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ACTIVE LONG-TERM INVESTMENT SOLUTIONS

10

Jupiter Merlin Portfolios
actively managed, 'ready-made' investment portfolios

JUPITER MERLIN

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The Awards listed here should not be taken as a recommendation. The stated awards relate to the following funds: Jupiter Merlin Conservative Select (Managed Cautious - winner: 2019, shortlisted: 2020, 2021, 2022); Jupiter Merlin Income Portfolio (Multi-Manager Income - Highly commended: 2019); Jupiter Merlin Growth Portfolio (Managed Flexible Investment - winner: 2024); John Chatfeild-Roberts was recognised for his "Outstanding Contribution to the Industry" at Investment Week Fund Manager of the Year awards 2025. Please note that the following funds were renamed with effect from 2 November 2026: Jupiter Merlin Conservative Select (now Jupiter Merlin Select Conservative); Jupiter Merlin Income Portfolio (now Jupiter Merlin Signature Income); Jupiter Merlin Growth Portfolio (now Jupiter Merlin Signature Growth).



Welcome

Welcome, and thank you for joining us at the 2026 Jupiter Investment Solutions Forum.

For more than 25 years, our team has managed the Jupiter Merlin range of multi-asset, multi-manager funds. Over that time, the range has expanded, adapted and diversified. Today it comprises the familiar long-running, award-winning Jupiter Merlin Portfolios, newly renamed the Jupiter Merlin Signature funds; and they have been augmented by the more recently developed Jupiter Merlin Select range with greater exposure to Jupiter funds and therefore lower fees.

The world of investment never stands still. With AI transforming the world, geopolitics generating asset volatility and western sovereign bond yields rising, owning actively managed diversified portfolios with an absolute return mindset remains as vital as it has ever been.

Staying with that frame of mind and reacting to client demand, we have recently added two additional funds to the Merlin Select range creating a wider choice of risk profiles. Separately, we are also developing a range of tailored solutions to make the team's investment expertise accessible to more clients.

Unchanging, however, are our core principles: to practise active management; to keep the portfolios simple and transparent; and to compound investors' wealth steadily and with as little drama as possible.

Hubris can be the downfall of any fund manager. Today's financial, economic and geopolitical conditions have some familiarities but collectively are new to all of us in the industry. Although we have more experience than many, we certainly don't pretend to have universal knowledge or foresight. Therefore, we focus on what we know we do best which is to endeavour to put the right amount of money with the right people at the right time. Of course, we also reserve the right to change our minds when the facts change!

Our focus is on maximising returns for investors over the long term by constructing portfolios of outstanding funds. We look forward to sharing our approach with you.

With best wishes,



John Chatfeild-Roberts
Lead Investment Manager
Jupiter Independent Funds

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Meet the Jupiter Independent Funds team

In 2001 the Jupiter Independent Funds team began managing a range of multi-manager portfolios to suit clients' differing requirements. Through all the ups and downs in markets since then, the team's investment philosophy and strategy have never wavered. Our focus is to maximise returns to investors through long-term investment, creating portfolios of outstanding funds.

John Chatfeild-Roberts

Lead Investment Manager

John has been analysing and investing in funds professionally since 1992. Graduating from Durham University in Economics, John first served in the British Army both in the UK and abroad. At Jupiter since 2001, John has served as both a Jupiter Main Board Director and Chief Investment Officer. John is a Fellow of the Chartered Institute for Securities & Investment.

David Lewis

Lead Investment Manager

David joined Jupiter in November 2008. He has been part of the Independent Funds team since 2011, and Lead Investment Manager since June 2021. David is a Chartered Fellow of the Chartered Institute for Securities & Investments and is a CFA® charterholder.

Amanda Sillars

Investment Manager and ESG Director

Amanda joined the Jupiter Independent Funds team in 2011 from JPMorgan Asset Management where she was an Investment Director. She also led the Corporate Governance team for Europe, Emerging Markets and Asia. Amanda is a Fellow of the Chartered Institute for Securities & Investments and a Fellow of the US Securities Exchange Commission Series 7 and Series 3.

Alastair Irvine

Investment Director

Alastair began his career in 1985 and spent over 20 years in equity research before moving into fund management in 2010. Alastair joined the Jupiter Independent Funds team in 2015. Alastair is a Member of the Chartered Institute for Securities & Investment and also holds the Investment Management and Investment Operations Certificates.

George Fox

Investment Manager

George joined the Jupiter Independent Funds team as an Analyst in November 2018 and was appointed Investment Manager in June 2021. George graduated from Bristol University with a First Class Honours degree in History. George is a CFA® charterholder and holds the CFA Certificate in ESG Investing.

Venetia Campbell

Investment Analyst

Venetia joined the Jupiter Merlin Independent Funds Team in March 2023 as an Investment Analyst. She has a degree in English from the University of Oxford. She is a CFA® Charterholder and has also gained the Investment Management Certificate.

Jupiter Independent Funds team



From left, with year they entered the industry:

Venetia Campbell, Investment Analyst (2023)
Alastair Irvine, Investment Director (1985)
John Chatfeild-Roberts, Lead Investment Manager (1990)
Amanda Sillars, Investment Manager & ESG Director (1993)
David Lewis, Lead Investment Manager (2006)
George Fox, Investment Manager (2018)

Five ways the Jupiter Merlin Portfolios can help you

Analysis that is about more than just numbers

Jupiter's Independent Funds team conducts thorough analysis of the investment environment, aiming to identify key turning points in the market, alongside rigorous analysis of funds. To help the team understand the people behind the numbers, it holds a significant number of meetings throughout the year. These meetings typically cover a manager's interpretation of the economic environment and its impact on their fund, its asset class and related strategies, as well as an in-depth analysis of the manager's investment philosophy, process and style.

Expert investors at your service

Multi-manager portfolios are run by dedicated teams that research, select and monitor funds, then blend them together in diversified portfolios to suit a variety of risk profiles. Over time your clients may have accumulated funds that no longer meet their investment goals or may simply be underperforming. Dedicated multi-manager portfolios can bring balance, focus and performance potential back to your client's investments.

ESG & stewardship

The Jupiter Independent Funds team knows that investing in shares and bonds comes with responsibilities. The team encourages the managers of the funds in which it invests to exercise their duties as asset owners or financiers to best effect. This includes considering environmental, social and governance (ESG) factors and incorporating good stewardship principles when investing, engaging with companies and voting, with a view to delivering the best outcome for all stakeholders.

A simple, high quality way to invest

A multi-manager fund provides the opportunity to own a diversified portfolio of funds within one straightforward investment wrapper. A dedicated team of professionals monitors the market and can adjust the portfolio to changing market conditions. What is more, the team can use its buying power and professional status to give your clients access to investments that may not be available to private investors.

A straightforward and tax-efficient choice

Investing in a multi-manager portfolio can dramatically reduce the amount of paperwork and time you spend on administration. Multi-manager portfolios can potentially be UK tax efficient too, as the trades made within the portfolio do not trigger a capital gains tax liability for your client so growth can compound more rapidly. This is based on our understanding of current UK tax laws and may be subject to change. Please note that Jupiter is not permitted to provide tax advice.

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The seamless Jupiter Merlin range

Actively managed, one-stop-shop client solution

The Jupiter Merlin funds comprise ten actively managed, 'ready-made' investment portfolios.

These funds vary in their investment remit from a cautious portfolio to the more adventurous. The aim of the range is to meet your clients' investment needs for capital growth and/or income.

We know your clients have a diverse set of investment needs, including a variety of risk appetites. That's why we have worked hard to expand the scope of the Jupiter Merlin portfolios range so that it covers a broad range of the risk spectrum, while trying to keep overall costs down.

Merlin Signature whole of market, typically 0–30% Jupiter funds	**Merlin Select** semi-fettered, typically 50–80% Jupiter funds	**Merlin Signature** I class OCF	**Merlin Select** I class OCF* £1m min.	**Merlin Select** Y class OCF* £5m min.	**Equity max.**	**Defaqto rating**	**Dynamic Planner**	**IA Sector**
Signature Worldwide		1.51%			100%	9	7	Global
Signature Growth		1.50%			100%	8	7	Flexible
	Select Growth *(new launch)**		0.68%	0.53%	100%	8	7**	Flexible
Signature Balanced		1.46%			85%	7	6	40–85%
	Select Balanced *(new launch)**		0.66%	0.51%	85%	7	6**	40–85%
	Select Income & Growth		0.66%	0.51%	75%	6	5	40–85%
Signature Income		1.38%			60%	5	5	20–60%
	Select Income *(previously Moderate)**		0.65%	0.50%	60%	5	5	20–60%
	Select Monthly Income		0.65%	0.50%	50%	4**	5**	20–60%
	Select Conservative		0.65%	0.50%	35%	3	4	0–35%

*[1]Source: Jupiter, 02.11.26. *Select Growth and Select Balanced were launched on 12.08.26. (Defaqto ratings for the two funds as of 01.09.26.). Defaqto ratings for all other funds as of July 2026. Dynamic Planner rating as of Q3 2026. **Expected rating. The ongoing charges figure is based on the fixed annual charge as detailed in the Scheme Particulars. With effect from 23/02/24 the fixed annual charge may be subject to a discount based on the value of the Fund's scheme property. The current discount rate, if applicable, can be found at www.jupiteram.com/tiered-pricing. Where the Fund invests in other underlying funds, which may include closed-ended funds such as investment trusts, the ongoing charges figure will include the ongoing charges for those funds, and will therefore vary from year to year. The ongoing charges figure excludes portfolio transaction costs, except in the case of an entry/ exit charge paid by the Fund when buying or selling shares in another collective investment undertaking*

Jupiter Merlin Select

More choice, keener price

The Jupiter Merlin Select portfolios are managed by the highly experienced, award-winning Jupiter Independent Funds Team that has stewarded the Jupiter Merlin range for more than 25 years.

Additional coverage across the risk spectrum

- Jupiter Merlin Select Growth
- Jupiter Merlin Select Balanced
- Jupiter Merlin Select Income & Growth
- Jupiter Merlin Select Income
- Jupiter Merlin Select Monthly Income
- Jupiter Merlin Select Conservative

With coverage across the risk spectrum, the suite of six active investment solutions offered by the "Select" range supplements the original Jupiter Merlin "Signature" range. This enhances the options that Independent Financial Advisers have to meet the investment needs of their clients. The "Select" range has a greater allocation to Jupiter funds to keep overall fund charges lower when compared to the "Signature" range.

The team is completely focused on generating outperformance using a multi-manager approach, diligently researching the breadth of the fund universe in a relentless search for investment excellence.

An important factor in the Jupiter Independent Funds Team's success has been their unparalleled access to the rest of the investment talent at Jupiter, benefiting from the expertise and exchange of ideas with other highly skilled individuals. The Jupiter Merlin Select portfolios bring this advantage to the fore, increasing the typical allocation to in-house managed Jupiter funds to help bring down the cost.

While the greater allocation to Jupiter funds helps drive these cost savings, the breadth of the fund range and expertise of the talent in-house at Jupiter mean no undue compromises need to be made on investment excellence.

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Merlin Solutions

DESIGNED AROUND YOU.

For strategic partners: ready to elevate your proposition

Merlin Solutions empowers you to deliver more:
more clarity, more value, more impact –
all while staying true to what matters most:
your clients, your brand, your vision.

A partnership, not a product

An investment proposition tailored to move your firm forward

In a world of increasing regulatory, business and financial-market complexity, true differentiation comes from clarity, control and partnership. Merlin Solutions brings together tailored investment expertise and integrated business support. Built around **Jupiter's Merlin fund-of-funds capability**, it will be supported by portfolio construction, governance and agreed business services.

It is more than a product suite. We take the time to understand what makes your firm unique and then build a proposition that strengthens it from the inside out.

The result is a seamless extension of your business that is designed to support a more consistent client experience

What does this mean for you?



Clarity in a complex world

Cut through market noise with a disciplined, research-driven approach. Our efforts are oriented towards achieving robust client outcomes.



Time reclaimed for what matters

Reduce operational burden and complexity so your team can focus on deeper client relationships and service delivery.



Confidence in every decision

Access institutional-grade investment expertise and portfolio construction, backed by rigorous oversight and global insight.



A proposition that feels uniquely yours

From tailored portfolios to co-branded client experiences, your identity remains front and centre at every touchpoint.

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How we work together

The Merlin Solutions approach

1

Discover

We start by understanding your business model, client base and long-term ambitions.

2

Design

A tailored investment and service proposition, combining portfolio expertise with operational and strategic support.

3

Deliver

Integrated solutions embedded into your business, built to evolve as your needs change.

4

Elevate

Ongoing partnership, insight and optimisation to keep you ahead in an ever-changing advice landscape.

Built around outcomes, not products

Every solution is shaped by your goals, from established solutions to fully bespoke designs.

- ✓ **Strengthen client retention and engagement**
- ✓ **Enhance scalability without sacrificing quality**
- ✓ **Improve operational efficiency**
- ✓ **Create a compelling, differentiated proposition**

An integrated offering

Four capabilities, working as one



Tailored investment propositions

Portfolios aligned with the mandates, client segments and risk profiles set by your firm, with continuous monitoring and expert oversight.



Strategic business support

From proposition design to growth and brand support, we help streamline processes and unlock new opportunities for scale.



Seamless technology and experience

Our technology, systems and operational support can be integrated smoothly with those of strategic partners to simplify workflows and support a smoother client journey.



Access to specialist expertise

A dedicated Jupiter team working alongside you, bringing insight, guidance and specialist support whenever you need it.

Why strategic partners choose us

- ✓ **Aim to achieve consistent client outcomes through disciplined, evidence-based investing**
- ✓ **Enhanced brand value through tailored, client-facing propositions**
- ✓ **A partner mindset that is aligned to your long-term success**
- ✓ **Greater efficiency across the investment process**
- ✓ **Scalable growth without adding operational complexity**

Build something exceptional with the right partner.

Contact your Jupiter sales representative

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The Jupiter Merlin guide to portfolio management

Here, we explain some of the steps involved in building and maintaining the Jupiter Merlin portfolios, from asset allocation through to day-to-day management, to ensure that they remain fit for purpose.

STEP 1: Asset Allocation

The Jupiter Merlin portfolios are managed using a tactical asset allocation approach. We assess the market environment regularly and, although we prefer to be patient and invest for the long term, we tactically rebalance the portfolios' asset allocation if we believe this is warranted.

We seek to take advantage of shorter-term market movements that create opportunities and take defensive measures where appropriate. For instance, if the gold price starts to decline and we believe it will rebound based on our research, we can add to funds with high exposure to this sector.

STEP 2: Research And Selection

With around 4,700 funds available to UK investors[1], knowing how to select the right ones for an investment portfolio is a specialist skill. We use our extensive experience to identify the best fund managers in the most promising asset classes and regions.

Decide which funds we believe best serve the portfolios' objectives.

Throughout this process, we assess fund managers' skills and investment styles, as well as the characteristics of the funds they manage. Success in a particular field seems to come naturally to some people, and fund management is no different. Good fund managers can (and do) beat the market, and it is our job to seek them out.

In our determination to seek outperformance on behalf of clients, we prefer active managers to passive funds.

Most professionals tend to invest their clients' money either geographically or by sector. In my view, you should not be too rigid. It is more important to select a diversified portfolio than to worry about meeting a prescriptive formula.

David Lewis,
Lead Investment Manager, Jupiter Independent Funds team



There are talented individuals out there who do have the ability to add value by beating the market over a long period of time – don't be fooled into thinking that it cannot be done.

George Fox
Investment Manager, Jupiter Independent Funds team



[1] *Source: Funds List | The Investment Association (theia.org), as at 23 January 2024.*

STEP 3: Portfolio Construction

We take a high-conviction approach to portfolio construction, selecting only the funds that we believe are likely to be among the best performers in the market over time. We draw on our decades of combined experience, alongside thorough quantitative and qualitative analysis, to:

Form an impression of a likely set of circumstances under which a fund will perform best and worst.

Decide which funds we believe best serve the portfolios' objectives.

Achieving a blend of investment styles in the portfolios is also important, as certain approaches will perform better depending on market conditions, and having a diversity of strategies helps us manage the overall risk in the portfolios. The size of the Jupiter Merlin portfolios means we are also able to access funds not otherwise available to private investors and negotiate discounts on annual fees.

It is my job, along with the team, to put in all the leg-work for our investors, deciding when it makes sense to hold which funds. We aim to provide the best performance over the long-term through a diversified selection of funds.

John Chatfeild-Roberts,
Lead Investment Manager. Jupiter Independent Funds team



STEP 4: Portfolio Maintenance

We monitor the Jupiter Merlin portfolios daily, ensuring that we know where our exposures are. We continuously analyse the global economic backdrop, focusing particularly on identifying key turning points in the market to check that the portfolios are positioned to take advantage of opportunities while defending against potential threats.

We analyse individual fund managers' skills and identify the environments in which they should excel, adjusting our fund positions as and when necessary.

Scrutinise performance data and ask questions of the underlying managers on an ongoing basis to ensure the given fund continues to adhere to its stated investment philosophy.

We meet the underlying fund managers personally at least every six months. We believe that knowing them well allows us to rebalance the portfolios appropriately for the prevailing environment. We get 'under the skin' of the managers we hold in the portfolios, which we believe helps us understand how they should perform in any given market environment.

Not only can multi-manager funds give you the ability to access some of the brightest investment brains in the world, they also enable you to access a wider range of markets and stocks than you could achieve directly, and more efficiently.

Amanda Sillars,
Investment Manager and ESG Director, Jupiter Independent Funds team



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THE CASE FOR DIVERSIFICATION

David Lewis says diversification is important to guard against uncertain market outcomes as US and technology stocks account for a significant share of market indices.



INSIGHT: October 2026



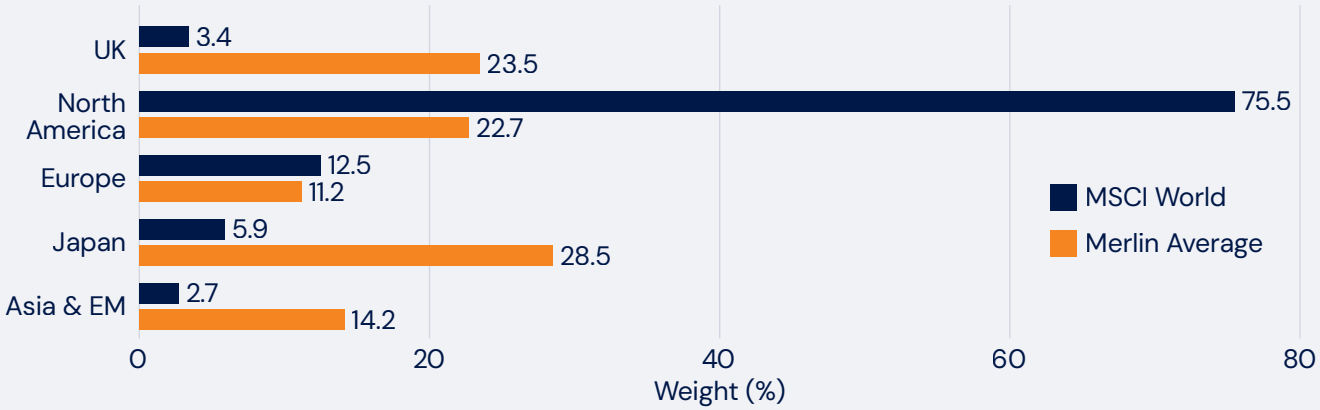
David Lewis
Lead Investment Manager

It has long been said that diversification is the only 'free lunch' in investment and it can be achieved by including different assets to help to reduce the volatility of a portfolio. The 'can' here is the key point: the benefits of diversification will only be achieved if the assets move somewhat independently of one another. As an example, if a committee is made up of a group of people with identical opinions it would be no better than simply relying on the judgement of one of them as each is bringing the same insight or perspective and there is no diversity of opinion. The same can be said for investment: assets must bring elements of differentiation to improve the portfolio as a whole.

One of the key benefits of diversification is that it helps prepare investors, as far as possible, for the wide range of possible outcomes in markets. As none of us knows what the future holds, it is therefore sensible to spread out the risk of our investments to ensure, as the old saying goes, that we do not have all of our eggs in one basket.

We in the Jupiter Independent Funds Team believe it is advantageous to construct portfolios as a blend of assets, each providing a different volatility profile, creating various sources of return generation due to their different geographic, sector, industry, market cap or other risk and return characteristics. Combining these assets can help reduce the diversifiable risk, leaving only the aggregate risk exposure of the portfolio as a whole and the unique characteristics of each underlying asset, weighted according to their size. These truly unique characteristics of individual assets are often termed idiosyncratic risks and can only be minimised by having smaller weightings in individual positions.

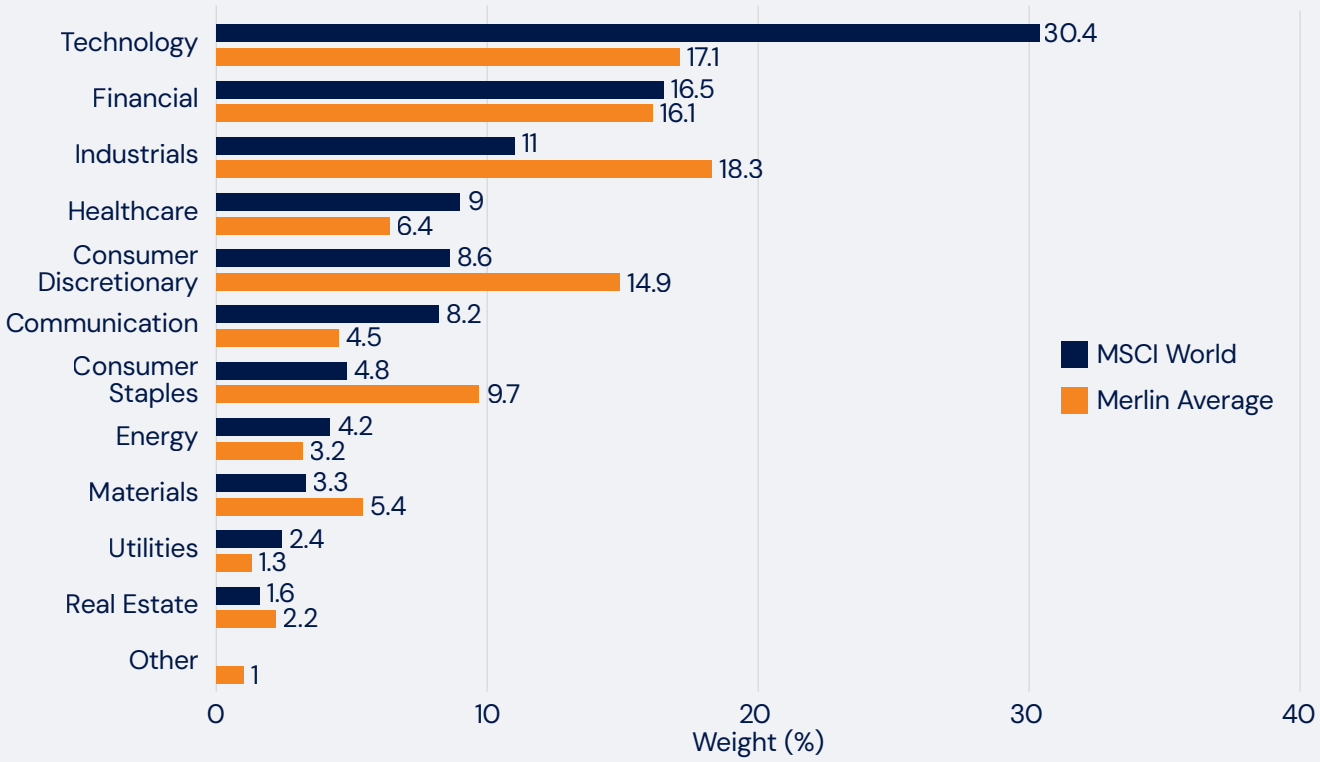
The issue for investors in today's market environment, which we in the Jupiter Independent Funds Team perceive, is that at the index level, markets are becoming increasingly skewed towards certain areas. The result of this is that it potentially reduces the diversification benefits that broad market indices may be offering, leaving investors potentially exposed to more volatile returns, hinged upon fewer assets which dominate their portfolio. Within equities, looking at the various areas where diversification can act in one's favour, we see distinct concentration where diversification could exist. If we compare the geographic positioning of the MSCI World index to the average positioning of the equity exposure across the Jupiter Merlin strategies we find the following:



Source: LSEG, Jupiter. As of 14.09.26

Clearly the MSCI World index is dramatically skewed towards North America. Partly this is due to the US being at the centre of global capitalism and a home to many of the world's best companies; partly because many dynamic companies seek to and do list there; and partly this is a reflection of the capital appreciation, particularly over the last 10 or 15 years, of companies listed in the US market. However, we are now at a point where this concentration is extreme and the benefits of international diversification are potentially not being taken advantage of by investors in passive portfolios. The Jupiter Merlin portfolios on the other hand have significant exposures across each of these geographic areas.

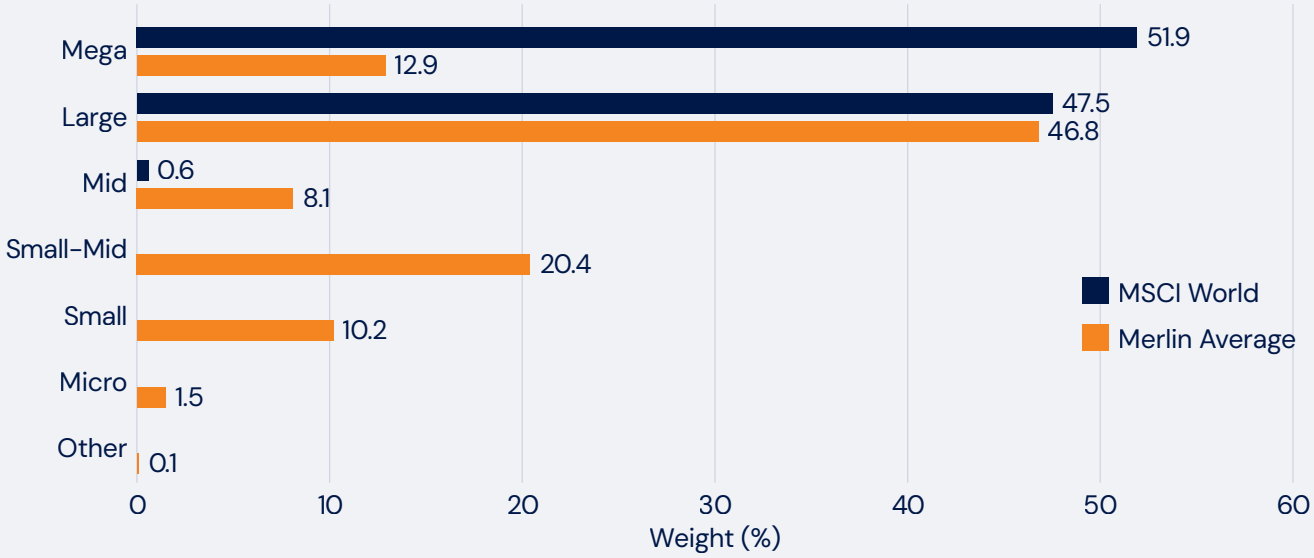
When we look at sectors, again it is a similar picture, the winners which have propelled markets in recent years, particularly Technology, are now a significant bias at the index level, whereas the Jupiter Merlin strategies, which retain material technology exposure, have taken a more diversified approach.



Source: LSEG, Jupiter. As of 14.09.26.

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From a market capitalisation point of view the biases are again clear.



Source: LSEG, Jupiter. As of 14.09.26; both datasets use comparable definitions and methodology.

Seasoned market practitioners will remember a time when people used to talk about 'the small cap effect': a dynamic where small caps tended to outperform large caps over time. This dynamic has not held for most of the last decade, due to the strong performance of mega-cap, predominantly US, technology stocks, but were it to return, many flagship market indices would not offer much benefit from the dynamic.

Finally, when it comes to idiosyncratic risk, as mentioned earlier, there are risks which cannot be diversified away and can only be reduced through position sizing. Here again investors in indices could be at a potential disadvantage due to the levels of index concentration we are seeing. At the top end of the MSCI World Index, we find household names, the largest companies in the world, NVIDIA, Apple, Microsoft, Amazon and Alphabet, but their success has led them to have chunky individual weights, in aggregate making up over 21% of the MSCI World Index. Of those five listed, only Alphabet is present as a top 5 company across the Jupiter Merlin range and on average, the largest 5 individual equity positions across the Jupiter Merlin strategies make up only 5% of the equity exposure, materially reducing the idiosyncratic risk of any individual position.

Like everyone else, we do not have a crystal ball to tell us what will happen in the future; perhaps the trend of US and Technology outperformance will continue for years to come and the current stock-market leaders will remain the winners. However, if financial history is any guide, there is a significant chance that the future will look different and we may see rotations in markets and leadership, with returns coming from different companies and areas. In fact, looking at the performance of the Jupiter Merlin portfolios over the last couple of years, we would suggest a rotation in markets may have already begun. As such, now more than ever, we believe that being diversified is a vital way to create robust portfolios which can face the future confidently and simultaneously offer the potential for attractive returns for clients.

For those looking for portfolios diversified broadly while embracing a range of opportunities in global markets, the Jupiter Merlin strategies are tailored to clients with various risk tolerances and we believe offer compelling prospects as a one-stop-shop solution.

Many quote diversification as the key reason they invest in multi-asset funds. The current levels of geographic, sector and individual-company concentration in index funds may be a key factor to consider when investors reassess their preferences.

Going by the long-held wisdom about spreading out one's investments to reduce risk, active strategies with diversified portfolios may be the way forward.

Capital gains tax: How can multi-manager portfolios help?

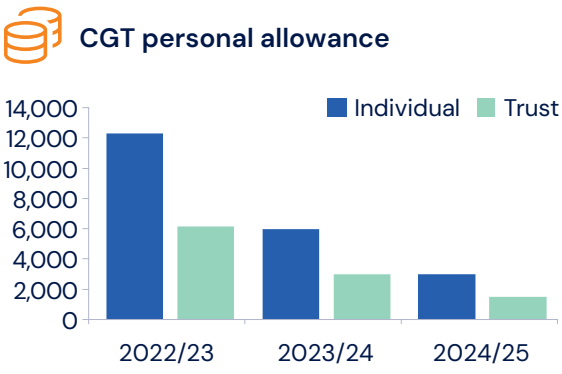
The annual Capital Gains Tax (CGT) allowance is far lower than it once was, giving advisers and investors alike a tax headache. Unitised multi-manager products, like the Jupiter Merlin Portfolios could offer a solution.

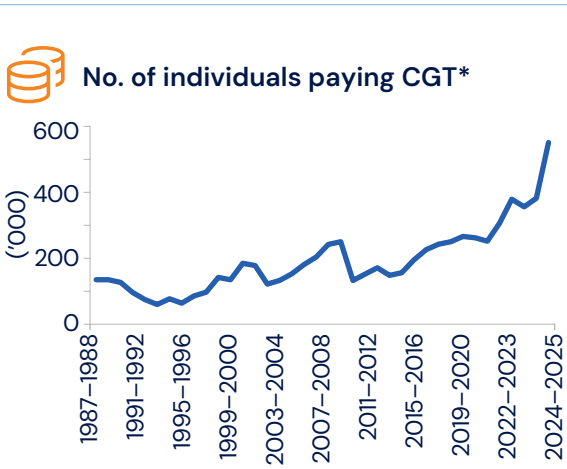
The world of private client investment management and advice has undergone a seismic change in recent years following a drastic cut in the annual amount exempt from capital gains tax in the UK. **The amount, which stood at £12,300 in the tax year 2022-23, was cut to £6,000 in 2023-24 and is currently just £3,000.**

Financial advisers have long directed clients with greater investible assets towards discretionary investment management services. This meant that their investments were run on a semi-bespoke basis with a specific investment manager acting as their point of contact. But the reduction in capital gains tax allowance will have a bearing on this industry dynamic and create major challenges for such services. If such investments fall outside the ambit of tax-free Individual Savings Accounts (ISAs) or pension wrappers then there is the prospect of incurring significant tax bills.

Discretionary investment managers now face a daunting challenge of capitalising on opportunities, responding to changing market conditions and diversifying effectively while also aiming to limit tax liabilities without the benefit of generous capital gains tax allowances.

Jupiter is not permitted to provide tax advice. This is based on our understanding of current tax laws and may be subject to change.





**https://www.gov.uk/government/statistics/capital-gains-tax-statistics*
Table 1: Estimated number of taxpayers, amounts of gains and tax liabilities by year of disposal.

Example: If a client has a portfolio of £250k that rises 8% during a year, their portfolio will have £20k in net gains. However, in a given year, a portfolio change may be desirable for various reasons, including the departure of a favoured fund manager, prospects of better opportunities elsewhere or the investment manager wishing to make an asset allocation alteration. Under the new regime, this will be difficult to achieve while limiting realised gains to only £3,000. Investments carrying capital losses can be sold to offset gains which may increase flexibility somewhat, but the margins are tight.

Year one is also only the start of the story. What happens if the portfolio appreciates by 8% the following year too? The portfolio then has tax encumbered assets which were not realised the year before with compounded further gains on top. The investment manager's role is reduced to one of modest pruning to avoid creating a material tax liability for the client – probably not the service which the end client was hoping for at the outset. One can see how this creates significant challenges and an environment where the portfolio will become increasingly caught in individual positions if the investment manager chooses to avoid crystallising gains.

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As an example, one global growth manager the Jupiter Merlin team first invested with during July 2012 had risen over 370% by August 2022 when an asset allocation decision to reduce growth and buy value led us to sell a portion of the holding. Within a discretionary managed portfolio, the tax liability of such a change could have been enormous, but within a unitised product the decision could be made purely with the goal of maximising the long-term value of the investment portfolio.

One solution to this tax problem comes from a logical source: unitised funds, such as the Jupiter Merlin portfolios. Unitised funds can make changes within their portfolios without crystallising capital gains tax. This means that the portfolios can be constructed and changed to adapt to the changing market dynamics and take advantage of opportunities as they arise without the need to consider the capital gains tax implications.

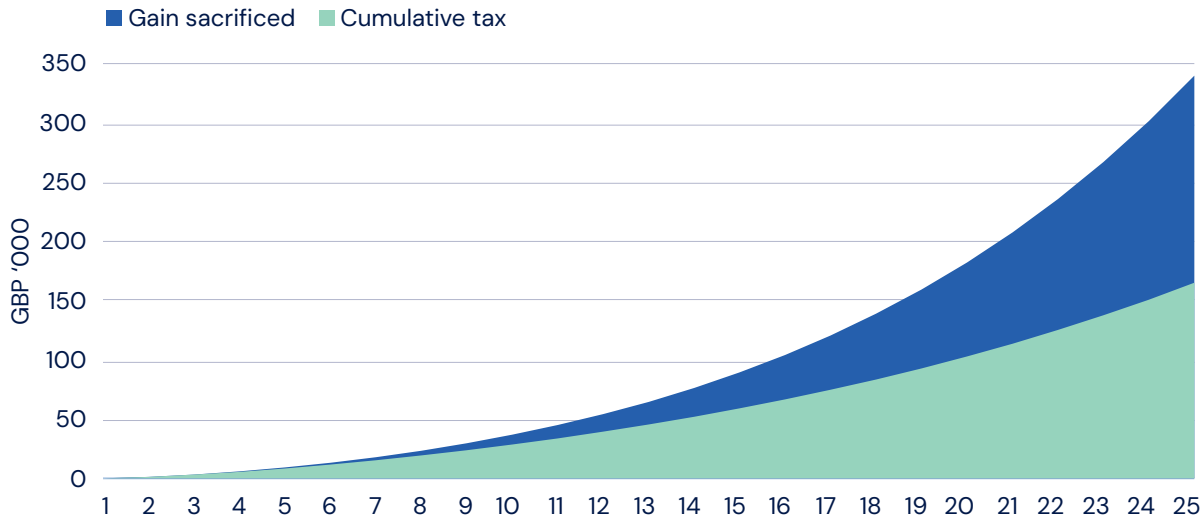
To illustrate this point, on the chart below we have plotted the portfolio gains sacrificed and tax paid on a DFM/MPS portfolio that would not be incurred by investing in an equivalent unitised solution, using reasonable assumptions and keeping all else equal. The key point here is that whilst the tax paid does reduce the end client's return, it is the loss of compounding on that tax paid that makes up the lion's share of what the client is missing out on by not investing in a unitised solution. Unitised products also allow investors the freedom to use their annual capital gains tax allowances by trimming sufficient units of the fund, but leaving the remaining capital to compound over time while being managed in an efficient and effective manner.

Finally, given that the above example uses consistent assumptions, tax offsetting would not make a difference to the end result if one were to crystallise a loss but then reinvest in the same position. Some investors use tax offsetting to liquidate disappointing performers, reinvesting elsewhere. Whilst this can be the right decision at times, it puts clients at severe risk of chasing performance, which can lead to poor outcomes when the market turns. Unitised structures remove this temptation and therefore give clients an advantage over those using non-unitised solutions, to the benefit of their long-term investment performance through compounding.

Jupiter is not permitted to provide tax advice. This is based on our understanding of current tax laws and may be subject to change.

Portfolio gains sacrificed and tax paid on DFM/MPS portfolios versus unitised solutions

Example portfolio: £250k initial investment, 8% annual return, 25% annual turnover



Source: Jupiter. For illustrative purposes only.

The Jupiter Merlin approach to ESG

Environmental, social, governance (ESG) issues can be fiendishly complex and continue to be a source of constant debate. As ever with Jupiter Merlin, our process tries to keep things as simple as possible.

The ESG investment spectrum can mean different things to different people, but in the broadest terms it might be thought of as extending from 'no ESG considerations' at one end to outright philanthropy at the other. Given our mandates are very much focused on generating long term financial returns for our investors, we naturally shy away from the philanthropy end of this spectrum.

However, we have always believed that ESG reveals a set of risks and opportunities that affect the performance and valuation of companies, so ESG should be integrated by fund managers into their company models and analysis. If we believe a manager fails to account for any material risk faced by a company in which they invest, ESG or not, this would certainly negatively affect our view on that manager and would likely influence our decision on whether or not to invest or divest from this fund within the Jupiter Merlin portfolios.

To exclude, or not to exclude?

One common approach to ESG is to simply exclude all companies that score poorly on particular metrics or factors. A second approach is to 'negatively screen' companies, resulting in higher exposure to companies and sectors which screen well on ESG metrics. Both of these became very popular, prompting a proliferation of passive ESG offerings. However, we believe these underwhelm, both financially and for investors who genuinely wish to improve environmental and social outcomes with the power of their savings.

Instead, our firm belief is that the best performance opportunities often lie with stocks that enjoy improving ESG ratings. Just as a teacher is likely to gain greatest positive impact over a rowdy class of children by 'taming' the most disruptive students, companies with poor ESG can improve dramatically with better governance, environmental and social strategies. It has been shown that the financial rewards of improving ESG can be significant, with the top quintile of ESG improvers, across US all-cap equities, outperforming the lowest quintile by an annualised 3.8%[1]. These 'improvers', over time, can therefore deliver outsized impact, both financial, to investors, and in the real world.

We believe that active managers, who can identify and invest in a hand-picked selection of companies delivering the greatest ESG improvements, as opposed to having to invest across a broad range of improvers, will capture this uplift most meaningfully. It is another justification for our preference within the Jupiter Merlin range of portfolios to avoid passives and to invest our clients' savings in the best active managers.

How do we evidence and monitor ESG?

In the portfolios, we use a proprietary data tool as the foundation for our analysis, which reveals ESG characteristics at the fund and company level. This tool then forms the basis for our own engagement with fund managers, whilst also providing data to inform our investors.

The Jupiter Merlin ESG Matrix documents how underlying fund managers assess and engage with the companies in which they have invested on nine separate ESG topics. We challenge the fund managers to evidence their engagements with a deliberate focus on the outcomes of their engagement.

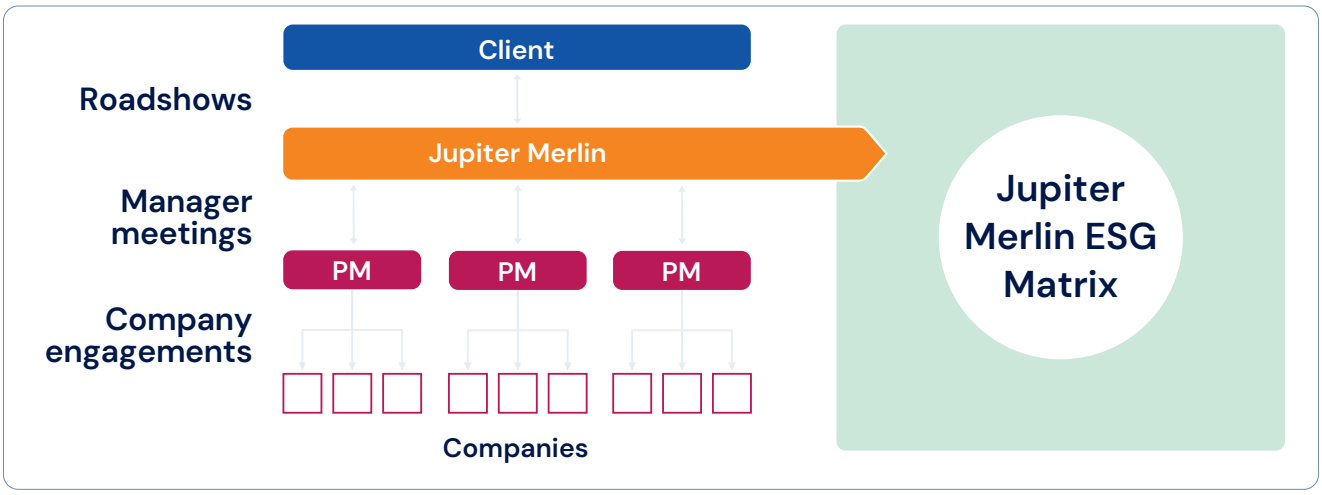
[1] *ESG and Financial Performance: Uncovering the relationship by aggregating evidence from 1000 plus studies published between 2015-2020', Tensie Whelan, Ulrich Atz, Tracy Van Holt, Casey Clark (2021).*

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This system provides a snapshot of current ESG positions and a forward-looking window into the active stewardship conducted by fund managers on our investors' behalf to improve the underlying companies' stewardship profiles. Before each of our routine six-monthly manager meetings we review the data from it which gives us a grasp on the manager's attitude to ESG. We then evaluate and score the fund, assessing to what extent the manager mitigates ESG risks and exploits ESG opportunities for our clients, as well as the pace of their individual ESG evolution.

Our investment process naturally leads us to active managers for whom identifying material ESG opportunities and risks is a core ingredient in their quest to enhance their clients' capital values. This also benefits all stakeholders by empowering and accelerating the transition of companies held towards a lower carbon and more nature-positive trajectory.

Understanding the web of ESG issues around a company and engaging for improvement takes considerable time and effort. It is therefore not surprising that our underlying managers tend to prefer concentrated positions, running funds with an average of 45 stocks, and long investment horizons, on average over five years. They focus only on the best opportunities and can build strong relationships with company executives. We believe this approach to ESG is deeply differentiated within our peer group, adds value to all stakeholders over time and we strive to articulate it as simply and effectively as possible to our underlying investors.



How we support our clients

Some Jupiter Merlin clients have been with us for decades, whereas others are more recent additions – we value all of them and always strive to provide the highest standards of service and communication. It is vital to us that you have all the information clients need to keep them informed about the portfolios, as well as the views of the Jupiter Independent Funds team. Here are some of the principal ways we provide that information.

Factsheets

The latest factsheets for the Jupiter Merlin Portfolios can always be found on our website at jupiteram.com.

Quarterly reports

Detailed reports for each Jupiter Merlin portfolio, covering the preceding 12 months of market and portfolio activity, are published quarterly on jupiteram.com. We hope these will be of use to advisers as they review the performance and suitability of a particular Portfolio for their clients' needs. These reports are also compliant for use with end-client Retail investors, so advisers can also share them directly with their clients.

Roadshows

Twice a year, the team travels across the UK, from Edinburgh to Exeter and many places in between. At each event, clients hear the latest updates from the Jupiter Independent Funds team. The sessions are designed to be interactive, with plenty of opportunity to ask questions.

Monthly webcasts

We host a monthly webcast for all professional clients, covering our latest macro views and the portfolios' performance and positioning.

Merlin weekly macro

Each Friday afternoon, we publish an article covering the hot topics in global investment markets, geopolitics and macroeconomics, from the war in Ukraine and political developments at home and abroad to central banks' efforts to balance competing demands in monetary policy.

Client servicing

For more information about the Jupiter Merlin portfolios – or indeed any of the products offered by Jupiter – our friendly and professional client service teams based in London are never more than an email or phone call away. Please get in touch if there's anything we can do to help you and your clients.

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**For your security we may record or randomly monitor telephone calls.*

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JUPITER MERLIN

JUPITER MERLIN MACRO: TRUMP TRUMPED. WHAT NOW?

The Merlin team says markets face uncertainty as Trump prepares for two bruising years of partisan battles, with Iran, inflation and the deficit dominating headlines.



INSIGHT: 4 November 2026

'There's only one thing more to be done,' continued the gratified Badger. *'Toad, I want you solemnly to repeat, before your friends here, what you fully admitted to me in the smoking-room just now. First, you are sorry for what you've done, and you see the folly of it all?'* There was a long, long pause. Toad looked desperately this way and that, while the other animals waited in grave silence. At last he spoke. *'No!'* he said, a little sullenly, but stoutly; *'I'm not sorry. And it wasn't folly at all! It was simply glorious!'*

At which point an unrepentant Toad declared that he would drive off in the very first motorcar he saw, poop! poop! Kenneth Grahame's Toad of Toad Hall could have been a metaphor for Donald Trump and the mid-terms.

The only surprise was the scale of the defeat

From Texas to Michigan and Maine, Trump and the Republicans have been given a serious drubbing. War; the cost of living; failed promises. A series of unforced errors produced the widely forecast outcome. Paraphrasing Lady Bracknell, to lose the House was unfortunate; given only a third of seats were being contested, to lose the Senate by such a wide margin was careless. Amid a plethora of demographic data, essentially it was the female voters who did for the Republicans: the male vote was split down the middle, 49% apiece; but 58% of women voted Democrat while only 40% voted Republican, and many more women voted than men.

There is only one person to blame. Like Toad, Trump doesn't do repentance or humility but for a moment he sounded uncharacteristically humble. He acknowledged the defeat and took responsibility. He was even gracious to the Democrats for fighting a 'great campaign' and suggested a form of cross-party cooperation for the remainder of his presidency. Not a hope! Cooperation is not in Trump's playbook: he takes on counterparties, regards them as adversaries. All his instincts are naturally combative. For their part, the Democrats smell blood. They have Trump on the ropes. And they despise him viscerally as feckless, feudal and corrupt. With the wind in their sails and presidential and congressional elections in only two very short years' time which they aim to win with a clean sweep, why on earth would they cooperate?

Reasonableness with the duration of a nanosecond

Here is what is likely to happen. White House emollience will last about as long as this sentence. 'In the national interest' Trump will resort to rule by decree and the power invested in the Sharpie pen; the Democrats will reject every executive order on principle. They will introduce primary legislation reversing Trump's policies on social care reform; Trump will exercise his veto. The courts will be busy with political petitions and counterpetitions. The Democrats will win some and some they'll lose but such tactics will slow the process right down and limit what ends up on the statute book. The description 'lame duck' presidency implies little happening; however, what we are likely to see for the remaining two years is brutal, bruising, partisan politics in which both sides expend considerable energy to achieve opposite aims: Trump to get things done and rescue his legacy, the Democrats to make sure he doesn't.

Actively aggravating the situation will be impeachment. With a big Democrat majority in the House and only a simple majority required in the vote, it is all but guaranteed that proceedings against Trump will be petitioned. A formal Senate trial will follow which inevitably will turn into a battle of political wills. Given the President is head of state and Commander-in-Chief, removing a sitting President from office is a very big deal; it requires a two-thirds majority in the upper chamber. For many Republican senators, the decision to remove Trump will be a significant struggle that pits their own principles against their personal political prospects. It remains unlikely but it is certainly not impossible; the Vice-President would take over.

Trump's political ledger: credit……

Trump 2.0 has achieved much. He completed his tax reforms; he secured many of his fiscal goals with his One Big Beautiful Bill; he no longer needs the support of Congress to prosecute these policies but both could be under threat.

Divisive and controversial, he has succeeded in constraining immigration; he is taking on the drug cartels. Inherited from Joe Biden, he has built on the massive book of foreign inward investment reindustrialising and reinvigorating the old bust-up Rust Belt. US GDP growth still far outstrips the rest of the G7 and employment is close to full.

He was right to chase down America's NATO partners about freeloading on the back of America's balance sheet when they ought to be taking much more care of themselves, indeed in a more extreme way, it continued the same complaints levelled by both Biden and Barack Obama.

Many will disagree with the means but Trump and China's Xi Jinping both understand the strategic imperative for energy security, something that eludes European countries including the UK.

…and debit

On the other side of the ledger, Trump promised no foreign wars and a reduction in the cost of living. He then started a war with Iran that he seems incapable of completing but which pushed up the rate of inflation.

The planning and prosecution of the offensive have been abysmal. Obama made Instagram headlines with his cheap but catchy 'Trump spent $36 billion on a war with Iran over a nuke that never existed and opening a strait that wasn't closed in the first place'. Of course it was Obama, in collusion with the EU, the UK and Russia, who signed the original Iranian nuclear containment treaty that proved totally inadequate for the task; Trump abstracted the US in his first term; Joe Biden subsequently tried and failed to restore the US position, in the process handing leverage to Tehran. Conflict with a potentially nuclear-armed Iran was almost inevitable at some stage. Trump's failure to secure a quick victory has had three major negative effects: it has handed strategic advantage to Iran exerting control over the Hormuz and Bab al-Mandab Straits disrupting energy supplies and global supply chains and driving inflation; it has made the US military appear limited in ability and capacity, one dimensional and unimaginative; by negotiating with it, the Iranian regime has been given legitimacy, agency and oxygen.

But it is Trump's broken promises that have been his undoing at the polls: Americans resent the big hikes in energy costs emanating from the consequences of a war they never asked for and were promised would never happen. Trump's poll disaster reflects the immediacy of US voters being hit by rising energy and food prices far outweighing the less visible benefits of superior growth, full employment and the long-term benefits of reindustrialisation.

The new Democrat majority Congress wants to bring a swift end to the war. There is considerable jeopardy extricating the US without the result being in any way perceived as a victory for Iran and therefore a defeat for America. Iran has already demonstrated it has the upper hand. The risk is that a 'bad' war produces a worse deal that leaves the Iranian regime not only in power but empowered and emboldened with the scalp of the Great Satan to prove it. The consequences for regional and global security are significant.

Trump boasted that he would end the war between Russia and Ukraine in a day: 'I have the power'. It was and remains a self-delusion. Nearly two years on, war still rages for reasons Trump fails to understand or accept.

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Trump rails against Zelensky and appeases Putin, precisely the opposite of America's obligations to assure the sovereignty and security of Ukraine. Trump's decision to buy conflict diesel direct from Russia, thereby helping fund Putin's war machine, is both unconscionable and immoral.

While right to chase down other NATO members about their obligations to ensure their own security, his deliberately corrosive methods have split the alliance and exposed its vulnerabilities. He thinks it is smart; the opposite is true: it not only weakens European security, it also undermines that of America. His withering criticisms of the international rules-based order (especially the United Nations and the plethora of sub-organisations it has spawned) are valid; but again undermining them in such a corrosive way only adds to global instability and hands advantage to those who would do us harm.

Trump's personality traits feature large. Even long-time supporters have been vocal critics of his bad manners, boorish behaviour, wild statements and the incoherence of his press briefings. And there are many across the political spectrum who disrespect Trump for his self-aggrandisement and the deliberate confusion and conflation of his and his family's financial and political interests with his duties and obligations as President of the United States. Notable has been the extent to which it jars with the American public, even those who voted Republican, that the whiff of corruption clinging to Donald Trump brings the office of the President into disrepute. It is likely that this will be the central plank of the potential impeachment petition.

Countdown to November 2028

Focus inevitably shifts towards the November 2028 presidential polls. There will be no Trump 3.0 (however wild, there is speculation that as Melania takes a leading and surprising role in brokering Russo-Ukrainian peace initiatives, could the Trump dynasty be lining her up for an attempt?). The party caucuses to choose their respective presidential and running mate candidates will begin in earnest in only 15 months. Who will emerge on both sides of the divide as candidates and the potential occupant of the White House?

Republicans have the considerable challenge of retaining the votes of that significant minority who are die-hard Donald Trump supporters but who are not conviction Republicans. To what extent too are the potential lead candidates (e.g. JD Vance, Marco Rubio etc) tainted by association with Trump or capable of disassociating themselves without being disloyal? Vance is already running away from Trump as fast as his legs will carry him. The Republican field is open but the way ahead is difficult.

In the other camp, a Democrat leader has yet to emerge. The Left believes this is their time. Revealing in the aftermath of their mid-term success was the comment of a senior Democrat congressman: do not underestimate the capacity for a polarised party with an increasingly strong and strident left wing having the ability to shipwreck itself on the rocks of competing left-of-centre ideologies. The emotive and divisive politics of Palestine and Zion will figure large.

MAGA: Rest in Peace? Or Rot in Hell.

MAGA's obituary is already being written. For the aggressive, dominating, brutalist policy put forward by Donald Trump in his National Security Strategy a year ago, that may be the case. But 'America First' remains a powerful and widely held value across the political spectrum. Many Americans might be embarrassed by Donald Trump but they are certainly not embarrassed to be Americans. They are fiercely proud of their nationhood. 'YOO-ESS-AY! YOO-ESS-AY!' is a national rallying call. It is ingrained in the American psyche to be a winner which by extension means everyone else is a loser. MAGA as a peculiarly Trumpian ideology might be in its dying days. But belief in 'America First' certainly is not even if what follows might be a kinder, more collaborative version of it.

Markets second guessing

Markets are still digesting the changing inputs and second-guessing what the effect might be. We have already seen volatility in share prices, the dollar, the oil price, gold and bond yields. There are many assumptions but no certainties about what happens in Iran, with inflation, with US government spending, the deficit and the debt.

As to the immediate future, returning to Wind in the Willows and the analogy with Toad, much depends on whether what emerges is a penitent Trump who sees the errors of his ways, or the one who says of Badger's remonstration in the smoking room, 'Oh, yes, yes, *in there,* I'd have said anything *in there*.' And then drives off in the first car he finds, poop! poop! We're about to find out.

The Jupiter Merlin Portfolios are long-term investments; they are certainly not immune from market volatility, but they are expected to be less volatile over time, commensurate with the risk tolerance of each. With liquidity uppermost in our mind, we seek to invest in funds run by experienced managers with a blend of styles but who share our core philosophy of trying to capture good performance in buoyant markets while minimising as far as possible the risk of losses in more challenging conditions.

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Passive over active: A cyclical phenomenon?

The passive versus active debate

Fund flows into passive strategies have seemed unstoppable since the Global Financial Crisis. The assets managed by passive funds overtook those of active funds at the end of 2023, Morningstar data shows.[1] Yet have the benefits of passive funds over active funds been conclusively proven?

What accounts for the consistent underperformance of passive funds in relation to the indices that they track? How about concentration risk? Which investment strategy offers better downside protection? To explore these questions and more, we at the Jupiter Merlin team put together this note to stress the importance of revisiting your clients' allocations between passive and active strategies. Through in-depth research and analysis, here we establish why our conviction is firmly rooted in the benefits offered by active management.

Summary

Why active?

- While the proportion of active managers that underperform their indices might seem disappointing, on the same metric most passive funds underperform their indices.
- Market cap weighted passive investing is akin to momentum investing, and as with momentum investing, it can work brilliantly for a period of time until there is a change in the market.
- Choosing to invest in a passive fund is an active decision in itself.
- There are differences between passive investing across asset classes, with some making more sense than others.
- Active investing has historically offered better downside protection, and this is a key attribute for end clients with a focus on capital preservation and absolute returns.

Why now?

- The outperformance of active over passive investing has historically been cyclical. Passives have been in vogue for some time now and are arguably at, or near, a turning point.
- Passive funds have become highly concentrated geographically and in the largest companies. Such concentration has not historically ended well for investors.
- The market in which global passive equity funds are most concentrated looks to be priced for perfection, as valuations calculated using standard metrics such as price-to-earnings (P/E) ratio are elevated, allowing little room for disappointment and suggesting more muted future returns.
- 2025 has potentially turned the tide for active managers as the distribution of returns has broadened out, providing active managers with a tailwind.

Basics of passive investing

Let us begin by looking at some of the characteristics of passive investing. The most common positive attributes are that the fees tend to be lower, and the investment strategy is easier to understand, as all passive strategies follow a simple process of mimicking a specified index. Passive investing also relies on the wisdom of crowds as the sizes of positions within a passive fund are dictated by the market and the combination of investors' views that operate within it.

However, the performance of a passive fund mimicking an index will be below that of the index itself, no matter how small the management fee and trading costs. So even the best passive funds will underperform the index by that margin year in, year out.

It is also important to be aware that passive investing can be a form of momentum investing, when tracking market cap weighted indices. The weight that those passive funds have in a company is dictated by the company's past performance.

[1] *Passive funds' AUM eclipses actives for first time.*

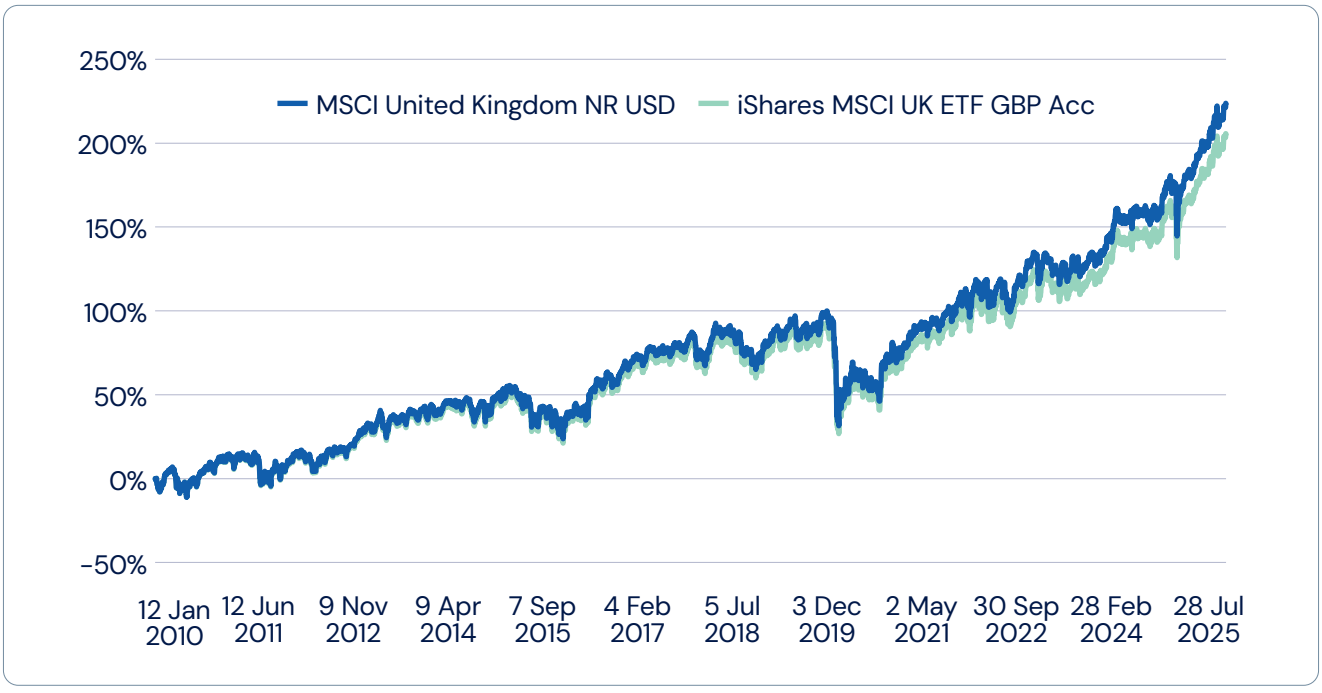
Therefore, passive investors in such funds have higher weights in companies that have previously had more success and a stronger share price. Momentum investing works in the same way: you invest in companies based on strong past performance. Momentum investing can have extended periods of time where it delivers great returns, but when we see a change in the market, it tends to struggle by its very nature. In the same way as passive investing, you have a greater amount of money invested in the last cycle's winners, which may not fare so well in the next cycle.

It is also worth questioning how "passive" the decision to invest in passive funds really is. After all, the very act of selecting a passive fund for an end client is an active decision on behalf of the client's adviser, who has decided to allocate a specific amount of the client's money in a particular fashion. For example, if the intermediary were to recommend investing in a US equity passive fund instead of, say, a global equity one, a higher proportion of the client's money would be invested in stocks such as Nvidia, Microsoft, Apple, etc. The future returns would then be dictated by the fortunes of these companies – the risks and opportunities of this is something that both adviser and client would need to recognise and accept.

The varying effectiveness of passive

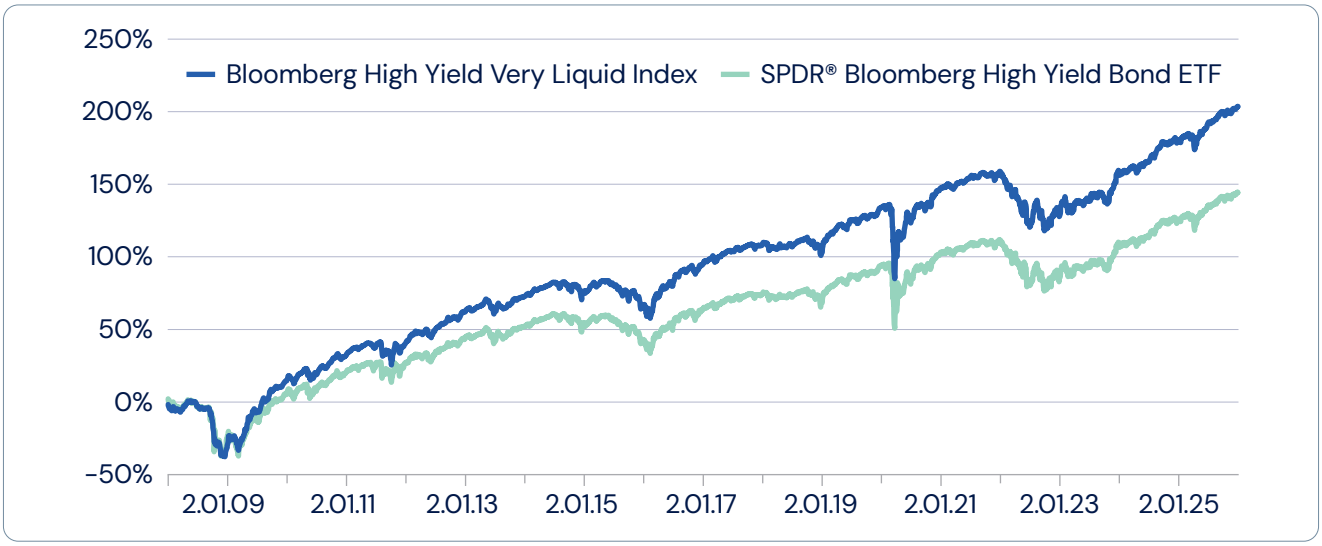
Passive investing certainly makes more sense in some asset classes than others because of how position weights are determined and the complexities of how some indices are replicated. In equities, a passive fund's weights are based on the size of each company, whereas in fixed income weights are based on the amount of outstanding debt each company has. In equities, therefore, investing more in larger companies has some logic to it given those companies have grown because of some historic success. However, it is much more difficult to understand the logic of investing more in the companies with the most debt, as passive investors do in fixed income, as these companies may be less able to pay back that debt given the amount they have. Furthermore, some indices are more complex and illiquid than others, which can lead to much more disappointing outcomes for passive investors.

The charts here show that, although both the equity and bond funds have lagged their indices, the underperformance is greater for the bond fund that tracked Bloomberg High Yield Very Liquid Index.



Source: Morningstar, to 31.12.2025. Past performance is no guide to the future. For illustrative purposes only.

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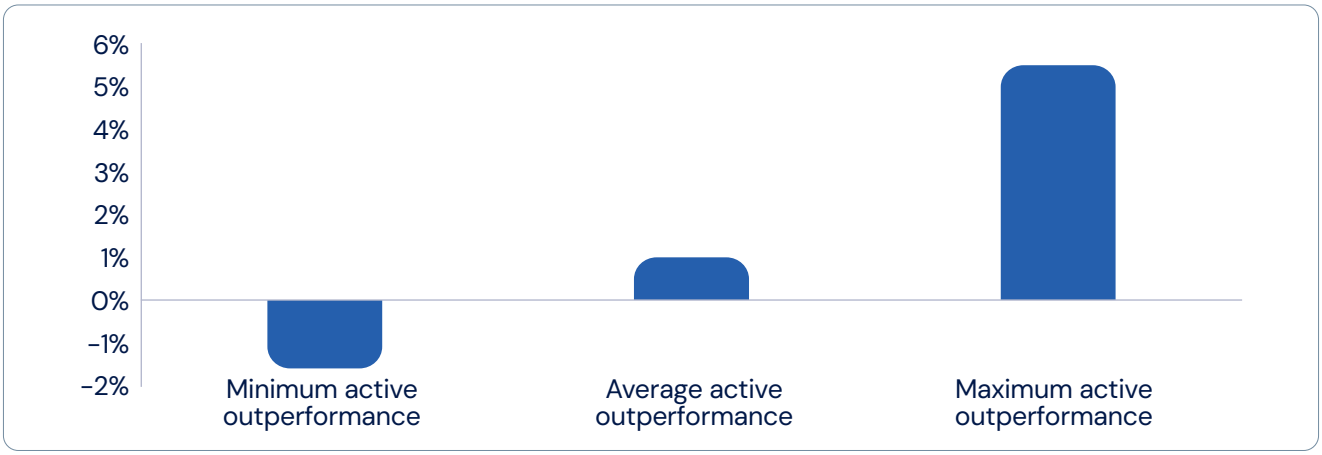
Source: Bloomberg, to 31.12.2025. Past performance is no guide to the future. For illustrative purposes only.

Passive investing and risk

Finally, there may be a misconception that passive investing is lower risk than active investing. It is true that passive investing is lower risk in relative performance terms, in the sense that passive funds are less likely to significantly underperform a benchmark compared to an active fund. However, in absolute terms – ie. the risk of the end client losing money – it could be argued that passive investing is, in fact, higher risk than active investing. As Algy Smith-Maxwell, a former member of the Merlin team says, you cannot spend relative returns at the supermarket, and it is therefore absolute returns and absolute risk that end clients tend to care more about.

Active versus passive on the downside

Using performance data from the Morningstar US Large Blend Category, historically the hardest sector for active funds to outperform passive funds, Hartford Funds analysed the 28 corrections the market has faced over the last 25 years. The average active fund has outperformed the average passive fund after fees, according to Hartford Funds. There has also been a skew to active outperformance as the worst outcome saw active managers underperform passive funds by -1.6%, but the best outcome saw them outperforming by +5.5%. Additionally, active managers outperformed in 79% of the 28 corrections. Note: these results are specific to the period analysed and may not recur.



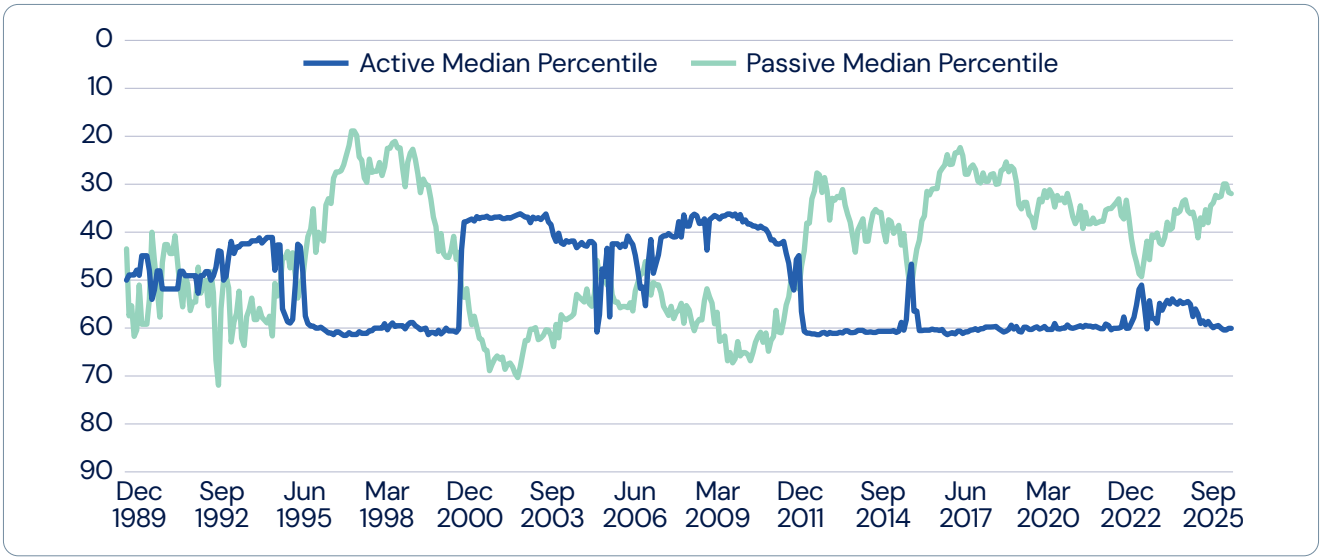
Source: Hartford Funds, "The Cyclical Nature of Active & Passive Investing", 01.02.2025. Past performance is no guide to the future. For illustrative purposes only.

A similar picture can be painted for active bond managers: when times get tough, active managers come to the fore. For example, 2023 and 2024 were both difficult years for fixed income and according to Morningstar data, 58% of active bond managers outperformed passives in 2023 and 54% managed to do so in 2024, again all after fees.[2]

Why active management now?

Following on from active managers' tendency to outperform in times of market stress, there's one simple reason why now could be a great time to be moving more towards actively managed funds: Donald Trump. Since President Trump's second term, it has become clear that we live in an inherently less certain world where the risks of more market corrections, such as the one around Liberation Day, are heightened.

Using the performance data from the Morningstar US Large Blend Category, we uncovered another interesting insight: outperformance of active or passive funds has historically been cyclical.[3] The chart shows that active funds were in favour for about a decade in the 2000s but since then passive funds have broadly been in the ascendency.



Past performance is no guide to the future. Source: Morningstar, US Large Blend Category, monthly rolling 3-year periods, as at 31.12.25. For illustrative purposes only.

The question is whether we believe that a cyclical relationship still exists, or has this become structural? We need not remind you of the many examples where investors have mistakenly extrapolated a market trend indefinitely into the future, only to find that cyclicality strikes back and disproves the structural thesis. With passive funds having been in the groove for the last 15 years, the relationship would suggest that we are much closer to the end of passive dominance than the beginning and that investors may be better off reallocating some of their passive exposures to active funds.

Global passive positioning

The last 15 years of strong passive performance has coincided with, if not been partly caused by, US exceptionalism where the economy and the stock market have gone from strength to strength. The effect this has had on the allocations for passive funds with exposure to US equities has been tremendous.

References: [2]*Portfolio Adviser, "Morningstar: Only 14.2% of active managers beat passives over the past decade", 11.03.25.*
[3]*Source: Bloomberg, 31.12.2025.*

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The US weighting in the global equity index has swollen to 72%, with the next biggest country allocation being Japan at a mere 4%.4 The weighting to the largest 50 companies has also jumped to over 40% with the remaining c.1,500 companies making up the rest. The global bond index is less skewed but still has 40% of its weighting in US assets with the next largest country exposure being 10%. This doesn't rule out the US and the largest companies continuing their strong run, but it is very important for investors in passive funds to be happy with the increasingly large biases present in indices.

It is worth noting that periods of index concentration are nothing new. Japanese companies made up a disproportionate amount of the global equity index in the 1980s, while a small selection of companies dominated in the Dotcom bubble – both episodes came to an abrupt end. These are just two among several historical examples, where the index became highly concentrated in a particular area only for a market shift to take place and leave the previously popular investment area behind. As is often said, "this time it's different" can be the most dangerous words in investing.



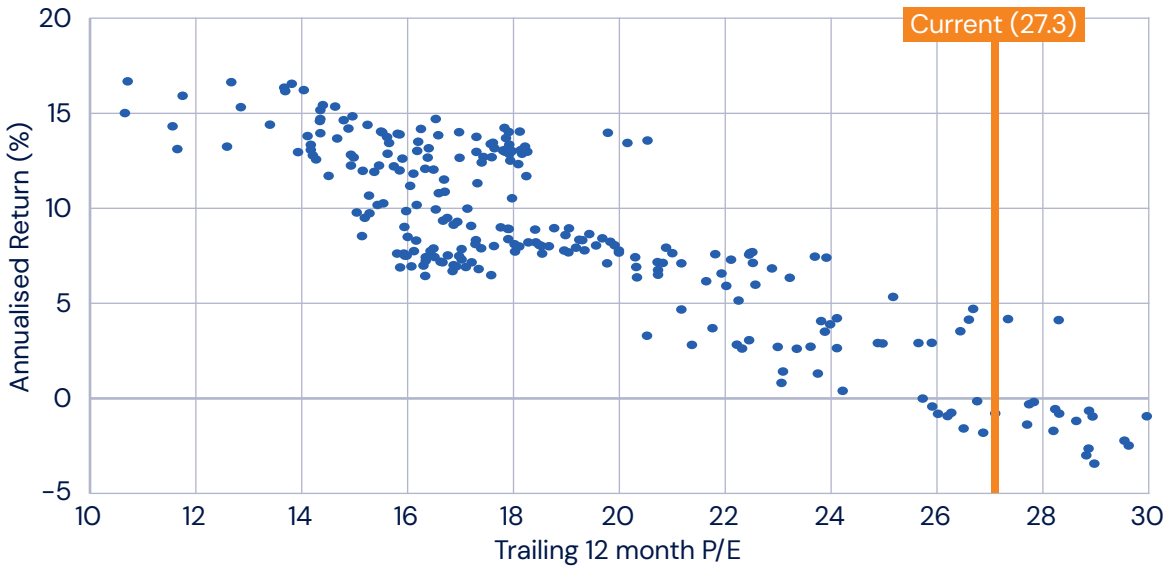
Source: Factset, 31.12.2025. For illustrative purposes only.

Valuations and future potential returns

Given global equity markets are currently so concentrated in the US, what does the opportunity set look like for US equities going forward?

Looking at the most recent 20 years of data, the picture that emerges is worrying.

10 year returns versus starting historic Price/Earnings multiple – 1995 to 2015



Source: Bloomberg, 31.12.2025. **Reference:** *[4] Factset, as at 30.06.25. For illustrative purposes only.*

What you can see from this chart is a consistent correlation between valuation and return, implying a tendency for higher starting valuations to result in lower subsequent returns. The US currently sits just above 27x trailing price-to-earnings, which has historically led to muted returns in the future. Over the 20-year period, the absolute best outcome achieved from that starting valuation has been 5% per annum, with the average return around 2% per annum.

What has driven US outperformance?

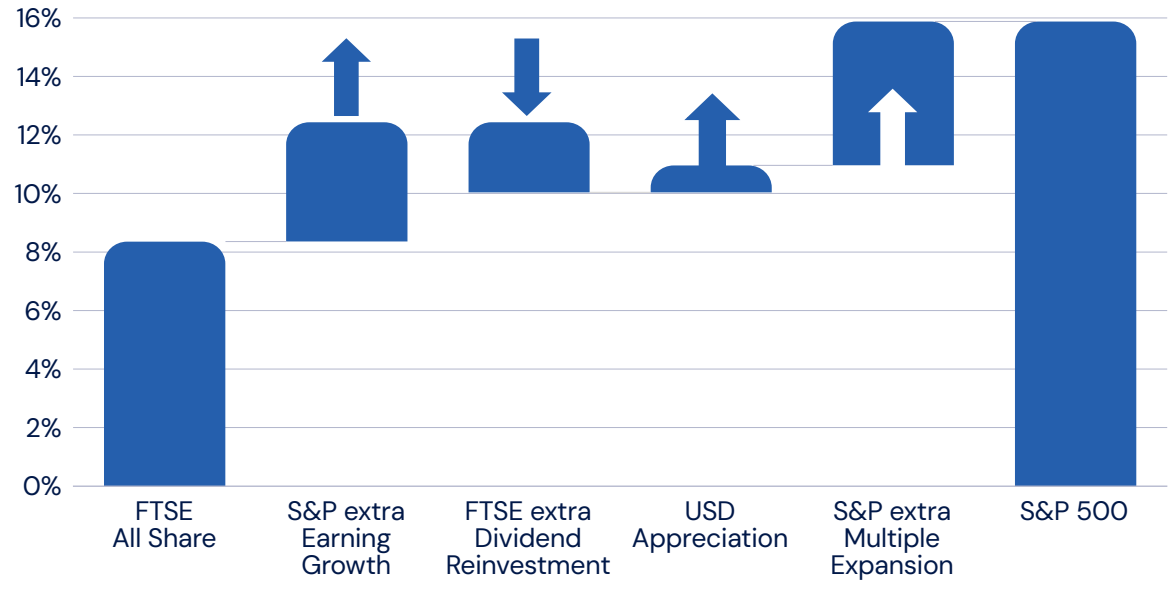
To put this into context, the US market over the last decade has achieved a return of 16% per annum. If it were to move from this 16% annualised return to the 2% annualised return implied by the historical average when starting at these valuations, it would be quite the adjustment for US and global passive investors.

Looking at what has driven the outperformance of the US market over the last 10 years relative to the UK market further suggests that the probability of repeating this feat is increasingly unlikely. It is true that the US index has produced greater earnings growth than the UK index, but this effect was to an extent negated by the higher dividend yield (and therefore higher reinvestment return) generated by the UK index.

Another positive contributor to the US outperformance was the positive effect of the currency, given the US Dollar strengthened relative to Sterling. However, most of this effect happened during Brexit which has arguably now been fully priced into markets. We do not pretend to be currency experts, but it appears there are many more questions being asked of the US Dollar today than was the case 10 years ago.

Finally, and most impactfully, the majority of the US outperformance is accounted for by the combination of the re-rating of US stocks and de-rating of UK stocks. The issue with multiple expansion as a driver of returns is that it tends to mean revert over longer time periods and so it is almost entirely dependent on the starting point. The higher the beginning valuation, the lower the chances are that stocks can re-rate upwards, so with the US index at historically elevated levels on many valuation metrics, multiple expansion is less likely to act as a positive return driver in the future. Conversely, the UK's starting point is at historically depressed levels, casting even further doubt over multiple de-rating acting as a driver of the UK's underperformance going forward.

10-year return disaggregation – UK versus US Equities

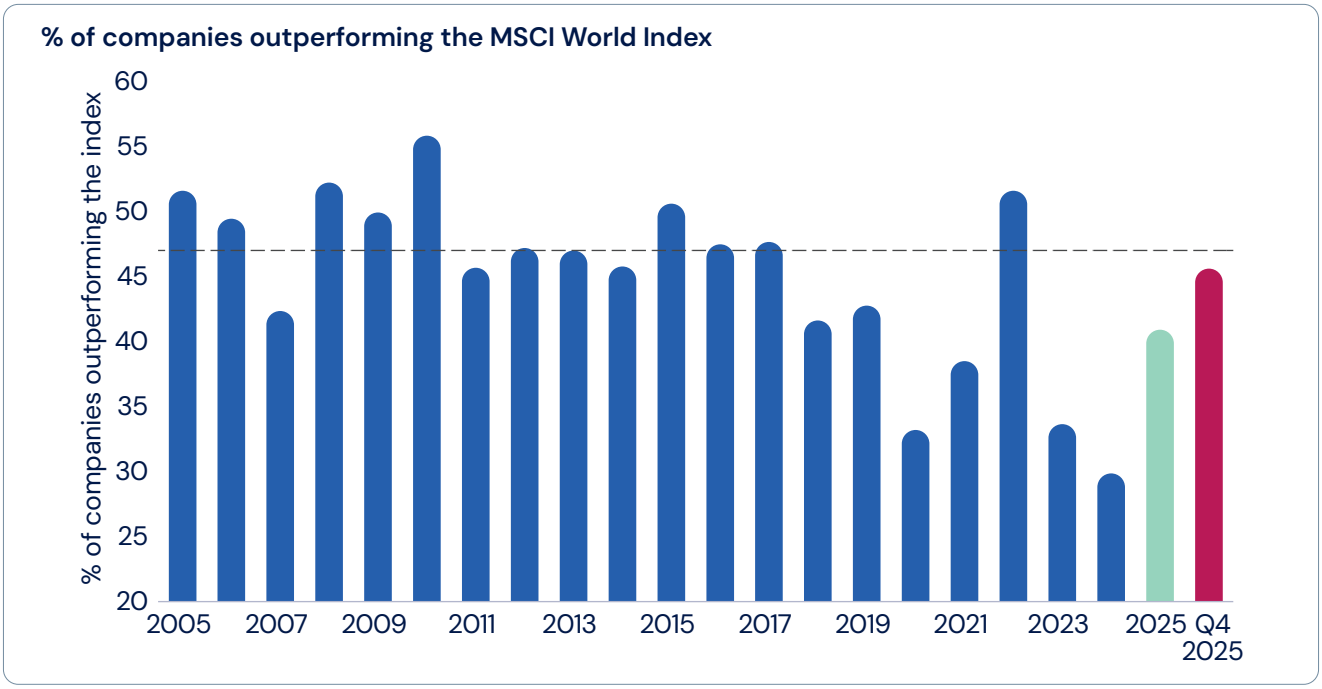


Source: Bloomberg, to 31.12.2025. For illustrative purposes only.

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2025 and beyond

For us, the case for active over passive management has been clear for some time. We believe it is not a case of "if" but "when", and the "when" could come very soon judging by the market shift in 2025. As a general rule of thumb, when market returns are driven by a very narrow set of companies, active managers tend to underperform passive managers. This explains why 2020, 2023 and 2024 were particularly challenging years for active managers. However, 2022 and 2025 were far better years for active managers given that the distribution of returns broadened out, with more companies outperforming the global index.



Source: FactSet Portfolio Analysis. Annual data as of 31 December 2004 to 31 December 2025. Returns are gross and in USD. Gray line represents the median of the calendar year periods from calendar year 2005 to calendar year 2025. For illustrative purposes only.

Is this broadening out a sign of things to come? Have we moved into a new market environment? Is now the time for active management? These are all questions we think about when constructing the Jupiter Merlin portfolios to position for the future and we would encourage everyone to do the same.

We remain resolute in our conviction in the power of active management and think that now could be as good a time as any to refocus portfolios in favour of them. If you happen to agree, then please do consider us in your hunt for active managers. We would be more than happy to run you through some of the active opportunities we have uncovered for our clients, and we believe our track record is testament to the outcomes we have delivered after fees, even in an environment in which active managers like us have faced headwinds.

JUPITER MERLIN

AN OPEN LETTER TO A NEW PRIME MINISTER

The Merlin Team shares its blueprint for economic revitalisation.



INSIGHT: September 2026

An open letter to a new Prime Minister

The Merlin Team shares its blueprint for economic revitalisation.

Dear Mr Burnham,

After your prolonged sojourn in Metropolitan Manchester, welcome back to Westminster. The summer recess is over, as is your leisurely social tour of the UK taking the grass roots temperature and posting self-promotional Tik Tok reels. Your brief political honeymoon has finished too. Given your towering ambition to be Labour leader and prime minister, and having premeditatedly defenestrated your predecessor, the electorate has every right to expect you to be ready for office and government with a concrete, credible plan.

Time waits for no man. The bond markets certainly don't. Just in the brief five weeks since you were confirmed as PM, UK 10-year Gilt yields spiked by a quarter point to their highest level since early in the Global Financial Crisis two decades ago. You might not like reminding, but at their summit this week they were almost a point higher than at peak panic in the car-crash budget in October 2022; you enjoy mocking her but lower yields than you face cost Liz Truss her job.

Of course, with global inflationary pressures the UK is not alone among overindebted fiscally incontinent western democracies suffering a government bond rout. However, of our major competitors, apart from Australia we have managed to contrive the highest borrowing costs by a wide margin. The financial markets are expressing their scepticism that beyond the superficial social media posts and learning of your preference for crisps over pork scratchings, there is little substance behind it. Without a public mandate for a new plan and bound by Labour's 2024 manifesto commitments, already the source of economic sclerosis, it's now up to you to prove wrong those of us in the markets who doubt your ability to effect substantial improvements in the national rather than your partisan interest.

You are already besieged with a plethora of political issues requiring your urgent attention: legal and illegal immigration; prison overcrowding; defence spending; lethal, casual hooliganism and pernicious organised crime; the Argentine threat to the Falklands; building bridges with Donald Trump to name but a few. But these must not deflect you from what must be your single overriding aim: restoration of a sustainable real UK growth rate of 2-2.5% and the significant reduction in nominal national debt. If you succeed, all else, including your social aims, will fall into place; you will rightly be promoted high in the pantheon of great Prime Ministers. Fail, and far from being venerated, the inexorable slide towards national penury will be indelibly carved into your political gravestone: "The Rt Hon Andrew ('Hi, I'm Andy') Burnham (2026-2029), opportunistic prime ministerial wannabe; another in a long line of short-lived Downing Street empty vessels who promised so much but delivered so little. He meant well."

The auguries are not good. Your socialist principles hardened under the tutelage of Left-wing leaders Ed Miliband and Jeremy Corbyn (in both of whose shadow cabinets you willingly served after your ministerial

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career under the centre-Left Tony Blair and Gordon Brown) cause you to declare that Great Britain "took wrong turns" in the 1980s under Margaret Thatcher.

The inference is that her unshakable conviction that the State works for the people, rather than everyone being beholden to the State, was wrong. Your implication is that the 1970s were halcyon days to be revived and revisited: they were not and should not. Inflation hit nearly 25% in 1979; in 1976 under a Labour chancellor (another Healey, Denis in this case), the UK had to be bailed out financially by the International Monetary Fund; the accusation of de-industrialisation that you level against Thatcher had its roots in the nationalised industries, 1970s militant unionism, poor management, uncompetitive costs, bad products and worse workmanship (ask anyone who bought a British Leyland car who experienced vicious financial depreciation on their purchase thanks to all-pervading rust and unreliable mechanicals); we suffered the three day week, work to rule, the Winter of Discontent, flares, stacks, feathered hair, the Bay City Rollers, and endless power cuts. Even wearing rose-tinted spectacles (shielding from the glare of Glam Rock and teeny-bop pop), they were grim times.

"Good growth in every postcode. Hope in every heart". It might make a good soundbite but it is neither an economic nor social policy. Contrast with "AMERICA FIRST" and "MAKE AMERICA GREAT AGAIN", however much you might disdain Donald Trump's values, as statements of strategic intent there is no comparison. It certainly does not always achieve it, but America and the Americans always set out to win; seemingly we are content with merely taking part. "Good" growth? Is there bad growth? What does this phrase mean? And "in every postcode"? In an integrated national economic system, how do you measure growth by delineated postcode? Why? This is as nonsensical as your predecessor's contortions about "working people". It tripped off his tongue but tied him in knots; you run the same risk. "Hope in every heart" is well-meaning but so much sentimental twaddle. Of course, giving people hope is important but inspiring people to better themselves and their families and to aspire to enjoying the fruits of their labours is likely to produce far greater measurable personal and national satisfaction.

Number 10 North and the balkanisation of the United Kingdom encourages a federalised system with layers of expensive bureaucracy demanding increasing plenipotentiary and tax raising powers. It is a bizarre way of streamlining government.

Your stated aim is greater public sector intervention, especially state ownership of steel, transport and utilities. It was Milton Friedman who said that when government takes control from the private sector, expect the running cost to double. Public sector operating expenditure is already more than 40% of GDP, five points higher than three decades ago; your aim should be to reduce it through prudent fiscal management, not cause it to rise further driven by political ideology and a determination to exercise political control.

The Office for Budget Responsibility is explicit that without intense remedial action to curb state spending, the United Kingdom faces a financial catastrophe. You, your new Chancellor John Healey, every single member of your cabinet and all 403 of your MPs need to be thoroughly acquainted with the contents and fully understanding of the ramifications of the OBR's July Fiscal Risks and Sustainability Report. The evidence is there; you cannot say you were not aware of it. It is your responsibility to do everything in your collective power to act in the long-term national interest, not merely the short-term partisan interests of the Labour party; it is your duty to prevent the UK sliding into the economic and financial abyss.

You want to see the economy grow. We heard that before from Keir Starmer and Rachel Reeves. Their actions said otherwise: loading direct financial and indirect frictional costs of employment on businesses produced the opposite effect, as they were told would happen. However tempting, extracting "windfall" taxes from the energy, banking and legal sectors is counterproductive; eventually it will drive them offshore to lower tax domiciles; it will deter international companies investing in the UK. The losers are the UK's competitiveness and the Treasury; new job opportunities will dry up. No-one will thank you for that.

You do not enjoy a command economy, one that responds to orders and a click of the fingers. The economy will not grow and certainly not accelerate simply because you desire it to. It needs incentives which not only retain and attract investment but which allow investors to make decent returns (which they can re-invest creating a virtuous circle). Rachel Reeves has already sown the seeds of considerable long-term damage by actively breaking the continuity of capital in family-run businesses and farms through her changes to the IHT exemptions (after the furore, the minor amendments make little difference when they are eaten up by

inflation); this policy should be scrapped entirely before significant irreversible damage is done to the fabric of small business, the bedrock of the economy.

Informed speculation is that you are considering a further assault on wealth and wealth creators with capital taxes on unrealised gains and harmonising CGT and income tax rates; they say you plan to target further taxes on the value of properties including the taxpayer's primary residence. Not only is the suggested warrant issued to HMRC "house inspectors" to have access to all target properties a gross invasion of personal privacy by the State, such a policy will distort the UK housing market through the arbitrary judgement of a property's value as determined by a government valuer rather than normal market forces. Are you prepared for the political as well as the financial consequences, particularly in the Southeast of England?

No doubt ideas are being revived too to levy National Insurance on "unearned" income from investments and pensions, as well as further increasing the fiscal drag through freezing tax allowances. All will sap confidence and undermine consumption, the principal driver of growth.

You believe in creating equality, equity and fairness. However laudable, it is just not real. Life is unfair. There will always be inequality. There will always be relative poverty too by definition if household earnings more than 60% below the national median are deemed impoverished: there will always be someone 60% below the median unless everyone has an identical nominal income. Beware the simultaneous welfare and taxation traps. Heed the economist Arthur Laffer: if you give people generous handouts for doing little, benefits become entitlements and you incentivise them to expect more and do even less; if you increase taxation on people who work, penalising them to the point that their marginal income benefits the Treasury more than the individual, rationally they will withdraw their marginal labour (this has already happened in practice among NHS consultants). It destroys productivity. Given healthcare and welfare are the government's biggest outlays, and the tax burden already weighs significantly and disproportionately on a small group of taxpayers providing a large percentage of government income tax receipts, the resulting growing deficit from "progressive" welfare and taxation policies becomes self-fulfilling. The OBR is explicitly warning against failing to control spending; the IMF is equally unequivocal warning you that the tax burden is significantly out of kilter, grossly imbalanced and so high that it is both unsustainable and incompatible with promoting a growth economy.

Do not address these issues piecemeal; it is a holistic problem. You need to mend our enduring, structural systemic weakness: a profoundly unbalanced economy. We have an over-reliance on a burgeoning public sector particularly for marginal employment; we have too many people of working age who are economically inactive and too many who depend on benefits for their income; a relatively diminishing private sector is heavily over-reliant on services and is under-invested and under-represented in manufacturing from both of which flows a constant current account deficit and an imbalance between imports and exports.

There are no quick fixes but there are early wins. As pre-requisites, you must provide a strategy that lowers energy costs and which restores energy security and industrial competitiveness. You must reduce the financial and frictional costs of employment in the private sector. Then you need to provide tax incentives that attract inward investment. You determine and control all of these. Unleashing the private sector rather than relying on the public sector to be the marginal employer catalyses a vibrant, match fit, competitive economy capable of taking on the best in the world and beating them. You will never remove inequality but you certainly can facilitate conditions in which national income and personal standards of living rise to everyone's benefit.

Level up; do not level down. Don't just talk about hope and handouts; give us inspiration and aspiration. These are not wrong turns; they are essential needs.

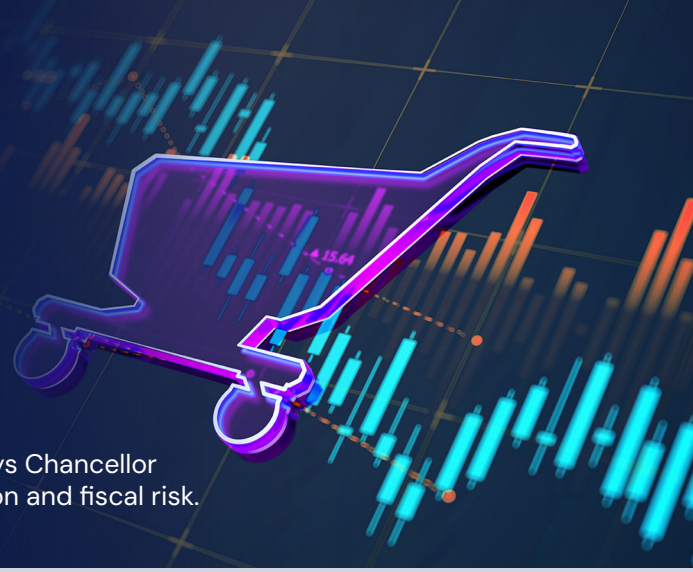
You wanted the job. You've got it. Here is the blueprint for success. Get to work and make it happen. Onwards and upwards.

The Jupiter Merlin Portfolios are long-term investments; they are certainly not immune from market volatility, but they are expected to be less volatile over time, commensurate with the risk tolerance of each. With liquidity uppermost in our mind, we seek to invest in funds run by experienced managers with a blend of styles but who share our core philosophy of trying to capture good performance in buoyant markets while minimising as far as possible the risk of losses in more challenging conditions.

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JUPITER MERLIN

MERLIN WEEKLY MACRO: A COMPLACENT BUDGET COURTS FISCAL CRISIS



By putting off hard choices in the budget, the Merlin team says Chancellor Healey has left the UK exposed to deeper economic stagnation and fiscal risk.

INSIGHT: October 2026

Nothing to see here! Move on

'Breathing space': the new Chancellor's euphemism for indecision and procrastination. Deferring most of the major decisions into the 2027 Spending Review, this was nothing more than a smoke and mirrors Budget designed not to spook the bond markets. Given the lack of reaction in UK government bond yields, it achieved its aim. John Healey will be pleased. He should not be.

Keir Starmer's glass was always half empty as Prime Minister: he and his then chancellor, Rachel Reeves, made a point of talking down the economy. With no solutions (at least neither workable ones nor ones acceptable to Labour back benchers), ultimately, they both paid for that pessimism with their jobs. This week, Reeves's successor John Healey took the opposite tack: he was bigging it up. Optimism in a chancellor is a positive. However, there is a fine line between optimism and self-delusion. He was working with some very thin material.

In a parliamentary version of Orwell's 'Four legs good! Two legs baa-aad!', the sheep's refrain in Animal Farm, Healey punctuated every section of his speech with: 'Delivered to the British people by this Labour government!'. The faithful on the government benches lapped it up, not least because there was zero in the content that they could possibly disagree with; anything contentious will come in the March Spending Review. Even that pious hope is doubtful.

It was a bravura performance in which he managed to make plodding projections seem quite palatable. An old pro, he remained unforcedly cheerful as Opposition leader Kemi Badenoch efficiently rained on his parade in response. She was in her element, thinking fast on her feet and thoroughly enjoying it. Much more revealing was the countenance of the Prime Minister while Badenoch was tearing lumps out of the government: across the dispatch box Andy Burnham was wearing a stony countenance, an unsmiling grim mask. It reminded me of Rachel Reeves's first Budget two years ago when under the withering onslaught of an on-fire and feisty Rishi Sunak, her triumphant smiles melted and she suddenly looked hunted. Burnham also looked hunted. He'd been rumbled too and he knew it.

Forget the spin: the OBR gives the unvarnished truth

Whatever Healey's storyline to the House, the true position is revealed in the Office for Budget Responsibility Economic & Fiscal Outlook Report, released to coincide with the Chancellor's speech. The opening paragraph of the executive summary tells us almost everything we need to know:

'The UK's economic and fiscal position remains very challenging. Since 2008, repeated adverse shocks have contributed to persistently weak GDP growth and elevated levels of government borrowing. This has resulted in a sharp increase in government debt as a share of GDP, to a level that is high by both recent historical and international standards.'

The cost of servicing that debt was £39 billion in 2019/20 (1.7% of GDP); the estimate for this year has risen to £109 billion (3.5%); the OBR calculates that by 2031/32 we could be incurring £160 billion (4.2% of GDP) on debt interest. Elsewhere the official arbiter of fiscal probity reports unflatteringly on the tax burden which is projected only to increase: 'the "tax take" is forecast to increase sharply from 36.0 per cent of GDP in 2025-26 to 37.9 per cent of GDP in 2027-28, surpassing the previous historical high, before then rising more gradually to reach a peak of 38.6 per cent of GDP in 2031. This would be a 5.7 per cent of GDP increase on the pre-pandemic level of 32.9 per cent of GDP in 2019-20.' There we have it.

For all Healey's spin, the economic outlook offered by the OBR is underwhelming. Real GDP might just get to 1.25% in the current fiscal year. As Healey points out factually, it is one of the fastest growth rates in the G7. So what? According to PwC's economists, real global GDP growth will be double that: plenty of other countries are winning market share from us. UK growth then falls away again next year to 1.0%, a half percentage point lower than forecast by the OBR in March. Peaking possibly in 2028 at 1.8%, forecast GDP is expected to subside towards 1.6% by the end of the decade. Bereft of substantive ideas for growth, Burnham seems determined to hitch our cart to Europe's arthritic, hobbled nag: the EU economy is virtually stagnant and in the event we are accepted back as a member, we will give up all sovereignty over trade policy. How that helps is unclear.

That said, despite a Bank of England interest rate which is likely to rise from its current starting point of 3.75% in response to the inflation pressure, the economy is showing some surprising resilience. Monetary policy is intended to change consumer behaviour as the means of maintaining price stability: despite the significant changes in interest rates since before Covid and allowing for the 2020-2022 short-term GDP volatility created by lockdown, underlying growth has been little affected overall. Governor Bailey must be ruminating with some anxiety at the muted impact of their policy changes in either direction.

A doom loop of domestic stagnation

But if volatility has been dampened, so have activity and productivity. If the OBR proves correct, outside the Covid-hiatus year-on-year real UK GDP growth will not have exceeded 2% in any quarter spanning 2018 and 2031. The economy is operating well below capacity. We need to be targeting a consistent rate of growth between 2.0-2.5% to maintain market share and competitiveness and to engender a feeling of national progress. Through a long-running series of monetary and fiscal missteps, the UK has managed to engineer a doom loop of domestic stagnation. The OBR again: 'After falling slightly in the near term, per person real household disposable income in 2030-31 is over ¾ per cent below our March forecast and only 2 per cent above its pre-pandemic level (my italics. Ed.).'

The Budget's glim highlights....

There are modest annual savings through energy bills and a new £100/household "house energy payment" for 22m homes this winter; the latter is a big political reversal: exactly two years ago Rachel Reeves botched the abolition of the Winter Fuel Allowance. However, they lose their impact when, since the beginning of the Iranian conflict, the cost of filling the average family car has increased by over £30 every time you visit a garage. Amending import tariffs to save a few pennies on the price of a garlic bulb or a bottle of gherkins (gherkins! Why gherkins?) grabs the headlines but little else.

There was undoubted relief that the Chancellor left CGT alone and did not attempt introducing new wealth taxes as had been feared. That said he could not resist kicking landlords and savers again with another 2p of income tax on top of the higher rate yet to come into effect from Reeves's time in office. If landlords are pariahs, the banks are targets of populist hate too: still made to wear sack cloth and ashes as a badge of their never-ending shame for the Global Financial Crisis, they have been hit with a new surcharge to the existing surcharge on the base level of corporation tax.

As part of Burnham's devolution programme, regional mayors and councils will keep all the money they raise in business rates, joined also by a share of national income taxes; where are the terms and conditions? To whom are councillors accountable for this transfer of fiscal responsibility? Healey had already trailed

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a flagship announcement of £20 billion investment for smaller dual-use defence companies, energy businesses and AI developments; this will be channelled through two quangos, the National Wealth Fund *and the British* Business Bank, over 5 years with a view to creating over 100,000 jobs by 2035. An eye catching policy, and welcome in those sectors, the reality is that it only constitutes around 0.7% of today's GDP and requires a significant multiplier to make much difference to the economy (indeed, it is already baked into those new OBR forecasts).

…and the depressing lowlights

The former defence secretary and now Chancellor has obviously been stung by the entirely justified criticism levelled against him after resigning in protest at the inadequacies of the Defence Investment Plan introduced by Keir Starmer in June. Responding in the Budget, Healey perversely now endorses that plan and pledges that the UK will meet NATO's requirements for 3.0% of GDP on core defence by 2030, rising to 3.5% by 2035. It is obvious that he still does not know how that funding will be met. Apparently all will become clear at the March 2027 spending review. Last summer, we urged pace and energy for defence spending. Recently, National Armaments Director Rupert Pearce made the same plea. We are both falling on deaf ears. Labour's is a leisurely linear stroll: it took a year to publish the Strategic Defence Review; it took another year and a major row culminating in the defenestration of a prime minister to deliver a Defence Investment Plan; it will have taken another nine months to work out how to pay for it. Nearly three years to get it together: in context three-quarters of the duration of WW1 simply to get the basics in place.

While Healey's hapless successor at the MoD, Wes Streeting, is having to find £2 billion of in-year savings and training has been slashed to save money, President Zelensky was only too pleased to be the beneficiary of a new package of humanitarian and military aid totalling £10 billion. As Healey reported to the Commons, Zelensky was grateful: 'you've made my day'. Not many in the British armed forces will be sharing the sentiment. Contrary to Mr Streeting's crass advice to 'prepare for war in 1,000 days', purchasing a wind-up radio and stocking up with candles, matches, baked beans and cheap white wine (Angela Rayner's cerebral contribution to the debate) is not a defence strategy. It's a funk.

Welfare: self-interest and studied misinformation

When it comes to government spending, welfare is the main battleground. Already it is mired in a confusion of language bordering on misinformation and disingenuousness. Healey pledges to "cut the benefits bill by the next election but we'll do that in a Labour way". In the 2025/26 fiscal outturn, the government spent £151.5 billion in aggregate on non-pension benefits. The inference is that cuts will reduce outgoings below that figure. This is not so. The OBR projections say that by 2032, the equivalent sum will be £194.2 billion. It will be that latter amount that Healey will be aiming to shave. Last year, a back bench rebellion about cutting £5 billion from the projected 2029 benefits bill nearly brought down the government; Healey will face the same challenges.

One fiscal area seldom discussed is public sector pensions. This represents an unfunded £1.4 trillion liability. There is no public sector pension fund: today's public sector pensions are paid out of today's tax receipts topped up by employee contributions. In 2026/27 the government is expected to pay out £58.2 billion in pensions to retired public sector workers. Public sector wages are accelerating at 6.3%, much faster than inflation. Based on defined benefits, the compounding effect of such wage growth on final salary pensions is obvious.

Addressing welfare and government spending "In a Labour way" is political code for attempting to manage fiscal prudence while not alienating the Party's client state: benefits claimants (whose 'benefits' they now regard as entitlements and rights), the public sector and the unions. They will look after their own first.

Get a grip!

I have previously described current government fiscal policy as 'faffing about at the edges'. With a complete absence of addressing fundamental structural economic imbalances, nothing in this Budget changes that view. John Healey has merely deferred the hard choices confronting him. Government can certainly influence growth but it does not control it; this government is confusing control of the economy through intervention with controlling growth. It controls the rates of taxation and what is taxed, but it does not control the nominal tax receipts. What it does control is expenditure.

Healey should be unleashing the private sector and allowing it to flourish. With time freed up, he should be devoting 99% of his attention to controlling expenditure. Our problems could quickly be solved. As it is, he is making little difference to either. His desire for a 'breathing space' simply increases the inevitability of that impending fiscal crisis forecast by the OBR happening in the 2030s. It can still be avoided but only with decisive action. He needs to get a grip. Fast.

The Jupiter Merlin Portfolios are long-term investments; they are certainly not immune from market volatility, but they are expected to be less volatile over time, commensurate with the risk tolerance of each. With liquidity uppermost in our mind, we seek to invest in funds run by experienced managers with a blend of styles but who share our core philosophy of trying to capture good performance in buoyant markets while minimising as far as possible the risk of losses in more challenging conditions.

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Unitisation: Back to the future?

Why unitised portfolios can provide better client outcomes

With Managed Portfolio Services (MPS) enjoying a surge of popularity of late, it is worth comparing the attractions of the structures which are available to intermediaries who wish to use the optimum structure for their clients in today's environment:

- DFM/MPS providers have historically been chosen to offer more bespoke solutions to clients; but Citywire MPS monitor data shows that their allocations tend to be undifferentiated.
- Compared to DFM/MPS, unitised solutions such as the **Jupiter Merlin Portfolios** can offer tax advantages for money held outside of tax-protected accounts (e.g. ISAs and pensions) and can therefore compound growth faster than DFM/MPSs.
- Unitisation offers position and performance transparency to intermediaries and clients, simple structures and scale and can deliver cost-saving advantages to end clients.
- The Jupiter Merlin Portfolios offer clients a range of actively-managed strategies that are differentiated from benchmarks and peers.
- The Jupiter Merlin Portfolios have the flexibility to invest beyond unit trusts and in highly sought after strategies that may be closed to new clients.
- The introduction of the Jupiter Merlin Select Portfolios gives clients access to our time-tested process & philosophy at a price point that compares favourably with MPS solutions[1].

There are 3 broad categories of investment vehicles on offer to intermediaries in today's world:

Discretionary Fund Managers (DFM)

Managed Portfolio Services (MPS)

Unitised Multi-asset Solutions (e.g. Jupiter Merlin Portfolios)

Arguably DFMs provide the most bespoke service so are used for clients with the most assets, followed by MPS, then the smallest assets are invested in unitised multi-asset solutions. In this piece, we seek to draw comparisons between these investment solutions, finishing with why we believe the Jupiter Merlin Portfolios are an excellent solution for clients' savings.

1 The evolution and future of multi-asset investing (Defaqto), Multi-Asset Fund Insights (2025).

Not so bespoke

How unique or differentiated are DFM or MPS portfolios? Data from the Citywire MPS monitor, a tool which looks through the portfolios of the largest DFM and MPS providers to identify the underlying funds, shows the popularity of a number of passive funds which are commonly used as building blocks. As the chart overleaf shows, this concentration is significant with some funds held by over 100 providers.

There are a number of conclusions that could be drawn from this. Certainly those funds will have been selected with the goal of achieving optimal exposure on a geographic, thematic, cost-effective basis etc. But whatever the merits of those funds, or the MPS they populate, there is a question over whether the outcome for clients is perhaps similar regardless of the MPS chosen by the adviser, and whether the preponderance of passive vehicles in so many portfolios could lead to over-diversification and benchmark hugging. Moreover, any decline in benchmarks is captured in full by passives. Finally, it is worth mentioning that the Jupiter Merlin Portfolios hold only one of the most-held funds listed in the next chart. For a portfolio range that may be considered less bespoke because of being unitised, our strategies seem to offer something far more differentiated than most DFM & MPS providers.

Tax advantages

This specifically applies to investments that fall outside the bounds of tax-free Individual Savings Accounts (ISAs) or pension wrappers. The irony here is that the clients most likely to have assets outside of these, tend to have larger asset pools and it is those very clients who have historically been directed towards DFMs, despite the tax advantages that unitised multi-asset solutions can provide. Please note that Jupiter is not permitted to provide tax advice. The following is based on our understanding of current tax laws and may be subject to change.

Unitised funds can make changes within their portfolios without crystallising capital gains tax. This means that the portfolios can be constructed and changed to adapt to the changing market dynamics and take advantage of opportunities as they arise without the need to consider the capital gains tax implications.

As an example, one global growth manager the Jupiter Merlin team first invested with during July 2012 had risen over 370% by August 2022 when an asset allocation decision to reduce growth and buy value led us to sell a portion of the holding. Within a discretionary managed portfolio, the tax liability of such a change could have been enormous, but within a unitised product the decision could be made purely with the goal of maximising the long-term value of the investment portfolio.

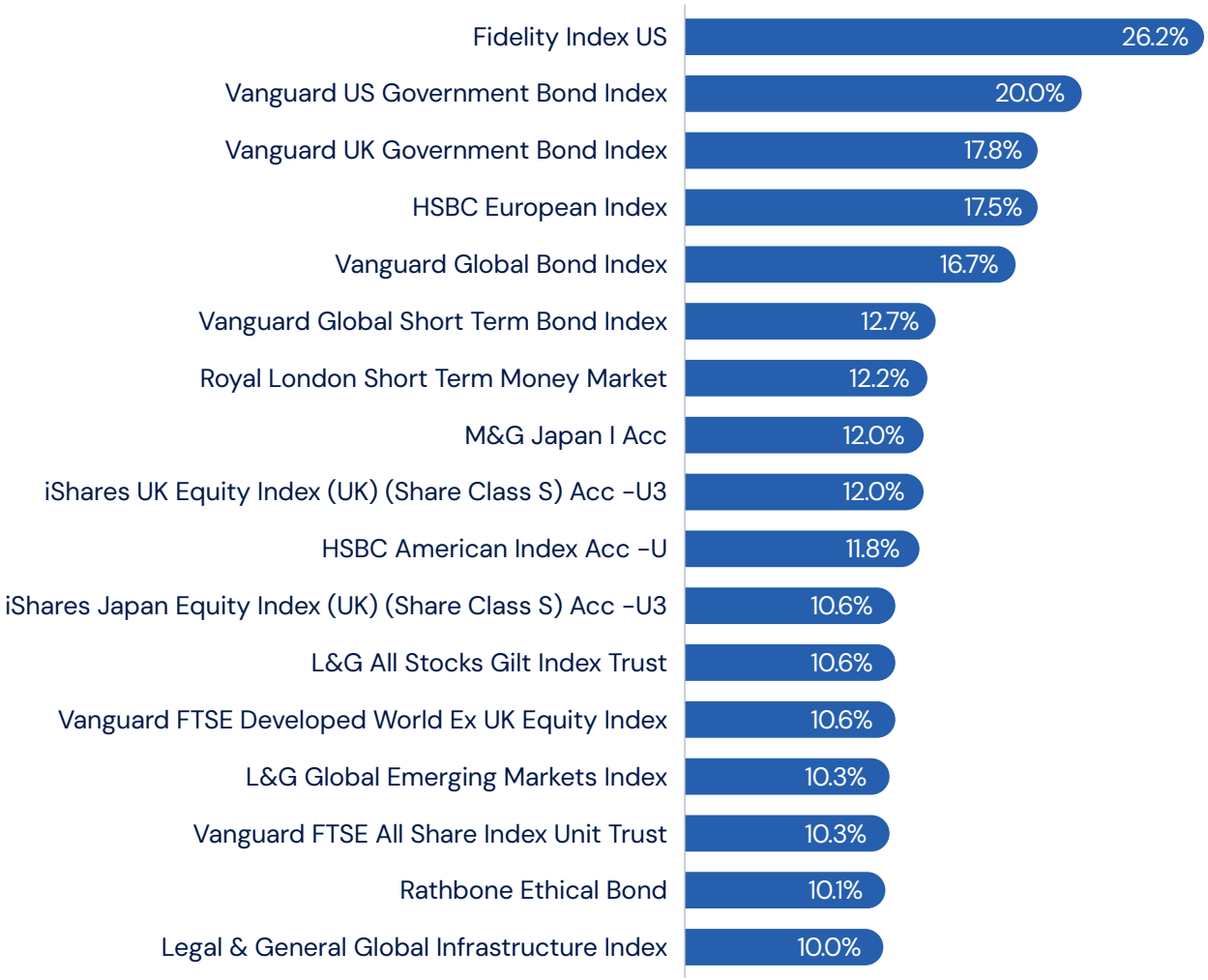


53% of advisers consider multi-asset funds to be the least expensive approach. Consequently, multi-asset funds are the most recommended structure for clients with less than £100,000, with 60% of advisers favouring this option. In contrast, 80% of advisers consider DFMs as the most expensive investment approach, while also being the most recommended structure for clients with more than £500,000 in savings, with 37% of advisers endorsing this option.

Source: IFA Magazine, data source is the 'Adviser attitudes report', Aegon UK, August 2024.

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A relatively small number of passive funds are held across many MPS over 10% (% of MPS providers with holding)



The examples provided are for illustrative purposes only and are not a recommendation to buy or sell. Source: Citywire, December 2025.

Furthermore, some (but not all) DFM & MPS portfolios charge investors VAT on investment management fees. There is no VAT on the management fees for unitised solutions.

Transparency

Unitised portfolios are required to publish a standardised set of documents providing regular information to investors, making comparisons between products timely and simple. The performance and costs of unitised solutions also tend to be far more easily obtainable and transparent than for DFM/MPS, typically using very widely used benchmarks, again making comparisons easier.

Simplicity & scale

Unitised products offer a reduced administrative burden for intermediaries given all the trading is done at the fund level by the investment managers and all clients therefore receive the same price for any purchase or sale. Additionally, the trading

efficiencies for unitised solutions have the potential to lead to improved portfolio outcomes for two reasons. Firstly, the fund manager tends to have more speed and dynamism when making portfolio changes, enabling them to react when market conditions change rather than waiting until the next fixed interval (monthly or quarterly, say) rebalancing that many DFMs and MPSs follow. Secondly, trading costs tend to be lower because of the economies of scale within a unitised product. Economies of scale do not just deliver lower trading costs but can also lead to lower management fees as unitised funds tend to be able to negotiate more attractive terms as well as accepting rebates, thereby lowering the OCFs.

Active managers

We firmly believe in the power of active management because we have proven over time that we can find exceptional fund managers who outperform their benchmarks after fees, over the long term, using active management. The last few years have certainly been more difficult given that markets have been led higher by a small collection of outperforming stocks. However, clients can take confidence in the long-term track record of the Merlin Portfolios, which demonstrates the consistency and magnitude of the outperformance delivered after fees* over decades. By being truly differentiated, we offer clients the ability to generate outsized returns whilst not having to take excessive risk over time.

Wider investment universe

There are other advantages specific to Jupiter Merlin investors.

Firstly, due to the regulatory structure, they have an unusually wide investment universe so can access funds, platforms and structures domestically and beyond the UK and European jurisdictions. By contrast some MPS's are restricted to single providers (they are 'tied', so invest solely in 'in-house' products). In addition, many must select funds held on a single platform which can be highly restrictive.

Secondly, the long-standing Jupiter Merlin Portfolios have an additional regulatory advantage which allows investment in underlying funds of very modest sizes (ie. AUM). These can often be the 'younger' and more dynamic funds, where managers are building their track records, rather than resting on their track records.

Finally, a considerable number of funds held within the Portfolios are now closed to external investors, meaning that one of the few ways for clients to access these top-class managers, as we believe them to be, is to invest in the Jupiter Merlin Portfolios.

Cost

The average bespoke DFM fee tends to cost between 0.9%-1% per annum. Whilst this includes VAT, dealing fees and custodian fees, importantly it excludes the average cost of underlying holdings, be they invested directly or through collectives such as funds, ETFs and so on.

This additional cost depends on the blend of active and passive managers held in the underlying portfolio, but it is unlikely to be less than 0.1% and there are plenty of examples of it reaching 0.6%-0.7%. Comparing this to the Jupiter Merlin Portfolios, our long-standing range of funds come in at 1.4%-1.6%; so on a cost basis, they very much compete with DFM portfolios. MPSs do tend to be cheaper than DFMs, so to offer funds which are more cost competitive to clients, we have built the Merlin Select range. This range is currently priced competitively, yet still provides clients with a fully active solution, through investing more in our in-house Jupiter funds. Encouragingly, the Select range has now passed their three-year track records and are building their performance track records (after fees)*

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JUPITER MERLIN

FRANCE'S FISCAL WOES RATTLE BOND INVESTORS

The Merlin Team discusses France's intense fiscal pressures, rising political polarisation, nervy bond markets and the structural faultlines of the European Union.



INSIGHT: October 2026

Gallic gallstones

It's that time of year. The French parliament is about to go to war with itself again in the annual budget row. The current administration intends an austerity programme to make an additional €43 billion of "recovery measures" to be met by cost savings, freezing public sector wages and increasing taxes. Heightened by the political tensions created by a looming presidential election next April, the social blue touchpaper has been lit. Today it is the French students, supported by their teachers and parents, variously protesting and rioting over the quality of French education and its infrastructure. Demonstrating and rioting are national pastimes in France; had it not been the students being energised about education, it could easily have been the Gilets Jaunes on the march about fuel costs, the far-right cutting up rough about immigration or the farmers indulging in casual muck spreading of government buildings or barbecuing lambs by torching cattle trucks on a motorway in protest at everything in general. Whatever, France is in the news for all the wrong reasons again.

France is not a failed state. Parliament might be implacably divided and the government reduced to near paralysis but society is still functioning normally even if there is an air of febrile tension and widespread periodic civil disorder. But it is failing and it could yet fall over.

"Between Bonds and the Barricades!"

More accurately the headline should be "Between Bonds, the Barricades and the Bank!" France's finances are a mess: debt/GDP is 119% and an intractable budget deficit, incapable of serious reform, remains stubbornly over 5% of GDP. Productivity is poor, growth nugatory. Under the eurozone financial stability mechanism, member states' debt/GDP should not exceed 60% while the budget deficit should be below 3%; France fails those tests by almost 100% and by the EU's own definition must be contributing to eurozone instability. Practical measures including pension and welfare reform to address both the debt and the deficit have defeated successive French prime ministers during Macron's presidency. The latest, Sebastian Lecornu, has only endured for a year in post through enforced political paralysis allowing nothing to change. Survival is itself an achievement, even if tangible improvements elude policy makers and simply store up greater trouble later.

And that trouble has already arrived. Bond investors have little confidence that French parliamentarians will have any greater success improving the fiscal outlook this side of the presidential election in April 2027 (in which Macron is ineligible to stand having served the maximum number of terms allowable). Adding to the concern is France's obligation to meet NATO's defence spending requirement of 3.0% of GDP by 2030 and 3.5% on core defence (things that go bang) plus 1.5% of GDP on "resilience" by 2035; its current core defence expenditure is only 2.2% of GDP. As political sentiments harden and polarise between the far-Right and the far-Left, especially with an almost inconsequential middle ground, when considering the fiscal options nobody is in any mood to compromise. Not only is the economy a battleground, but fiscal and economic policy are being weaponised for political advantage with ever more radical solutions. Some

are simply mad. Bond investors are wargaming the potential outcomes that if they lend their money to the French government, what is the likelihood they will ever see it again.

Marine Le Pen and her far-Right National Rally party currently have a 17-point lead over Jean-Luc Mélenchon's hard-Left La France Insoumise. 2027 will be Le Pen's fourth attempt to be president. Her popularity has been enduring and growing but in the two-round voting process, even where she has competed well in the first, a majority determination to keep her out has meant victory has eluded her in the second. Peering ahead, unless the centrist parties can coalesce in numbers around a credible unifying candidate, political pundits are less confident today that she will be denied the presidency in 2027 when the only apparent alternative appears to be the political polar opposite in Mélenchon.

Headbanger proposals

Electioneering has effectively already started. Le Pen has been taking to the airwaves pledging to address the deficit, determined to bring it down to 3% of GDP by cutting €140 billion of public expenditure. Markets initially reacted well.

For all that she is right-wing when it comes to social policy (e.g. she is anti-immigration and would remove benefit payments to all foreign nationals etc), she has a largely socialist outlook on fiscal policy: for example, she advocates new wealth taxes and taxes on share buy-backs, as well as wanting to reduce the future retirement age by two years to 60 for people who are young today.

However, one big element of the Eurosceptic Le Pen's calculations is halving France's contribution to the EU's operating budget. However populist, without "Frexit" from the eurozone (which itself would pose a systemic financial risk not just to France but the entire bloc), this idea is for the birds. Firstly, Brussels will simply not allow it: members' freedom to opt in and out of fiscal obligations to the EU is understandably verboten, especially for France given it is the second biggest economy in the EU; second, under the Commission's new 7-year spending plans extending into the 2030s, in a new fiscal landgrab led by Commission President Ursula von der Leyen and endorsed by Euro MPs, Brussels is looking to raise €2 trillion for strategic investment in defence and resilience. France will be expected to be a significant contributor.

Le Pen's chief opponent, Mélenchon, is demanding that the French bonds bought by the European Central Bank in the almost decade-long period of quantitative easing are simply written off. Euphemistically it is known by proponents as "debt forgiveness". It is nothing of the sort: it is default. The ramifications of a French default would not be confined to France itself (nobody would ever lend to it again; its economic and social fabric would implode). As a member of the eurozone, France no longer possesses its own currency; France defaulting on its bonds would melt both the euro as a currency (it is one of the cornerstone global reserve currencies) and the eurozone economy which accounts for 14% of global GDP; a new global financial crisis could well follow as a result (remember the almost cataclysmic effect of the eurozone's near financial collapse caused by Greece a decade ago: France's economy is more than ten times the size).

Lagarde and the Judgement of Solomon

And so to the European Central Bank. There is an informal line in the sand that divides order from chaos. That line is defined as any eurozone member state whose 10-year national bond yield exceeds that of Germany's by more than one-and-a-half percentage points (150 basis points), beyond which the risk accelerates of financial disintegration becoming self-fulfilling. In 2022 Italy came close to breaching the spread barrier when it endured one of its periodic banking crises. Fearing another Greek-style event, the ECB stepped in with an emergency "antifragmentation" mechanism designed to restore stability. It removed the ability of speculators to arbitrage the differences in national yields and their propensity to create mayhem along the way to make a quick buck. Introducing a mechanism known as Transmission Protection Instruments, in a pincer movement to close the gap the ECB would sell German government bonds forcing the yield up while buying the bonds of the country under stress thereby forcing that yield down.

Despite all the self-inflicted stresses of recent French budgets, the political instability in the government, the paradoxical paralysis in policy etc, the spread between German and French 10-Year yields has remained stable at around 75-85 basis points since the TPI was introduced. Until the beginning of October.

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Bond investors were already preoccupied with the deficits and debt of major western economies, and now the inflation pressures evident from the Iranian and Ukrainian wars. They were pushing yields to three-decade highs in anticipation of further monetary tightening by the central banks.

As rising financing costs only added to the deficit pressure, suddenly in reaction to these wild political announcements in France and exacerbated by the student riots, the Franco-German yield spread burst open, almost doubling. At one point it exceeded that 150bp red-flashing warning signal. At the time of writing, the French 10-Year bond carries a yield of 4.92% against the German equivalent of 3.51%, a spread of 141 basis points. It remains in the danger zone. It must be remembered that for almost the entire period spanning mid-2019 and the end of 2021, the yield on the French 10-Year bond was negative: lenders were paying France to borrow; bond investors and the ECB which had a policy of negative interest rates cannot duck their own responsibilities for today's mess. It was quite obvious at the time that such behaviour was reckless and irrational, actively encouraging the French government (and others) to borrow, borrow and then to borrow some more with no thought for the consequences.

Normally the ECB would take immediate stabilising action under the TPI. But actively selling German bonds to raise the yield would have put unnecessary strain on Germany's own sharply rising borrowing costs at a time it too can ill afford it. So, taking courage in both hands ECB President Christine Lagarde did something very different. Notwithstanding the ECB's share of indirect culpability, she threw down the gauntlet to the French government: this is a French problem that France must solve, it is not the responsibility of the European Central Bank to sort it for them. Turning off the safety valve and cutting France loose like this is a big call. Remembering the Greek crisis, is she calling the markets' bluff or is it the other way around?

It is instructive how investors are appraising the situation. They subsequently priced a new corporate bond issue from investment grade French industrial gases giant Air Liquide at a lower yield than the comparable French government bond of the same duration (i.e. lenders see Air Liquide as a better bet and less of a financial risk than the French government).

Lagarde is correct: this is a French problem. It is also a political football. Nobody has yet found the solution or wholly credible alternatives that get the country out of its jam, let alone a plan that restores its fortunes. When they do find the solution, the political imperative requires effective leadership to explain clearly to the electorate why remedial actions are necessary as well as what they are and how they will be implemented. This is especially the case where the temptation of the path of least resistance for the electorate can only lead to a much deeper and more enduring crisis later.

Plus ca change

But the final warning must be to Lagarde, Von der Leyen and the other leaders of the eurozone: half of the EU's mess is that quarter of a century after monetary union was completed, the European Union remains an unfinished political project with no prospect of full union in sight. Fiscal policy remains national; trade regulation and policy are entirely centralised, so too is monetary policy: this is an obvious structural nonsense. Populism rising across the EU reflects the reaction to the fundamental democratic deficit in the EU as national electorates are increasingly distanced and dislocated from centralised policymaking giving the impression of disenfranchisement. As is all too clear, centrist European governments are making a poor fist of dealing with populism. The result is both political instability and potentially irrational policies. That in turn merely feeds the need for bond investors to demand higher yields as compensation for lending in such volatile circumstances.

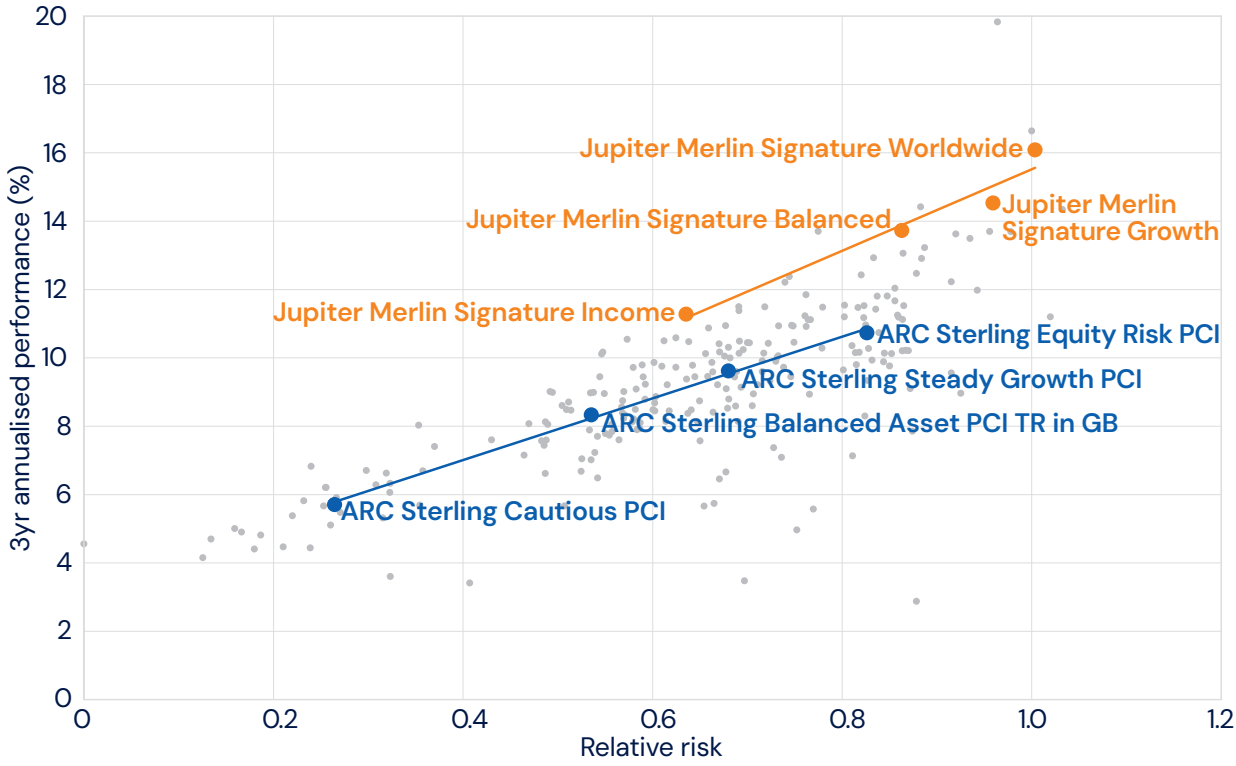
As German and French ministers offer platitudes and seductive mood music to the UK, the aforementioned considerations might concentrate Mr Burnham's mind as he ponders closer alignment with the EU and he pitch-rolls another EU referendum to take us back in. The French and the British enjoy a rich history of mutual schadenfreude. The current French farce would be comical if it were not so serious. Have a laugh but not too hard. The joke could soon be on us too.

The Jupiter Merlin Portfolios are long-term investments; they are certainly not immune from market volatility, but they are expected to be less volatile over time, commensurate with the risk tolerance of each. With liquidity uppermost in our mind, we seek to invest in funds run by experienced managers with a blend of styles but who share our core philosophy of trying to capture good performance in buoyant markets while minimising as far as possible the risk of losses in more challenging conditions.

Performance

Finally, and potentially most importantly, we come to performance. One way of comparing our portfolios to those of DFMs and MPSs is to compare them against the Private Client Indices (PCI). Asset Research Consultants (ARC) curate over 350,000 portfolios from over 120 firms trying to give a comparison via their (www.suggestus.com) tool. ARC's mapping of the annualised return of these portfolios against their relative risk reveals which products are delivering for their clients. We're proud of how the three long-standing Jupiter Merlin Portfolios that ARC analyses stack up against peers, generally delivering strong returns for the relative risk taken. The next chart shows the performance of the ARC PCIs (blue), a selection of Jupiter Merlin Portfolios (orange), and peers that run private client portfolios (grey) over 3 years to the end of June. We would encourage you to draw comparisons across the unitised and non-unitised space, as we have done below, rather than looking at them in isolation.

Return vs Risk over three years



Past performance is no guide to the future. Returns may increase or decrease as a result of currency fluctuations.
Source: ARC Research, from 30.06.2026.

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12-month rolling performance

Jupiter Merlin Portfolios

12-month discrete performance versus comparator benchmarks, %

(%)	Oct '16 to Sep '17	Oct'17 to Sep '18	Oct '18 to Sep '19	Oct '19 to Sep '20	Oct '20 to Sep '21	Oct '21 to Sep '22	Oct '22 to Sep '23	Oct '23 to Sep '24	Oct '24 to Sep '25	Oct '25 to Sep '26
Jupiter Merlin Signature Income I GBP Acc	**6.6**	**4.3**	**6.2**	**-0.4**	**11.4**	**-7.0**	**5.6**	**9.8**	**11.8**	**15.0**
IA Mixed Investment 20-60% Shares	6.2	2.6	4.1	-1.2	11.3	-10.7	4.2	12.1	7.4	8.2
(%)	**Oct '16 to Sep '17**	**Oct'17 to Sep '18**	**Oct '18 to Sep '19**	**Oct '19 to Sep '20**	**Oct '20 to Sep '21**	**Oct '21 to Sep '22**	**Oct '22 to Sep '23**	**Oct '23 to Sep '24**	**Oct '24 to Sep '25**	**Oct '25 to Sep '26**
Jupiter Merlin Signature Growth I GBP Acc	**9.3**	**10.6**	**7.1**	**0.3**	**18.4**	**-4.6**	**11.0**	**10.3**	**15.1**	**20.1**
IA Flexible Investment	10.5	5.5	3.2	1.0	18.5	-9.6	4.8	13.0	10.4	12.5
(%)	**Oct '16 to Sep '17**	**Oct'17 to Sep '18**	**Oct '18 to Sep '19**	**Oct '19 to Sep '20**	**Oct '20 to Sep '21**	**Oct '21 to Sep '22**	**Oct '22 to Sep '23**	**Oct '23 to Sep '24**	**Oct '24 to Sep '25**	**Oct '25 to Sep '26**
Jupiter Merlin Signature Worldwide I GBP Acc	**10.5**	**11.8**	**6.9**	**2.1**	**17.5**	**-6.5**	**9.4**	**10.9**	**19.1**	**19.8**
IA Global	14.8	11.7	5.9	6.8	23.1	-9.2	7.7	16.4	11.8	13.3
ARC Sterling Equity Risk Private Client Index	10.7	6.5	3.8	-0.3	19.4	-11.4	5.5	13.7	8.6	12.5
(%)	**Oct '16 to Sep '17**	**Oct'17 to Sep '18**	**Oct '18 to Sep '19**	**Oct '19 to Sep '20**	**Oct '20 to Sep '21**	**Oct '21 to Sep '22**	**Oct '22 to Sep '23**	**Oct '23 to Sep '24**	**Oct '24 to Sep '25**	**Oct '25 to Sep '26**
Jupiter Merlin Signature Balanced I GBP Acc	**9.0**	**8.6**	**6.8**	**-1.3**	**15.4**	**-3.4**	**7.0**	**10.0**	**14.9**	**20.4**
IA Mixed Investment 40-85% Shares	9.2	5.4	4.3	-0.1	16.8	-10.3	5.3	13.8	9.3	12.1

Past performance does not predict future returns.

Source: Morningstar, NAV to NAV, gross income reinvested, net of fees, in GBP, to 30.09.26. Jupiter Merlin Income Portfolio inception: 01.10.92. Fund Manager inception: 30.09.99, comparator benchmark: IA Mixed Investment 20-60% Shares. Jupiter Merlin Growth Portfolio inception: 28.09.92, Fund Manager inception: 30.09.99, comparator benchmark: IA Flexible Investment. Jupiter Merlin Worldwide Portfolio inception: 24.06.93, Fund Manager inception: 30.09.99, comparator benchmark 1: IA Global; comparator benchmark 2: ARC Equity Risk PCI. Jupiter Merlin Balanced Portfolio inception: 01.10.02, comparator benchmark: IA Mixed Investment 40-85% Shares. IA = Investment Association.

12-month rolling performance

Jupiter Merlin Portfolios

12-month discrete performance versus comparator benchmarks, %

(%)	Oct '16 to Sep '17	Oct'17 to Sep '18	Oct '18 to Sep '19	Oct '19 to Sep '20	Oct '20 to Sep '21	Oct '21 to Sep '22	Oct '22 to Sep '23	Oct '23 to Sep '24	Oct '24 to Sep '25	Oct '25 to Sep '26
Jupiter Merlin Select Conservative I GBP Acc	**4.7**	**2.9**	**7.6**	**3.1**	**6.3**	**-13.6**	**5.3**	**11.8**	**8.9**	**8.1**
IA Mixed Investment 0-35% Shares	3.3	1.3	4.9	0.4	5.7	-11.3	2.7	10.7	5.4	4.8
(%)	**Oct '16 to Sep '17**	**Oct'17 to Sep '18**	**Oct '18 to Sep '19**	**Oct '19 to Sep '20**	**Oct '20 to Sep '21**	**Oct '21 to Sep '22**	**Oct '22 to Sep '23**	**Oct '23 to Sep '24**	**Oct '24 to Sep '25**	**Oct '25 to Sep '26**
Jupiter Merlin Select Monthly Income I Acc*	**4.1**	**-2.0**	**5.5**	**-1.8**	**9.2**	**-13.3**	**3.8**	**10.9**	**8.5**	**7.6**
IA Mixed Investment 0-35% Shares	3.3	1.3	4.9	0.4	5.7	-11.3	2.7	10.7	5.4	4.8
(%)	**Oct '16 to Sep '17**	**Oct'17 to Sep '18**	**Oct '18 to Sep '19**	**Oct '19 to Sep '20**	**Oct '20 to Sep '21**	**Oct '21 to Sep '22**	**Oct '22 to Sep '23**	**Oct '23 to Sep '24**	**Oct '24 to Sep '25**	**Oct '25 to Sep '26**
Jupiter Merlin Select Income & Growth I GBP Inc	**10.2**	**-4.3**	**-2.1**	**-17.9**	**25.5**	**-7.8**	**4.8**	**10.7**	**12.7**	**14.1**
ARC Steady Growth PCI TR GBP	8.7	5.2	3.8	-0.2	15.0	-10.1	4.6	12.2	7.8	10.5
IA Mixed Investment 40-85% Shares	9.2	5.4	4.3	-0.1	16.8	-10.3	5.3	13.8	9.3	12.1
(%)							**Oct '23 to Sep '24**	**Oct '24 to Sep '25**	**Oct '25 to Sep '26**	**Since inception****
Jupiter Merlin Select Income I GBP Acc							**9.6**	**9.8**	**11.2**	**33.1**
ARC Balanced Asset PCI TR GBP							10.6	7.0	8.5	27.7
IA Mixed Investment 20-60% Shares							12.1	7.4	8.2	28.7

Past performance does not predict future returns.

Source: Morningstar, NAV to NAV, gross income reinvested, net of fees, in GBP, to 30.09.26. Jupiter Merlin Conservative Select inception: 28.09.12, comparator benchmark: IA Mixed Investment 0-35% Shares. Jupiter Merlin Monthly Income Select inception: 05.03.20, comparator benchmark: IA Mixed Investment 0-35% Shares. *Name changed from Jupiter Multi Asset Income Fund on 13.10.23. Jupiter Merlin Income & Growth Select inception: 13.12.96, comparator benchmark 1: ARC Steady Growth PCI TR GBP; comparator benchmark 2: IA Mixed Investment 40-85% Shares. **Jupiter Merlin Moderate Select inception: 26.04.23, comparator benchmark: IA Mixed Investment 20-60% Shares.

Jupiter Merlin Portfolios

15+ Multi-manager industry awards

1st Quartile 2nd Quartile 3rd Quartile 4th Quartile

(%)	6 Months	1 year	3 year	5 year	10 year	15 year	20 year	Since inception of Merlin Team 30.09.1999
Jupiter Merlin Signature Growth Portfolio I GBP Acc	15.0	20.1	52.6	61.7	148.5	320.2	424.7	888.8
IA Flexible Investment*	10.7	12.5	40.2	33.0	91.5	196.3	213.5	328.3
Jupiter Merlin Signature Balanced Portfolio I GBP Acc	15.1	20.4	52.2	57.2	126.7	275.8	344.7	
IA Mixed Investment 40-85% Shares*	10.4	12.1	39.4	31.7	84.7	189.3	208.3	
Jupiter Merlin Signature Income Portfolio I GBP Acc	10.1	15.0	41.1	38.6	81.5	159.1	213.0	416.5
IA Mixed Investment 20-60% Shares*	6.4	8.2	30.3	21.3	51.3	115.0	129.7	212.9
Jupiter Merlin Signature Worldwide Portfolio I GBP Acc	15.7	19.8	58.2	61.7	156.0	322.7	437.6	811.9
IA Global TR*	13.4	13.3	47.5	44.2	157.4	367.3	401.1	488.8

(%)	6 Months	1 year	3 year	5 year	10 year	Since management change on Income & Growth Select and Monthly Income Select 01.11.2022
Jupiter Merlin Select Income & Growth I GBP Inc	12.5	14.1	42.3			53.2
IA Mixed Investment 40-85% Shares*	10.4	12.1	39.4			44.9
Jupiter Merlin Select Monthly Income I GBP Acc	6.3	7.6	29.4			37.7
IA Mixed Investment 0-35% Shares*	3.5	4.8	22.3			24.5
Jupiter Merlin Select Conservative I GBP Acc	5.8	8.1	31.6	19.7	52.0	36.9
IA Mixed Investment 0-35% Shares*	3.5	4.8	22.3	11.3	29.6	24.5
Jupiter Merlin Select Income I GBP Acc**	9.9	11.2				
IA Mixed Investment 20-60% Shares*	6.4	8.2				

Past performance does not predict future returns.Third-party awards, rankings and recognitions should not be taken as a recommendation or as an indication of future performance.
Source: Morningstar, gross income reinvested, net of fees, in GBP, to 30.09.26. *Comparator benchmark. IA = The Jupiter Merlin Income, Growth and Worldwide Portfolios were managed by John Chatfeild-Roberts and his team at Lazard from 01.10.99 until March 2001. In March 2002, the management of the funds were fully transferred to Jupiter Unit Trust Managers Limited, under the same management team. The Jupiter Merlin Balanced Portfolio was launched on 01.10.2002. Awards should not be taken as a recommendation.

Jupiter Merlin Portfolios

15+ Multi-manager industry awards

1st Quartile 2nd Quartile 3rd Quartile 4th Quartile

(%)	6 Months	1 year	3 year	5 year	10 year	
Jupiter Merlin Signature Growth I GBP Acc	15.0	20.1	52.6	61.7	148.5	
MS Model GBP Allocation 80%+ Equity*	13.8	16.9	52.4	48.3	133.9	
Jupiter Merlin Signature Balanced Port I GBP Acc	15.1	20.4	52.2	57.2	126.7	
MS Model GBP Allocation 60-80% Equity*	10.5	13.3	43.0	38.3	100.8	
Jupiter Merlin Signature Income Portfolio I GBP Acc	10.1	15.0	41.1	38.6	81.5	
MS Model GBP Allocation 40-60% Equity*	7.4	9.5	33.8	27.2	69.3	
Jupiter Merlin Signature Worldwide Portfolio I GBP Acc	15.7	19.8	58.2	61.7	156.0	
MS Model Global Large-Cap Blend Equity*	16.0	18.6	58.2	58.0	155.5	

(%)	6 Months	1 year	3 year	5 year	10 year	Since management change on Income & Growth Select and Monthly Income Select 01.11.2022
Jupiter Merlin Select Income & Growth I GBP Inc	12.5	14.1	42.3			53.2
MS Model GBP Allocation 60-80% Equity*	10.5	13.3	43.0			49.5
Jupiter Merlin Select Monthly Income I GBP Acc	6.3	7.6	29.4			37.7
MS Model GBP Allocation 20-40% Equity*	4.5	6.3	25.4			28.3
Jupiter Merlin Select Conservative I GBP Acc	5.8	8.1	31.6	19.7	52.0	36.9
MS Model GBP Allocation 20-40% Equity*	4.5	6.3	25.4	17.4	46.8	28.3
Jupiter Merlin Select Income I GBP Acc**	9.9	11.2				
MS Model GBP Allocation 40-60% Equity*	7.4	9.5				

Past performance does not predict future returns.Third-party awards, rankings and recognitions should not be taken as a recommendation or as an indication of future performance.
Source: Morningstar, gross income reinvested, net of fees, in GBP, to 30.09.26. *Comparator MPS Sector The Jupiter Merlin Income, Growth and Worldwide Portfolios were managed by John Chatfeild-Roberts and his team at Lazard from 01.10.99 until March 2001. In March 2002, the management of the funds were fully transferred to Jupiter Unit Trust Managers Limited, under the same management team. The Jupiter Merlin Balanced Portfolio was launched on 01.10.2002. Awards should not be taken as a recommendation.

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Fund risks

The following risks are associated with investing in the Jupiter Merlin funds. For a more detailed explanation of risk factors, please refer to the relevant fund's Key Investor Information Document (KIID) and governing disclosure documentation.

Risks applicable to all Jupiter Merlin funds

Currency (FX) Risk – The Fund can be exposed to different currencies and movements in foreign exchange rates can cause the value of investments to fall as well as rise.

Pricing Risk – Price movements in financial assets mean the value of assets can fall as well as rise, with this risk typically amplified in more volatile market conditions.

Counterparty Default Risk – The risk of losses due to the default of a counterparty, for example on a derivatives contract, or a custodian safeguarding the Fund's assets.

All Jupiter Merlin funds are also exposed to derivative risk, as described below.

Derivative Risk - Jupiter Merlin Select Conservative, Jupiter Merlin Select Income, Jupiter Merlin Select Balanced, Jupiter Merlin Select Growth, Jupiter Merlin Signature Income, Jupiter Merlin Signature Balanced, Jupiter Merlin Signature Growth and Jupiter Merlin Signature Worldwide

The Fund may use derivatives to reduce costs and/or the overall risk of the Fund (this is also known as Efficient Portfolio Management or "EPM"). Derivatives involve a level of risk; however, for EPM they should not increase the overall riskiness of the Fund.

Jupiter Merlin Select Income and Growth and Jupiter Merlin Select Monthly Income

The Fund may use derivatives to reduce costs and the overall risk of the Fund. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment.

Additionally, Jupiter Merlin Select Conservative, Jupiter Merlin Select Monthly Income, Jupiter Merlin Select Income, Jupiter Merlin Select Income & Growth, Jupiter Merlin Select Balanced, Jupiter Merlin Select Growth, Jupiter Merlin Signature Income and Jupiter Merlin Signature Balanced have the following fund risk:

Interest Rate Risk - The Fund can invest in assets whose value is sensitive to changes in interest rates (for example bonds) meaning that the value of these investments may fluctuate significantly with movement in interest rates e.g. the value of a bond tends to decrease when interest rates rise.

Credit Risk - The issuer of a bond or a similar investment within the Fund may not pay income or repay capital to the Fund when due.

Furthermore, Jupiter Merlin Select Balanced, Jupiter Merlin Select Growth, Jupiter Merlin Select Conservative, Jupiter Merlin Select Monthly Income, Jupiter Merlin Signature Income, Jupiter Merlin Signature Balanced, Jupiter Merlin Select Income and Jupiter Merlin Select Income & Growth have the following fund risk:

Charges from capital - Some or all of the Fund's charges are taken from capital. Should there not be sufficient capital growth in the Fund this may cause capital erosion.

Jupiter Merlin Signature Balanced and Jupiter Merlin Signature Growth have the following fund risk:

Liquidity Risk - Some investments may be hard to value or sell at a desired time and price. In extreme circumstances this may affect the Fund's ability to meet redemption requests upon demand.

These disclosures are not exhaustive. Investors should refer to the relevant fund's KIID and governing disclosure documentation for further information about the risks of investing.



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