

# Jupiter Flexible Macro Fund

## Annual Report & Accounts

For the year ended 31 October 2022



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*\*These collectively comprise the Authorised Fund Manager's Report.*

## Fund Information

### Manager, Registrar and Administrator

Jupiter Unit Trust Managers Limited  
PO Box 10666  
Chelmsford  
CM99 2BG

Tel: **0800 561 4000**

Fax: **0800 561 4001**

**www.jupiteram.com**

Registered Address:  
The Zig Zag Building  
70 Victoria Street  
London SW1E 6SQ

*Authorised and regulated by the Financial Conduct Authority.*

### Trustee

Northern Trust Investor Services Limited  
Trustee and Depositary Services  
50 Bank Street  
Canary Wharf  
London E14 5NT

*Authorised and regulated by the Financial Conduct Authority.*

### Investment Manager

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:

**P Moore**

**J Singh**

**K Baillie\***

**T Scholefield**

**P Wagstaff**

**V Lazenby\*\***

**D Skinner**

**G Pound\*\*\***

*\*Resigned 29 November 2021*

*\*\*Resigned 5 September 2022*

*\*\*\*Appointed 8 February 2023*

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 Flexible Macro 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 a positive total return, net of fees, higher than SONIA GBP independent of market conditions over a 3-year rolling period.

Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be achieved over the 3 year rolling periods or in respect of any other time period.

### Investment Policy

The Fund can invest in a wide range of assets to achieve its investment objective, including shares of companies, fixed interest securities and entering into derivative transactions for investment purposes. The Investment Manager seeks to identify global investment themes and opportunities through a macro-economic driven investment process involving analysis of large-scale economic trends, including economic fundamentals (such as growth, inflation, manufacturing, industrial production and consumer spending), monetary and fiscal policy, and market sentiment.

The Fund may enter into derivative transactions for investment (i.e. speculative) purposes, such as creating both long and short positions through derivatives, and efficient portfolio management (including hedging), i.e. to reduce risk, minimise costs or generate additional capital and/or income.

### Benchmark

The SONIA GBP rate is an industry standard index and is one of the leading representations of the UK Cash Deposit Markets. It is easily accessible and provides a fair reflection of the Investment Manager's investment universe and a good relative measure to assess performance outcomes.

### 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.

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 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 which are available to investors who invest a minimum of £1,000,000 and J-Class Units which are available to investors who invest a minimum of £500 (who buys units directly from the Manager and not through any intermediary or advisor). Further details are available from the Manager on request. Please note that in order to distinguish between the unit classes within the Fund they are defined in this report as either L-Class Units (non I-Class and non J-Class) or I-Class Units or J-Class Units. The unit types associated with each unit class are disclosed in the Comparative Tables on page 6.

## Fund Information *(continued)*

### Cumulative Performance (% change to 31 October 2022)

	1 year	3 years	5 years	10 years
Percentage Growth	(19.2)	(34.1)	(38.6)	(28.1)
Sterling Overnight Interbank Average Rate*	0.9	1.4	3.0	5.6

Source: Morningstar, gross income reinvested net of fees, in GBP. The statistics disclosed above relate to I-Class Units unless otherwise stated. Past performance is no guide to the future. \*Target benchmark

This document is for informational purposes only and is not investment advice. Market and exchange rate movements can cause the value of an investment to fall as well as rise, and you may get back less than originally invested. We recommend you discuss any investment decisions with a financial adviser, particularly if you are unsure whether an investment is suitable. Jupiter is unable to provide investment advice. Current tax levels and reliefs will depend on your individual circumstances and are subject to change in the future. Past performance is no guide to the future. **The investment manager can use derivatives for investment purposes, to take long and short positions based on their view of the market direction, so the fund's performance is unlikely to track the performance of broader bond and equity markets. Taking short positions creates the opportunity for a fund to deliver positive returns in falling markets, but also means that a fund could deliver negative returns in rising markets. The potential loss on a short position is unlimited, because the price of the underlying investment can carry on rising. There is also a risk that counterparties to derivatives may become insolvent, which may cause losses to the fund. This fund invests in securities issued or guaranteed by the United Kingdom which may exceed 35% of its value.** For definitions please see the glossary at [jupiteram.com](http://jupiteram.com). Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Company examples are for illustrative purposes only and are not a recommendation to buy or sell. Quoted yields are not guaranteed and may change in the future. Jupiter Unit Trust Managers Limited is authorised and regulated by the Financial Conduct Authority and their registered address is The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ.

## Investment Report

### Performance Review

For the year ended 31 October 2022, the Fund returned -19.2%\*, compared to a return of 0.9%\* for the Fund's benchmark, the Sterling Overnight Interbank Average Rate. Over five years, the Fund returned -38.6%\* compared to 3.0%\* for the Fund's benchmark.

*\*Source: Morningstar, gross income reinvested net of fees, in GBP. The statistics disclosed above relate to I-Class Units unless otherwise stated.*

### Market Review

The period under review was extremely complex for financial markets and was dominated mainly by two distinct forces. On one side elevated inflation data – exacerbated by the economic impact of Russia's invasion of Ukraine from February onwards – which pushed global central banks (and especially the US Federal Reserve (Fed)) to assume an increasingly hawkish posture. On the other side, particular over the latter half of the period under review, economic growth concerns started to become more material and halted investors' appetite for risk across financial markets.

The impact of these trends was an environment in which different asset class became more correlated in their returns, with both equity markets and fixed income markets posting substantial losses. Commodity markets were buoyant for much of the period under review, as interrupted supply from Russia and Ukraine sent the price of several key commodities upwards. However, commodities then saw a pause in their rally as investors digested the implications of a deteriorating economic growth outlook.

Late in the period, the unexpected willingness to pursue material unfunded fiscal expenditure from the UK government sent the UK gilt market into panic (also due to material futures exposure from LDI (Liability-driven investment)\* mandates managed for UK pension funds), forcing the Bank of England to intervene in the market with bond purchases to ensure financial stability. Much of the market action in the first half of October was driven by higher-than-expected inflation reading. In the second part of that month, however, market sentiment gradually improved, especially across risk assets.

*\*LDI – is an approach to investments (typically used by pension funds) where assets are designed to match liabilities.*

### Performance and Positioning

It's clear that the last 12 months have been extremely challenging for financial markets.

Nevertheless, we do recognize that our asset allocation choices detracted from the performance since the beginning of the year.

We started the year with a general macro thesis of strong growth across the world, and especially in the US, and the portfolio reflected this fundamentally bullish outlook. However, January saw a very sudden change of tone from the Fed, which abandoned its previous policy guidance to assume the much more aggressive stance that has characterized the year so far. This hit the price of risk assets and as a result detracted from the fund's returns.

There were some key positives in the opening months of the year, however, which highlight the range of assets and ideas this fund can take advantage of: in particular commodity exposure, for example agricultural commodities as well as copper, gold, and uranium. We also held a variety of energy stocks which performed very well during this period.

The second quarter of the calendar year continued to be a challenging and volatile environment characterized by a simultaneous sell-off across both 'safe haven' and risk assets. Looking at the performance of the fund at this time, our positioning in interest rates had a negative impact. More specifically our exposure to US interest rates via government bond futures accounted for most of the negative contribution, followed by our position on Austrian long-term government bonds.

Equities accounted though for most of the negative contribution to absolute performance during the second quarter, given the sharp drawdown suffered by global equities. Our exposure to the United States was the biggest detractor, followed by UK equities. More modest negative contributions also came from Asia and from Europe.

The biggest positive contribution to performance during the second quarter came, however, from our currency exposure, with our long US dollar bias and our short exposure to sterling still delivering strong gains.

## Investment Report *(continued)*

In the third quarter of the calendar year, the fund benefited from strong returns from its exposure to uranium, as well as a continuation of the success of being long the US dollar and short sterling. These gains, however, were more than offset by losses elsewhere, including in equities broadly as global markets continued to sell off, as well as exposure to infrastructure investment trusts.

We have recently tactically increased our exposure in the US, given signals that the market may arguably have become oversold. Exposure to the defence sector has been significantly reduced and we closed our position in agricultural stocks. Exposure to the healthcare, consumer staples and energy sectors has been increased instead.

### Investment Outlook

Our four-pillar framework is based on fundamentals, policy, sentiment and valuations.

**Fundamentals:** Global recession risks have risen and we expect that growth will continue to slow. Trends in the 'stickier' components of inflation have increased the risk of more persistent price pressures, while in our view the UK's position looks materially worse with further deterioration in its fiscal and current account deficit. The combination of low unemployment and negative real wage growth is hard to reconcile; we believe that something might have to change to restore some equilibrium.

**Policy:** There might be more support in the coming quarters in China, but there is a clear absence of the broad-based monetary policy easing that characterised previous cycles. Persistence in inflation is a key risk, but nevertheless longer-term inflation expectations remain under control. As such, if inflation does not become entrenched we expect a shift in central bank policy during 2023.

**Sentiment:** Investor sentiment and positioning remains relatively pessimistic. This caused us to marginally increase exposure to US equities towards the end of the period under review, given our view of the potential for a short-term rebound.

**Valuations:** Share price valuations typically decline in the mid/late period of a cycle, but to us they still look quite elevated, especially when considered that many analysts are yet to reflect slower growth into their estimates for next year's earnings.

### Talib Sheikh

Investment Manager

*Change in Investment Manager: Mark Nash took over management of fund with effect from 1 November 2022.*



## Comparative Tables

### Change in net asset per unit

	L-Class Accumulation			I-Class Accumulation		
	31.10.22 (p)	31.10.21 (p)	31.10.20 (p)	31.10.22 (p)	31.10.21 (p)	31.10.20 (p)
Opening net asset value per unit	40.61	38.27	50.70	43.06	40.33	53.09
Return before operating charges*	(7.51)	2.94	(11.63)	(7.99)	3.10	(12.20)
Operating charges	(0.55)	(0.60)	(0.66)	(0.34)	(0.37)	(0.41)
Return after operating charges*	(8.06)	2.34	(12.29)	(8.33)	2.73	(12.61)
Distribution on accumulation unit	(0.03)	–	(0.34)***	(0.28)	–	(0.65)***
Retained distributions on accumulation unit	0.03	–	0.20***	0.28	–	0.50***
Closing net asset value per unit	32.55	40.61	38.27	34.73	43.06	40.33
*after direct transaction costs of:	0.04	0.09	0.06	0.05	0.09	0.06

### Performance

Return after charges (%)	(19.85)	6.11	(24.24)	(19.35)	6.77	(23.75)
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### Other Information

Closing net asset value (£'000)	14,369	20,243	23,217	21,112	41,583	155,514
Closing number of units	44,148,953	49,851,900	60,920,480	60,794,078	96,580,251	385,556,736
Operating charges (%)	1.47	1.47	1.47	0.86	0.86	0.85
Direct transaction costs (%)	0.12	0.21	0.13	0.12	0.21	0.13

### Prices

Highest unit price (p)	42.03	42.56	51.14	44.58	44.93	53.56
Lowest unit price (p)	32.56	37.71	38.05	34.74	39.75	40.09

### Change in net asset per unit

	J-Class Accumulation**		
	31.10.22 (p)	31.10.21 (p)	31.10.20 (p)
Opening net asset value per unit	40.74	38.33	42.95
Return before operating charges*	(7.56)	2.94	(4.08)
Operating charges	(0.45)	(0.53)	(0.54)
Return after operating charges*	(8.01)	2.41	(4.62)
Distribution on accumulation unit	–	–	(0.27)
Retained distributions on accumulation unit	–	–	0.27
Closing net asset value per unit	32.73	40.74	38.33
*after direct transaction costs of:	0.04	0.09	0.05

### Performance

Return after charges (%)	(19.66)	6.29	(10.76)
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### Other Information

Closing net asset value (£'000)	1,686	2,177	2,134
Closing number of units	5,151,297	5,343,779	5,568,033
Operating charges (%)	1.20	1.30	1.29
Direct transaction costs (%)	0.12	0.21	0.13

### Prices

Highest unit price (p)	42.17	42.65	44.16
Lowest unit price (p)	32.74	37.77	38.10

\*\*The J-Class Units were launched on 29 May 2020.

\*\*\*Distributions include a prior period error (in 31 October 2019 annual financial statements).

## Comparative Tables *(continued)*

### Portfolio Turnover Rate

The Portfolio Turnover Rate (PTR) of the Fund, based on the figures included within the financial statements for the year as indicated below, is as follows:

	Year to 31.10.22	Year to 31.10.21
Portfolio Turnover Rate	327.33%	448.83%

The PTR provides an indication of the rate the Manager has bought and sold the underlying assets of the Fund during the period as indicated above. In general, the higher the PTR of a fund, the greater level of portfolio transaction costs will be incurred.

### Risk and Reward Indicator

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

**As at 31.10.22**



**As at 31.10.21**



- 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 year to:	31.10.22*	31.10.21
Ongoing charges for L-Class Units	1.47%	1.47%
Ongoing charges for I-Class Units	0.86%	0.86%
Ongoing charges for J-Class Units	1.20%	1.30%

\*With effect from 1 July 2022, the fees charged to the fund by the Manager have changed. Under the new simplified fee structure, the Manager combined the Annual Management Charge and the Aggregate Operating Fee into a Fixed Annual Charge.

## Portfolio Statement

As at 31 October 2022

Holding	Investment	Market value £	Total net assets %
	<b>Australia - 0.00% (1.76%)</b>		
	<b>Austria - 4.28% (1.06%)</b>		
€2,676,000 7,853	Republic of Austria Government Bond 0.85% 30/06/2120	1,056,466	2.84
	Verbund	533,465	1.44
		<b>1,589,931</b>	<b>4.28</b>
	<b>Brazil - 0.00% (0.23%)</b>		
	<b>Cayman Islands - 0.00% (0.64%)</b>		
	<b>Channel Islands - 0.00% (4.66%)</b>		
	<b>China - 0.00% (0.05%)</b>		
	<b>Curacao - 0.00% (0.42%)</b>		
	<b>Denmark - 0.85% (0.33%)</b>		
3,349	Novo Nordisk 'B'	317,147	0.85
	<b>Finland - 0.88% (0.62%)</b>		
8,175	Orion	326,794	0.88
	<b>France - 1.39% (2.76%)</b>		
2,894	Thales	320,758	0.86
4,100	Total	194,627	0.53
		<b>515,385</b>	<b>1.39</b>
	<b>Germany - 2.53% (1.41%)</b>		
6,217	Bayer	285,052	0.77
19,528	RWE	655,963	1.76
		<b>941,015</b>	<b>2.53</b>
	<b>Hong Kong - 0.00% (0.44%)</b>		
	<b>Ireland - 8.15% (3.82%)</b>		
14,678	Invesco Physical Gold ETC	2,023,431	5.45
36,136	iShares Physical Gold ETC	1,004,792	2.70
		<b>3,028,223</b>	<b>8.15</b>

## Portfolio Statement *(continued)*

As at 31 October 2022

Holding	Investment	Market value £	Total net assets %
	<b>Italy - 0.00% (0.21%)</b>		
	<b>Japan - 4.43% (0.55%)</b>		
58,400	ENEOS	167,409	0.45
8,400	Idemitsu Kosan	159,725	0.43
19,500	Inpex	173,226	0.47
8,900	ITOCHU	200,367	0.54
23,800	Marubeni	181,370	0.49
7,200	Mitsubishi	169,984	0.46
10,100	Mitsui	194,832	0.52
16,000	Sojitz	205,607	0.55
17,500	Sumitomo	194,068	0.52
		<b>1,646,588</b>	<b>4.43</b>
	<b>Jersey - 0.00% (10.00%)</b>		
	<b>Luxembourg - 0.00% (8.78%)</b>		
	<b>Mexico - 0.00% (0.05%)</b>		
	<b>Netherlands - 0.40% (2.05%)</b>		
1,608	Alfen Beheer	148,993	0.40
	<b>Norway - 0.97% (1.14%)</b>		
6,721	Aker BP	186,681	0.50
5,491	Equinor	175,074	0.47
		<b>361,755</b>	<b>0.97</b>
	<b>South Korea - 0.00% (0.28%)</b>		
	<b>Spain - 0.00% (0.37%)</b>		
	<b>Sweden - 0.00% (0.37%)</b>		
	<b>Switzerland - 0.78% (7.36%)</b>		
4,645	Galenica	290,482	0.78
	<b>Taiwan - 0.00% (0.33%)</b>		
	<b>United Kingdom - 12.44% (14.21%)</b>		
36,714	BAE Systems	298,852	0.80
41,175	BP	197,558	0.53

## Portfolio Statement *(continued)*

As at 31 October 2022

Holding	Investment	Market value £	Total net assets %
<b>United Kingdom (continued)</b>			
78,176	Drax	406,906	1.10
500,000	Seraphim Space Investment Trust	246,250	0.66
8,162	Shell	196,215	0.53
£850,000	United Kingdom Gilt 0.125% 31/01/2024	817,320	2.20
£2,500,000	United Kingdom Gilt 0.75% 22/07/2023	2,459,547	6.62
		<b>4,622,648</b>	<b>12.44</b>
<b>United States - 47.48% (27.05%)</b>			
5,406	Acadia Healthcare	382,800	1.03
10,156	Alliant Energy	461,697	1.24
6,093	American Electric Power	466,980	1.26
682	Anthem	325,058	0.87
5,082	BJ's Wholesale Club	342,846	0.92
6,383	Cal-Maine Foods	314,267	0.85
4,719	Centene	350,032	0.94
1,384	Chevron	218,347	0.59
1,175	Cigna	331,098	0.89
5,319	Coca-Cola	277,600	0.75
2,067	ConocoPhillips	227,286	0.61
3,051	CONSOL Energy	168,062	0.45
1,479	Constellation Brands 'A'	318,388	0.86
3,163	Devon Energy	213,330	0.57
1,659	Diamondback Energy	227,211	0.61
5,512	Duke Energy	447,533	1.20
9,147	Edison International	478,181	1.29
5,226	Entergy	487,909	1.31
1,841	EOG Resources	219,190	0.59
4,686	EQT	170,872	0.46
2,288	Exxon Mobil	221,031	0.60
4,850	General Mills	345,036	0.93
7,406	HealthEquity	502,987	1.35
1,533	Hershey	319,162	0.86
4,203	HF Sinclair	224,119	0.60
15,676	Hostess Brands	361,717	0.97
910	Humana	442,986	1.19
4,886	Kellogg	327,494	0.88
9,202	Keurig Dr Pepper	311,479	0.84
5,483	Lantheus	353,600	0.95
2,917	Laredo Petroleum	164,394	0.44
2,297	LHC	334,433	0.90
9,654	Livent	265,682	0.72
3,650	Matador Resources	211,462	0.57
1,233	McKesson	418,424	1.13
3,441	MGP Ingredients	336,106	0.90

## Portfolio Statement *(continued)*

As at 31 October 2022

Holding	Investment	Market value £	Total net assets %
<b>United States (continued)</b>			
3,038	Occidental Petroleum	192,267	0.52
13,937	Option Care Health	367,272	0.99
11,806	Par Pacific	235,677	0.63
5,965	PBF Energy	230,145	0.62
2,014	PepsiCo	318,932	0.86
11,794	Pilgrim's Pride	236,980	0.64
890	Pioneer Natural Resources	198,955	0.54
2,888	Quanta Services	357,365	0.96
6,597	Range Resources	163,610	0.44
8,227	Southern	469,315	1.26
10,946	Talos Energy	203,052	0.55
\$3,025,400	United States Treasury Note/Bond 1.875% 15/11/2051	1,606,498	4.32
21,618	Utz Brands	306,042	0.82
1,835	Valero Energy	200,848	0.54
1,176	Vertex Pharmaceuticals	319,447	0.86
6,441	Warrior Met Coal	208,926	0.56
8,166	Xcel Energy	463,486	1.25
		<b>17,647,616</b>	<b>47.48</b>
<b>DERIVATIVES - (1.38%) (1.53%)</b>			
<b>Forward Currency Contracts - (0.59%) (0.70%)</b>			
	Bought Sterling £312,509: Sold CHF CHF358,644	93	—
	Bought Sterling £310,762: Sold DKK kr2,676,213	1,020	—
	Bought Sterling £2,680,678: Sold EUR €3,103,330	6,542	0.02
	Bought Sterling £1,279,085: Sold EUR €1,480,822	3,063	0.01
	Bought Sterling £1,583,450: Sold JPY ¥268,384,483	10,108	0.03
	Bought Sterling £341,056: Sold NOK kr4,066,598	194	—
	Bought Sterling £2,015,364: Sold USD \$2,337,432	(21,972)	(0.06)
	Bought Sterling £4,601,138: Sold USD \$5,336,430	(50,162)	(0.14)
	Bought Sterling £15,408,399: Sold USD \$17,870,764	(167,987)	(0.45)
		<b>(219,101)</b>	<b>(0.59)</b>
<b>Futures Contracts - (0.79%) ((0.09%))</b>			
151	Futures CBT 10Y T-Note December 2022	(854,059)	(2.30)
37	Futures CBT T-Bonds December 2022	(499,934)	(1.35)
(12)	Futures CME E-mini RUS2K December 2022	19,535	0.05
(37)	Futures ERX EUR-BUND December 2022	185,712	0.50
(233)	Futures EURX E-STXX 50 December 2022	55,198	0.15
(16)	Futures IMM E-mini NSDQ December 2022	342,512	0.92
(7)	Futures IMM E-mini S&P December 2022	61,890	0.17
(64)	Futures KSE Kospi 200 December 2022	93,265	0.25
(76)	Futures LIF Long Gilt December 2022	336,603	0.91

## Portfolio Statement *(continued)*

As at 31 October 2022

Holding	Investment	Market value £	Total net assets %
<b>Futures Contracts (continued)</b>			
(15)	Futures OSE 10Y JGB December 20022	(33,401)	(0.09)
		(292,679)	(0.79)
<b>Options - 0.00% (0.92%)</b>			
	Total value of investments	30,924,797	83.20
	Net other assets	6,242,309	16.80
	<b>Net assets</b>	<b>37,167,106</b>	<b>100.00</b>

All holdings are ordinary shares or stock units unless otherwise stated.

The figures in brackets show allocations as at 31 October 2021.

Portfolio split	Market value £	Total net assets %
Bonds	5,939,831	15.98
Collective Investment Schemes	3,028,223	8.15
Equities	22,468,523	60.45
Forward Currency Contracts	(219,101)	(0.59)
Futures Contracts	(292,679)	(0.79)
Portfolio of investments	30,924,797	83.20
Net other assets	6,242,309	16.80
<b>Net assets</b>	<b>37,167,106</b>	<b>100.00</b>

## Summary of Material Portfolio Changes

### Significant purchases and sales for the year ended 31 October 2022

Purchases	Cost £	Sales	Proceeds £
United States Treasury Note 1.875% 15/11/2051	3,759,460	WisdomTree Agriculture	4,762,957
WisdomTree Agriculture	2,888,549	UBS ETC Linked to UBS Bloomberg CMCI Components Emissions EUR	4,761,382
United Kingdom Gilt 0.75% 22/07/2023	2,456,600	Jupiter JGF Japan Select Fund	3,239,787
Sprott Physical Uranium Trust	2,011,149	United Kingdom Gilt 0.75% 22/07/2023	3,013,980
United Kingdom Gilt 0.125% 31/01/2024	1,897,302	United Kingdom Gilt 0.125% 31/01/2023	2,989,917
United Kingdom Gilt 2.25% 07/09/2023	1,857,257	3i Infrastructure	2,915,330
Republic of Austria 0.85% 30/06/2120	1,299,952	WisdomTree Copper	2,798,203
Invesco Physical Gold ETC	1,236,095	Sprott Physical Uranium Trust	2,487,858
Seraphim Space Investment Trust	1,200,802	Jupiter JGF Global Emerging Markets Corporate Bond	2,280,289
WisdomTree Industrial Metals	1,134,847	United Kingdom Gilt 2.25% 07/09/2023	1,813,574
Subtotal	19,742,013	Subtotal	31,063,277
<b>Total cost of purchases, including the above, for the year</b>	<b>76,936,648</b>	<b>Total proceeds of sales, including the above, for the year</b>	<b>102,050,968</b>



## Statement of Authorised Fund Manager's Responsibilities in relation to the Financial Statements of the Scheme

The Financial Conduct Authority's Collective Investment Schemes (COLL) and, where applicable, Investment Funds (FUND) Sourcebooks, as amended (the Sourcebooks) require the Authorised Fund Manager (the 'Manager') to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the Scheme and of its revenue and expenditure for the year. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on a going concern basis, unless it is inappropriate to do so;
- comply with the requirements of the Statement of Recommended Practice for Authorised Funds;
- follow applicable accounting standards; and
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The Manager is responsible for the management of the Scheme in accordance with the Sourcebooks and the Scheme's Trust Deed and Prospectus. The Manager is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement of Trustee's Responsibilities in relation to the Financial Statements of the Scheme and Report of the Trustee to the Unitholders of the Jupiter Flexible Macro Fund ("the Fund") for the Year Ended 31 October 2022

The Trustee must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations and the Scheme documents of the Fund in relation to the investment and borrowing powers applicable to the Fund.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Fund, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents of the Fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Fund in accordance with the Regulations and the Scheme documents of the Fund.

### Northern Trust Investor Services Limited

Trustee & Depositary Services

London

24 February 2023

# Independent auditors' report to the Unitholders of Jupiter Flexible Macro Fund

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Jupiter Flexible Macro Fund (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 31 October 2022 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 31 October 2022; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Table; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Fund's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Fund Manager with respect to going concern are described in the relevant sections of this report.

## Independent auditors' report to the Unitholders of Jupiter Flexible Macro Fund

*(continued)*

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

### Authorised Fund Manager's Report

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of Authorised Fund Manager's Responsibilities in relation to the Financial Statements of the Scheme, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intends to wind up or terminate the Fund, or has no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## Independent auditors' report to the Unitholders of Jupiter Flexible Macro Fund

*(continued)*

Based on our understanding of the Fund/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Fund. Audit procedures performed included:

- Discussions with the Authorised Fund Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Fund Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Independent auditors' report to the Unitholders of Jupiter Flexible Macro Fund** *(continued)*

### **Other required reporting**

#### **Opinion on matter required by the Collective Investment Schemes sourcebook**

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

#### **Collective Investment Schemes sourcebook exception reporting**

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

Edinburgh

24 February 2023

## Statement of Total Return

For the year ended 31 October 2022				
	Note	Year to 31.10.22		Year to 31.10.21
		£	£	£
Income				
Net capital (losses)/gains	3	(10,447,425)		11,852,846
Revenue	4	830,406		1,113,501
Expenses	5	(538,461)		(945,065)
Interest payable and similar charges	6	(7,030)		(492,131)
Net revenue/(expense) before taxation		284,915		(323,695)
Taxation	7	(61,591)		(64,559)
Net revenue/(expense) after taxation		223,324		(388,254)
<b>Total return before distributions</b>		<b>(10,224,101)</b>		<b>11,464,592</b>
Distributions	8	(219,974)		111,267
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(10,444,075)</b>		<b>11,575,859</b>

## Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 October 2022				
		Year to 31.10.22		Year to 31.10.21
		£	£	£
<b>Opening net assets attributable to unitholders</b>		<b>64,003,111</b>		<b>180,965,300</b>
Amounts receivable on issue of units		55,998		142,993
Amounts payable on cancellation of units		(16,631,483)		(128,681,041)
		(16,575,485)		(128,538,048)
Change in net assets attributable to unitholders from investment activities		(10,444,075)		11,575,859
Retained distribution on accumulation units		183,555		–
<b>Closing net assets attributable to unitholders</b>		<b>37,167,106</b>		<b>64,003,111</b>

## Balance Sheet

As at 31 October 2022			
	Note	31.10.22 £	31.10.21 £
<b>Assets</b>			
Fixed Assets:			
Investments		32,552,312	60,160,416
Current assets:			
Debtors	11	365,346	1,008,698
Cash and bank balances	9	6,744,066	5,388,959
Total assets		39,661,724	66,558,073
<b>Liabilities</b>			
Investment liabilities		(1,627,515)	(970,196)
Creditors:			
Bank overdrafts	10	(728,332)	(924,487)
Other creditors	12	(138,771)	(660,279)
Total liabilities		(2,494,618)	(2,554,962)
<b>Net assets attributable to unitholders</b>		<b>37,167,106</b>	<b>64,003,111</b>

## Directors' Statement

### Jupiter Flexible Macro 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, Philip Wagstaff**

Jupiter Unit Trust Managers Limited

London

24 February 2023



## Notes to the Financial Statements

### 1. Significant Accounting Policies

#### (a) Basis of Accounting

The financial statements have been prepared under 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) and amended in June 2017.

As stated in the Statement of Authorised Fund Managers' Responsibilities in relation to the Financial Statements of the Scheme on page 14, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

The accounting policies outlined below have been applied on a consistent basis throughout the year.

#### (b) Revenue

All dividends from companies/dividends and interest from underlying funds declared ex-dividend during the year ended 31 October 2022 are included in revenue, net of any attributable tax.

Any reported revenue from an offshore fund in excess of any distributions is recognised as revenue after the end of the reporting period, not later than the date when the reporting fund makes this information available.

UK dividends are shown net of any associated tax credits attached to the income.

Bank interest are accrued up to the year end date.

Overseas revenue received after the deduction of withholding tax is shown gross of tax, with the tax consequences shown within the tax charge.

Interest and revenue from bank balances and deposits, fixed interest stocks and other securities are recognized on an accrual basis.

Interest on any debt securities is recognised on an effective interest rate basis.

The Fund holds units or shares in other Collective Investment Schemes and funds (underlying funds). Any periodic charge rebates from underlying funds are recognised on an accruals basis. Where it is the policy of the underlying fund to charge its periodic charge to capital in determining its distribution, the Fund has recognised any such rebates as capital.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the Fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of the shares.

Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. The tax treatment follows the accounting treatment of the principal amount.

#### (c) Expenses

All expenses, including overdraft interest, but excluding those relating to the purchase and sale of investments, are charged against the revenue of the Fund. All of the Fund's expenses are recognised on an accruals basis.

With effect from 1 July 2022, the fees charged to the fund by the Manager have changed. Under the new simplified fee structure, the Manager combined the Annual Management Charge and the Aggregate Operating Fee into a Fixed Annual Charge.

## Notes to the Financial Statements *(continued)*

### 1. Significant Accounting Policies *(continued)*

#### (d) Valuation of Investments

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at Close of Business on 31 October 2022, being the last valuation point of the year. Market value is defined by the SORP as fair value which is generally the bid value of each security.

Where a stock is unlisted or where there is a non liquid market, a valuation for this stock has been obtained from market makers where possible, and suspended stocks are normally valued at their suspension price. However, where the Manager believes that these prices do not reflect a fair value, or where no reliable price exists for a security, it is valued at a price which in the opinion of the Manager reflects a fair and reasonable price for that investment.

A Valuation and Pricing Committee (VPC) of the Investment Manager is responsible for approving unquoted prices. The VPC meets on a quarterly basis and consists of representatives from various parts of the Investment Manager who act as an independent party, segregated from the fund management function to review and approve fair value pricing decisions and pricing models on a regular basis.

#### (e) Forward foreign currency contracts

Open forward foreign currency contracts are shown in the portfolio statement at the fair value and the net gains/(losses) are reflected in the Forward currency contracts in the Net capital gains/(losses) on investments.

#### (f) Foreign Exchange

Transactions in foreign currencies are translated into Sterling at the rates ruling at the dates of the transactions. Assets and liabilities expressed in foreign currencies are translated at the rates ruling at Close of Business on 31 October 2022, being the last valuation point of the year.

#### (g) Taxation

Corporation Tax is provided at 20% on revenue, other than UK dividends and overseas dividends, after deduction of expenses. Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against Corporation Tax payable, by way of double taxation relief.

The charge for tax is based on the profit for the year and takes into account deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred Tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred Tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the Deferred Tax can be offset.

## Notes to the Financial Statements *(continued)*

### 2. Distribution Policies

#### (a) Basis of Distribution

All of the net revenue available for distribution at the end of the final accounting period will be distributed to unitholders as a dividend distribution. In order to achieve a controlled dividend flow to unitholders, interim distributions may be made at the Manager's discretion, up to a maximum of the distributable revenue available for the period. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

If, in respect of a particular accounting period, the average income allocation to unitholders (disregarding, for this purpose, any units held by the Manager or Trustee or their associates) would be less than £25, the Manager reserves the right (with the agreement of the Trustee) not to make any income allocation and, in such an event, the amount of net revenue remaining for that period will be credited to capital and reflected in the value of units.

#### (b) Distributions Dates

Net revenue, if any, will be distributed to unitholders as a dividend distribution, annually on 31 December in respect of the accounting year ending 31 October.

#### (c) Unclaimed Distribution

Distributions which have remained unclaimed by Unitholders for more than six years are credited to the capital property of the Fund.

## Notes to the Financial Statements *(continued)*

### 3. Net Capital (Losses)/Gains

The net (losses)/gains on investments during the year comprise:

	31.10.22 £	31.10.21 £
Currency (losses)/gains	(304,652)	76,596
Transaction charges	(18)	196
Central Securities Depositories Regulation penalty reimbursement	10	–
(Losses)/gains on non-derivative securities	(2,008,716)	30,219,515
Losses on forward currency contracts (see Note 15)	(557,904)	(413,648)
Losses on contracts for difference (see Note 15)	–	(10,657,535)
Losses on derivative contracts (see Note 15)	(7,587,834)	(7,439,098)
Compensation received from pricing error*	–	38,960
Periodic charge rebates	11,689	27,860
<b>Net capital (losses)/gains</b>	<b>(10,447,425)</b>	<b>11,852,846</b>

\*An investment was made in a derivative instrument that was later identified as ineligible for investment due to the underlying security breaching certain investment restrictions. This relates to an isolated error in the prior year and no further compensation is due.

### 4. Revenue

	31.10.22 £	31.10.21 £
UK dividends	35,364	289,855
Overseas dividends	688,582	589,367
Offshore distributions from collective investment schemes	–	127,625
Bank interest	4,621	1,619
Periodic charge rebates	16,744	16,735
Interest on debt securities	85,095	82,725
Revenue Gains on Contracts for Difference (see Note 15)	–	1,161
Franked Stock Dividends	–	4,414
<b>Total revenue</b>	<b>830,406</b>	<b>1,113,501</b>

## Notes to the Financial Statements *(continued)*

### 5. Expenses

	31.10.22 £	31.10.21 £
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Annual management charge	308,112	736,287
	<u>308,112</u>	<u>736,287</u>
<b>Other expenses:</b>		
Fixed Annual Charge*	150,440	–
Aggregate Operating Fee	79,909	208,778
	<u>230,349</u>	<u>208,778</u>
<b>Total expenses</b>	<b>538,461</b>	<b>945,065</b>

\*The audit fee (excluding VAT) incurred during the year was £11,206 (31.10.21: £10,257). The current year amount is borne by the Manager as it is paid out of the Fixed Annual Charge.

### 6. Interest Payable and Similar Charges

	31.10.21 £	31.10.21 £
Dividends payable on Contracts for Difference (see Note 15)	–	136,547
Interest on bank overdrafts	7,030	355,584
<b>Total Interest payable and similar charges</b>	<b>7,030</b>	<b>492,131</b>

## Notes to the Financial Statements *(continued)*

### 7. Taxation

#### (a) Analysis of charge in the year:

	31.10.22 £	31.10.21 £
Irrecoverable overseas tax	61,591	63,720
Tax on stock dividends	–	839
<b>Total tax charge for the year</b>	<b>61,591</b>	<b>64,559</b>

#### (b) Factors affecting current tax charge for the year:

The tax assessed for the year is higher (2021: higher) than the standard rate of Corporation Tax in the UK for an authorised unit trust. The differences are explained below:

	31.10.22 £	31.10.21 £
Net revenue/(expense) before taxation	284,915	(323,695)
Corporation tax of 20% (2021: 20%)	56,983	(64,739)
<b>Effects of:</b>		
Current year expenses not utilised	83,776	225,908
Revenue not subject to taxation	(143,097)	(166,741)
Irrecoverable overseas tax	61,591	64,559
Taxable revenue in capital	2,338	5,572
<b>Total tax charge for the year</b>	<b>61,591</b>	<b>64,559</b>

Authorised unit trusts are exempt from tax on capital gains, therefore any capital return is not included in the above reconciliation.

#### (c) Provision for Deferred Tax

At 31 October 2022, there are surplus management expenses of £54,042,846 (31.10.21: £53,623,966). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore a Deferred Tax asset of £10,808,569 (31.10.21: £10,724,793) has not been recognised.

## Notes to the Financial Statements *(continued)*

### 8. Distributions

The distributions take account of amounts received on the issue of units and deducted on the cancellation of units and comprise:

	31.10.22 £	31.10.21 £
Final distribution	183,555	–
	183,555	–
Amounts (received)/paid on issue of units	(104)	334
Amounts paid/received on cancellation of units	36,523	(111,601)
<b>Net distributions for the year</b>	<b>219,974</b>	<b>(111,267)</b>
<b>Reconciliation of net revenue after taxation to distributions:</b>		
Net revenue/(expense) after taxation	223,324	(388,254)
Tax relief on capitalised expenses	2,338	9,218
Equalisation on conversions	148	352
Net movement in revenue account	(25)	201
Transfer from capital for revenue deficit*	–	267,216
Surplus revenue transferred to capital**	(5,811)	–
<b>Net distributions for the year</b>	<b>219,974</b>	<b>(111,267)</b>

\*For the prior year, no distribution was paid to holders of all unit classes as there was an excess of expenses over revenue. The deficit has been covered by a transfer from the capital of the Fund (as described in Note 2 on page 24).

\*\*No distributions have been made for the current year in respect of J-Class Units on the grounds of immateriality of net revenue available (as described in Note 2 on page 24).

Details of the distributions in pence per unit are shown in the Distribution Table on page 41.

### 9. Cash and Bank Balances

	31.10.22 £	31.10.21 £
Amounts held at brokers	3,193,083	1,443,449
Cash and bank balances	3,550,983	3,945,510
<b>Total cash and bank balances</b>	<b>6,744,066</b>	<b>5,388,959</b>

### 10. Bank Overdrafts

	31.10.22 £	31.10.21 £
Bank overdraft	65,692	623,862
Amounts due to brokers	662,640	300,625
<b>Total bank overdrafts</b>	<b>728,332</b>	<b>924,487</b>

## Notes to the Financial Statements *(continued)*

### 11. Debtors

	31.10.22 £	31.10.21 £
Accrued revenue	78,929	155,187
Amounts receivable for issue of units	5,840	178
Overseas tax recoverable	181,553	209,737
Periodic charge rebates receivable	140	2,454
Sales awaiting settlement	98,884	641,142
<b>Total debtors</b>	<b>365,346</b>	<b>1,008,698</b>

### 12. Other Creditors

	31.10.22 £	31.10.21 £
Accrued expenses	7,929	15,962
Amounts payable for cancellation of units	130,842	295,271
Purchases awaiting settlement	–	349,046
<b>Total other creditors</b>	<b>138,771</b>	<b>660,279</b>

### 13. Contingent Assets, Liabilities and Capital Commitments

The Fund had no contingent assets, liabilities or capital commitments at the balance sheet date (31.10.21: £nil).

### 14. Related Party Transactions

Jupiter Unit Trust Managers Limited (JUTM), as Manager, is a related party in respect of their dealings with the Fund. JUTM acts as principal in respect of all transactions of units in the Fund. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and, if applicable, in Note 8 (Distributions).

Amounts receivable/(payable) from JUTM in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders. At the year end, a net balance of £125,002 was payable to JUTM (31.10.21: £295,093 payable to JUTM). These amounts are included in amounts receivable for issue of units in Note 11 (Debtors) and amounts payable for cancellation of units in Note 12 (Other Creditors).

Any amounts due to or from JUTM at the end of the accounting year are disclosed in Notes 11 and 12. Amounts paid to JUTM in respect of fund management and if any rebates/expense waiver received are included in Note 5 (Expenses). At the year end, £7,927 (31.10.21: £15,922) was payable to JUTM. This amount is included as part of accrued expenses in Note 12.

Where investments are held in other Jupiter products, a rebate could be paid into the Fund. Amounts received from other Jupiter products as management fee rebates are included in Note 3 (Net Capital Gains) and Note 4 (Revenue). At the year end, £140 (31.10.21: £2,454) was receivable from other Jupiter products. This amount is included as periodic charge rebates receivable in Note 11.

Holdings in other Jupiter products at the year end, which are shown in the portfolio statement on page pages 8 to 12 are valued at £nil (31.10.21: £5,619,234). During the year, the Fund had purchases totalling to £309,529 and sales proceeds totalling to £5,520,076. There were no outstanding trade transaction at year end (31.10.21: £nil).



## Notes to the Financial Statements *(continued)*

### 14. Related Party Transactions *(continued)*

During the year, £127,625 of dividends were received (31.10.21: £nil). At the year end, dividend receivable amounted to £nil (31.10.21: £127,625). This amount is included as part of accrued revenue in Note 11.

### 15. Financial Instruments

In pursuing its investment objectives, the Fund holds a number of financial instruments. These comprise securities and other investments, cash balances, bank overdrafts and 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 liquidity and cash flow risk. These risks are not significant at current levels. The main risks it faces from its financial instruments are market price, credit, foreign currency, interest rate and counterparty risk. The Manager reviews policies for managing these risks in pursuance of the Investment Objective and Policy 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.

#### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held by the Fund. It represents the potential loss the Fund might suffer through holding market positions which are affected by adverse price movements.

The Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular markets or industry sectors whilst continuing to follow the Investment Objective and Policy (as set out on page 2).

#### Price Risk Sensitivity

A ten per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £3,092,480 (31.10.21: £5,919,022). A ten per cent decrease would have an equal and opposite effect.

#### Credit Risk

The investment returns produced by the Fund's bond holdings are dependant on the issuers of these bonds maintaining due payment of interest and capital. A significant proportion of the Fund may be invested in high yield bonds which have a lower rating from a credit rating agency. There is a higher credit risk associated with such investments. The Fund aims to reduce this credit risk by holding a well diversified range of securities. In addition, the majority of the bond investments in the portfolio are invested in securities classified as investment grade by independent credit rating agencies.

## Notes to the Financial Statements *(continued)*

### 15. Financial Instruments *(continued)*

#### Foreign Currency Risk

A substantial proportion of the net assets of the Fund is denominated in currencies other than Sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

Currency	31.10.22 £	31.10.21 £
Australian Dollar	–	143,952
Brazilian Real	–	149,163
Canadian Dollar	583	537
Czech Koruna	–	1,018,816
Danish Kroner	160,253	360,288
Euro	(801,291)	(9,267,340)
Hong Kong Dollar	–	(86,783)
Japanese Yen	50,929	558,067
South Korean Won	262,575	320,631
Mexican Nuevo Peso	–	(4,134,669)
Norwegian Krone	26,227	6,452,040
Singapore Dollar	–	(12,368)
Swedish Krona	7	(6,257,129)
Swiss Franc	(21,935)	13,532
US Dollar	(2,292,813)	15,460,970

#### Foreign Currency Risk Sensitivity

A ten per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £261,546 (31.10.21: £471,971). A ten per cent decrease would have an equal and opposite effect.

## Notes to the Financial Statements *(continued)*

### 15. Financial Instruments *(continued)*

#### Interest Rate Risk

The Fund invests in fixed and variable rate securities and any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise the revenue potential of the Fund also rises but the value of fixed rate securities will decline. A fall in interest rates will in general have the opposite effect.

#### Interest Rate Risk Profile of Financial Assets and Financial Liabilities

The interest rate risk profile of the Fund's financial assets and liabilities at 31 October was:

Currency	Floating Rate financial assets £	Fixed Rate financial assets £	Financial assets not carrying interest £	Total £
<b>31.10.22</b>				
Canadian Dollar	–	–	583	583
Danish Kroner	–	–	469,995	469,995
Euro	–	1,056,466	2,738,340	3,794,806
Japanese Yen	–	–	1,674,372	1,674,372
Norwegian Krone	–	–	367,089	367,089
South Korean Won	169,310	–	93,265	262,575
Swedish Krona	7	–	–	7
Swiss Franc	–	–	290,482	290,482
US Dollar	193,560	1,606,498	19,526,146	21,326,204
Sterling	6,381,189	3,276,867	1,817,555	11,475,611
<b>Total</b>	<b>6,744,066</b>	<b>5,939,831</b>	<b>26,977,827</b>	<b>39,661,724</b>
<b>31.10.21</b>				
Australian Dollar	–	677,818	467,566	1,145,384
Brazilian Real	–	–	149,163	149,163
Canadian Dollar	–	–	537	537
Danish Kroner	–	–	360,288	360,288
Euro	–	–	10,053,567	10,053,567
Hong Kong Dollar	–	–	422,226	422,226
Japanese Yen	–	–	3,732,697	3,732,697
Mexican Nuevo Peso	–	–	29,719	29,719
Norwegian Krone	–	–	800,063	800,063
South Korean Won	109,315	–	211,316	320,631
Swedish Krona	–	–	238,924	238,924
Swiss Franc	–	–	986,940	986,940
US Dollar	14,668	–	29,074,674	29,089,342
Sterling	5,264,976	8,563,577	5,400,039	19,228,592
<b>Total</b>	<b>5,388,959</b>	<b>9,241,395</b>	<b>51,927,719</b>	<b>66,558,073</b>

## Notes to the Financial Statements *(continued)*

### 15. Financial Instruments *(continued)*

Currency	Floating Rate financial liabilities £	Fixed Rate financial liabilities £	Financial liabilities not carrying interest £	Total £
<b>31.10.22</b>				
Euro	645,939	–	–	645,939
Japanese Yen	16,700	–	33,401	50,101
US Dollar	–	–	1,353,995	1,353,995
Sterling	65,693	–	378,890	444,583
<b>Total</b>	<b>728,332</b>	<b>–</b>	<b>1,766,286</b>	<b>2,494,618</b>
<b>31.10.21</b>				
Canadian Dollar	–	–	9,718	9,718
Czech Koruna	–	–	21,731	21,731
Euro	290,136	–	299,623	589,759
Hong Kong Dollar	844	–	83,455	84,299
Japanese Yen	–	–	6,837	6,837
Norwegian Krone	–	–	3,235	3,235
Singapore Dollar	9,645	–	2,723	12,368
US Dollar	–	–	793,839	793,839
Sterling	623,862	–	409,314	1,033,176
<b>Total</b>	<b>924,487</b>	<b>–</b>	<b>1,630,475</b>	<b>2,554,962</b>

There are no material amounts of non interest-bearing financial assets, which do not have maturity dates, other than equities, and therefore no sensitivity analysis has been disclosed in these financial statements.

The floating rate financial assets and liabilities include bank balances and overdrafts that bear interest. Interest rates on Sterling and overseas bank balances as supplied by the custodian may vary in line with market conditions and the size of deposit. Overdraft interest is calculated at the current Bank of England base rate plus 1.00%.

### Counterparty Risk

Counterparty risk, is the risk that a third party organisation (counterparty) does not pay out on a contract, or other trade or transaction when this is due to the Fund. The derivatives entered into by the Fund fall into either of two categories: i) have been traded on recognised exchanges on a delivery versus payment basis, thus eliminating exposure to counterparty risk, or ii) have been traded on Over the Counter markets which may expose the Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In respect of trades made on Over the Counter markets the Manager will seek to reduce such risk by only entering into transactions with counterparties that it believes to have a high credit rating at the time the transaction is entered into, and by ensuring that formal legal agreements covering the terms of the contract are entered into in advance. In certain circumstances however, the Manager may be unable to enforce or rely on rights and obligations arising under such agreements. In the event of bankruptcy or insolvency of the counterparty, the Fund may only have the rights of a general creditor and could therefore experience delays in liquidating the position and may incur significant losses compared to the value of the transaction in the portfolio.

## Notes to the Financial Statements *(continued)*

### 15. Financial Instruments *(continued)*

#### Use of Derivatives

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

#### Bought Options

The Manager bought Call Options the year to potentially reduce the cost of acquiring exposure to a share in the longer term, resulting in realised and unrealised losses of £527,937 (31.10.21: realised and unrealised losses of £2,363,410) during the year. All contracts were undertaken with UBS as counterparty during the year. There were no outstanding Call Options as at year end.

#### Contracts for Difference

The Manager entered into Contracts for Difference in the prior year with the aim of gaining short term exposure to a company's stock at a lower cost than directly holding the shares. This allowed the Manager to gain exposure to share price movements (whether up or down) without the need for ownership of the underlying shares. No such contracts were entered during the year, therefore realised and unrealised losses were £nil (31.10.21: realised and unrealised losses of £10,657,535). A net amount of £nil (31.10.21: £135,386) in Notes 4 and 6, equivalent to the dividends paid by the underlying holdings, has been received in the period and recognised as revenue. There are no outstanding Contracts for Difference held at the year end.

In order to reduce this risk, collateral may be held by the Fund. The counterparties to these transactions and any collateral held/(pledged) by the Fund at the balance sheet date are shown below:

Counterparty	31.10.22 £	31.10.21 £
HSBC	(1,180,00)	–
Northern Trust	(40,000)	400,000
	<u>(1,220,000)</u>	<u>400,000</u>

#### Futures Contracts

The Manager bought some currency/index futures with the aim of protecting the Fund from the risk of currency/index volatility. This resulted in realised and unrealised losses of £7,059,897 (31.10.21: realised and unrealised losses of £5,075,688) to the Fund during the year. The positive open exposure to the Fund at the balance sheet date was £1,094,715 (31.10.21: £598,847). All contracts were undertaken with UBS as counterparty during the year.

#### Forward Foreign Currency Contracts

The Manager made use of forward foreign currency contracts during the year in order to hedge out some of the currency exposure in the Fund. This resulted in realised and unrealised losses of £557,904 to the fund during the year (31.10.21: realised and unrealised losses of £413,648). All contracts were undertaken with HSBC Bank, JP Morgan and Northern Trust as counterparty during the year.

The underlying exposure for forward currency contracts were as follows:

Counterparty	31.10.22 £	31.10.21 £
HSBC Bank	19,806	278,887
JP Morgan	194	218,909
Northern Trust	1,020	261,617
	<u>21,020</u>	<u>759,413</u>

## Notes to the Financial Statements *(continued)*

### 15. Financial Instruments *(continued)*

#### Risk Management

In the interest of best practice, Jupiter has decided to treat all of its funds that are authorised to transact in derivatives for investment purposes as for the purpose of risk management, regardless of their complexity or simplicity. Managing these risks involves a combination of steps, including Value at Risk (VaR) exposure monitoring being undertaken by the teams involved in Jupiter's Derivative Risk Management Process (DRMP).

#### Leverage

In line with box 25 of ESMA Guidelines, as the Fund uses the VaR approach to monitor the global exposure, the Manager calculates the leverage for the Fund on a daily basis, as the sum of the absolute value of the notionals of the derivatives used. With respect to financial derivative instruments which do not have a notional value attached to them, the calculation of the value is based upon the market value of the equivalent position of the underlying asset that is attached to the financial derivative instrument and applied consistently and appropriately.

	31.10.22	31.10.21
Leverage level reached during the financial year (Average levels as a % of NAV for the year)	359.56%	245.46%

#### Value at Risk (VaR) for exposure monitoring:

For the Jupiter Flexible Macro Fund, we currently conform to the suggested ESMA limit for a sophisticated fund of an absolute VaR figure of 20%. This is calculated using a 99% confidence level over a 20 day time frame and is calculated daily. The VaR as at 31 October 2022 was 5.33% (31.10.21: 15.03%).

	31.10.22	31.10.21
Maximum	16.97%	17.41%
Minimum	3.60%	4.93%
Average	6.58%	11.38%

#### What is VaR?

It estimates the worst potential loss in the portfolio within a certain time period and with a certain amount of confidence, using the following criteria:

- Internal Guidelines: 20% absolute VaR (99% confidence) over 20 day timeframe measured each day
- Holding period: 1 month (20 days)
- Observation period: minimum 1 year (250 days)
- 99% confidence implies a breach of 1 out of every 100 twenty day periods

#### If VaR approaches its limit the Manager may:

- Diversify the portfolio
- Reduce the gross exposure
- Hedge part of the portfolio
- Reduce exposure to positions with high marginal VaR contribution

## Notes to the Financial Statements *(continued)*

### 16. Fair Value of Investments

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

**The fair value of investments has been determined using the following hierarchy:**

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Basis of valuation	Assets £	Liabilities £
<b>31.10.22</b>		
Level 1	31,474,826	(1,387,394)
Level 2	1,077,486	(240,121)
Level 3	–	–
<b>Total</b>	<b>32,552,312</b>	<b>(1,627,515)</b>

Basis of valuation	Assets £	Liabilities £
<b>31.10.21</b>		
Level 1	43,941,528	(1,153)
Level 2	16,218,888	(969,043)
Level 3	–	–
<b>Total</b>	<b>60,160,416</b>	<b>(970,196)</b>

## Notes to the Financial Statements *(continued)*

### 16. Fair Value of Investments *(continued)*

The majority of financial instruments are classified as level 1: Quoted Prices.

While there are no unquoted securities held as at year end, generally for non-market traded and unquoted securities, where there is no price source from an active market for an investment, the Manager has applied judgement in determining the fair value. The Manager has used several valuation methodologies as prescribed in the International Private Equity and Venture Capital valuation guidelines to arrive at their best estimate of fair value. Valuation techniques used by the Manager are set out in Accounting Policies Note 1(d). The fair value is established by using measures of value such as:

- **Price of recent transactions** — Management determine the fair value based on the price of recent transactions made by management or a third party.
  - **Milestone analysis** — Management assess the investment company's progress against milestones expected at the time of investment in order to determine whether an adjustment is required to the transaction price to determine fair value.
  - **Multiples** — Earnings or Revenue multiples are selected from comparable public companies based on geographic location, industry, size, risk profile, earnings growth prospects, target markets and other factors that management consider reasonable. A discount for lack of liquidity may then be applied to represent the adjustment to comparable company multiples to reflect the illiquidity of the portfolio companies relative to the comparable peer group. Management determines the discount for lack of liquidity based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. One of the most common forms of multiples used for cash generating companies are EV/EBITDA multiples as EBITDA is generally seen to represent a good proxy for free cash flow. These are applied where appropriate based on the development of underlying portfolio companies but other multiples such as EV/Revenue may also be considered.
  - **Net assets** — Management determine the fair value based on the net asset value of the underlying portfolio company.
- In applying the above valuation techniques in arriving at the fair value the Manager has assessed any further information available from internal and external sources to arrive at an estimated fair value, which includes but is not limited to the following:
- Reference to listed securities of the same company.
  - Consideration of seniority of the securities held and terms of repayment upon realisation.
  - Consideration of any trading restrictions on the investment company's shares that would limit Manager's ability to realise its holding.
  - Consideration of any outstanding payments to be made by Manager.
  - Industry statistics or events (such as mergers and acquisitions).



## Notes to the Financial Statements *(continued)*

### 17. Portfolio Transaction Costs

For the year ended 31 October 2022

	Equities £	%	Bonds £	Funds £	Total £
<b>31.10.22</b>					
<b>Analysis of total purchases costs</b>					
Purchases in year before transaction costs	64,564,577		12,030,122	309,529	76,904,228
Commissions	16,658	0.03	–	–	16,658
Expenses and other charges	15,762	0.02	–	–	15,762
	32,420		–	–	32,420
Purchases including transaction costs	64,596,997		12,030,122	309,529	76,936,648
<b>Analysis of total sales costs</b>					
Sales in year before transaction costs	82,491,528		14,064,065	5,520,076	102,075,669
Commissions	(21,904)	0.03	–	–	(21,904)
Expenses and other charges	(2,797)	0.00	–	–	(2,797)
	(24,701)		–	–	(24,701)
Sales net of transaction costs	82,466,827		14,064,065	5,520,076	102,050,968

Commissions and expenses and other charges as % of average net assets:

Commissions 0.08%

Expenses and other charges 0.04%

The average portfolio dealing spread as at the balance sheet date was 0.18%.

The Fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 31 October 2022.

## Notes to the Financial Statements *(continued)*

### 17. Portfolio Transaction Costs *(continued)*

For the year ended 31 October 2021

	Equities £	%	Bonds £	Funds £	Corporate Actions £	Derivatives £	Total £
<b>31.10.21</b>							
<b>Analysis of total purchases costs</b>							
Purchases in year before transaction costs	141,552,806		55,056,131	7,650,473	26,153	–	204,285,563
Commissions	35,694	0.03	–	–	–	–	35,694
Expenses and other charges	36,317	0.03	–	–	–	–	36,317
	72,011		–	–	–	–	72,011
Purchases including transaction costs	141,624,817		55,056,131	7,650,473	26,153	–	204,357,574
<b>Analysis of total sales costs</b>							
Sales in year before transaction costs	288,855,819		55,389,556	2,169,210	6,809	7,743	346,429,137
Commissions	(108,547)	0.04	–	–	–	–	(108,547)
Expenses and other charges	(17,058)	0.01	–	–	–	–	(17,058)
	(125,605)		–	–	–	–	(125,605)
Sales net of transaction costs	288,730,214		55,389,556	2,169,210	6,809	7,743	346,303,532

Commissions and expenses and other charges as % of average net assets:

Commissions 0.15%

Expenses and other charges 0.06%

The average portfolio dealing spread as at the balance sheet date was 0.11%.

The Fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 31 October 2021.

## Notes to the Financial Statements *(continued)*

### 18. Unitholders' Funds

The Fund has the following unit classes in issue, with the following charges and minimum initial investment levels:

Unit Class	Initial Charge	Fixed Annual Charge	Minimum Initial investment
L-Class Units	0.00%	1.47%	£500
I-Class Units	0.00%	0.855%	£1,000,000
J-Class Units	0.00%	1.195%	£500

Revenue and other expenses, not included in the table above, are allocated each day pro rata to the value of the assets attributable to each unit class and taxation is calculated by reference to the net revenue after expenses attributable to each unit class. Due to the varying expenses, the level of net revenue after expenses attributable to each unit class and the distributable revenue is likely to differ.

The Net Asset Value per unit and the number of units in each class are given in the Comparative Tables on page 6. All unit classes have the same rights on winding up.

Reconciliation of Units	L-Class Accumulation	I-Class Accumulation	J-Class Accumulation
Opening number of units at 1 November 2021	49,851,900	96,580,251	5,343,779
Units issued in year	23,591	41,082	88,108
Units cancelled in year	(5,594,220)	(35,926,665)	(307,018)
Units converted in year	(132,318)	99,410	26,428
Closing number of units at 31 October 2022	44,148,953	60,794,078	5,151,297

### 19. Unit Price Movement since the Balance Sheet date (Non-adjusting post balance sheet event)

Since the last day of dealing of the period on 31 October 2022, the Fund's quoted prices in pence have moved as follows:

	Price as at 31.10.22	Price as at 17.02.23	% Change
L-Class Accumulation	32.56	32.35	(0.64)
I-Class Accumulation	34.74	34.58	(0.46)
J-Class Accumulation	32.74	32.55	(0.58)

## Distribution Table

For the year ended 31 October 2022

### FINAL

Group 1: Units purchased prior to 1 November 2021

Group 2: Units purchased on or after 1 November 2021 to 31 October 2022

	Income	Equalisation	Distribution accumulated 30.12.22	Distribution accumulated 31.12.21
L-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.0324	–	0.0324	–
Group 2	0.0324	–	0.0324	–

	Income	Equalisation	Distribution accumulated 30.12.22	Distribution accumulated 31.12.21
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.2784	–	0.2784	–
Group 2	0.1944	0.0840	0.2784	–

	Income	Equalisation	Distribution accumulated 30.12.22	Distribution accumulated 31.12.21
J-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	–	–	–	–
Group 2	–	–	–	–

### All Unit Types

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

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

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)

### UCITS V Remuneration Qualitative Disclosures

#### Decision-making process to determine remuneration policies

Under the Jupiter's Group's framework ultimate responsibility in remuneration matters is held by the Board of Directors of Jupiter Fund Management Plc. The Board is supported in remunerated-related issues by the Remuneration Committee ("RemCo").

The Board is responsible for establishing the Group Remuneration Policy, and with support of the RemCo regularly reviewing the Group Remuneration Policy to meet any important regulatory developments and the objectives of the Group.

The RemCo is delegated with the role of supporting the Board in setting remuneration guidelines, establishing share-based remuneration plans, and approving the aggregate variable remuneration expenditure of the Group as well as determining and proposing to the Board the individual total remuneration payable to the members of the Board (other than its chairman) for approval. The RemCo ensures that the Remuneration Policy and practices across the Group operate in line with EU regulations that apply to its regulated entities and delegates.

The RemCo regularly reports to the Board on the status of its activities, the development of the remuneration architecture within the Group as well as on the operational implementation of this Policy. The RemCo consists of at least three members of the Board all of whom are Non-Executive Directors.

Jupiter's remuneration philosophy is aligned with the Group's pre-incentive operating profit as well as its tolerance for risk. The Group's approach provides for remuneration that attracts and retains employees in each local market and motivates them to contribute to the development and growth of its business. The policy promotes sound and effective risk management and does not encourage inappropriate risk taking.

#### Link between pay and performance

As described above, Jupiter operates a Group-wide remuneration policy, which applies to all employees across the Group.

Jupiter ensures that any measurement of performance used to evaluate the quantum of variable remuneration elements or pools of variable remuneration elements:

- includes adjustments for current and future risks, taking into account the cost and quantity of the capital and the liquidity required;
- takes into account the need for consistency with the timing and likelihood of the firm receiving potential future revenues incorporated into current earnings;
- is based on the performance of the Group, the individual and the relevant function / business unit or in the case of a fund manager, the fund(s), where financial and non-financial criteria are considered when assessing individual performance; and
- is set within a multi-year framework to ensure that the assessment process is based on longer term performance and associated risks, and to ensure that payment is spread over an appropriate period.

## General Information (unaudited) *(continued)*

### Material Risk Takers

The categories of staff for inclusion as Material Risk Takers for JUTM include:

- Executive and non-executive members of the Board
- Other members of senior management
- Staff responsible for control functions

The Material Risk Takers are identified and reviewed on an annual basis by the relevant entities and the RemCo in line with the criteria set out under EU regulations, namely:

If, in the performance of their professional activities certain staff of a delegate portfolio manager can have a material impact on the risk profiles of the funds they manage, these employees are considered as "Identified Staff". For this purpose, the Group considers the respective delegate portfolio manager as subject to equally effective regulation if they are required by law and regulations or in accordance with internal standards to put in place a remuneration policy, which in accordance to the ESMA Remuneration Guidelines is considered equivalent in its objectives. The Group's regulated entities will only delegate its portfolio management to firms, whose remuneration policy complies with the 'equivalence standard' as described.

In line with ESMA Guidelines, proportionality is considered taking into account the following factors:

- The percentage of assets under management;
- Total assets under management; and
- The average ratio between its fixed and variable remuneration paid to staff.

It should be noted that despite use of proportionality, the Group's compensation arrangements involve high levels of deferral, payment in shares and performance adjustment provisions on commercial and risk management grounds.

Further details in relation to the Qualitative disclosures are included in the attached Appendix – Jupiter Fund Management Plc Remuneration Framework.

## General Information (unaudited) *(continued)*

### Quantitative disclosures

The remuneration data provided below reflects amounts paid in respect of the performance year 2021 in relation to the funds managed by JUTM.

As at 31 December 2021, JUTM had GBP 25.8 billion assets under management consisting of 38 authorised Unit Trust and 2 Investment Trusts.

Total annual remuneration paid to all Management Company employees:	
Of which fixed:	
Of which variable:	
Number of Management Company employees:	
Total remuneration paid to Identified Staff of the Management Company:	£13,172,217
Of which paid to Senior Management:	£3,693,538
Of which paid to other Identified Staff:	£9,478,679
Number of Identified Staff:	26
Total annual remuneration paid to employees in delegate(s):	£89,231,605
Of which fixed:	£6,500,802
Of which variable:	£82,730,803
Number of beneficiaries:	34

### Notes

Remuneration for Material Risk Takers includes remuneration paid to employees of other group companies performing senior management functions for the Management Company.

Remuneration for Material Risk Takers includes remuneration paid to employees of other group companies who perform fund management activities on behalf of the Management Company under the terms of a delegation agreement between the Management Company and their employer. The remuneration disclosed for these employees is the proportion of their total remuneration for the fund management activities they perform under a delegation agreement.

In the figures above, fixed remuneration relates to salary and pension benefits and variable remuneration includes the annual bonus including any long-term incentive awards.

These disclosures are in line with Jupiter's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops Jupiter may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other Jupiter fund disclosures in that same year.

Due to the increasing complexity of the business (i.e., Merian transaction), the information that is needed to provide a further breakdown of remuneration is not readily available and would not be relevant or reliable.

Implementation of the remuneration policy for the Group is subject to an annual independent review. No material outcomes or irregularities were identified as a result of the most recent independent review, which took place in 2021.

## General Information (unaudited) *(continued)*

### Appendix – Jupiter Fund Management Plc Remuneration Framework

Jupiter Fund Management (JFM) Plc operates a Group-wide remuneration policy, which applies to all employees across the Group. This document provides details of this remuneration policy.

#### Decision-making process to determine remuneration policies

Under the Jupiter's Group's framework ultimate responsibility in remuneration matters is held by the Board of Directors of Jupiter Fund Management Plc. The Board is supported in remunerated-related issues by the Remuneration Committee ("RemCo").

The RemCo meets on a regular basis to consider remuneration matters across the Group. It operates under formal terms of reference, which are reviewed annually and are available on the Jupiter website. The RemCo is responsible for the determination, regular review of, and implementation of the overarching policy for remuneration that applies to the Group. It is also responsible for determining and reviewing annually individuals who have a material impact on the risk profile of Jupiter and/or its funds (Material Risk Takers ("MRTs")) and determining total remuneration packages for these individuals. In considering the remuneration policy, the RemCo seeks to ensure remuneration is structured in a way that attracts, motivates and retains high calibre staff, rewards individual and corporate performance and is aligned with appropriate risk and compliance standards and the long-term interests of shareholders, investors, clients and other stakeholders.

The RemCo takes full account of Jupiter's strategic objectives and stakeholder views in considering remuneration policy decisions. This includes careful consideration of any feedback from shareholders, investors, employees, the regulator and our clients, as well as specific input from subject matter experts, where requested (for example, the Chief Financial Officer, Chief Risk Officer, HR Director and Head of Reward). To avoid any conflicts of interest, the Committee comprises independent Non-Executive Directors and the Company Chairman, and no individual is involved in any decisions regarding their own remuneration.

The Committee has appointed Deloitte LLP as independent advisers to the Committee.

#### Remuneration policy

As described above, Jupiter operates a Group-wide remuneration policy. The Group has a pay for performance culture and flexible individual incentives are an important part of this performance culture. All employees are incentivised in a similar way and are rewarded according to personal performance and Jupiter's success.

A description of the different remuneration elements, how they are determined and the link between pay and performance are set out below.



## General Information (unaudited) (continued)

### Remuneration elements

<b>Base salary</b>	Base salaries are generally reviewed annually. Base salary levels are set considering the individual's skills, the size and scope of their role, and the market rate for the role at comparator companies.
<b>Benefits</b>	Benefits provided deliver a package based on what is important to the Group's employees, and Jupiter is committed to offering a market-leading benefits package with a core focus on health and wellbeing. The Group will ensure that its pension policy is in line with its business strategy, objectives, values and long-term interests and, where required under local regulation, will not deliver discretionary benefits in excess of accrued pension benefits.
<b>Annual bonus (including Deferred Bonus Plan)</b>	<p>The annual bonus rewards individual and corporate performance and the achievement of strategic and personal objectives. The variable compensation pool (from which annual bonuses are paid) is based on Jupiter's profits, ensuring that any bonuses are affordable. The variable compensation pool may be adjusted based on the RemCo's assessment of a range of financial and non-financial considerations, including risk and compliance, as described later in this document. Individual bonuses are determined based on a number of factors relating to the individual's role and performance. This includes a balanced assessment of financial and non-financial factors, including:</p> <ul style="list-style-type: none"> <li>- Risk, compliance and conduct behaviour.</li> <li>- Metrics specific to the relevant business unit (e.g. sales performance for sales staff, investment performance and other factors such as profitability, assets managed and net sales for investment staff) and other specific departmental and corporate performance objectives and strategic goals.</li> <li>- Assessment of how the above performance is achieved in terms of risk and repeatability.</li> <li>- Performance in accordance with Jupiter's values and wider contribution to Jupiter and its growth strategy.</li> <li>- People related objectives, for example succession planning and people development.</li> </ul> <p>For any bonus amount in excess of £50,000 or local currency equivalent, a portion is deferred in the form of a Deferred Bonus Plan ("DBP") award, ensuring long term alignment to Jupiter's performance (subject to a de minimis £5,000 deferral amount, or local currency equivalent). Awards under the DBP can take the form of options over JFM plc shares and fund units. For individuals who are MRTs under AIFMD and/or UCITS V at least 40% of variable remuneration will be deferred, increasing to at least 60% where variable remuneration exceeds £500,000 for Jupiter's UK regulated entities or €500,000 in the case of JAMI or MGIE.</p> <p>Awards normally vest in equal annual tranches over the three years from the date of grant. DBP awards for MRTs are also subject to a six-month post vesting holding period. For certain individuals, including all MRTs, malus and/or clawback provisions apply.</p> <p>In addition to the above, for MRTs, half of any non-deferred bonus may be delivered in the form of options over Jupiter shares, or, where elected, options over units in a single specified fund, the asset base for which is considered to be a representative of the overall asset base managed by the Company. Portfolio managers may elect to receive half of their non-deferred bonus as options over units in a fund that they manage. Options over the non-deferred bonus vest immediately but are subject to a six-month post-vesting holding period.</p>
<b>Performance fees</b>	For certain portfolio managers, performance fee sharing arrangements are in place, which help align the interests of senior fund managers with the long-term performance of the funds they manage. Under these arrangements, fund managers are entitled to receive a pre-determined proportion of the total performance fee earned by Jupiter. In all instances, the performance fee is considered variable remuneration and is subject to the relevant deferral requirements, as well as malus and clawback provisions.
<b>Long-term incentives</b>	<p>Long-Term Incentive Plan ("LTIP") awards to senior individuals incentivise and reward for the long-term performance of the Company and aid retention of these employees. The grant of LTIP awards is based on an assessment of individual and corporate performance, including the consideration of risk and compliance.</p> <p>LTIP awards take the form of options over shares in the Company, providing alignment to overall Jupiter performance, and vest a minimum of three years from the date of grant subject to continued employment, and the satisfaction of performance conditions and malus and/or clawback provisions. The performance conditions are set by the RemCo at the start of the performance measurement period. Awards are also subject to maintenance of an appropriate risk and compliance environment throughout the performance period as well as an underlying business performance underpin. The RemCo will compare the vesting outcome for LTIP awards against shareholder and client experience over the same performance period.</p>

## General Information (unaudited) *(continued)*

<b>Deferred Earn Out</b>	As part of the Company's acquisition of Merian Global Investors during the 2020 performance year, a Deferred Earn-Out ("DEO") scheme was established for the benefit of five key Merian management shareholders and their respective teams. The DEO will allow participants to benefit from a deferred earn-out plan of up to £30 million, structured as a combination of cash (£10m) and JFM plc shares (£20m), vesting over the third, fourth and fifth anniversaries of legal completion of the acquisition date (1 July 2020). Awards over shares are conditional on for growing and retaining revenues in the participant's respective investment strategy.  All awards are subject to continued employment, as well as malus and clawback provisions.
<b>All-employee share plans</b>	Jupiter operates a Sharesave Plan and Share Incentive Plan, for all UK employees and an International Share Award for all non-UK employees.

### Risk and reward at Jupiter

The RemCo gives careful consideration to the linkage between risk and reward to ensure that desired behaviours and culture are rewarded. This includes ensuring the reward structures are consistent with and promote sound and effective risk management and ensuring that the remuneration out-turns appropriately reflect the risk profile and behaviours of the Company and individual. This is demonstrated through a variety of reward features and processes in place which ensure alignment to risk considerations throughout the organisation. For example:

- When assessing the overall variable compensation pool, the RemCo considers a number of "checkpoints", as described overleaf.
- Assessment of individual performance includes consideration of a scorecard of financial and non financial metrics. This ensures that how performance has been achieved is taken into account, for example in terms of risk and repeatability. For all employees there is consideration of performance against risk and compliance criteria, thereby ensuring that there is risk adjustment at an individual level.
- All employees with bonuses of over £50,000 or local currency equivalent will have a portion of bonus deferred into options over Jupiter Fund Management plc shares and/or Jupiter fund units. When considered in conjunction with LTIP awards, this means that around 25% of employees are subject to some kind of deferral, ensuring their interests are aligned to Jupiter's long-term success.
- Minimum shareholding requirements apply to executive directors of Jupiter Fund Management plc, further enhancing the link to the Company's long-term success.
- For MRTs (including senior management), all variable remuneration is subject to malus and clawback provisions, whereby incentive awards may be reduced, withheld or reclaimed in certain circumstances, including where there has been a material failure of risk management.
- For staff engaged in control function roles (e.g. risk and compliance), variable remuneration is principally determined by reference to performance against departmental and individual objectives which relate specifically to their functions. The Remuneration Committee signs off all remuneration for senior control staff, ensuring independent review of achievements.
- For fund management staff, various quantitative and qualitative factors are applied when assessing individual performance so that remuneration is aligned to client outcomes. Fund Managers are subject to regular performance appraisals and oversight by the CIO Office. This review process includes amongst other factors, an assessment of activities concerning the integration of sustainability risks and may focus on areas such as voting, engagement and the selection of securities. The ESG evaluation is one part of the overall performance assessment and should be viewed in that wider context.

In addition, as well as the Audit and Risk Committee feeding into the process, the Chief Risk Officer presents a report to the Committee, setting out thoughts and assurances around how the current remuneration structures and processes support sound and effective risk management.

## General Information (unaudited) *(continued)*

Checkpoints – determining the variable compensation spend

### Capital base and liquidity

#### Can Jupiter afford the proposed variable compensation pool?

Sufficient liquidity to make payments?

Consider impact on Jupiter's capital base.

*Request and consider input from the Chief Financial Officer.*



### Underlying financial performance

#### Does Jupiter's underlying financial performance support the proposed variable compensation pool funding?

Consider performance against financial KPIs listed in the Annual Report.

Is there any reason to believe the financial results are not a fair reflection of underlying performance?

*Request and consider input from the Audit and Risk Committee.*



### Risk

#### Does Jupiter's risk profile and risk management support the variable compensation pool? Are any adjustments required?

Consideration of the Enterprise Risk Management report.

Are all risks being suitably monitored and managed? Have there been any material failures of risk management (or any "near misses") in the year?

Consider whether profit reflects current and future risks and timing and likelihood of future revenues.

*Request and consider input from the Chief Risk Officer and the Audit and Risk Committee.*



### Compliance

#### Have there been any material compliance breaches in the year?

Is any adjustment required?

Consideration of any significant compliance breaches and/or "near misses"

Consideration of any fines received in the year and any ongoing regulatory investigations.

*Request and consider input from the Compliance Director.*



## General Information (unaudited) *(continued)*

### Commercial

#### Are there any commercial drivers to support adjustments to the variable compensation pool?

Consider the market for talent and whether the pool would likely result in any significant over/underpayment against the market



### Reputational

#### Are there any reputational drivers to support adjustments to the variable compensation pool?

Has there been any reputational damage to the Group in the year?

Will the proposed variable compensation pool quantum have any adverse reputational impact on the Group?



### Variable compensation spend, total compensation ratio approval

## Tax Information Reporting

UK tax legislation requires fund managers to provide information to HMRC on certain investors who purchase units in unit trusts. Accordingly, the Fund may have to provide information annually to HMRC on the tax residencies of those unitholders that are tax resident out with the UK, in those countries that have signed up to the OECD's ('Organisation for Economic Cooperation and Development') Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard'), or the United States (under the Foreign Account Tax Compliance Act, 'FATCA').

All new unitholders that invest in the Fund must complete a certification form as part of the application form. Existing unitholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence.

Failure to provide this information may result in the account being reported to HMRC.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – **information for account holders**: [gov.uk/government/publications/exchange-of-information-account-holders](https://gov.uk/government/publications/exchange-of-information-account-holders).

## Value Assessment

The Assessment of Value report for Jupiter Flexible Macro Fund, contained within a Composite Report on each of Jupiter's Unit Trusts is published annually on the Document Library at [www.jupiteram.com](http://www.jupiteram.com) within 4 months of the reference date 31 March.

## General Information (unaudited) *(continued)*

### 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](http://www.actionfraud.police.uk)**

For further helpful information about investment scams and how to avoid them please visit **[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)**

### 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](http://www.jupiteram.com)**.





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