Jupiter Japan Income Fund

For the six months ended 31 January 2020

INTERIM

Report & Accounts (unaudited)

ON THE PLANET TO PERFORM

JUPITER

Contents

Fund Information

Manager, Registrar and Administrator

Jupiter Unit Trust Managers Limited
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Registered Address:
The Zig Zag Building,
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London SW1E 6SQ
Authorised and regulated by the Financial Conduct Authority.

Trustee

Northern Trust Global Services SE (UK branch)
50 Bank Street
Canary Wharf
London E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority.

Investment Adviser

Jupiter Asset Management Limited
The Zig Zag Building
70 Victoria Street
London SW1E 6SQ

Authorised and regulated by the Financial Conduct Authority.

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Directors

The Directors of Jupiter Unit Trust Managers Limited are:

R Corfield*
P M Moore
J Singh
K Baillie
T Scholefield
P Wagstaff

*Resigned 31 January 2020

It is the intention of Jupiter Unit Trust Managers Limited to make this Report & Accounts available on their website. The maintenance and integrity of the Jupiter Unit Trust Managers Limited website is the responsibility of the Directors; the work carried out by the auditors of the Jupiter Japan Income Fund does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Fund Information (continued)

Investment Objective

To provide income together with the prospect of capital growth in order to provide a return, net of fees, higher than that provided by the TOPIX Index over the long term (at least five years).

Investment Policy

At least 70% of the Fund is invested in shares of companies based in Japan. Up to 30% of the Fund may be invested in other assets, including shares of companies based anywhere in the world, open-ended funds (including funds managed by Jupiter and its associates), cash and near cash.

The Fund may only enter into derivative transactions for the purposes of efficient portfolio management, i.e. to reduce risk, minimise costs or generate additional capital and/or income. The Fund may not enter into derivative transactions for investment (i.e. speculative) purposes.

Benchmark

The TOPIX Index is an industry standard index and is one of the leading representations of Japanese stock markets. It is easily accessible and provides a fair reflection of the Fund Manager's investment universe and a good relative measure to assess performance outcomes.

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the IA Japan Sector.

Status

The Fund operates under the Investment Funds Sourcebook (FUND) where applicable and the Collective Investment Schemes Sourcebook (COLL) of the Financial Conduct Authority. The Fund is an authorised unit trust scheme under section 237 of the Financial Services and Markets Act 2000 and is a UCITS scheme as defined in the COLL rules. It is in the 'Japan' Investment Association sector.

The Fund is a qualifying fund for inclusion within a stocks and shares Individual Savings Account (ISA). It is the Manager's intention to continue to manage the affairs of the Fund in order to meet the qualifying requirements as outlined in the current legislation.

Unit Classes

In addition to the basic class of units which are available to all types of investors, the Fund also offers I-Class units, I-H Class units and Z-Class units and Z-H Class units. I-Class units are available to investors who invest at least £5,000,000 Z-Class units and Z-H Class units are available to investors who invest at least £125,000,000. The Fund introduced I-H Class income units on 28 June 2010. The purpose of these units is to reduce the effect of fluctuations in the rate of exchange between the currency of the unit class and the currency in which all or part of the underlying assets are denominated or valued. The intention is that holders of units in a hedged currency unit class shall receive a return in sterling substantially in line with the true performance of the assets of the Fund by reference to the value of that property in the currency in which the assets are denominated and shall not be affected (whether positively or negatively) by fluctuations in the rate of exchange between the currency of the class of units (sterling) and the relevant currency or currencies in which the assets are denominated. The Fund also offers I-Class units in addition to the I-H Class. These units are available to investors who invest at least £5,000,000 and Z-Class units which are available to investors who invest a minimum of £125,000,000. Further details are available from the Manager on request. Please note that in order to distinguish between the unit classes within the Fund they are defined in these accounts as either Retail Units (non I-Class, I-H Class or Z-Class) or I-Class, I-H Class and Z-Class Units. The unit types associated with each unit class are disclosed in the Comparative Tables on pages 7 to 9.

Fund Accounting Services

With effect from 17 February 2020 delegation for performing fund accounting services moved from HSBC Securities Services (UK) Limited to Northern Trust Global Services SE.

Fund Information (continued)

Cumulative Performance (% change to 31 January 2020)

	6 months	1 year	3 years	5 years
Percentage Growth	2.3	17.6	31.8	88.3
TOPIX Index*	0.7	9.8	16.8	63.0
IA Japan Sector**	0.9	10.9	17.2	62.6
Sector Position	16/72	9/71	7/68	7/61
Quartile ranking	1st	1st	1st	1st

*Source: FE, I-Class Units, NAV to NAV or bid to NAV dependent on the period of reporting, all performance is net of fees with net income reinvested. Past performance is no guide to the future. *Target benchmark **Comparator benchmark*

INTERIM REPORT

Jupiter Japan Income Fund

For the six months ended 31 January 2020

Investment Report

Performance Review

For the six months ended 31 January 2020, the fund returned 2.3%* compared to 0.7%* for the TOPIX Index and 0.9%* for the IA Japan sector average (all in sterling terms).

Over five years, the fund has returned 88.3%* compared to 63.0%* for the TOPIX Index and 62.6%* for the average fund in the IA Japan sector.

An interim distribution of 1.0277 pence per unit will be paid to holders of Retail income units on 31 March 2020 (Retail accumulation units 1.3607 pence per unit), compared to 1.0098 pence per unit for Retail income units (Retail accumulation units 1.3043 pence per unit) paid in respect of the same period last year. Also, an interim distribution of 1.0055 pence per unit will be paid to holders of I-H Class income units on 31 March 2020 compared to 1.0648 pence per unit paid for the same period last year. For holders of I-Class income units an interim distribution of 1.0842 pence per unit (I-Class accumulation units 1.4350 pence per unit) will be paid on 31 March 2020 compared to 1.0573 pence per unit for I-Class income units (I-Class accumulation units 1.3651 pence per unit) paid in respect of the same period last year.

**Source: FE, NAV to NAV or bid to NAV dependent on the period of reporting, all performance is net of fees with net income reinvested. The statistics disclosed above relate to I-Class Units unless otherwise stated.*

Market Review

Japanese stocks rallied over the six-month period, although a strengthening pound eradicated most of these gains in sterling terms. After a weak August, consistent with the backdrop of declining global risk preference and a strengthening yen, Japanese stocks subsequently appreciated steadily until concerns over the escalating coronavirus outbreak curtailed the rally in late January. The market advance was underpinned by growing optimism over a 'phase one' trade deal between the US and China, as well as the yen's weaker tone. Continued share buy-backs from Japanese companies also supported the stock market, while various group restructurings showed the dynamism prevailing among Japanese companies.

Unfortunately, a couple of disappointing news items towards the end of 2019 put Japan's reputation for substandard corporate governance back into investors' minds. Pressance, an Osaka-based condominium builder, saw current and former executives arrested over a suspicious land transaction. Meanwhile, President of formerly state-owned Japan Post, Masatsugu Nagato, stepped down over a scandal regarding insurance policy sales practices.

On a different note, the reorganisation of Japan's corporate sector through subsidiary-level Merger and Acquisitions has been an ongoing theme in the market, and the review period provided further evidence of its staying power. In December, chemical company Showa Denko announced plans to acquire Hitachi Chemical, a 51%-owned subsidiary of Hitachi, in an essentially debt-funded transaction. The deal is an eye-catching one, valuing the target at more than twice the level of the acquirer. Elsewhere Hoya, the medical and tech glass company, announced a bid to acquire two-thirds of Toshiba group company NuFlare. This was in fact a counter-bid to Toshiba's move to make the unit a wholly owned subsidiary. Unsurprisingly Hoya's intended transaction was rejected by Toshiba, but it will be interesting to see if a skirmish for control ensues.

Policy Review

On a stock level, semiconductor equipment manufacturers Lasertec and Tokyo Electron were notable contributors, helped by the market's growing acceptance of chipmaker's capital expenditure recovery. Beyond these short-term considerations, we believe semiconductor-related companies will be ultimate winners within a structurally growing industry as demand is driven by artificial intelligence, internet-of-things devices and 5G.

House builder Sekisui House was another winner for the portfolio as it benefitted from a stylistic shift towards value stocks in September. Other positives included domestic IT systems and solutions provider Nomura Research Institute which delivered results ahead of forecasts.

Investment Report (continued)

The fund's zero weighting in SoftBank also had a positive impact on performance as its share price weakened over the six months. SoftBank's $100bn Vision Fund suffered several disappointments, including a $4.6bn write-off related to US office-sharing company WeWork which was forced to abandon its Initial public offering (IPO) in late September.

IRISO Electronics was the largest detractor from the fund's relative returns. The company, which makes connections used to link electronic components in cars, noted that the US/China trade dispute had caused conditions in the automotive and industrial markets to deteriorate since the latter half of 2018 Financial year. Its second quarter 2019 Financial year Q2FY19 results showed a decrease in both sales and profit on a year-on-year basis.

Other negatives included third-party labour provider Outsourcing, a new addition for the fund during the period. The company reported a 20% year-on-year growth in operating profit to the end of the second quarter, which apparently disappointed the market. Fellow labour market related company Zigexn also detracted from performance after the company posted 10% year-on-year profit growth for first quarter of 2020 Financial year (the three months to June), below the 17% forecast full-year growth rate. Forecasts for the full year were later revised downwards due in part to lower media budgets and reduced travel to Hong Kong.

In addition to adding a new position in Outsourcing (see above), the fund established a holding in Sakura Sogo REIT, which is set to be acquired by the fund's other REIT holding Star Asia. At the point of entry, Sakura Sogo was trading at a meaningful discount to the valuation implied by the proposed merger ratio. During the fourth quarter of 2019, the fund also participated in two IPOs, including cloud-based accounting software company Freee and medical data company JMDC – both had risen by over 50% by quarter-end. In contrast, the fund exited two positions during the last three months of the year. Sosei, whose most prized asset is a valuable drug discovery tool, appreciated by 172% through 2019, leading us to sell out of the position on valuation grounds. Shima Seiki was also sold, but for different reasons, having declined 20% since the beginning of 2019. The decision to sell the maker of industrial knitting machines came after contact with the company in early December which critically eroded our faith in the competitive advantages and therefore pricing power of the company's key products.

Investment Outlook

Is there a more polarising term in investment than Environmental, Social and Governance (ESG) criteria? The mere mention of the topic can make a client's ears prick up or their eyes roll depending upon their point of view. That the issue is raised at all – by the client or by ourselves – is not in question.

The positions which underly either the interest in or scepticism of ESG are not inconsistent with one another. It is perfectly possible to believe that the environmental and social impact of a business, and the manner in which it is managed, are crucial considerations yet still be concerned that an excessive focus on them might leave other issues unexamined, or worse that the new language of ESG gives cover for cynical commercialism.

The Jupiter Japan Income Fund does not carry any 'responsible', 'sustainable' or 'ESG' branding and nor does it have any hard exclusions[1] on investible industries. However, ESG considerations – understanding the risks and opportunities of the environmental and social implications of our investee businesses as well as how they are managed – have always been central to the way we invest.

There are, however, an increasing number of funds, both passive (those that track an index) and active (those that we actively manage), that do have overt ESG branding and have much more prescriptive lists of what they can and cannot buy. An increasing amount of money is chasing a finite number of listed companies which score highly on ESG factors and that is having a tangible impact upon the investment landscape for everyone. But what are these effects and how should we respond to them?

Let's start with the example of Omron, a manufacturer of electronic components used in automation and a leading maker of medical devices including blood-pressure monitors. Our view is that Omron is a good business led by high quality management. It is not currently held in the fund, however, because of one thing: a rich valuation.

Investment Report (continued)

In a recent meeting with the company's President we noted that the earnings multiple on the company's shares had expanded meaningfully, a function of falling profit forecasts and stable share price, did the President have any explanation? He was unequivocal; he cited the company's inclusion in various indices and the subsequent ETF-driven buying as the primary reason for the multiple expansion. Admittedly the most important of those indices, the Nikkei 225, has no ESG component but a further ten such indices very much do. The company is rightfully proud of its inclusion in such indices.

Omron is not alone. For stocks that we do hold in the portfolio (and where we are obviously more comfortable with the prevailing valuation multiples), we see conspicuous recent share price strength for stocks represented in ESG indices. Companies like Nomura Research Institute and Marui spring to mind. Outside of our current holdings, many businesses on our list of 'stocks we would like to own' also feature in these indices and have dauntingly high valuations that are keeping us away.

Quantifying this phenomenon accurately is impossible, but the scale of the money flow is significant and seemingly persistent. A 2018 study by Mizuho put total 'sustainable' assets in Japan at $2.2tn, up more than 4.5x since 2016, much of which will be invested domestically. The global pool of such money is growing more moderately but is obviously much larger and will still contain a meaningful allocation to Japan. A September report from Goldman Sachs looking at a universe of over 2000 ESG-focused funds globally found an earnings (median forward price to earning) premium of around 40% for the fifty most favoured names versus the wider market, a premium which has expanded over recent years.

All of this poses interesting questions for investors, ourselves included. Is this a bubble, set to burst just like any other? Or does it represent a permanent reshaping of the market's preferences?

Our working conclusion is that this is not a bubble, or at least not just a bubble. Whilst there will inevitably be ebb as well as flow to this money, the growing focus upon ESG considerations of asset owners seems unlikely to reverse. But neither should we be content to pay ever greater multiples for qualifying businesses.

One of the reasons why this issue is so apparent now is because the available pool of ESG winners is insufficiently deep to satisfy investor demand. As companies respond to modifying investor preferences – by focusing more on ESG matters themselves – the pool of qualifying securities should deepen, easing the scarcity effect. In practical terms for us this means being highly discriminating towards businesses on seemingly rich multiples where scarcity premium could dissolve whilst remaining alive to opportunities presented by businesses looking to improve, genuinely rather than cynically, in their ESG efforts. In other words – business as usual.

Dan Carter
Fund Manager

1 Apart from cluster munitions

Comparative Tables

Change in net assets per unit

	Retail Income				I-H Class Income			
	31.01.20	31.07.19	31.07.18	31.07.17	31.01.20	31.07.19	31.07.18	31.07.17
Opening net asset value per unit	94.63p	93.79p	84.75p	75.66p	91.03p	98.64p	84.53p	72.40p
Return before operating charges*	3.22p	4.62p	12.41p	12.14p	10.10p	(4.26p)	17.12p	14.65p
Operating charges	(0.84p)	(1.52p)	(1.55p)	(1.37p)	(0.54p)	(0.99p)	(1.07p)	(0.88p)
Return after operating charges*	2.38p	3.10p	10.86p	10.77p	9.56p	(5.25p)	16.05p	13.77p
Distributions on income unit	(1.03p)	(2.26p)	(1.82p)	(1.68p)	(1.01p)	(2.36p)	(1.94p)	(1.64p)
Closing net asset value per unit	95.98p	94.63p	93.79p	84.75p	99.58p	91.03p	98.64p	84.53p
*after direct transaction costs of:	0.01p	0.03p	0.05p	0.11p	0.01p	0.03p	0.06p	0.11p

Performance

Return after charges	2.52%	3.31%	12.81%	14.23%	10.50%	(5.32%)	18.99%	19.02%

Other information

Closing net asset value (£'000)	7,350	7,493	7,923	12,273	13,247	16,533	23,329	105,123
Closing number of units	7,658,311	7,918,368	8,447,434	14,480,896	13,303,475	18,161,754	23,649,418	124,360,287
Operating charges	1.73%	1.73%	1.73%	1.74%	1.12%	1.10%	1.14%	1.13%
Direct transaction costs	0.01%	0.03%	0.06%	0.14%	0.01%	0.03%	0.06%	0.14%

Prices

Highest unit price	99.89p	97.10p	100.94p	89.76p	103.61p	99.51p	106.04p	86.21p
Lowest unit price	92.40p	80.75p	81.17p	71.34p	86.26p	79.88p	84.08p	68.57p

Change in net assets per unit

	I-Class Income				Z Class Income**		
	31.01.20	31.07.19	31.07.18	31.07.17	31.01.20	31.07.19	31.07.18
Opening net asset value per unit	99.67p	98.03p	84.72p	77.14p	99.94p	98.12p	93.08p
Return before operating charges*	3.37p	4.91p	16.13p	10.13p	3.49p	5.10p	6.59p
Operating charges	(0.50p)	(0.90p)	(0.92p)	(0.81p)	(0.51p)	(0.91p)	(0.44p)
Return after operating charges*	2.87p	4.01p	15.21p	9.32p	2.98p	4.19p	6.15p
Distributions on income unit	(1.08p)	(2.37p)	(1.90p)	(1.74p)	(1.09p)	(2.37p)	(1.11p)
Closing net asset value per unit	101.46p	99.67p	98.03p	84.72p	101.83p	99.94p	98.12p
*after direct transaction costs of:	0.01p	0.03p	0.06p	0.11p	0.01p	0.03p	0.06p

Performance

Return after charges	2.88%	4.09%	17.95%	12.08%	2.98%	4.27%	6.61%

Other information

Closing net asset value (£'000)	103,912	104,296	102,192	158,823	152,711	115,949	84,305
Closing number of units	102,412,604	104,645,890	104,241,538	187,475,993	149,964,124	116,020,749	85,917,907
Operating charges	0.98%	0.98%	0.98%	0.99%	0.80%	0.80%	0.80%
Direct transaction costs	0.01%	0.03%	0.06%	0.14%	0.01%	0.03%	0.06%

Prices

Highest unit price	105.51p	102.26p	102.03p	88.38p	105.88p	102.54p	102.09p
Lowest unit price	97.37p	84.65p	84.32p	73.55p	97.65p	84.79p	91.40p

**The Z-H Class Income Units and Z Class Income Units were launched on 16 February 2018.

Comparative Tables (continued)

Change in net assets per unit

	Z-H Class Income**		
	31.01.20	31.07.19	31.07.18
Opening net asset value per unit	90.84p	98.33p	95.28p
Return before operating charges*	10.18p	(4.13p)	4.68p
Operating charges	(0.54p)	(1.01p)	(0.50p)
Return after operating charges*	9 .64p	(5.14p)	4.18p
Distributions on income unit	(1.00p)	(2.35p)	(1.13p)
Closing net asset value per unit	99.48p	90.84p	98.33p
*after direct transaction costs of:	0.01p	0.03p	0.06p

Performance

Return after charges	10.61%	(5.23%)	4.39%

Other information

Closing net asset value (£'000)	90,267	86,012	96,582
Closing number of units	90,741,976	94,685,091	98,220,555
Operating charges	0.96%	0.96%	0.96%
Direct transaction costs	0.01%	0.03%	0.06%

Prices

Highest unit price	103.52p	99.19p	102.60p
Lowest unit price	86.09p	79.64p	92.63p

**The Z-H Class Income Units and Z Class Income Units were launched on 16 February 2018.

Comparative Tables (continued)

Change in net assets per unit

	Retail Accumulation				I-Class Accumulation			
	31.01.20	31.07.19	31.07.18	31.07.17	31.01.20	31.07.19	31.07.18	31.07.17
Opening net asset value per unit	125.30p	121.15p	103.56p	93.08p	131.93p	126.58p	107.27p	95.69p
Return before operating charges*	4.24p	6.15p	19.58p	12.21p	4.47p	6.52p	20.49p	12.59p
Operating charges	(1.11p)	(2.00p)	(1.99p)	(1.73p)	(0.67p)	(1.17p)	(1.18p)	(1.01p)
Return after operating charges*	3.13p	4.15p	17.59p	10.48p	3.80p	5.35p	19.31p	11.58p
Distributions on accumulation unit	(1.36p)	(2.93p)	(2.32p)	(2.10p)	(1.44p)	(3.08p)	(2.41p)	(2.17p)
Retained distributions on accumulation unit	1.36p	2.93p	2.32p	2.10p	1.44p	3.08p	2.41p	2.17p
Closing net asset value per unit	128.43p	125.30p	121.15p	103.56p	135.73p	131.93p	126.58p	107.27p
*after direct transaction costs of:	0.02p	0.03p	0.07p	0.14p	0.02p	0.03p	0.07p	0.14p

Performance

Return after charges	2.50%	3.43%	16.99%	11.26%	2.88%	4.23%	18.00%	12.10%

Other information

Closing net asset value (£'000)	36,962	44,539	127,470	107,368	264,836	93,589	85,013	78,910
Closing number of units	28,780,247	35,544,527	105,215,062	103,680,153	195,117,913	70,937,505	67,162,797	73,559,982
Operating charges	1.73%	1.73%	1.73%	1.74%	0.98%	0.98%	0.98%	0.99%
Direct transaction costs	0.01%	0.03%	0.06%	0.14%	0.01%	0.03%	0.06%	0.14%

Prices

Highest unit price	132.25p	126.90p	127.83p	112.44p	139.65p	133.61p	130.25p	110.69p
Lowest unit price	122.32p	104.28p	102.85p	88.54p	128.87p	109.30p	106.77p	91.22p

Change in net assets per unit

	Z-Class Accumulation***	
	31.01.20	31.07.19
Opening net asset value per unit	61.44p	50.00p
Return before operating charges*	2.27p	11.82p
Operating charges	(0.31p)	(0.38p)
Return after operating charges*	1.96p	11.44p
Distributions on accumulation unit	(0.67p)	(0.89p)
Retained distributions on accumulation unit	0.67p	0.89p
Closing net asset value per unit	63.40p	61.44p
*after direct transaction costs of:	0.01p	0.02p

Performance

Return after charges	3.19%	22.88%

Other information

Closing net asset value (£'000)	919	361
Closing number of units	1,449,013	586,965
Operating charges	0.80%	0.80%
Direct transaction costs	0.01%	0.03%

Prices

Highest unit price	65.88p	62.21p
Lowest unit price	60.07p	46.37p

***The Z Class Accumulation Units were launched on 27 November 2018.

Comparative Tables (continued)

Risk and reward indicator

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk	Typically higher rewards, higher risk

Retail Units

1	2	3	4	5	**6**	7

I-H Class Units

1	2	3	4	5	**6**	7

I-Class Units

1	2	3	4	5	**6**	7

Z-H Class Units

1	2	3	4	5	**6**	7

Z-Class Units

1	2	3	4	5	**6**	7

- The lowest category does not mean 'no risk'. Some risk will still be present in funds with a risk and reward rating of 1.
- The Fund is in this category due to the nature of its investments and previous levels of volatility (how much the value of the Fund rises and falls).

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

Charges taken from the Fund over the six months (annualised) to:	31.01.20	31.01.19
Ongoing charges for Retail Units	1.73%	1.73%
Ongoing charges for I-H Class Units	1.12%	1.09%
Ongoing charges for I-Class Units	0.98%	0.98%
Ongoing charges for Z-H Class Units	0.96%	0.96%
Ongoing charges for Z-Class Units	0.80%	0.80%

Portfolio Statement

As at 31 January 2020

Holding	Investment	Market value £	Total net assets %
	JAPAN – 97.34% (98.70%)		
	Basic Materials – 8.22% (4.46%)		
832,400	Kh Neochem	13,918,670	2.08
351,000	Nissan Chemical Industries	11,251,803	1.68
419,100	Nitta	9,108,121	1.36
480,400	Nitto Denko	20,813,406	3.10
		55,092,000	8.22
	Consumer Goods – 17.94% (17.81%)		
769,300	Bridgestone	20,999,543	3.13
1,481,100	Sekisui House	24,470,221	3.65
544,700	Sony	29,401,799	4.39
846,700	Toyota Motor	45,347,571	6.77
		120,219,134	17.94
	Consumer Services – 7.62% (9.32%)		
616,200	Marui	10,954,812	1.63
1,458,100	Outsourcing	10,287,204	1.54
810,900	Pan Pacific International	10,023,226	1.50
1,589,400	Prestige International	11,135,681	1.66
679,800	Zozo	8,669,201	1.29
		51,070,124	7.62
	Financials – 19.37% (22.49%)		
201,800	Katitas	6,299,492	0.94
2,433,300	Orix	31,635,448	4.72
4,850	Sakura Sogo	3,309,755	0.50
22,202	Star Asia Investment	17,808,454	2.66
1,268,500	Sumitomo Mitsui Financial Group	34,475,246	5.14
660,000	Tokio Marine	27,642,991	4.12
262,800	Zenkoku Hosho	8,672,745	1.29
		129,844,131	19.37
	Healthcare – 8.76% (9.17%)		
781,400	Asahi Intecc	16,626,334	2.48
825,600	Takeda Pharmaceutical	24,425,949	3.65
632,100	Terumo	17,608,338	2.63
		58,660,621	8.76

Portfolio Statement (continued)

Holding	Investment	Market value £	Total net assets %
	Industrials – 12.26% (11.20%)		
156,700	Autonomous Control System	4,233,561	0.63
323,500	Daifuku	15,215,740	2.27
3,794,700	Hazama	24,036,738	3.59
352,000	IRISO Electronics	10,347,644	1.54
274,200	JEOL	6,880,280	1.03
498,100	Nippon Densetsu Kogyo	8,154,480	1.22
422,100	SHO–BOND Holdings	13,309,436	1.98
		82,177,879	12.26
	Technology – 13.14% (14.44%)		
67,700	JMDC	2,539,820	0.38
588,700	Kamakura Shinsho	6,600,944	0.98
231,700	Lasertec	8,919,453	1.33
872,000	Nomura Research Institute	14,745,616	2.20
301,100	Rohm	16,944,015	2.53
381,100	TechnoPro	19,658,752	2.93
89,400	Tokyo Electron	15,317,872	2.29
969,000	Zigexn	3,350,428	0.50
		88,076,900	13.14
	Telecommunications – 10.03% (9.81%)		
1,441,300	KDDI	32,947,319	4.92
1,755,600	Nippon Telegraph & Telephone	34,233,886	5.11
		67,181,205	10.03
	Forward Foreign Currency Contracts – 0.03% ((0.47%))		
	Bought Sterling £108,367,095		
	Sold Japanese Yen 15,437,164,784	282,378	0.04
	Bought Japanese Yen 986,493,788		
	Sold Sterling £6,951,029	(44,002)	(0.01)
		238,376	0.03
	Total value of investments	652,560,370	97.37
	Net other assets	17,643,550	2.63
	Net assets	670,203,920	100.00

All holdings are ordinary shares or stock units unless otherwise stated.
The figures in brackets show allocations as at 31 July 2019.
The sectors are based on Industry Classification Benchmark (see page 19).

Statement of Total Return

For the six months ended 31 January 2020

	Six months to 31.01.20		Six months to 31.01.19	
	£	£	£	£
Income				
Net capital gains/(losses)		16,185,846		(51,587,265)
Revenue	6,390,855		6,104,148	
Expenses	(2,597,070)		(2,455,846)	
Interest payable and similar charges	(5,247)		(1,093)	
Net revenue before taxation	3,788,538		3,647,209	
Taxation	(638,726)		(609,770)	
Net revenue after taxation		3,149,812		3,037,439
Total return before distributions		**19,335,658**		**(48,549,826)**
Distributions		(5,700,499)		(5,457,961)
Change in net assets attributable to unitholders from investment activities		**13,635,159**		**(54,007,787)**

Statement of Change in Net Assets Attributable to Unitholders

For the six months ended 31 January 2020

	Six months to 31.01.20		Six months to 31.01.19	
	£	£	£	£
Opening net assets attributable to unitholders		**468,771,783**		**526,814,040**
Amounts receivable on issue of units	217,332,248		39,315,457	
Amounts payable on cancellation of units	(32,737,912)		(32,139,133)	
Amounts payable on in-specie cancellation of units	–		(73,605,413)	
		184,594,336		(66,429,089)
Change in net assets attributable to unitholders from investment activities		13,635,159		(54,007,787)
Retained distribution on accumulation units		3,201,278		1,418,539
Unclaimed distributions		1,364		1,430
Closing net assets attributable to unitholders		**670,203,920**		**407,797,133**

Balance Sheet

As at 31 January 2020

	31.01.20 £	31.07.19 £
Assets		
Investments	652,604,372	462,726,869
Current Assets:		
Debtors	195,931,249	2,371,478
Cash and bank balances	15,700,318	13,208,661
Total assets	864,235,939	478,307,008
Liabilities		
Investment liabilities	(44,002)	(2,252,294)
Creditors:		
Bank overdrafts	(4,542,862)	(2,296,167)
Distribution payable	(3,864,434)	(4,447,021)
Other creditors	(185,580,721)	(539,743)
Total liabilities	(194,032,019)	(9,535,225)
Net assets attributable to unitholders	**670,203,920**	**468,771,783**

Directors' Statement

Jupiter Japan Income Fund

This report has been prepared in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook and Investment Funds Sourcebook where applicable and the Statement of Recommended Practice issued by the Investment Association.

Directors: Paula Moore, Jasveer Singh
Jupiter Unit Trust Managers Limited
London
24 March 2020

Notes to the Interim Financial Statements

For the six months ended 31 January 2020

1. Accounting Policies

The interim financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook. They have been prepared in accordance with FRS 102 and the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by The Investment Management Association (now referred to as the Investment Association) in May 2014 (the 2014 SORP).

Unless otherwise stated all other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 July 2019 and are described in those financial statements.

2. Financial Instruments

In pursuing its investment objectives the Fund holds a number of financial instruments. These comprise securities and other investments, cash balances, short term fixed deposits, bank overdrafts, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable from issues and payable for cancellations and debtors for accrued revenue.

The Fund may enter into derivative transactions, the purpose of which will only be for efficient management of the Fund and not for investment purposes.

The Fund has little exposure to credit, counterparty and cash flow risk, these risks are not significant at current levels

The main risks it faces from its financial instruments are market price, foreign currency, interest rate and counterparty risk. The Manager reviews policies for managing these risks in pursuance of the Investment Objective and Policy as set out on page 2 and they are summarised later. These risks remain unchanged from the prior year.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, Scheme Particulars and in the rules of the Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Review and Portfolio Statement.

Use of Derivatives

The Manager made use of the following derivatives during the period under review:

Forward Foreign Currency Contracts

The Manager has entered into forward currency contracts in relation to the I-H Class Income Units and Z-H Class Income Units for the purpose of reducing the effect of fluctuations in the rate of exchange between the currency of the unit class and the currency in which all or part of the scheme property is denominated. This has resulted in realised and unrealised gains of £7,164,987 (31.01.19: realised and unrealised losses of £2,664,778) to the Fund during the period and these are included withinin net capital gains/(losses) on page 13. All contracts were undertaken with HSBC Bank as counterparty during the period.

The derivative contracts outstanding at the period end are itemised on page 12.

Notes to the Interim Financial Statements (continued)

3. Unit Price Movement since the Balance Sheet date

Since the last day of dealing of the period on 31 January 2020, the fund's quoted prices have moved as follows:

	Price as at 31.01.20	Price as at 19.03.20	% Change
Retail Income	97.04	80.00	-17.56
Retail Accumulation	128.48	107.05	-16.68
I-Class Income	102.59	84.66	-17.48
I-Class Accumulation	135.78	113.25	-16.59
I-H Income	100.68	73.27	-27.22
Z-Class Income	100.57	84.98	-15.50
Z -Class Accumulation	63.42	52.91	-16.58
Z-H Income	102.96	73.22	-28.89

Distribution Tables

For the six months ended 31 January 2020

Distribution in pence per unit

INTERIM

Group 1: units purchased prior to 1 August 2019
Group 2: units purchased on or after 1 August 2019 to 31 January 2020

	Income	Equalisation	Distribution payable 31.03.20	Distribution paid 29.03.19
Retail Income Units				
Group 1	1.0277	–	1.0277	1.0098
Group 2	0.5659	0.4618	1.0277	1.0098

	Income	Equalisation	Distribution to be accumulated 31.03.20	Distribution accumulated 29.03.19
Retail Accumulation Units				
Group 1	1.3607	–	1.3607	1.3043
Group 2	0.6806	0.6801	1.3607	1.3043

	Income	Equalisation	Distribution payable 31.03.20	Distribution paid 29.03.19
I-H Class Income Units				
Group 1	1.0055	–	1.0055	1.0648
Group 2	0.3265	0.6790	1.0055	1.0648

	Income	Equalisation	Distribution payable 31.03.20	Distribution paid 29.03.19
I-Class Income Units				
Group 1	1.0842	–	1.0842	1.0573
Group 2	0.4249	0.6593	1.0842	1.0573

	Income	Equalisation	Distribution to be accumulated 31.03.20	Distribution accumulated 29.03.19
I-Class Accumulation Units				
Group 1	1.4350	–	1.4350	1.3651
Group 2	0.4434	0.9916	1.4350	1.3651

Distribution Tables (continued)

For the six months ended 31 January 2020

Distribution in pence per unit

INTERIM

Group 1: units purchased prior to 1 August 2019
Group 2: units purchased on or after 1 August 2019 to 31 January 2020

	Income	Equalisation	Distribution payable 31.03.20	Distribution paid 29.03.19
Z-H Class Income Units				
Group 1	1.0035	–	1.0035	1.0615
Group 2	0.4845	0.5190	1.0035	1.0615

	Income	Equalisation	Distribution payable 31.03.20	Distribution paid 29.03.19
Z-Class Income Units				
Group 1	1.0876	–	1.0876	1.0586
Group 2	0.2762	0.8114	1.0876	1.0586

	Income	Equalisation	Distribution to be accumulated 31.03.20	Distribution accumulated 29.03.19
Z-Class Accumulation Units				
Group 1	0.6710	–	0.6710	0.1317
Group 2	0.5289	0.1421	0.6710	0.1317

All Unit Types

The relevant information required by a corporate unitholder is as follows:

- Franked investment income 100.00%
- Annual payment (non-foreign element) 0.00%

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

General Information (unaudited)

Advice to unitholders

In recent years investment related scams have become increasingly sophisticated and difficult to spot. We are therefore warning all our unitholders to be cautious so that they can protect themselves and spot the warning signs.

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they are only making the offer available to you
- ask you to not tell anyone else about it

You can avoid investment scams by:

- **Rejecting unexpected offers** – Scammers usually cold call but contact can also come by email, post, word of mouth or at a seminar. If you have been offered an investment out of the blue, chances are it's a high risk investment or a scam.
- **Checking the FCA Warning List** – Use the FCA Warning List to check the risks of a potential investment. You can also search to see if the firm is known to be operating without proper FCA authorisation.
- **Getting impartial advice** – Before investing get impartial advice and don't use an adviser from the firm that contacted you.

If you are suspicious, report it

- You can report the firm or scam to the FCA by contacting their Consumer Helpline on **0800 111 6768** or using their online reporting form.
- If you have lost money in a scam, contact **Action Fraud** on **0300 123 2040** or **www.actionfraud.police.uk**

For further helpful information about investment scams and how to avoid them please visit **www.fca.org.uk/scamsmart**

Jupiter continues to monitor developments in the Brexit negotiations and Jupiter's overarching aim is to ensure continuity of its business for all of its clients, and plans are in place to manage risks associated with Brexit, both 'hard' and 'soft'.

Responsible Stewardship

Jupiter believes that responsible stewardship is an important issue and aims to act in the best interests of all its stakeholders by engaging with the companies that it invests in, and by exercising its voting rights with care. We believe companies with high standards of corporate responsibility, governance and sustainable business practices create an appropriate culture to enhance good investment performance. **Jupiter's Corporate Governance and Voting Policy** and its compliance with the **UK Stewardship Code**, together with supporting disclosure reports are available at **www.jupiteram.com**

Other Information

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