting ('AGM') following their appointment and thereafter at least

every third subsequent AGM with the exception of Alexander Darwall who, as an employee of Jupiter Asset Management Limited, the Company's Investment Adviser, is considered to be a non-independent Director and is subject to annual re-election.

The Board has considered provision B.7.2 of the Code and following a performance evaluation, believes Alexander Darwall continues to be effective and demonstrates a commitment to the role.

In addition, provision B.7.1 of the Code states that any non-executive Directors having served longer than nine years will also be subject to annual re-election. Both Hugh Priestley and John Wallinger having served longer than nine years are also subject to re-election.

The Board is recommending that all Directors be re-elected at the forthcoming AGM.

##### Directors' training

Although no formal training in Corporate Governance is given to Directors, the Directors are kept up-to-date on Corporate Governance issues through bulletins and training materials provided from time to time by the Company Secretary. The Board may obtain training in Corporate Governance on an individual basis.

##### Directors' Performance Evaluation

The Board has not established a formal interview process for the evaluation of its own performance and that of the individual Directors as it does not consider this to be appropriate having regard to the non-executive role of the Directors and the significant outsourcing of services to external providers. The Independent Directors undertake on an annual basis an appraisal in relation to their oversight and monitoring of the performance of the Investment Adviser and other key service providers. In addition the Directors undertake, on an annual basis, an oral assessment of the effectiveness of the Board as a whole.

#### Board Committees

##### Audit Committee

The Board has established an Audit Committee which consists of the four independent non-executive Directors of the Company. Philip Best is Chairman of the Audit Committee. The Report of the Audit Committee can be found on page 20.

The Terms of Reference of the Audit Committee are available on the Company's website [www.jupiteronline.com/European](http://www.jupiteronline.com/European).

##### Other Committees

##### Nomination Committee

Appointments to the Board of Directors are considered by the Nomination Committee which comprises the entire Board other than Alexander Darwall. The Chairman is Hugh Priestley. The Terms of Reference of the Committee are disclosed on the Company's website and further copies are available on request from the Company Secretary. The function of this Committee is to evaluate the appointment of additional or replacement Directors against the requirements of the Company's business and the need to have a balanced Board. The Nomination Committee considers job specifications and assesses whether candidates have the necessary skills and time available to devote to the Company's business. All newly appointed directors receive any necessary training and induction. New directors will be subject to election by shareholders at the Annual General Meeting following their appointment and thereafter at least at every third subsequent Annual General Meeting.

## Report of the Directors & Governance continued

### Corporate Governance continued

#### Remuneration Committee

The remuneration of the Board is considered by the Remuneration Committee which comprises the entire Board other than Alexander Darwall and whose Chairman is John Wallinger. The Terms of Reference of the Committee are disclosed on the Company's section of the Investment Adviser's website and further copies are available on request from the Company Secretary. The function of this committee is to determine the remuneration of the Board and in doing so the committee takes into consideration the remuneration of similar Boards of other investment companies of a similar size to that of the Company.

#### Conflicts of Interest Committee

The Articles of Association were amended at the Annual General Meeting held in 2008 to permit the Board to consider and, if thought fit, to authorise situations where a director has a conflict, or potential conflict, of interest in relation to the Company. The Board has established a

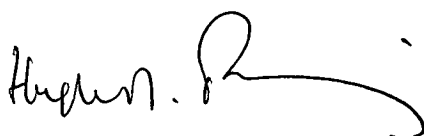
Conflicts of Interest Committee, made up of all independent directors who themselves are not party to any conflict under review whose purpose is to authorise, if thought fit, and formally approve any director's conflict of interest. The members of the Committee are required to act in the way they consider would be most likely to promote the success of the Company. The Committee members may impose limits or conditions when giving authorisation or subsequently if they think this appropriate. In addition, Board members are given the opportunity at each board meeting to inform the Board of any conflict of interest that may have arisen since the Board last met. The Committee comprises the entire Board other than those members of the Board that are subject to the conflict of interest. The Chairman of the Committee is Hugh Priestley. The Terms of Reference of the Committee are disclosed on the Company's website and further copies are available on request from the Company Secretary. The Committee did not identify any new potential conflict of interest during the year under review.

#### Directors' Attendance at Meetings

Director	Board	Audit Committee	Remuneration Committee	Annual General Meeting
H M Priestley	4/4	1/1	1/1	1/1
P E F Best	4/4	1/1	1/1	1/1
A F C Darwall	4/4	n/a	n/a	n/a
A L Sutch	4/4	1/1	1/1	1/1
J D A Wallinger	4/4	1/1	1/1	1/1

For and on behalf of the Board

H M Priestley  
Chairman  
4 September 2014



## Report of the Directors & Governance continued

## Report of the Audit Committee

### Role of the Audit Committee

The Audit Committee meets at least annually to consider the financial reporting by the Company, internal controls and relations with the Company's external auditors. In addition, it reviews the independence and objectivity of the auditors and the effectiveness of the audit process, the quality of the audit engagement partner and the audit team, making a recommendation to the Board with respect to the reappointment of the auditor. It will also provide an opinion as to whether the Annual Report & Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

During the course of the year, representatives of the AIFM, Investment Adviser and other third party service providers may be invited to attend meetings of the Audit Committee to report on issues as required.

The Company does not have an internal audit function as most of its day to day operations are delegated to professional third parties.

The Audit Committee also reviews the Company's compliance with the FRC UK Corporate Governance Code and the AIC Code of Corporate Governance.

### Composition

The Audit Committee consists of the four independent non-executive Directors of the Company. Philip Best is Chairman of the Audit Committee.

### Auditors and Audit Tenure

The Company's current auditors, Ernst & Young LLP, have acted in this role since the launch of the Company. No tender for the audit of the Company has been undertaken since this date. As part of its review of the continuing appointment of the auditors, the Audit Committee considers the length of tenure of the audit firm, its fees and independence from the AIFM and the Investment Adviser along with any matters raised during each audit. The fees paid to Ernst & Young LLP in respect of audit services and non-audit services are disclosed in Note 4 of the notes to the financial statements.

### Significant Accounting Matters

During its review of the Company's accounts for the year ended 31 May 2014, the Audit Committee considered the following significant issues, including the consideration of principal risks and uncertainties in light of the Company's activities and issues communicated by the Auditors during their review, all of which were satisfactorily addressed:

Issue considered	How the issue was addressed
• Valuation of the investment portfolio	• Review of reports from the Investment Adviser and Custodian
• Compliance with section 1158 of the Corporation Tax Act 2010	• Review of portfolio holdings reports and revenue forecasts to ensure compliance criteria is met
• Calculation of performance and management fees	• Consideration of methodology used to calculate fees, matched against the criteria set out in the Investment Management Agreement
• Statement of going concern	• Review of the investment portfolio, risks and uncertainties, projected cash flow and forecast revenue

Issue considered	How the issue was addressed
• Continuation vote	• Consideration of the impact on the Company should shareholders vote against the continuation of the Company as an investment trust
• Liquidity	• Review of the liquidity of the investment portfolio

### Auditor Effectiveness & Independence

Auditor effectiveness is assessed by means of the auditors' direct engagement with the board at Audit Committee meetings and also by reference to feedback from the AIFM, Investment Adviser and their employees who have direct dealings with the auditor during the annual audit of the Company.

The Board concluded, on the recommendation of the Audit Committee, that the auditors continue to be independent of the Company, the AIFM and the Investment Adviser and that their reappointment be proposed at the Annual General Meeting.

### Disclosure of Information to the Auditor

The Directors are not aware of any relevant audit information of which the Company's auditors are unaware. The Directors also confirm that they have taken all the steps required of a company director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Non-Audit Services

The Audit Committee has adopted a policy on the engagement of the Company's Auditor to supply non-audit services to the Company. No fees were payable to the Auditor for non-audit services during the year under review (2013: £35,000).

The Committee ensures that auditor objectivity and independence are safeguarded by requiring pre-approval by the Committee for all non-audit services provided to the Company, which takes into consideration:

- confirmation from the Auditor that they have adequate arrangements in place to safeguard their objectivity and independence in carrying out such work, within the meaning of the regulatory and professional requirements to which they are subject;
- the fees to be incurred, relative to the audit fees;
- the nature of the non-audit services; and
- whether the Auditor's skills and experience make it the most suitable supplier of such services and whether they are in a position to provide them.

### Statement in Respect of the Annual Report & Accounts

Having taken all available information into consideration and having discussed the content of the Annual Report & Accounts with the AIFM, Investment Adviser, Company Secretary and other third party service providers, the Audit Committee has concluded that the Annual Report & Accounts for the year ended 31 May 2014, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, and has reported on these findings to the Board.

For and on behalf of the Audit Committee

**P E F Best**  
Chairman of the Audit Committee  
4 September 2014

## Annual Report &amp; Accounts 2014

## Report of the Directors &amp; Governance continued

## Directors' Remuneration Report and Policy

## Introduction

The Board is pleased to present the Company's annual remuneration report for the year ended 31 May 2014 in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. This is the first time the Company has prepared the report in accordance with the amended regulations.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in their report on pages 25 and 26.

## Statement by the Chairman

The Board's policy on remuneration is set out below. It must be noted that it is essential that fees payable to Directors should reflect the time spent on the Company's affairs, and should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience.

The Directors of the Company are non-executive and by way of remuneration receive only an annual fee, which in the case of the Chairman is £30,000, and in the case of each of the other Directors is £22,000. Philip Best receives an additional £3,000 as Chairman of the Audit Committee. The fee is payable quarterly. The Company does not award any other remuneration or benefits to the Chairman or Directors. There are no bonus schemes, pension schemes, share option or long-term incentive schemes in place for the Directors.

## Directors' Remuneration Policy

In accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, which the Company is required to comply with for the first time for the year ended 31 May 2014, the Directors are required to propose a remuneration policy to shareholders that will remain in place for a maximum of three years.

The Company's proposed remuneration policy is that fees payable to Directors are commensurate with the amount of time Directors are expected to spend on the Company's affairs, whilst seeking to ensure that fees are set at an appropriate level so as to enable candidates of a sufficient calibre to be recruited. The Company's Articles of Association states the maximum aggregate amount of fees that can be paid to Directors in any one year. This is currently set at £150,000 per annum and shareholder approval is required for any changes to this.

Each director is entitled to a base fee, The Chairman of the Board is paid a higher fee than the other Directors, to reflect the additional work required to be carried out in this role.

## Policy for Directors' Fees

The Board has established a Remuneration Committee and any review of the Directors' fees is undertaken by the Board as whole and has regard to the level of fees paid to non-executive Directors of other investment companies of equivalent size.

The Directors' fees were last increased on 1 June 2013. The Remuneration Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference. The Remuneration Committee did not seek external advice during the year under review.

## Directors' Service Contracts

No Director has a contract of service with the Company. Accordingly, the Directors are not entitled to any compensation in the event of termination of their appointment or loss of office, other than the payment of any outstanding fees.

The Board does not consider it appropriate that Directors should be appointed for a specific term. However, directors who have served longer than nine years, are subject to annual re-election under the FRC Code. Alexander Darwall, as a non-independent director, is also subject to annual re-election. Any new Director appointed would be subject to election by shareholders at the next AGM following their appointment.

## Annual Report on Remuneration

A single figure for the total remuneration of each Director is set out in the table below for the year ended 31 May 2014 and 31 May 2013 respectively:

## Directors' emoluments for the period (audited)

	Total fees for the year ended 31 May 2014 £	Total fees for the year ended 31 May 2013 £
P E F Best**	25,000	20,000
A F C Darwall***	22,000	20,000
H M Priestley*	30,000	23,000
A L Sutch	22,000	20,000
J D A Wallinger	22,000	20,000
<b>Total</b>	<b>121,000</b>	<b>103,000</b>

\* Chairman of the Board.

\*\* Chairman of the Audit Committee

\*\*\* Fees paid to Jupiter Asset Management Limited.

## Statement of voting at the last AGM

The following sets out the votes received at the last AGM of the shareholders of the Company, held on 3 October 2013, in respect of the approval of the Directors' Remuneration Report.

Votes cast for		Votes cast against		Total votes cast	Number of votes withheld
Number	%	Number	%		
37,238,029	99.90	38,050	0.10	37,276,079	10,461

■ **Report of the Directors & Governance** continued

■ **Directors' Remuneration Report and Policy** continued

The terms and conditions of Directors' appointments are set out in formal letters of appointment.

Director	Date of Appointment	Due date for Re-election
H M Priestley	3 October 2000	AGM 2014
P E F Best	12 May 2009	AGM 2014
A F C Darwall*	19 August 2004	AGM 2014
A L Sutch	10 October 2011	AGM 2014
J D A Wallinger	3 October 2000	AGM 2014

\*Mr Darwall, an employee of Jupiter Asset Management Limited, is not regarded as independent and not a member of the Audit Committee.

**Directors' interest in Ordinary shares (audited)**

	31 May 2014	31 May 2013
P E F Best	43,750	43,750
A F C Darwall	4,098,116	4,098,116
H M Priestley	30,500	30,500
A L Sutch	7,738	7,675
J D A Wallinger	246,000	233,500

**Shareholder approval and effective date**

Resolution 3, which is seeking shareholder approval for the Directors' Remuneration Policy, will, if approved take effect from the conclusion of the AGM and will be valid for a period of three years unless renewed, varied or revoked by the Company at a general meeting.

**Directors' Interests**

The Directors who held office at the end of the year covered by these accounts and their beneficial interests in the Ordinary shares at 31 May 2014 are shown below.

The Directors' interests in contractual arrangements with the Company are as detailed in Note 22 to the Accounts on page 47. Subject to these exceptions, no Director was a party to or had any interest in any contract or arrangement with the Company at any time during the year or subsequently.

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**Report of the Directors & Governance** continued
 

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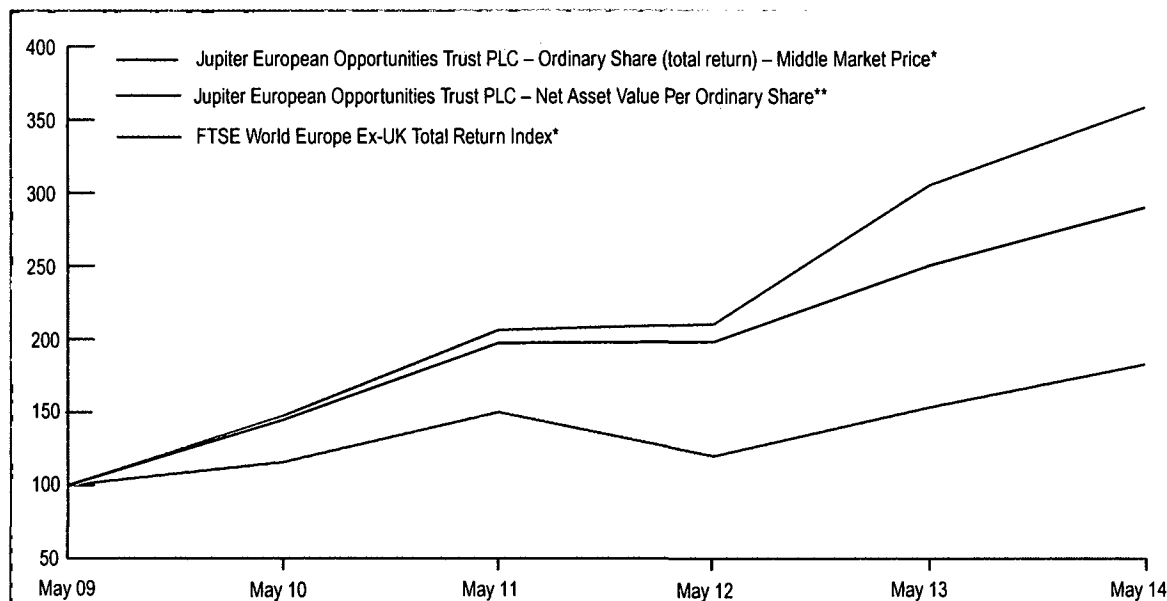
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**Directors' Remuneration Report and Policy** continued
 

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**Performance from 31 May 2009 to 31 May 2014**

The graph below provides details of the Company's performance by reference to the Ordinary shares price compared against the FTSE World Europe ex UK Total Return Index. The FTSE World Europe ex UK Total Return Index has been chosen as the most suitable benchmark against which to measure the performance of the Company.



Effect of £100 invested in the Company between the period 31 May 2009 to 31 May 2014.

\*Source: Morningstar

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the Directors' Remuneration Report and Policy summarises, for the year ended 31 May 2014, the review undertaken and the decisions made regarding the fees paid to the Board, and the future remuneration policy of the Company which is to be approved by shareholders.

By Order of the Board  
**H M Priestley**  
 Chairman  
 4 September 2014

■ **Report of the Directors & Governance** continued

■ **Statement of Directors' Responsibilities in Relation to the Financial Statements**

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ('IFRSs') as adopted by the European Union. Under Company Law the directors must not approve the financial statements unless they are satisfied that they present a fair, balanced and understandable report and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. In preparing the financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- state that the Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and estimates that are reasonable and prudent.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are published on [www.jupiteronline.com/European](http://www.jupiteronline.com/European) which is a website maintained by the Investment Adviser.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Responsibility statements under the Disclosure and Transparency Rules**

Each of the Directors listed on page 13 confirms that to the best of their knowledge:

- the financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and the Report of the Directors include a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that they face.

By Order of the Board  
**H M Priestley**  
 Chairman  
 4 September 2014

## Report of the Directors & Governance continued

### Independent Auditor's Report to the Members of Jupiter European Opportunities Trust PLC

We have audited the financial statements of Jupiter European Opportunities Trust PLC for the year ended 31 May 2014 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2014 and of its return for the year then ended;
- have been properly prepared in accordance with IFRSs adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Our assessment of risks of material misstatement

We identified the following risks of material misstatement that had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team:

- incorrect valuation and ownership of the investments; and
- management and performance fees calculated correctly in accordance with the investment management agreement.

#### Our application of materiality

We apply the concept of materiality both in planning and performing our audit, in evaluating the effect of misstatements on our audit and on the financial statements and in forming our audit opinion. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of misstatement that, individually or in aggregate in light of surrounding circumstances, could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We determined materiality for the company to be £4.09 million, which is 1 per cent. of total equity. This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgment was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the company should be 50 per cent. of materiality, namely £2.05 million. Our objective in adopting this approach was to ensure that total detected and undetected audit differences in all accounts did not exceed our materiality level.

We have agreed to report to the Audit Committee all audit differences in excess of £0.20 million, as well as differences below that threshold that, in our view warrant reporting on qualitative grounds.

#### An overview of the scope of our audit

Our response to the risks identified above was as follows:

- We agreed the year end prices for all investments and the investment holdings to the independent custodian report; and
- We independently recalculated management and performance fees for the year.

■ **Report of the Directors & Governance** continued

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■ **Independent Auditor's Report** to the Members of Jupiter European Opportunities Trust PLC continued

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**Opinion on other matters prescribed by the Companies Act 2006**

*In our opinion*

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

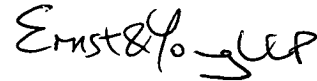
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 15, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Amarjit Singh  
(Senior statutory auditor)



for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
4 September 2014

## Annual Report &amp; Accounts 2014

## Accounts

## Statement of Comprehensive Income for the year ended 31 May 2014

	Note	31 May 2014			31 May 2013		
		Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Gain on investments at fair value through profit or loss	9	–	39,363	39,363	–	94,682	94,682
Gain/(loss) on contracts for difference		–	51	51	–	(237)	(237)
Foreign exchange gain/(loss) on loan		–	2,133	2,133	–	(2,747)	(2,747)
Other exchange (loss)/gain		(83)	(93)	(176)	165	76	241
Investment income		9,208	–	9,208	8,371	–	8,371
Other income		4	–	4	4	–	4
<b>Total income</b>	<b>2</b>	<b>9,129</b>	<b>41,454</b>	<b>50,583</b>	<b>8,540</b>	<b>91,774</b>	<b>100,314</b>
Investment management fee	3	(3,075)	–	(3,075)	(2,654)	–	(2,654)
Other expenses	4	(891)	–	(891)	(696)	–	(696)
<b>Total expenses</b>		<b>(3,966)</b>	<b>–</b>	<b>(3,966)</b>	<b>(3,350)</b>	<b>–</b>	<b>(3,350)</b>
<b>Return before finance costs and tax</b>		<b>5,163</b>	<b>41,454</b>	<b>46,617</b>	<b>5,190</b>	<b>91,774</b>	<b>96,964</b>
Finance costs	5	(505)	–	(505)	(630)	–	(630)
<b>Return before taxation</b>		<b>4,658</b>	<b>41,454</b>	<b>46,112</b>	<b>4,560</b>	<b>91,774</b>	<b>96,334</b>
Taxation	6	(637)	–	(637)	(466)	–	(466)
<b>Return after taxation</b>		<b>4,021</b>	<b>41,454</b>	<b>45,475</b>	<b>4,094</b>	<b>91,774</b>	<b>95,868</b>
<b>Return per Ordinary share</b>	<b>8</b>	<b>4.54p</b>	<b>46.79p</b>	<b>51.33p</b>	<b>5.05p</b>	<b>113.27p</b>	<b>118.32p</b>

The total column of this statement is the statement of comprehensive income of the Company prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies ('AIC').

The return after taxation is also the total comprehensive profit for the year.

All revenue and capital items in the above statement derive from continuing operations.

The Notes on pages 31 to 47 form an integral part of these accounts.

## Annual Report &amp; Accounts 2014

## ■ Accounts continued

## ■ Statement of Financial Position as at 31 May 2014

	Note	2014 £'000	2013 £'000
<b>Non current assets</b>			
Investments held at fair value through profit or loss	9	448,497	381,838
<b>Current assets</b>			
Receivables	11	3,748	3,268
Cash at bank		5,056	12,009
		8,804	15,277
<b>Total assets</b>		<b>457,301</b>	<b>397,115</b>
Current liabilities	12	(48,110)	(56,314)
<b>Total assets less current liabilities</b>		<b>409,191</b>	<b>340,801</b>
<b>Capital and reserves</b>			
Called up share capital	14	907	844
Share premium	15	85,486	59,589
Special reserve	16	33,687	33,687
Capital redemption reserve	17	45	45
Retained earnings	18	289,066	246,636
<b>Total equity</b>		<b>409,191</b>	<b>340,801</b>
<b>Net Asset Value per Ordinary share</b>	19	<b>451.26p</b>	<b>403.58p</b>

Approved by the Board of Directors and authorised for issue on 4 September 2014.

H M Priestley  
Chairman



Company Registration Number 4056870

The Notes on pages 31 to 47 form an integral part of these accounts.

## Annual Report &amp; Accounts 2014

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**Accounts** continued
 

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**Statement of Changes in Equity** for the year ended 31 May 2014
 

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For the year ended 31 May 2014	Note	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Revenue Reserve £'000	Total £'000
1 June 2013		844	59,589	33,687	45	246,636	340,801
Net profit for the year		-	-	-	-	45,475	45,475
Ordinary share issue	14	63	25,897	-	-	-	25,959
Dividends declared and paid	7	-	-	-	-	(3,045)	(3,045)
<b>Balance at 31 May 2014</b>		<b>907</b>	<b>85,486</b>	<b>33,687</b>	<b>45</b>	<b>289,066</b>	<b>409,191</b>

For the year ended 31 May 2013	Note	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Revenue Reserve £'000	Total £'000
1 June 2012		795	41,286	33,687	45	152,240	228,053
Net profit for the year		-	-	-	-	95,868	95,868
Ordinary share issue	14	49	18,303	-	-	-	18,352
Dividends declared and paid	7	-	-	-	-	(1,472)	(1,472)
<b>Balance at 31 May 2013</b>		<b>844</b>	<b>59,589</b>	<b>33,687</b>	<b>45</b>	<b>246,636</b>	<b>340,801</b>

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The Notes on pages 31 to 47 form an integral part of these accounts

## Annual Report &amp; Accounts 2014

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**Accounts** continued
 

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**Cash Flow Statement** for the year ended 31 May 2014
 

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	Note	2014 £'000	2013 £'000
<b>Cash flows from operating activities</b>			
Purchases of investments		(99,376)	(62,358)
Sales of investments		70,963	54,696
Investment income received		8,731	8,104
Interest received		4	3
Investment management fee paid		(2,958)	(2,444)
Payment from/(to) CFD counterparty		346	(530)
Other cash expenses		(810)	(692)
<b>Cash outflow from operating activities before finance costs and taxation</b>	20	<b>(23,100)</b>	<b>(3,221)</b>
Finance costs		(551)	(617)
Taxation		(123)	(890)
<b>Net cash outflow from operating activities</b>		<b>(23,774)</b>	<b>(4,728)</b>
<b>Financing activities</b>			
Ordinary shares issued		25,042	18,352
Dividend paid		(3,045)	(1,472)
Short-term loans received		252,425	205,541
Short-term loans repaid		(257,425)	(205,541)
<b>(Decrease)/increase in cash</b>	21	<b>(6,777)</b>	<b>12,152</b>
Cash and cash equivalents at start of year		12,009	(384)
Realised (loss)/gain on foreign currency		(176)	241
<b>Cash and cash equivalents at end of year</b>		<b>5,056</b>	<b>12,009</b>

The Notes on pages 31 to 47 form an integral part of these accounts.

## Accounts continued

### Notes to the Accounts for the year ended 31 May 2014

#### 1. Accounting policies

The accounts comprise the financial results of the Company for the year to 31 May 2014. The accounts are presented in pounds sterling, as this is the functional currency of the Company. The accounts were authorised for issue in accordance with a resolution of the Directors on 4 September 2014. All values are rounded to the nearest thousand pounds (£'000) except where indicated.

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC), as adopted by the European Union.

##### *New standards, amendments and interpretations with effect from 1 July 2013*

The following new standards and amendments to existing standards are relevant to the Company's operations and are mandatory for accounting periods ending on 31 May 2014:

IFRS 13, 'Fair value measurement' (with effect from 1 January 2013)

Annual improvements 2011 (with effect from 1 January 2013)

##### *New standards, amendments and interpretations issued but not yet effective*

The following standards and interpretations have been issued and are expected to be relevant to the Company in future periods, which will be effective for this Company's accounts after 1 June 2014.

IFRS 10, 11 and 12 (with effect from 1 January 2014)

Amendments to IFRS 10, IFRS 12 and IAS 27, 'Investment Entities' (with effect from 1 January 2014)

Amendments to IAS 32, 'Financial instruments: assets and liabilities offsetting' (with effect from 1 January 2014)

Amendments to IAS 39, 'Novation of Derivatives and Continuation of Hedge Accounting' (effective 1 January 2014)

IFRS 15 'Revenue from Contracts with Customers' (with effect from 1 January 2017)

IFRS 9 'Financial Instruments' (with effect from 1 January 2018)

The Directors are currently reviewing these standards with a view to implementation on their effective date.

##### *Early adoption of standards*

The Company did not early adopt new or amended standards/interpretations for the year ended 31 May 2014.

Where presentational guidance set out in the Statement of Recommended Practice (SORP) for investment trusts issued by the Association of Investment Companies (AIC) in January 2009 is consistent with the requirements of IFRSs, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The Company continues to adopt the going concern basis in the preparation of the financial statements.

A summary of the principal accounting policies, all of which have been applied consistently in the current and preceding years, is set out below:

#### (a) Presentation of statement of comprehensive income

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the statement of comprehensive income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. In accordance with the Company's Articles of Association, net capital returns may not be distributed by way of dividend.

An analysis of retained earnings broken down into revenue items, which may be distributed as dividends and capital items is given in Note 18.

#### (b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Revenue includes dividends from investments quoted ex-dividend on or before the reporting date.

Deposit and other interest receivable is accounted for on an accruals basis.

#### (c) Expenses

Expenses are accounted for on an accruals basis. Management fees, administration and other expenses are charged fully to the revenue column of the statement of comprehensive income. That part of any investment performance fee which is deemed by the Directors to relate to the capital outperformance of the Company's investments will be charged to capital and that part relating to revenue outperformance will be charged to revenue. Expenses which are incidental to the purchase or sale of an investment are charged to capital, along with any foreign exchange gains and losses.

#### (d) Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, being the consideration given.

All investments are classified as held at fair value through profit or loss. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the statement of comprehensive income as 'Gains on investments at fair value through profit or loss'. The fair value of listed investments is based on their quoted bid market price at the statement of financial position date without any deduction for estimated future selling costs.

Foreign exchange gains and losses on fair value through profit or loss investments are included within the changes in the fair value of the investment.

**Accounts continued****Notes to the Accounts for the year ended 31 May 2014 continued****1. Accounting policies continued****(e) Finance costs**

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs and subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Finance costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred. All finance costs are directly charged to the revenue column of the statement of comprehensive income.

**(f) Cash and cash equivalents**

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risks of changes in value.

**(g) Foreign currencies**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period.

Any gains or losses are included within capital apart from the retranslation of foreign withholding tax which is included within revenue.

**(h) Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all temporary differences at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the reporting date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise.

Investment Trusts which have approval under section 1158 of the Corporation Tax Act 2010 are not liable for taxation of capital gains.

**(i) Use of estimates**

The preparation of financial statements requires the Company to make estimates and assumptions that affect items reported in the statement of financial position and statement of comprehensive income and disclosure of contingent assets and liabilities at the date of financial statements. Although these estimates are based on management's best knowledge of current facts, circumstances and, to some extent, future events and actions, actual results ultimately may differ from those estimates, possibly significantly. There are no material estimates in the current or prior year.

## Annual Report &amp; Accounts 2014

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**Accounts continued**


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**Notes to the Accounts for the year ended 31 May 2014 continued**


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**2. Income**

	2014 £'000	2013 £'000
<b>Income from investments</b>		
Dividends from United Kingdom companies	3,496	3,673
Dividends from overseas companies	5,712	4,698
	<b>9,208</b>	<b>8,371</b>
<b>Other income</b>		
Deposit interest	4	4
Foreign exchange (loss)/gain	(83)	165
	(79)	169
<b>Total income</b>	<b>9,129</b>	<b>8,540</b>
<b>Total income comprises</b>		
Dividends	9,208	8,371
Interest	4	4
Foreign exchange (loss)/gain	(83)	165
	<b>9,129</b>	<b>8,540</b>
<b>Income from investments</b>		
Listed in the UK	3,496	3,673
Listed overseas	5,712	4,698
	<b>9,208</b>	<b>8,371</b>

**3. Investment management and performance fees**

	Revenue £'000	Capital £'000	2014 Total £'000	Revenue £'000	Capital £'000	2013 Total £'000
Investment management fee	3,075	–	3,075	2,654	–	2,654

Details of the investment management contract are given in Note 22. No performance fee was payable for the year to 31 May 2014 (2013: nil).

## Annual Report &amp; Accounts 2014

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**Accounts** continued
 

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**Notes to the Accounts** for the year ended 31 May 2014 continued
 

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**4. Other expenses**

	2014 £'000	2013 £'000
Directors' remuneration	121	103
Auditors' remuneration – audit	26	26
Auditors' remuneration – non audit (services in relation to EU withholding tax reclamation)	–	35
Administration fee	89	71
Jupiter savings scheme and ISA participation fees	134	114
Bank and custody charges	80	109
Legal fees	133	52
Registrar fee	52	45
Other administrative expenses	256	141
	<b>891</b>	<b>696</b>

**5. Finance Costs**

	2014 £'000	2013 £'000
Short-term loans	505	609
Bank overdraft	–	21
	<b>505</b>	<b>630</b>

## Annual Report &amp; Accounts 2014

**Accounts continued****Notes to the Accounts for the year ended 31 May 2014 continued****6. Taxation****(a) Analysis of charge in year:**

	2014 £'000	2013 £'000
Overseas tax	637	466
<b>Total current tax (see Note 6b)</b>	<b>637</b>	<b>466</b>

**(b) Factors affecting current tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax for a company 22.67% (2013: 23.83%). The differences are explained below:

	2014 £'000	2013 £'000
Net return before taxation	46,112	96,334
Corporation tax at 22.67% (2013: 23.83%)	10,455	22,960
<b>Effects of</b>		
Tax free capital gain in investments	(9,394)	(21,873)
Non taxable income received	(2,069)	(2,034)
Overseas tax	637	466
Excess expenses for the year	976	920
Expenses not deductible for tax purposes	32	27
<b>Current tax charge for the year</b>	<b>637</b>	<b>466</b>

Due to the Company's status as an investment trust and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

There is an unrecognised deferred tax asset of £6,780,000 (2013: £6,321,000) which relates to unutilised excess expenses. The deferred tax asset would only be recovered if the Company were to generate sufficient profits to utilise these expenses. It is considered too uncertain that this will occur and therefore, no deferred tax asset has been recognised.

**7. Dividends**

	2014 £'000	2013 £'000
<b>Amounts recognised as distributions to equity holders in the period:</b>		
2013 Interim dividend 3.50p net (2012: 1.85p)	3,045	1,472

Set out below is the total dividend payable in respect of the financial year under review, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered:

	2014 £'000	2013 £'000
<b>Dividends on equity shares:</b>		
2014 Interim dividend 3.50p net (2013: 3.50p)	3,175	3,045

## Annual Report &amp; Accounts 2014

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**Accounts** continued
 

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**Notes to the Accounts** for the year ended 31 May 2014 continued
 

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**8. Return per Ordinary share**

The return per Ordinary share figure is based on the net profit for the year of £45,475,000 (2013: Profit £95,868,000), and on 88,595,150 (2013: 81,022,263) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The return per Ordinary share figure detailed above can be further analysed between revenue and capital, as below.

	2014 £'000	2013 £'000
Net revenue profit	4,021	4,094
Net capital profit	41,454	91,774
<b>Net total profit</b>	<b>45,475</b>	<b>95,868</b>
Weighted average number of Ordinary shares in issue during the year	88,595,150	81,022,263
Revenue return per Ordinary share	4.54p	5.05p
Capital return per Ordinary share	46.79p	113.27p
<b>Total return per Ordinary share</b>	<b>51.33p</b>	<b>118.32p</b>

**9. Investments held as at fair value through profit or loss****(a) Portfolio Investments**

	2014 £'000	2013 £'000
Valuation at beginning of year	381,838	280,022
Investment holding gains at beginning of year	(177,287)	(97,360)
Cost at beginning of year	204,551	182,662
Purchases at cost	98,259	62,650
Sales at cost	(51,951)	(40,761)
Cost at end of year	250,859	204,551
Investment holding gains at end of year	197,638	177,287
<b>Valuation at end of year</b>	<b>448,497</b>	<b>381,838</b>
Investments listed in the UK	126,531	117,738
Investments listed overseas	321,941	264,072
Unlisted investments	25	28
	<b>448,497</b>	<b>381,838</b>

	2014 £'000	2013 £'000
<b>Gains on investments</b>	<b>£'000</b>	<b>£'000</b>
Net gain realised on the sale of investments	19,012	14,755
Movement in investment holding gains	20,351	79,927
<b>Gain on investments</b>	<b>39,363</b>	<b>94,682</b>

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**Accounts** continued
 

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**Notes to the Accounts** for the year ended 31 May 2014 continued
 

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**10. Transaction costs**

During the year expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains/(losses) on investments in the Statement of Comprehensive Income. The total costs were as follows:

	2014 £'000	2013 £'000
Purchases	163	147
Sales	43	53
	<b>206</b>	<b>200</b>

**11. Receivables**

	2014 £'000	2013 £'000
Dividends receivable	1,528	1,051
Prepayments and accrued interest	14	15
Due from CFD counterparty	–	400
Share issues awaiting settlement	918	–
Overseas recoverable tax	1,288	1,802
	<b>3,748</b>	<b>3,268</b>

## Annual Report &amp; Accounts 2014

## ■ Accounts continued

## ■ Notes to the Accounts for the year ended 31 May 2014 continued

## 12. Current liabilities

	2014 £'000	2013 £'000
Interest payable	81	127
Other creditors and accruals	1,052	855
Due to CFD counterparty	–	105
Short-term bank loans	46,977	54,110
Purchases awaiting settlement	–	1,117
	<b>48,110</b>	<b>56,314</b>

**Bank Loan**

The Company's revolving bank loan is with Scotiabank Europe PLC, with a loan facility available up to a maximum of £65 million.

Of the balances outstanding at the start of the year, €51.6 million was repaid on 2 September 2013, £5 million was repaid on 2 September 2013 and £5 million was repaid on 5 August 2013.

During the year the Company used the loan facility as follows:

Date	Amount Borrowed	Date Repaid
4 June 2013	€51.6 million	2 September 2013
4 June 2013	£5 million	2 September 2013
4 July 2013	£5 million	5 August 2013
5 August 2013	£5 million	2 September 2013
2 September 2013	€51.6 million	2 October 2013
2 September 2013	£5 million	2 October 2013
2 October 2013	€51.6 million	2 January 2014
2 October 2013	£5 million	2 January 2014
11 October 2013	£0.8 Million	11 November 2013
2 January 2014	€51.6 million	2 April 2014
2 January 2014	£5 million	2 April 2014

The amount outstanding at 31 May 2014 consists of €51.6 million which was borrowed on 2 April 2014 and was repaid on 2 July 2014 with an all-in interest rate of 0.95823%, £5 million which was borrowed on 2 April 2014 and was repaid on 2 July 2014 with an all-in interest rate of 1.20839%.

**Accounts** continued**Notes to the Accounts** for the year ended 31 May 2014 continued**13. Financial instruments****Background**

The Company's financial instruments comprise securities and other investments, cash balances and term loans, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income. The numerical disclosures below exclude short-term debtors and creditors which are denominated in Sterling and do not incur interest and therefore are not subject to foreign currency risk or interest rate risk.

The principal risks the Company faces in its portfolio management activities are:

- foreign currency risk
- market price risk i.e. movements in the value of investment holdings caused by factors other than interest rate or currency movement
- interest rate risk
- liquidity risk
- credit and counterparty risk

The Investment Adviser's policies for managing these risks are summarised overleaf and have been applied throughout the year.

**(a) Foreign currency risk**

A portion of the financial assets of the Company are denominated in currencies other than Sterling with the result that the statements of financial position and comprehensive income can be significantly affected by currency movements.

The Company may hedge against foreign currency movements affecting the value of the investment portfolio where adverse movements are anticipated but otherwise takes account of this risk when making investment decisions.

**Foreign currency sensitivity**

The following tables illustrate the sensitivity of the profit after tax for the year and net assets to exchange rates for the £ against the Euro, Danish Krone, Swiss Franc, Norwegian Krone, US Dollar and Swedish Krona. It assumes the following changes in exchange rates:

£/Euro +/- 5% (2013: +/- 5%)      £/Danish Krone +/- 5% (2013: +/- 5%)      £/Swiss Franc +/- 5% (2013: +/- 5%)  
 £/Norwegian Krone +/- 10% (2013: +/- 5%)      £/US Dollar +/- 5% (2013: +/- 5%)      £/Swedish Krona +/- 5% (2013: +/- 10%)

These percentages have been determined based on market volatility in exchange rates over the previous twelve months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at the date of each statement of financial position.

If sterling had weakened against the currencies below this would have the following effect on revenue, capital, total return and, accordingly, net assets:

	2014			2013		
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Euro	(68)	6,936	6,868	(10)	5,342	5,332
Danish Krone	(28)	3,692	3,664	(5)	2,568	2,563
Swiss Franc	(14)	1,863	1,849	(3)	1,492	1,489
Norwegian Krone	(16)	2,131	2,115	(2)	1,083	1,081
US Dollar	–	1	1	–	1	1
Swedish Krona	(3)	441	438	(2)	1,026	1,024
	<b>(129)</b>	<b>15,064</b>	<b>14,935</b>	<b>(22)</b>	<b>11,512</b>	<b>11,490</b>

## ■ Accounts continued

## ■ Notes to the Accounts for the year ended 31 May 2014 continued

### 13. Financial instruments continued

If sterling had strengthened against the currencies below this would have the following effect:

	2014			2013		
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Euro	68	(6,936)	(6,868)	10	(5,342)	(5,332)
Danish Krone	28	(3,692)	(3,664)	5	(2,568)	(2,563)
Swiss Franc	14	(1,863)	(1,849)	3	(1,492)	(1,489)
Norwegian Krone	16	(2,131)	(2,115)	2	(1,083)	(1,081)
US Dollar	–	(1)	(1)	–	(1)	(1)
Swedish Krona	3	(441)	(438)	2	(1,026)	(1,024)
	<b>129</b>	<b>(15,064)</b>	<b>(14,935)</b>	<b>22</b>	<b>(11,512)</b>	<b>(11,490)</b>

#### (b) Market price risk

By the very nature of its activities, the Company's investments are exposed to market price fluctuations. The Board reviews and agrees policies for managing this risk. The fund manager assesses the exposure to market price risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis. Further information on the investment portfolio and investment policy is set out in the Investment Adviser's Review.

#### Other price risk sensitivity

The following illustrates the sensitivity of the profit after taxation for the year and the total equity to an increase or decrease of 20% (2013: 20%) in the fair value of the Company's equities. This level of change is considered to be reasonably possible based on observation of market conditions during the year. The sensitivity analysis is based on the Company's equities at each reporting date, with all other variables held constant.

The impact of a 20% increase in the value of investments on the revenue return as at 31 May 2014 is a decrease of £144,000 (2013: Decrease £134,000) and on the capital return is an increase of £76,912,000 (2013: £71,269,000).

The impact of a 20% fall in the value of investments on the revenue return as at 31 May 2014 is an increase of £168,000 (2013: Increase £143,000) and on the capital return is a decrease of £89,699,000 (2013: 76,368,000).

**Accounts continued****Notes to the Accounts for the year ended 31 May 2014 continued****13. Financial instruments continued****(c) Interest rate risk**

Interest rate movements may affect:

- the fair value of investments of any fixed interest securities
- the level of income receivable from any floating interest-bearing securities and cash at bank and on deposit, and
- the interest payable on the Company's floating interest term loans.

**Financial assets**

	2014			2013		
	Cashflow interest rate risk	No interest rate risk	Total	Cashflow interest rate risk	No interest rate risk	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Sterling	3,575	126,530	130,105	9,281	117,738	127,019
Euro	1,168	180,705	181,873	2,728	150,959	153,687
Danish Krone	91	73,849	73,940	–	51,351	51,351
Swedish Krona	–	8,821	8,821	–	10,263	10,263
Swiss Franc	93	37,259	37,352	–	29,848	29,848
Norwegian Krone	129	21,308	21,437	–	21,651	21,651
US Dollar	–	25	25	–	28	28
	<b>5,056</b>	<b>448,497</b>	<b>453,553</b>	<b>12,009</b>	<b>381,838</b>	<b>393,847</b>

The floating interest rate risk assets consist of cash deposits at call.

**Interest rate sensitivity**

As interest rates for any short-term loans are fixed at the commencement of the loan, only cash deposits at call are subject to interest rate movement. All such deposits at call earn interest at a daily rate. Therefore, if a sensitivity analysis was performed by increasing or decreasing the interest rates applicable to the Company's cash balances held at each reporting date, with all other variables held constant, there would be no material change to the profit after taxation or net assets for the year.

**(d) Liquidity risk**

Liquidity risk is not considered significant. All liabilities are payable within three months.

The Company's assets comprise mainly readily realisable securities which can be sold to meet funding requirements if necessary. Short-term flexibility is achieved through the use of short-term borrowings.

**(e) Credit and counterparty risk**

Credit risk is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits. The Company manages credit risk by using brokers from a database of approved brokers who have undergone rigorous due diligence tests by the Investment Adviser's Risk Management Team and by dealing through Jupiter Asset Management Limited with banks approved by the Financial Conduct Authority. Any derivative positions are marked to market and exposure to counterparties is monitored on a daily basis by the Investment Adviser; the Board of Directors reviews it on a quarterly basis. The maximum exposure to credit risk at 31 May 2014 was £8,804,000 (2013: £15,277,000). The calculation is based on the Company's credit exposure as at 31 May 2014 and may not be representative of the year as a whole.

## Accounts continued

## Notes to the Accounts for the year ended 31 May 2014 continued

### 13. Financial instruments continued

#### (f) Fair value of financial assets and financial liabilities

The financial assets and financial liabilities are carried in the statement of financial position at their fair value or the statement amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals and cash at bank).

#### Financial liabilities

	2014		2013	
	Carrying value £'000	Fair value £'000	Carrying value £'000	Fair value £'000
Sterling bank loans	5,000	5,000	10,000	10,000
Euro bank loans	41,977	41,977	44,110	44,110

Details of the short-term bank loans are disclosed in Note 12.

#### Fair value hierarchy

IFRS 13 'Financial Instruments: Disclosures' require an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	2014				2013			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	448,472	–	25	448,497	381,810	–	28	381,838

#### Level 3

A reconciliation of fair value measurements in level 3 is set out in the following table.

	£'000
Opening balance	28
Fair value movements	(3)
<b>Closing balances</b>	<b>25</b>

#### (g) Use of derivatives

In order to enhance returns, the Company may take short positions (using contracts for difference) in respect of a small number of larger capital securities. No positions were held at the year end.

**Accounts** continued**Notes to the Accounts** for the year ended 31 May 2014 continued**13. Financial instruments** continued**(h) Capital management policies and procedures**

The Board with the assistance of the Investment Adviser monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Investment Adviser's view on the market;
- the need to buy back equity shares, either for cancellation or to hold in treasury, which takes account of the difference between the Net Asset Value per share and the share price (i.e. the level of share price discount or premium);
- the need for new issues of equity shares, including shares from treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is subject to several externally imposed capital requirements:

- The value of any short-term loans must be supported by a level of readily realisable assets.
- As a public company, the Company has a minimum share capital of £50,000.
- In order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

These requirements are unchanged since last year, and the Company has complied with them.

As at 31 May 2014 the Company's total capital was £409,191,000 (2013: £340,801,000) made up of::

	2014 £'000	2013 £'000
Ordinary shares	907	844
Reserves	408,284	339,957
<b>Total capital</b>	<b>409,191</b>	<b>340,801</b>

**14. Called-up share capital**

As at 31 May 2014	Number	2014 £	Number	2013 £
<b>Authorised</b>				
Ordinary shares of 1p each	305,000,000	3,050,000	305,000,000	3,050,000
<b>Issued called-up and fully paid</b>				
Ordinary shares of 1p each	90,676,474	906,765	84,444,523	844,445

## Annual Report &amp; Accounts 2014

 Accounts continued Notes to the Accounts for the year ended 31 May 2014 continued**14. Called-up share capital** continued

During the year the Company issued 6,231,951 Ordinary shares as follows:

Date of Issue	Number	Issue price (pence)
4 June 2013	125,000	403.0
12 June 2013	100,000	394.5
14 June 2013	200,000	393.0
17 June 2013	100,000	394.0
21 June 2013	325,000	387.0
25 June 2013	100,000	376.0
4 July 2013	500,000	391.5
9 July 2013	100,000	411.5
18 July 2013	100,000	419.5
30 July 2013	100,000	420.0
2 August 2013	100,000	431.0
8 August 2013	350,000	423.0
13 August 2013	200,000	425.0
16 August 2013	150,000	423.0
28 August 2013	225,000	423.0
9 September 2013	125,000	420.5
10 September 2013	181,951	421.5
11 October 2013	850,000	417.5
16 October 2013	175,000	420.0
18 October 2013	150,000	421.0
22 October 2013	150,000	426.0
24 October 2013	100,000	430.0
28 October 2013	150,000	432.3
4 November 2013	175,000	431.0
6 November 2013	100,000	428.8
21 November 2013	125,000	425.0
16 December 2013	100,000	421.0
23 December 2013	100,000	432.0
30 December 2013	100,000	437.5
6 February 2014	100,000	432.8
7 February 2014	125,000	438.0
18 March 2014	75,000	450.0
25 March 2014	275,000	450.0

## Annual Report &amp; Accounts 2014

## Accounts continued

## Notes to the Accounts for the year ended 31 May 2014 continued

### 14. Called-up share capital continued

Date of Issue	Number	Issue price (pence)
9 April 2014	50,000	447.0
15 April 2014	50,000	441.0
30 May 2014	200,000	459.0
<b>Total</b>	<b>6,231,951</b>	

### 15. Share premium

	2014 £'000	2013 £'000
At 1 June 2013	59,589	41,286
Issue of Ordinary shares	25,897	18,303
<b>At 31 May 2014</b>	<b>85,486</b>	<b>59,589</b>

### 16. Special reserve

	2014 £'000	2013 £'000
At 1 June 2013	33,687	33,687
<b>At 31 May 2014</b>	<b>33,687</b>	<b>33,687</b>

On 23 January 2001, pursuant to a special resolution passed on 17 January 2001, court approval was granted for the reduction of the share premium account by 50%. The reduction was made to enable the Company to repurchase its own shares from the funds held in the special reserve created as a result of the reduction in the share premium account as and when deemed appropriate by the board of directors.

### 17. Capital redemption reserve

	2014 £'000	2013 £'000
At 1 June 2013	45	45
<b>At 31 May 2014</b>	<b>45</b>	<b>45</b>

### 18. Retained earnings

The table below shows the movement in the retained earnings analysed between revenue and capital items.

	Revenue return £'000	Capital return £'000	Total £'000
At 1 June 2013	6,963	239,673	246,636
Net return for the year	4,021	41,454	45,475
Dividends paid	(3,045)	–	(3,045)
<b>At 31 May 2014</b>	<b>7,939</b>	<b>281,127</b>	<b>289,066</b>

The capital reserve includes £196,638,000 of investment holding gains (2013: £177,287,000).

## Annual Report &amp; Accounts 2014

## Accounts continued

## Notes to the Accounts for the year ended 31 May 2014 continued

### 19. Net Asset Value per Ordinary share

The Net Asset Value per Ordinary share is based on the net assets attributable to the equity shareholders of £409,191,000 (2013: £340,801,000) and on 90,676,474 (2013: 84,444,523) Ordinary shares, being the number of Ordinary shares in issue at the year end.

### 20. Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities

	2014 £'000	2013 £'000
Net return before finance costs and taxation	46,617	96,964
Gain on investments	(39,363)	(94,682)
Realised loss/(gain) on foreign currency	176	(241)
Foreign exchange (gain)/loss on loans	(2,133)	2,747
Purchases of investments	(99,376)	(62,358)
Sales of investments	70,963	58,227
Increase in prepayments and accrued income	(76)	(663)
Decrease/(increase) in other creditors and accruals	92	(3,215)
<b>Net cash outflow from operating activities before interest and taxation</b>	<b>(23,100)</b>	<b>(3,221)</b>

### 21. Analysis of changes in net debt

	1 June 2013 £'000	Cashflow £'000	Foreign Exchange £'000	31 May 2014 £'000
Cash:				
Cash at bank	12,009	(6,777)	(176)	5,056
Debt:				
Bank loans	(54,110)	5,000	2,133	(46,977)
<b>Total</b>	<b>(42,101)</b>	<b>(1,777)</b>	<b>1,957</b>	<b>(41,921)</b>

### Reconciliation of net cash flow to movement in net debt

	2014 £'000	2013 £'000
Net debt at beginning of year	(42,101)	(51,747)
Decrease/(increase) in cash for the year	(6,777)	12,152
Decrease in debt	5,000	–
Foreign exchange movement	1,957	(2,506)
<b>Net debt at the end of year</b>	<b>(41,921)</b>	<b>(42,101)</b>

**Accounts continued****Notes to the Accounts for the year ended 31 May 2014 continued****22. Related parties**

Alexander Darwall, the fund manager is an employee of the Investment Adviser, Jupiter Asset Management Limited ('JAM'), a company within the same group as the Alternative Investment Fund Manager, Jupiter Unit Trust Managers Limited ('JUTM'), and Jupiter Administration Services Limited. These companies received investment management and administration fees as set out below.

Further details of directors remuneration and shareholdings can be found on pages 21 and 22 (no fees are outstanding at the year end).

During the financial year under review, Jupiter Asset Management Limited was contracted to provide investment management services to the Company (subject to termination by not less than one year's notice by either party) for a quarterly fee of 0.1875% of the total assets of the Company, excluding the value of any Jupiter managed investments, payable in arrears on 31 May, 31 August, 30 November and the last calendar day of February. The Management fee for the year was £3,075,000 (2013: £2,654,000) with £856,000 outstanding as at 31 May 2014 (2013: £739,000).

Jupiter Asset Management Limited was also entitled to an investment performance fee which is based on the out-performance of the Net Asset Value per Ordinary share over the total return on the Benchmark Index, the FTSE World Europe ex UK Total Return Index in an accounting period. Any performance fee payable will equal 15% of the amount by which the increase in the Net Asset Value per Ordinary share (plus any dividends per Ordinary share paid or payable and any accrual for unpaid performance fees for the period) exceeds the higher of (a) the Net Asset Value per Ordinary share on the last business day of the previous accounting period; (b) the Net Asset Value per Ordinary share on the last day of a period in respect of which a performance fee was last paid; and (c) 100p. In each case the values of (a), (b) and (c) are increased by the percentage by which the total return of the Benchmark Index increases or decreases during the calculation period. The total amount of any performance fee payable in respect of one accounting period is limited to 4.99% of the Total Assets of the Company. No performance fee was payable for the year ended 31 May 2014 (2013: £nil).

The contract to provide accounting and administration services to the company by Jupiter Administration Services Ltd. ended on 30 September 2013 following an outsourcing arrangement with JPMorgan with effect from 1 October 2013. The fee paid to 30 September 2013 was £24,000 (31 March 2013: £91,000).

The Company has invested from time to time in funds managed by Jupiter Investment Management Group Limited or its subsidiaries. The only such holding as at 31 May 2014 was East European Food Fund representing 0.006% of total investments (2013: 0.007% of total investments).

**23. Contingent liabilities and capital commitments**

There were no contingent liabilities or capital commitments outstanding as at 31 May 2014 (2013: nil).

**24. Post balance sheet event****Appointment of Alternative Investment Fund Manager**

The Company appointed Jupiter Unit Trust Managers Limited ('JUTM') as its Alternative Investment Fund Manager ('AIFM') with effect from 22 July 2014. In order to facilitate this appointment, the Company terminated the investment management agreement (the 'IMA') with Jupiter Asset Management Limited ('JAM') and entered into a new investment management agreement with JUTM ('the new IMA'). The new IMA contains no substantive changes to the previous IMA other than to reflect regulatory changes, changes to service providers to the Company and to update the agreement to reflect current market practice. Under these new arrangements, certain investment management functions have been delegated from JUTM to JAM. Furthermore, any high water mark accrued under the Company's performance fee with JAM has been carried forward into the new investment management agreement with JUTM.

**Appointment of Depositary**

As required by the Alternative Investment Fund Managers Directive, the Company has appointed J.P. Morgan Europe Limited ('JPM Europe') as its depositary for cash monitoring, the safekeeping of financial instruments, other assets and oversight with effect from 22 July 2014. The Global Custody Agreement with J.P. Morgan Chase Bank N.A. ('JPMCB') will remain in place; JPM Europe will enter into an internal delegation agreement with JPMCB to delegate the custody function to it.

## Investor Information

### How to Invest in the Company

Jupiter Asset Management Limited operates dedicated Investment Companies ISA and Savings Schemes ('Schemes') which offer a simple and cost-effective means of buying shares in the Company. Investors can use these Schemes to create a monthly savings plan, for lump sum investments or for a combination of both.

		Maximum	Minimum
• Jupiter Investment Companies Savings Scheme	Lump Sum	N/A	£500
	Monthly	N/A	£50
• Jupiter Investment Companies Stocks & Shares ISA for 2014/15	Lump Sum	£11,880*	£500
	Monthly	£990	£50
• Jupiter Investment Companies ISA Transfer		N/A	£500
• Direct via Stock Market	Please refer to your stockbroker, bank or financial adviser.		

\*£15,000 with effect from 1 July 2014

For further information and details of the terms and conditions of the Schemes please write to Jupiter Asset Management Limited, PO Box 10667, Chelmsford CM99 2BH, call 0844 620 7602 (for overseas investors call +44 (0)1268 448 644), email [investmentcompanies@jupiter-group.co.uk](mailto:investmentcompanies@jupiter-group.co.uk) or connect online to [www.jupiteronline.com/European](http://www.jupiteronline.com/European).

The Company currently conducts its affairs so that its shares can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

### Performance Updates

Under the Listing Rules of the London Stock Exchange, the Company is required to publish quarterly 'Interim Management Statements' to shareholders. Your Company's statements will include a report from the Investment Adviser; an updated Net Asset Value for the Company's shares together with historical performance statistics relative to the Company's benchmark index; a list of the Company's ten largest portfolio holdings; the level of gearing and details of any major investment changes which have taken place during the quarter under review.

The Company's Interim Management Statements will be announced to the London Stock Exchange through the Regulatory News Service. Much of the information contained in the Interim Management Statement is also included in the Company's monthly factsheet, which contains key information about its performance, investment portfolio and pricing. The factsheets, together with electronic copies of the most recent full and interim reports and accounts and Interim Management Statement, are available for download from [www.jupiteronline.com/European](http://www.jupiteronline.com/European). Should you wish to be added to an email distribution list for future editions of the monthly factsheet, please send an email to [investmentcompanies@jupiter-group.co.uk](mailto:investmentcompanies@jupiter-group.co.uk). For investors who do not have access to the internet, these documents are also available on request from Jupiter's Customer Services Team on 0844 620 7602.

Further information about the Company is also available from third party websites such as [www.morningstar.co.uk](http://www.morningstar.co.uk) and [www.trustnet.com](http://www.trustnet.com).

## ■ Important Risk Warnings

### Performance

The value of investment trust shares and the income from them may go down as well as up and you may not get back your original investment. Past performance is not a guide to future performance. Investment trust shares may trade at a discount or a premium to the value of the investment trust's assets.

Funds investing in overseas securities are exposed to and can hold currencies other than sterling. As a result, exchange rate movements may cause the value of investments to decrease or increase. Emerging markets tend to be more volatile than more established stock markets and therefore your money is at greater risk. Other risk factors such as political and economic conditions should also be considered. Smaller companies are riskier and less liquid than larger companies which means their share price may be more volatile.

Investment trusts can borrow money to make additional investments on top of shareholders' funds (gearing). If these investments fall in value, gearing will magnify the negative impact on performance. If an investment trust incorporates a large amount of gearing its value may be subject to sudden and large falls in value and you could get back nothing at all.

Where investment trust companies are involved in corporate activity, this may change the risk profile of individual shares, as well as impacting on the portfolio strategy, capital structure and duration of the company. The value of current tax relief depends on individual circumstances. If you have doubts about your tax position you should seek professional advice. The level of yield may be subject to fluctuation and is not guaranteed. Whilst this increases the yield, it will restrict the potential for capital growth. Net Asset Value ('NAV') performance is not the same as share price performance and investors may not realise returns the same as NAV performance.

Where a fund holds a limited number of investments and one or more of those investments declines or is otherwise adversely affected, it may have a more profound effect on the Fund's value than if a larger number of investments were held. If you choose to reinvest dividends to buy more shares in the same investment trust that paid the dividend, you should be aware that this will increase your investment risk exposure to the investment performance of that company. Funds which specialise investing in a particular region or market sector are more risky than those which hold a very broad spread of investments.

### Warning to Shareholders – Boiler Room Scams

Over the last year, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the Financial Conduct Authority ('FCA') has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FCA before getting involved by visiting [www.fca.gov.uk/register/](http://www.fca.gov.uk/register/)
- Report the matter to the FCA either by calling 0300 123 2040 or visiting [www.actionfraud.police.uk/](http://www.actionfraud.police.uk/)
- If the calls persist, hang up.

If you deal with an unauthorized firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FCA can be contacted by completing an online form at [www.fca.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml](http://www.fca.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml)

Details of any share dealing facility that the Company endorses will be included in Company mailings.

More detailed information on this or similar activity can be found on the FCA website [www.fca.gov.uk/consumerinformation/scamsandswindles/investment\\_scams/boiler\\_room](http://www.fca.gov.uk/consumerinformation/scamsandswindles/investment_scams/boiler_room)

## Company Information

<b>Directors</b>	Hugh Priestley, Chairman Philip Best Alexander Darwall Andrew Sutch John Wallinger
<b>Registered Office</b>	1 Grosvenor Place London SW1X 7JJ
<b>Alternative Investment Fund Manager</b>	Jupiter Unit Trust Managers Limited* 1 Grosvenor Place London SW1X 7JJ
<b>Telephone</b>	<b>020 7412 0703</b>
<b>Facsimile</b>	<b>020 7314 6494</b>
<b>Website</b>	<b><a href="http://www.jupiteronline.com/European">www.jupiteronline.com/European</a></b>
<b>Email</b>	<b><a href="mailto:investmentcompanies@jupiter-group.co.uk">investmentcompanies@jupiter-group.co.uk</a></b>
	Authorised and regulated by the Financial Conduct Authority
<b>Investment Adviser* &amp; Secretary</b>	Jupiter Asset Management Limited 1 Grosvenor Place London SW1X 7JJ
<b>Telephone</b>	<b>020 7412 0703</b>
<b>Facsimile</b>	<b>020 7314 6494</b>
	Authorised and regulated by the Financial Conduct Authority
<b>Custodian</b>	J.P. Morgan Chase Bank N.A. 25 Bank Street Canary Wharf London E14 5JP
	Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	J.P. Morgan Europe Limited* 25 Bank Street Canary Wharf London E14 5JP
	Authorised and regulated by the Financial Conduct Authority
<b>Registrars</b>	Capita Asset Services 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Telephone</b>	<b>0871 664 0300</b> (Lines are open from 9.00am to 5.30pm Monday to Friday. Calls cost 10 pence per minute plus network extras)
<b>Telephone (international)</b>	<b>+44 (0)20 8639 3367</b>
<b>Website</b>	<b><a href="http://www.capitaassetservices.com">www.capitaassetservices.com</a></b>
<b>Email</b>	<b><a href="mailto:ssd@capitaassetservices.com">ssd@capitaassetservices.com</a></b>
<b>Auditor</b>	Ernst & Young LLP 1 More London Place London SE1 2AF
<b>Company Registration Number</b>	4056870 Registered in England & Wales An investment company under s.833 of the Companies Act 2006.

\* With effect from 22 July 2014

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■ **Company Information** continued

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**Investor Codes**

The Ordinary shares of the Company are traded on the London Stock Exchange and their price is published daily in the Financial Times under 'Investment Companies'.

**Sedol Number**

Ordinary shares 0019772

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**ISIN**

Ordinary shares GB0000197722

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**Ticker**

Ordinary shares JEO

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## Notice of Annual General Meeting

This Notice of Meeting is an important document. If you are in any doubt as to what action to take, you should consult an appropriate independent adviser.

Notice is hereby given that the Annual General Meeting of Jupiter European Opportunities Trust PLC will be held at 1 Grosvenor Place, London SW1X 7JJ on 5 November 2014 at 10.30am.

Shareholders will be asked to consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary resolutions, except for resolutions 13, 14, 15 and 16, which will be proposed as Special resolutions:

### ORDINARY BUSINESS

1. That the Report of the Directors and the audited Accounts of the Company for the year ended 31 May 2014 be received.
2. That the Directors' Remuneration Report for the year ended 31 May 2014 be approved.
3. That the Directors' Remuneration Policy be approved.
4. That Mr H M Priestley be re-elected as a Director of the Company.
5. That Mr P E F Best be re-elected as a Director of the Company.
6. That Mr A F C Darwall be re-elected as a Director of the Company.
7. That Mr A L Sutch be re-elected as a Director of the Company.
8. That Mr J D A Wallinger be re-elected as a Director of the Company.
9. That Ernst & Young LLP be reappointed as Auditor of the Company.
10. That the Directors be authorised to agree the remuneration of the Auditor.

### SPECIAL BUSINESS

11. That the Company continue as an investment trust.
12. That the Directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the 'Act'), in substitution for and to the exclusion of any outstanding authority previously conferred on the Directors under Section 551 of the Act, to allot shares in the capital of the Company ('shares') up to a maximum aggregate nominal amount of £302,119 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.
13. That the Directors of the Company be and are hereby granted power pursuant to Section 570 and/or Section 573 of the Companies Act 2006 ('the Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash either pursuant to the authority conferred by Resolution 12 or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
  - (a) the allotment of equity securities up to an aggregate nominal amount of £302,119; and
  - (b) in addition to the authority referred to in (a) above, in connection with an offer of equity securities by way of a rights issue or open offer to ordinary shareholders in proportion as nearly as may be practicable to their existing holdings subject to such limits or restrictions or other arrangements as the Directors

may deem necessary or expedient to deal with any treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws or requirements of, any territory or the requirements of any regulatory body or stock exchange or any other matter,

provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.

14. That the Company be and is generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of Section 693 of the Act) of Ordinary shares provided that:
  - (a) the maximum number of shares that may be purchased is 13,599,898 Ordinary shares, being 14.99 per cent. of the issued number of Ordinary shares at the date of this document or, if lower, such number as is equal to 14.99 per cent. of the issued number of Ordinary shares at the date of passing the resolution;
  - (b) the minimum price which may be paid shall be one pence per Ordinary share;
  - (c) the maximum price (excluding the expenses of such purchase) which may be paid for each Ordinary share is the higher of:
    - (i) 105% of the average middle market quotations for such Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is purchased; and
    - (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation EC 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No. 2273/2003); and
  - (d) unless renewed, the authority shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2015 save that the Company may, prior to such expiry, enter into a contract to purchase shares which will or may be completed or executed wholly or partly after such expiry.
15. That a General Meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.
16. That the articles of association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

**By Order of the Board**  
 Jupiter Asset Management Limited  
 Company Secretary  
 4 September 2014

1 Grosvenor Place  
 London SW1X 7JJ

## Notes for Annual General Meeting

1. A Member entitled to attend and vote may appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company. A form of proxy is enclosed which, if used, must be lodged at the Company's Registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than forty-eight hours before the Meeting. To appoint more than one proxy you may photocopy this form. You may appoint a person other than the Chairman as your proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
  2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that to be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's Register of Members at 6.00pm on 3 November 2014. If the meeting is adjourned then, to be so entitled, Members must be entered on the Company's Register of Members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
  3. As at 29 August 2014 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 90,726,474 Ordinary shares, carrying one vote each. The Company holds no shares in Treasury. Therefore, the total voting rights in the Company as at 29 August 2014 were 90,726,474 votes.
  4. The vote 'Withheld' is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Withheld' vote is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
  5. The completion and return of this form will not preclude a Member from attending the meeting and voting in person.
  6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 5 November 2014 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.  

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent ID (RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the Meeting so that (a) if a corporate shareholder has appointed the Chairman of the Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the Meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (b) if more than one corporate representative for the same corporate shareholder attends the Meeting but the corporate shareholder has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – [www.icsa.org.uk](http://www.icsa.org.uk) – for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (a) above.
  8. If you have disposed of your holding in the Company the report should be passed on to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.
  9. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
  10. A copy of the Notice of Meeting and other information required by section 311A of the Companies Act 2006, can be found at [www.jupiteronline.com/European](http://www.jupiteronline.com/European).

**For use at the Annual General Meeting**

**Form of Proxy**

I/We .....

of (address) .....

being a member of JUPITER EUROPEAN OPPORTUNITIES TRUST PLC hereby appoint the Chairman of the meeting or failing him:

as my/our proxy to vote for me/us and on my/our behalf at the **Annual General Meeting** of the Company to be held at 10.30am on 5 November 2014 and at any adjournment thereof.

I/We direct my/our proxy to vote on the resolutions as set out in the Notice convening the **Annual General Meeting** as follows:

	FOR	AGAINST	WITHHELD
1. To receive and adopt the Report of the Directors and audited Accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve the Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve the Directors' Remuneration Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr H M Priestley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Mr P E F Best	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect Mr A F C Darwall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-elect Mr A L Sutch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To re-elect Mr J D A Wallinger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To reappoint the Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. To determine the Auditor's remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. To approve the continuation of the Company as an investment trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. To authorise the directors to allot shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. To authorise the directors to disapply pre-emption rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. To authorise the Company to make market purchases of its own shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. To approve the notice period for General Meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. To adopt new articles of association	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated ..... 2014 ..... Signature

**Notes:**

- Please indicate how you wish your votes to be cast on a poll in respect of the resolutions to be proposed at the said meeting. If you do not indicate how you wish your proxy to use your votes, the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting. Your proxy will have the authority to vote at his discretion on any amendment or other motion proposed at the meeting, including any motion to adjourn the meeting. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- If you prefer to appoint some other person or persons as your proxy, strike out the words 'the Chairman of the Meeting, or failing him' and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the Company. Completion of a form of proxy will not preclude a member from attending and voting in person.
- In the case of joint holders, the signature of the holder whose name stands first in the relevant register of members will suffice as the vote of such holder and shall be accepted to the exclusion of the votes of the other joint holders. The names of all joint holders should, however, be shown.
- If a member is a corporation, this form must be executed either under its common seal or under the hand of an officer or agent duly authorised in writing. In the case of an individual the proxy must be signed by the appointer or his agent, duly authorised in writing.
- This form of proxy has been sent to you by post. It may be returned in the pre-paid business reply envelope provided, or by post or courier or by hand to the Company's Registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. CREST members should use the CREST electronic proxy appointment service and refer to Note 6 in the Notes to the Notice of Meeting on page 53 in relation to the submission of a proxy appointment via CREST.
- In each case the proxy appointment must be received not less than 48 hours before the time for the holding of the meeting or adjourned meeting together (except in the case of appointments made electronically) with any authority (or a notarially certified copy of such authority) under which it is signed.



**For use at the Annual General Meeting**

**Form of Direction**

For use only by participants in the Jupiter Investment Companies Savings Scheme and ISA

For use by shareholders of the Company through the Jupiter Investment Companies Savings Scheme and/or the Jupiter Investment Companies ISA (each a 'Scheme') at the **Annual General Meeting** of the Company to be held at 10.30am on 5 November 2014.

With reference to the **Annual General Meeting** and at any adjournment thereof, I/we .....

as a participant in a Scheme(s), hereby advise Nortrust Nominees Limited (as the registered shareholder) that (please insert an 'X' in the appropriate box).

**A** I/We wish the votes attaching to the Ordinary shares owned by me under the Scheme(s) to be exercised on the resolutions to be put to the meeting as follows:

	FOR	AGAINST	WITHHELD
1. To receive and adopt the Report of the Directors and audited Accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve the Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve the Directors' Remuneration Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr H M Priestley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Mr P E F Best	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect Mr A F C Darwall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-elect Mr A L Sutch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To re-elect Mr J D A Wallinger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To reappoint the Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. To determine the Auditor's remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. To approve the continuation of the Company as an investment trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. To authorise the directors to allot shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. To authorise the directors to disapply pre-emption rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. To authorise the Company to make market purchases of its own shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. To approve the notice period for General Meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. To adopt new articles of association	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**B** I wish to attend the above meeting and I hereby request you to appoint me as your corporate representative in respect of my shareholding owned by me under the Scheme(s) to enable me to attend and to vote in all circumstances at the meeting (see Note 1 below).

**No**       **Yes**

Dated ..... 2014 ..... Signature

**Notes:**

- If you select option 'B' above, arrangements will be made for you to attend the Meeting as corporate representative of Nortrust Nominees Limited. As a corporate representative of Nortrust Nominees Limited you will be entitled to speak at the meeting and to vote on both a show of hands and a poll. Unless you are appointed as a corporate representative of Nortrust Nominees Limited, as you are not a registered shareholder in the Company, you will not be able to attend and vote at the Meeting or any adjournment thereof.
- If you have executed a power of attorney over your investment, please arrange for this Form of Direction to be signed by the attorney. The power of attorney (or a certified copy thereof) should be sent together with this Form of Direction to Jupiter Asset Management Limited at the address shown overleaf. No other signatures are acceptable.
- In the case of joint participants in the Jupiter Investment Companies Savings Scheme, this Form of Direction must be signed by all joint participants even though only the name standing first in the Scheme records should be stated in block capitals below. More than one joint participant may attend the Meeting but, on a poll, only one participant wishes to attend the Meeting, their votes may be cast by the participant(s) by selecting section 'A' above and signing and returning this Form of Direction. It is not possible to hold shares in the Jupiter Investment Companies ISA in joint names.
- For this Form of Direction to be effective it must be duly completed (by placing an 'X' in either Box A or Box B and placing an 'X' either in the box 'For', 'Against' or 'Withheld' next to the resolution) and returned in the pre-paid business reply envelope provided, or by post or courier or by hand so as to be received by Jupiter Asset Management Limited by no later than 11.30am on 29 October 2014.



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