

# Jupiter Merlin Conservative Portfolio

## Annual Report & Accounts

For the year ended 30 November 2022



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

## Fund Information

### Manager, Registrar and Administrator

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

Tel: **0800 561 4000**

Fax: **0800 561 4001**

**www.jupiteram.com**

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

*Authorised and regulated by the Financial Conduct Authority.*

### Trustee

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

*Authorised and regulated by the Financial Conduct Authority.*

### Investment Adviser

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

*Authorised and regulated by the Financial Conduct Authority.*

### Independent Auditors

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

### Directors

The Directors of Jupiter Unit Trust Managers Limited are:

**P Moore**

**J Singh**

**T Scholefield**

**P Wagstaff**

**V Lazenby\***

**D Skinner**

**G Pound\*\***

*\*Resigned 5 September 2022*

*\*\*Appointed 8 February 2023*

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

## Fund Information *(continued)*

### Investment Objective

To provide a return, net of fees, that is higher than the IA Mixed Investment 0%-35% Shares Sector average over the long term (at least five years).

### Investment Policy

At least 70% of the Fund is invested in collective investment schemes, with at least 60% of the Fund's assets invested directly or indirectly in fixed interest securities. Up to 30% of the Fund may be invested in other assets, including shares of companies, cash and near cash.

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

### Benchmark

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the IA Mixed Investment 0%-35% Shares Sector.

### Status

The Fund operates under the Investment Funds Sourcebook (FUND) where applicable and the Collective Investment Schemes Sourcebook (COLL) of the Financial Conduct Authority. The Fund is an authorised unit trust scheme under Section 237 of the Financial Services and Markets Act 2000 and is a Non UCITS Retail Scheme (NURS) as defined in the COLL rules.

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

### Unit Classes

In addition to the basic class of units which are available to all types of investors, the Fund also offers I-Class units which are available to investors who invest a minimum of £1,000,000 and J-Class units which are available to investors who invest a minimum of £500 (who buys units directly from the Manager and not through any intermediary or advisor). Further details are available from the Manager on request. Please note that in order to distinguish between the unit classes within the Fund they are defined in this report as either L-Class Units (non I-Class and non J-Class) or I-Class Units or J-Class Units. The unit types associated with each unit class are disclosed in the Comparative Tables on pages 6 and 7.

## Fund Information *(continued)*

### Cumulative Performance (% change to 30 November 2022)

	1 year	3 years	5 years	10 years
Percentage Growth	-9.2	0.0	10.1	38.1
IA Mixed Investment 0%-35% Shares Sector*	-8.8	-2.6	2.5	30.4
Sector Position	29/61	12/51	3/48	6/27
Quartile Ranking	2nd	1st	1st	1st

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

This document is for informational purposes only and is not investment advice. Market and exchange rate movements can cause the value of an investment to fall as well as rise, and you may get back less than originally invested. We recommend you discuss any investment decisions with a financial adviser, particularly if you are unsure whether an investment is suitable. Jupiter is unable to provide investment advice. Current tax levels and reliefs will depend on your individual circumstances and are subject to change in the future. **All of the Fund's expenses are charged to capital, which can reduce the potential for capital growth. This has had the effect of increasing the distributions paid on an annualised basis on L-Class Units by up to 1.37% of the class' average Net Asset Value during the period under review (I-Class Units 0.62%, J-Class Units 0.97%) and constraining the class' capital performance to an equivalent extent. This Fund can invest more than 35% of its value in securities issued or guaranteed by an EEA state.** For definitions please see the glossary at [jupiteram.com](http://jupiteram.com). Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Company examples are for illustrative purposes only and are not a recommendation to buy or sell. Quoted yields are not guaranteed and may change in the future. Jupiter Unit Trust Managers Limited is authorised and regulated by the Financial Conduct Authority and their registered address is The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ.

## Investment Report

### Performance Review

For the year ended 30 November 2022, the total return on the Fund was -9.2%\* compared with -8.8%\* for the IA Mixed Investment 0-35% Shares sector average, target benchmark. Over five years, the total return was 10.1%\* compared with 2.5%\* for the target benchmark.

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

### Market Review

The period was dominated by global inflation, initially arising from economic dislocation created by the pandemic, and turbocharged by President Putin's attack on Ukraine and his broader economic warfare with the West. If the physical war is so far geographically mainly confined to Ukraine, his principal economic weapons of choice in the wider geopolitical conflict are energy, particularly gas, and other commodities where Russia and Ukraine are key global players.

Wrong-footed by Putin's invasion, since mid-February markets have been re-pricing 'risk assets', in particular equities and bonds. As the war drags on with no immediate end in sight, and as sanctions and Russian countermeasures (e.g. the Kremlin withdrawing gas supplies to the EU) have compounding effects, markets have taken time to join the dots about the breadth and depth of the economic and political fallout.

### Policy Review

We continue actively to review the managers whose funds are owned in the Portfolio, and to evaluate our asset allocation in a highly fluid situation. If activity was significant in 2020 and to a lesser extent in 2021, there has been little change to the actual Portfolio constituents in the last year, but we have continued to shift our equity style bias in favour of 'value' over 'growth'.

A foot in both 'growth' and 'value' camps in equities avoids the traps inherent in chasing momentum and constantly being faced with making binary decisions and second-guessing swings in style. While there have been swings in markets' perceptions of the relative attractions of 'growth' and 'value' sectors, our stance of owning both 'styles' has paid off. In the period up to the war in which 'growth' companies' valuations, particularly in US technology, were under pressure (seen in the under-performance of BlueBox Global Technology and Fundsmith Equity, for example), our 'value' holdings performed well, notably Jupiter Global Value and Jupiter UK Special Situations, MAN GLG UK Income, Morant Wright Nippon Yield, and a new position which we purchased in TM Tellworth UK Income & Growth That was true in reverse when 'growth' sectors rallied.

BlackRock Natural Resources Growth & Income produced a strong return. As commodity markets began to roll over, we decided to take the profit and we exited in June. The proceeds were reinvested, split between the existing holdings in Jupiter Global Value and Jupiter Special Situations. We still see long-term attractions in the energy sector in the transition to carbon net-zero; with that in mind, in August we initiated a position in BlackRock World Energy to which we have subsequently added, funded from the proceeds of reducing our exposure to Fundsmith and BlueBox Global Technology (and further shifting the tilt towards 'value' equities and reducing 'growth').

With volatile bond yields, Fixed Income has been a challenge. The Portfolio has a 35% ceiling for equities and must have a minimum of 45% in investment grade bonds; allowing for the 5.4% in gold, our fixed income exposure is 60.2%, split between experienced managers well equipped to weather the storm, including the new holdings in Jupiter Global High Yield Bond and Jupiter Global Sovereign Opportunities.

## Investment Report *(continued)*

### Investment Outlook

'Normal' conditions are difficult enough. Two global exogenous shocks in two years, one a pandemic, the other a global economic conflict whose military epicentre is Ukraine, have significantly complicated the picture. Inflation currently running at multiples of the world's principal central banks' target rate of 2% remains a significant market preoccupation, and how to deal with it. Those main central banks (the Federal Reserve, the European Central Bank and the Bank of England) have all been forced to retreat from entrenched positions of a year ago that inflation was transitory. It was a pious hope! As economists rapidly scale back their GDP forecasts in the light of highly volatile raw material and energy prices and continuing dislocation to supply chains, rightly or wrongly markets are taking the view that perhaps the worst of the inflation bubble is behind us and that central banks will moderate their enthusiasm for aggressive rises in interest rates.

Meanwhile, governments are struggling to contain the political fallout from the cost-of-living crisis. Most are still pedal to the floor, heading in the opposite direction to their central banks, with inflationary policies spending taxpayers' money on welfare, infrastructure and the race to carbon net-zero. In the general absence of public spending restraint, and with recessionary pressures looming, national balance sheets are stretched. Higher borrowing costs only add to the burden. Where the system is severely tested to the point of failure, as seen following the UK mini budget in September, the central banks are forced to intervene to restore confidence and an orderly market.

We believe the Jupiter Merlin Portfolios are appropriately structured to deal with such challenges. 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. The Portfolio is certainly not immune from market volatility but over time it is anticipated to be less volatile, and of course we are long-term investors, investing in managers who themselves are long-term investors who can use such volatility as an opportunity.

### Jupiter Independent Funds Team



## Comparative Tables

Change in net asset per unit						
	L-Class Income			I-Class Income		
	30.11.22 (p)	30.11.21 (p)	30.11.20 (p)	30.11.22 (p)	30.11.21 (p)	30.11.20 (p)
Opening net asset value per unit	53.35	52.59	51.66	60.15	58.85	57.37
Return before operating charges*	(4.23)	2.81	2.99	(4.79)	3.15	3.33
Operating charges	(0.83)	(0.90)	(0.87)	(0.52)	(0.56)	(0.54)
Return after operating charges*	(5.06)	1.91	2.12	(5.31)	2.59	2.79
Distributions on income unit	(1.30)	(1.15)	(1.19)	(1.47)	(1.29)	(1.31)
Closing net asset value per unit	46.99	53.35	52.59	53.37	60.15	58.85
*after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after charges (%)	(9.48)	3.63	4.10	(8.83)	4.40	4.86
Other Information						
Closing net asset value (£'000)	265	306	419	18,165	19,572	16,251
Closing number of units	564,440	573,882	796,725	34,033,317	32,536,405	27,613,784
Operating charges (%)	1.68	1.68	1.68	0.93	0.93	0.93
Direct transaction costs (%)	–	–	0.01	–	–	0.01
Prices						
Highest unit price (p)	54.42	54.94	53.17	61.37	61.83	59.38
Lowest unit price (p)	44.10	52.13	46.12	50.05	58.45	51.34

Change in net asset per unit			
	J-Class Income**		
	30.11.22 (p)	30.11.21 (p)	30.11.20 (p)
Opening net asset value per unit	53.60	52.68	51.56
Return before operating charges*	(4.28)	2.81	2.75
Operating charges	(0.64)	(0.74)	(0.73)
Return after operating charges*	(4.92)	2.07	2.02
Distributions on income unit	(1.31)	(1.15)	(0.90)
Closing net asset value per unit	47.37	53.60	52.68
*after direct transaction costs of:	–	–	–
Performance			
Return after charges (%)	(9.18)	3.93	3.92
Other Information			
Closing net asset value (£'000)	466	527	490
Closing number of units	984,749	983,225	929,129
Operating charges (%)	1.28	1.38	1.38
Direct transaction costs (%)	–	–	0.01
Prices			
Highest unit price (p)	54.68	55.15	53.20
Lowest unit price (p)	44.44	52.26	51.30

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

## Comparative Tables *(continued)*

Change in net asset per unit						
	L-Class Accumulation			I-Class Accumulation		
	30.11.22 (p)	30.11.21 (p)	30.11.20 (p)	30.11.22 (p)	30.11.21 (p)	30.11.20 (p)
Opening net asset value per unit	67.73	65.35	62.74	76.32	73.09	69.65
Return before operating charges*	(5.40)	3.51	3.67	(6.10)	3.93	4.10
Operating charges	(1.07)	(1.13)	(1.06)	(0.67)	(0.70)	(0.66)
Return after operating charges*	(6.47)	2.38	2.61	(6.77)	3.23	3.44
Distribution on accumulation unit	(1.67)	(1.43)	(1.46)	(1.89)	(1.61)	(1.62)
Retained distributions on accumulation unit	1.67	1.43	1.46	1.89	1.61	1.62
Closing net asset value per unit	61.26	67.73	65.35	69.55	76.32	73.09
*after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after charges (%)	(9.55)	3.64	4.16	(8.87)	4.42	4.94
Other Information						
Closing net asset value (£'000)	7,135	9,149	6,913	185,671	217,105	168,554
Closing number of units	11,647,498	13,507,595	10,577,829	266,967,082	284,461,992	230,609,360
Operating charges (%)	1.68	1.68	1.68	0.93	0.93	0.93
Direct transaction costs (%)	–	–	0.01	–	–	0.01
Prices						
Highest unit price (p)	69.09	69.11	65.48	77.87	77.75	73.22
Lowest unit price (p)	56.91	65.09	56.33	64.54	72.93	62.67

  

Change in net asset per unit			
	J-Class Accumulation**		
	30.11.22 (p)	30.11.21 (p)	30.11.20 (p)
Opening net asset value per unit	68.04	65.45	62.97
Return before operating charges*	(5.48)	3.52	3.37
Operating charges	(0.81)	(0.93)	(0.89)
Return after operating charges*	(6.29)	2.59	2.48
Distribution on accumulation unit	(1.68)	(1.44)	(1.10)
Retained distributions on accumulation unit	1.68	1.44	1.10
Closing net asset value per unit	61.75	68.04	65.45
*after direct transaction costs of:	–	–	–
Performance			
Return after charges (%)	(9.24)	3.96	3.94
Other Information			
Closing net asset value (£'000)	1,339	1,185	970
Closing number of units	2,167,830	1,741,034	1,482,272
Operating charges (%)	1.28	1.38	1.38
Direct transaction costs (%)	–	–	0.01
Prices			
Highest unit price (p)	69.41	69.38	65.58
Lowest unit price (p)	57.34	65.24	62.90

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

## Comparative Tables *(continued)*

### Portfolio Turnover Rate

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

	Year to 30.11.22	Year to 30.11.21
Portfolio Turnover Rate	18.96%	6.26%

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

### Risk and Reward Indicator

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



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

### Charges

- The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment. They include the costs (less any rebates) incurred by the underlying funds held during the year.

Charges taken from the Fund over the year to:	30.11.22*	30.11.21
Ongoing charges for L-Class Units	1.68%	1.68%
Ongoing charges for I-Class Units	0.93%	0.93%
Ongoing charges for J-Class Units	1.28%	1.38%

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

## Portfolio Statement

As at 30 November 2022

Holding	Investment	Market value £	Total net assets %
<b>UK Equity Funds - 17.40% (12.84%)</b>			
9,250,000	Jupiter UK Special Situations Fund†	18,875,550	8.86
2,000,000	Man GLG Income Fund	2,378,000	1.12
5,000,000	TB Wise Evenlode Income Fund	12,365,500	5.80
3,500,000	TM Investment Funds - TM Tellworth UK Income and Growth Fund	3,452,750	1.62
		37,071,800	17.40
<b>Fixed Interest Funds - 60.46% (60.02%)</b>			
27,000,000	Allianz Strategic Bond Fund	27,205,200	12.77
3,250,000	Hermes Multi Strategy Credit Fund	3,020,550	1.42
140,000,000	Jupiter Corporate Bond Fund†	72,716,000	34.13
25,000	Jupiter JGF Global High Yield Bond Fund†	2,303,000	1.08
50,000	Jupiter JGF Global Sovereign Opportunities Fund†	4,727,500	2.22
29,000,000	Jupiter Strategic Bond Fund†	15,735,400	7.39
35,000	Vontobel Fund - TwentyFour Strategic Income Fund	3,097,500	1.45
		128,805,150	60.46
<b>Specialist Funds - 5.79% (4.58%)</b>			
85,000	WisdomTree Core Physical Gold	12,323,643	5.79
<b>Global Equity Funds - 14.74% (20.96%)</b>			
200,000	BlackRock Global Funds - World Energy Fund	4,585,078	2.15
3,500	BlueBox Global Technology Fund	3,011,135	1.41
400,000	Fundsmith Equity Fund	2,081,240	0.98
1,055,000	Jupiter JGF Global Value Fund†	17,523,550	8.23
1,200,000	LF Morant Wright Nippon Yield Fund	4,202,040	1.97
		31,403,043	14.74
Total value of investments		209,603,636	98.39
Net other assets		3,437,311	1.61
<b>Net assets</b>		<b>213,040,947</b>	<b>100.00</b>

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

The figures in brackets show allocations as at 30 November 2021.

†Represents an investment in a Jupiter Investment Management Group Limited product.

## Summary of Material Portfolio Changes

### Total purchases and total sales for the year ended 30 November 2022

Purchases	Cost £	Sales	Proceeds £
WisdomTree Core Physical Gold	11,548,209	BlueBox Global Technology Fund	12,844,043
Jupiter UK Special Situations Fund	6,650,978	WisdomTree Physical Gold ETF	11,564,292
BlackRock Natural Resources Growth & Income Fund	5,135,220	BlackRock Natural Resources Growth & Income Fund	9,835,375
Jupiter Global Sovereign Opportunities Fund	4,798,250	Fundsmith Equity Fund	9,707,370
BlackRock Global Funds - World Energy Fund	4,570,739	Royal London UK Equity Income Fund	4,492,000
Jupiter JGF Global Value Fund	3,855,740	Allianz Strategic Bond Fund	3,334,500
Jupiter Corporate Bond Fund	3,643,800	Man GLG Income Fund	1,198,000
TM Investment Funds - TM Tellworth UK Income and Growth Fund	3,552,500		
Jupiter Global High Yield Bond Fund	2,523,185		
<b>Total cost of purchases for the year</b>	<b>46,278,621</b>	<b>Total proceeds of sales for the year</b>	<b>52,975,580</b>

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

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

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

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

## Statement of Trustee's Responsibilities in relation to the Financial Statements of the Scheme and Report of the Trustee to the Unitholders of the Jupiter Merlin Conservative Portfolio ("the Fund") for the Year Ended 30 November 2022

The Trustee must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and, from 22 July 2014 the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Trustee must ensure that:

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

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

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

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

### Northern Trust Investor Services Limited

Trustee & Depositary Services

London

3 March 2023

# Independent auditors' report to the Unitholders of Jupiter Merlin Conservative Portfolio

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Jupiter Merlin Conservative Portfolio (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 30 November 2022 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 30 November 2022; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Tables; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

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



## **Independent auditors' report to the Unitholders of Jupiter Merlin Conservative Portfolio** *(continued)*

### **Reporting on other information**

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

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

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

### **Authorised Fund Manager's Report**

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

### **Responsibilities for the financial statements and the audit**

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

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

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

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

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

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

## Independent auditors' report to the Unitholders of Jupiter Merlin Conservative Portfolio *(continued)*

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

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

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

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

### Use of this report

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

## **Independent auditors' report to the Unitholders of Jupiter Merlin Conservative Portfolio** *(continued)*

### **Other required reporting**

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

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

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

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

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

We have no exceptions to report arising from this responsibility.

#### **PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

Edinburgh

3 March 2023

## Statement of Total Return

For the year ended 30 November 2022				
	Note	Year to 30.11.22		Year to 30.11.21
		£	£	£
Income				
Net capital (losses)/gains	3		(27,373,398)	5,473,777
Revenue	4	6,119,719		4,644,397
Expenses	5	(1,513,972)		(1,445,467)
Interest payable and similar charges		(554)		(1,117)
Net revenue before taxation		4,605,193		3,197,813
Taxation	6	(34)		–
Net revenue after taxation			4,605,159	3,197,813
<b>Total return before distributions</b>			(22,768,239)	8,671,590
Distributions	7		(6,119,308)	(4,643,031)
<b>Change in net assets attributable to unitholders from investment activities</b>			(28,887,547)	4,028,559

## Statement of Change in Net Assets Attributable to Unitholders

For the year ended 30 November 2022				
		Year to 30.11.22		Year to 30.11.21
		£	£	£
<b>Opening net assets attributable to unitholders</b>			247,843,812	193,596,728
Amounts receivable on issue of units		21,876,382		59,608,943
Amounts payable on cancellation of units		(33,266,977)		(13,813,603)
			(11,390,595)	45,795,340
Change in net assets attributable to unitholders from investment activities			(28,887,547)	4,028,559
Retained distribution on accumulation units			5,475,277	4,423,185
<b>Closing net assets attributable to unitholders</b>			213,040,947	247,843,812

## Balance Sheet

### As at 30 November 2022

	Note	30.11.22 £	30.11.21 £
<b>Assets</b>			
Fixed Assets:			
Investments		209,603,636	243,880,522
Current assets:			
Debtors	8	826,438	1,067,387
Short term deposits		1,500,000	–
Cash and bank balances	9	2,152,831	3,304,870
Total assets		214,082,905	248,252,779
<b>Liabilities</b>			
Creditors:			
Bank overdrafts		–	(1,901)
Distributions payable		(197,244)	(113,947)
Other creditors	10	(844,714)	(293,119)
Total liabilities		(1,041,958)	(408,967)
<b>Net assets attributable to unitholders</b>		<b>213,040,947</b>	<b>247,843,812</b>

## Directors' Statement

### Jupiter Merlin Conservative Portfolio

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

**Directors: Paula Moore, Jasveer Singh**

Jupiter Unit Trust Managers Limited

London

3 March 2023

## Notes to the Financial Statements

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### 1. Significant Accounting Policies

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#### (a) Basis of Accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook. They have been prepared in accordance with FRS 102 and the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by The Investment Management Association (now referred to as the Investment Association) in May 2014 (the 2014 SORP) and amended in June 2017.

As stated in the Statement of Authorised Fund Managers' Responsibilities in relation to the Financial Statements of the Scheme on page 11, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

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

#### (b) Revenue

All dividends and interest from underlying funds declared ex-dividend during the year ended 30 November 2022 are included in revenue, net of any attributable tax.

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

Bank interest are accrued up to the year end date.

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

#### (c) Short Term Deposits

Short term deposits are highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value.

#### (d) Expenses

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

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

#### (e) Valuation of Investments

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at Close of Business on 30 November 2022, being the last valuation point of the year. Market value is defined by the SORP as fair value which is generally the bid value of each security.

The investments of the Fund in other Jupiter Unit Trusts which are single priced have been valued at the single price at Close of Business on 30 November 2022. For investments in other Collective Investment Schemes, they are valued at the bid price for dual priced funds and at the single price for single priced funds as defined by the SORP as being their respective fair value.

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

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

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

#### **(e) Valuation of Investments** *(continued)*

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

#### **(f) Forward foreign currency contracts**

There were no open forward foreign currency contracts at the year end, though the net gains/(losses) of forward contracts held during the year are reflected in the Forward currency contracts in the Net Capital (Losses)/Gains on investments.

#### **(g) Foreign Exchange**

Transactions in foreign currencies are translated into Sterling at the rates ruling at the dates of the transactions. Assets and liabilities expressed in foreign currencies are translated at the rates ruling at Close of Business on 30 November 2022, being the last valuation point of the year.

#### **(h) Taxation**

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

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

#### **(i) Equalisation**

Equalisation received from underlying funds is treated as capital of the Fund.

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

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### 2. Distribution Policies

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#### (a) Basis of Distribution

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

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

#### (b) Distribution Dates

Net revenue, if any, will be distributed or accumulated to unitholders as an interest distribution, quarterly on 30 April (Interim), 31 July (Interim), 31 October (Interim) and 31 January (Final) in respect of the accounting periods ending 28 February (Interim), 31 May (Interim), 31 August (Interim) and 30 November (Final).

#### (c) Expenses charged to capital for distribution purposes

The Manager's annual management charge and all other expenses which were initially charged to revenue, are deducted from the capital of the Fund for the purpose of calculating any distribution.

#### (d) Unclaimed Distribution

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



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

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

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

	30.11.22 £	30.11.21 £
Currency gains/(losses)	196,809	(117,252)
(Losses)/gains on non-derivative securities*	(27,690,539)	5,445,389
Gains on forward currency contracts (see Note 13)**	34	27
Management fee rebates	120,298	145,613
<b>Net capital (losses)/gains</b>	<b>(27,373,398)</b>	<b>5,473,777</b>

*(Losses)/gains on non-derivative securities	£	£
Realised gains	2,980,995	2,779,479
Unrealised (losses)/gains	(30,671,534)	2,665,910
	<u>(27,690,539)</u>	<u>5,445,389</u>

**Gains on forward currency contracts (see Note 13)	£	£
Realised gains	34	27
	<u>34</u>	<u>27</u>

Where realised gains/losses include gains/losses arising in previous periods, a corresponding gain/loss is included in unrealised gains/losses.

### 4. Revenue

	30.11.22 £	30.11.21 £
UK dividends (franked) from authorised collective investment schemes	1,420,928	1,416,092
Interest distributions from authorised ICVCs and unit trusts	3,935,717	2,635,254
Overseas dividends from authorised ICVCs and unit trusts	171,253	49,100
Bank interest	12,838	3
Management fee rebates	578,983	543,948
<b>Total revenue</b>	<b>6,119,719</b>	<b>4,644,397</b>

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

### 5. Expenses

	30.11.22 £	30.11.21 £
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Annual management charge	747,502	1,179,474
	<u>747,502</u>	<u>1,179,474</u>
<b>Other expenses:</b>		
Fixed Annual Charge	597,425	–
Aggregate Operating Fee	169,045	265,993
	<u>766,470</u>	<u>265,993</u>
<b>Total expenses</b>	<b>1,513,972</b>	<b>1,445,467</b>

The audit fee (excluding VAT) incurred during the year was £12,528 (30.11.21: £11,467). The current year amount is borne by the Manager as it is paid out of the Fixed Annual Charge.

### 6. Taxation

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

	30.11.22 £	30.11.21 £
Irrecoverable income tax	34	–
<b>Total tax charge for the year</b>	<b>34</b>	<b>–</b>

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

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

	30.11.22 £	30.11.21 £
Net revenue before taxation	4,605,193	3,197,813
Corporation tax of 20% (2021: 20%)	921,039	639,563
<b>Effects of:</b>		
Revenue not subject to taxation	(318,436)	(293,038)
Tax deductible interest distributions	(602,603)	(346,525)
Irrecoverable income tax	34	–
<b>Total tax charge for the year</b>	<b>34</b>	<b>–</b>

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

#### (c) Provision for Deferred Tax

At 30 November 2022 there are no surplus management expenses (30.11.21: £nil).

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

### 7. Distributions

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

	30.11.22 £	30.11.21 £
1st interim distribution	948,885	916,241
2nd interim distribution	1,709,437	1,513,173
3rd interim distribution	1,144,731	1,027,480
Final distribution	2,202,783	1,376,965
	6,005,836	4,833,859
Amounts received on issue of units	(85,759)	(249,463)
Amounts paid on cancellation of units	199,231	58,635
<b>Net distributions for the year</b>	<b>6,119,308</b>	<b>4,643,031</b>
<b>Reconciliation of net revenue after taxation to distributions:</b>		
Net revenue after taxation	4,605,159	3,197,813
Charges borne by capital	1,513,972	1,445,467
Net movement in revenue account	177	(249)
<b>Net distributions for the year</b>	<b>6,119,308</b>	<b>4,643,031</b>

Details of the distributions in pence per unit are shown in the Distribution Tables on pages 33 to 37.

### 8. Debtors

	30.11.22 £	30.11.21 £
Accrued revenue	587,011	395,378
Amounts receivable for issue of units	44,232	544,047
Management fee rebates receivable	195,195	127,962
<b>Total debtors</b>	<b>826,438</b>	<b>1,067,387</b>

### 9. Cash and Bank Balances

	30.11.22 £	30.11.21 £
Cash and bank balances	2,152,831	3,304,870
<b>Total cash and bank balances</b>	<b>2,152,831</b>	<b>3,304,870</b>

### 10. Other Creditors

	30.11.22 £	30.11.21 £
Accrued expenses	26,604	179,487
Amounts payable for cancellation of units	818,110	113,632
<b>Total other creditors</b>	<b>844,714</b>	<b>293,119</b>

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

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

The Fund had no contingent assets, liabilities or capital commitments at the balance sheet date (30.11.21: £nil).

### 12. Related Party Transactions

Jupiter Unit Trust Managers Limited (JUTM), as Manager, is a related party in respect of their dealings with the Fund. JUTM acts as principal in respect of all transactions of units in the Fund. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and, if applicable, in Note 7 (Distributions).

Amounts receivable/(payable) from JUTM in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders. At the year end, a net balance of £773,878 was payable to JUTM (30.11.21: £430,415 receivable from JUTM). These amounts are included in amounts receivable for issue of units in Note 8 (Debtors) and amounts payable for cancellation of units in Note 10 (Other Creditors).

Any amounts due to or from JUTM at the end of the accounting year are disclosed in Notes 8 and 10. Amounts paid to JUTM in respect of fund management are included in Note 5 (Expenses). At the year end, £26,604 (30.11.21: £179,487) was payable to JUTM. This amount is included as part of accrued expenses in Note 10.

Holdings in other Jupiter products at the year-end, which are shown in the portfolio statement on page 9 are valued at £131,881,000 (30.11.21: £126,920,400). During the year, the Fund had purchases totalling to £21,471,953 and sales proceeds totalling to £nil. There were no outstanding trade transaction at year end (30.11.21: £nil).

Dividends received during the year totalled £3,173,990 (30.11.21: £2,196,247). At the year end, dividend receivable amounted to £497,316 (30.11.21: £315,684). This amount is included as part of accrued revenue in Note 8.

Where investments are held in other Jupiter products, a rebate could be paid into the Fund. Amounts received from other Jupiter products as management fee rebates are included in Note 3 (Net Capital (Losses)/Gains) and Note 4 (Revenue). At the year end, £67,472 (30.11.21: £127,962) was receivable from other Jupiter products. This amount is included as management fee rebates receivable in Note 8.

### 13. Financial Instruments

In pursuing its investment objectives the Fund invests in other funds, which in turn, will invest in a number of financial instruments. The Fund, and the underlying funds, can also invest in securities and other investments and hold cash balances, short term fixed deposits, bank overdrafts and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable from issues and payable for cancellations and debtors for accrued revenue.

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

The Fund has little exposure to counterparty, liquidity and cash flow risk. These risks are not significant at current levels. The main risks it faces from its financial instruments are market price, credit, foreign currency and interest rate risk. The Manager reviews policies for managing these risks in pursuance of the Investment Objective and Policy as set out on page 2 and they are summarised later. These risks remain unchanged from the prior year.

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

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

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

#### Leverage

In accordance with the requirements under the Alternative Investments Fund Managers Directive (AIFMD), the leverage employed by the Fund as at 30 November 2022 was 1:0.98 (30.11.21: 1:0.98) as determined using the Gross method and 1:1 (30.11.21 1:1) as determined using the Commitment method.

Average leverage on a gross exposure basis is calculated by taking the sum of the notional values of the derivatives used by the Fund, without netting, and is expressed as a ratio of the Fund's net asset value. Average leverage on a commitment basis is calculated by netting the sum of the notional values of the derivatives and expressing it as a ratio of the Fund's net asset value.

Disclosed in the table below is the level of leverage employed by the Fund.

	Maximum limit	Average leverage employed during the year to 30.11.22
Gross exposure	2:1	1:0.98
Commitment exposure	2:1	1:1

	Maximum limit	Average leverage employed during the year to 30.11.21
Gross exposure	2:1	1:0.98
Commitment exposure	2:1	1:1

#### Market Price Risk

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

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

#### Price Risk Sensitivity

A ten percent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £20,960,364 (30.11.21: £24,388,052). A ten percent decrease would have an equal and opposite effect.

#### Credit Risk

Credit risk arises as the investment returns produced by the Fund's holdings in fixed interest funds are dependant on the issuer of the underlying bond contracts maintaining due payment of interest and capital. The 'Mixed Investment 0-35% Shares' Investment Association sector requires the Fund to hold a minimum of 45% of its total holdings in fixed interest funds or securities or in cash. The Manager aims to reduce this credit risk by holding a well diversified range of securities.

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

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

#### Foreign Currency Risk

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

Currency	30.11.22 £	30.11.21 £
US Dollar	19,919,856	30,693,446

#### Foreign Currency Risk Sensitivity

A ten percent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £1,991,986 (30.11.21: £3,069,345). A ten percent decrease would have an equal and opposite effect.

#### Interest Rate Risk

The Fund holds various cash positions and any change to the interest rates may result in either revenue increasing or decreasing.

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

The interest rate risk profile of the Fund's financial assets and liabilities at 30 November was:

Currency	Floating Rate financial assets £	Fixed Rate financial assets £	Financial assets not carrying interest £	Total £
<b>30.11.22</b>				
US Dollar	–	–	19,919,856	19,919,856
Sterling	3,652,831	–	190,510,218	194,163,049
<b>Total</b>	<b>3,652,831</b>	<b>–</b>	<b>210,430,074</b>	<b>214,082,905</b>

<b>30.11.21</b>				
US Dollar	–	–	30,695,347	30,695,347
Sterling	3,304,870	–	214,252,562	217,557,432
<b>Total</b>	<b>3,304,870</b>	<b>–</b>	<b>244,947,909</b>	<b>248,252,779</b>

Currency	Floating Rate financial liabilities £	Fixed Rate financial liabilities £	Financial liabilities not carrying interest £	Total £
<b>30.11.22</b>				
Sterling	–	–	1,041,958	1,041,958
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,041,958</b>	<b>1,041,958</b>

<b>30.11.21</b>				
US Dollar	1,901	–	–	1,901
Sterling	–	–	407,066	407,066
<b>Total</b>	<b>1,901</b>	<b>–</b>	<b>407,066</b>	<b>408,967</b>

The sensitivity analysis has not been provided for interest risk, due to the fund only having an indirect exposure to interest risk as the fund is invested in collective investment schemes, and not debt instruments directly.

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

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

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

#### Use of Derivatives

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

#### Forward Foreign Currency Contracts

The Manager made use of forward foreign currency contracts during the year in order to hedge out some of the currency exposure in the Fund. This resulted in realised gains of £34 to the Fund during the year (30.11.21: realised gains of £27). All contracts were undertaken with Northern Trust as counterparty during the period.

There were no forward foreign currency contracts held at the end of the year (30.11.21: £nil).

### 14. Fair Value of Financial Assets and Financial Liabilities

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

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Basis of valuation	Assets £	Liabilities £
<b>30.11.22</b>		
Level 1	12,323,643	–
Level 2	197,279,993	–
Level 3	–	–
<b>Total</b>	<b>209,603,636</b>	<b>–</b>

Basis of valuation	Assets £	Liabilities £
<b>30.11.21</b>		
Level 1	11,353,960	–
Level 2	232,526,562	–
Level 3	–	–
<b>Total</b>	<b>243,880,522</b>	<b>–</b>

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

### 14. Fair Value of Financial Assets and Financial Liabilities *(continued)*

The majority of financial instruments are classified as level 2: Observable inputs.

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

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



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

### 15. Portfolio Transaction Costs

For the year ended 30 November 2022

	Funds £	%	Total £
<b>30.11.22</b>			
<b>Analysis of total purchases costs</b>			
Purchases in year before transaction costs	46,278,506		46,278,506
Commissions	115	–	115
Expenses and other charges	–	–	–
	<u>115</u>		<u>115</u>
Purchases including transaction costs	<u>46,278,621</u>		<u>46,278,621</u>
<b>Analysis of total sales costs</b>			
Sales in year before transaction costs	52,975,696		52,975,696
Commissions	(116)	–	(116)
Expenses and other charges	–	–	–
	<u>(116)</u>		<u>(116)</u>
Sales net of transaction costs	<u>52,975,580</u>		<u>52,975,580</u>

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

Commissions	0.00%
Expenses and other charges	0.00%

The average portfolio dealing spread as at the balance sheet date was 0.00%.

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

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

For the year ended 30 November 2021

	Funds £	%	Total £
<b>30.11.21</b>			
<b>Analysis of total purchases costs</b>			
Purchases in year before transaction costs	67,427,079		67,427,079
Commissions	609	–	609
Expenses and other charges	–	–	–
	<u>609</u>		<u>609</u>
Purchases including transaction costs	<u>67,427,688</u>		<u>67,427,688</u>
<b>Analysis of total sales costs</b>			
Sales in year before transaction costs	19,884,175		19,884,175
Commissions	–	–	–
Expenses and other charges	–	–	–
	<u>–</u>		<u>–</u>
Sales net of transaction costs	<u>19,884,175</u>		<u>19,884,175</u>

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

Commissions	0.00%
Expenses and other charges	0.00%

The average portfolio dealing spread as at the balance sheet date was 0.09%.

### 16. Unitholders' Funds

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

Unit Class	Initial Charge	Fixed Annual Charge	Minimum Initial Investment
L-Class Units	0.00%	1.37%	£500
I-Class Units	0.00%	0.62%	£1,000,000
J-Class Units	0.00%	0.97%	£500

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

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

### 16. Unitholders' Funds *(continued)*

The Net Asset Value per unit and the number of units in each class are given in the Comparative Tables on page 6 and 7. All unit classes have the same rights on winding up.

Reconciliation of Units	L-Class Income	L-Class Accumulation	I-Class Income	I-Class Accumulation
Opening number of units at 1 December 2021	573,882	13,507,595	32,536,405	284,461,992
Units issued in year	36,110	1,550,236	7,467,394	22,200,784
Units cancelled in year	(45,551)	(3,194,181)	(5,970,482)	(39,695,694)
Units converted in year	(1)	(216,152)	–	–
Closing number of units at 30 November 2022	564,440	11,647,498	34,033,317	266,967,082

Reconciliation of Units	J-Class Income	J-Class Accumulation
Opening number of units at 1 December 2021	983,225	1,741,034
Units issued in year	5,603	406,992
Units cancelled in year	(4,079)	(194,854)
Units converted in year	–	214,658
Closing number of units at 30 November 2022	984,749	2,167,830

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

Since the last day of dealing of the period on 30 November 2022, the Fund's quoted prices in pence have moved as follows:

	Price as at 30.11.22	Price as at 24.02.23	% Change
L-Class Income	47.63	47.96	0.69
L-Class Accumulation	61.46	62.53	1.74
I-Class Income	54.11	54.58	0.87
I-Class Accumulation	69.77	71.11	1.92
J-Class Income	48.02	48.39	0.77
J-Class Accumulation	61.96	63.09	1.82

## Distribution Tables

For the quarter ended 28 February 2022

### FIRST INTERIM

Group 1: Units purchased prior to 1 December 2021

Group 2: Units purchased on or after 1 December 2021 to 28 February 2022

	Income	Equalisation	Distribution paid 29.04.22	Distribution paid 30.04.21
L-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.2019	–	0.2019	0.2413
Group 2	0.0208	0.1811	0.2019	0.2413

	Income	Equalisation	Distribution accumulated 29.04.22	Distribution accumulated 30.04.21
L-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.2563	–	0.2563	0.3001
Group 2	0.0267	0.2296	0.2563	0.3001

	Income	Equalisation	Distribution paid 29.04.22	Distribution paid 30.04.21
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.2277	–	0.2277	0.2735
Group 2	0.0473	0.1804	0.2277	0.2735

	Income	Equalisation	Distribution accumulated 29.04.22	Distribution accumulated 30.04.21
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.2889	–	0.2889	0.3357
Group 2	0.0626	0.2263	0.2889	0.3357

	Income	Equalisation	Distribution paid 29.04.22	Distribution paid 30.04.21
J-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.2028	–	0.2028	0.2419
Group 2	0.0486	0.1542	0.2028	0.2419

	Income	Equalisation	Distribution accumulated 29.04.22	Distribution accumulated 30.04.21
J-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.2574	–	0.2574	0.3007
Group 2	–	0.2574	0.2574	0.3007

## Distribution Tables *(continued)*

For the quarter ended 31 May 2022

### SECOND INTERIM

Group 1: Units purchased prior to 1 March 2022

Group 2: Units purchased on or after 1 March 2022 to 31 May 2022

	Income	Equalisation	Distribution paid 29.07.22	Distribution paid 31.07.21
L-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.3641	–	0.3641	0.3715
Group 2	0.1464	0.2177	0.3641	0.3715

	Income	Equalisation	Distribution accumulated 29.07.22	Distribution accumulated 31.07.21
L-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.4640	–	0.4640	0.4638
Group 2	0.1773	0.2867	0.4640	0.4638

	Income	Equalisation	Distribution paid 29.07.22	Distribution paid 31.07.21
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.4116	–	0.4116	0.4167
Group 2	0.1765	0.2351	0.4116	0.4167

	Income	Equalisation	Distribution accumulated 29.07.22	Distribution accumulated 31.07.21
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.5243	–	0.5243	0.5199
Group 2	0.1753	0.3490	0.5243	0.5199

	Income	Equalisation	Distribution paid 29.07.22	Distribution paid 31.07.21
J-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.3662	–	0.3662	0.3724
Group 2	0.3662	–	0.3662	0.3724

	Income	Equalisation	Distribution accumulated 29.07.22	Distribution accumulated 31.07.21
J-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.4667	–	0.4667	0.4649
Group 2	0.1520	0.3147	0.4667	0.4649

## Distribution Tables *(continued)*

For the quarter ended 31 August 2022

### THIRD INTERIM

Group 1: Units purchased prior to 1 June 2022

Group 2: Units purchased on or after 1 June 2022 to 31 August 2022

	Income	Equalisation	Distribution paid 31.10.22	Distribution paid 29.10.21
L-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.2445	–	0.2445	0.2367
Group 2	0.0148	0.2297	0.2445	0.2367

	Income	Equalisation	Distribution accumulated 31.10.22	Distribution accumulated 29.10.21
L-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.3140	–	0.3140	0.2909
Group 2	0.0809	0.2331	0.3140	0.2909

	Income	Equalisation	Distribution paid 31.10.22	Distribution paid 29.10.21
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.2768	–	0.2768	0.2618
Group 2	0.0628	0.2140	0.2768	0.2618

	Income	Equalisation	Distribution accumulated 31.10.22	Distribution accumulated 29.10.21
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.3552	–	0.3552	0.3282
Group 2	0.0757	0.2795	0.3552	0.3282

	Income	Equalisation	Distribution paid 31.10.22	Distribution paid 29.10.21
J-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.2461	–	0.2461	0.2344
Group 2	0.2461	–	0.2461	0.2344

	Income	Equalisation	Distribution accumulated 31.10.22	Distribution accumulated 29.10.21
J-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.3159	–	0.3159	0.2942
Group 2	0.1138	0.2021	0.3159	0.2942

## Distribution Tables *(continued)*

For the quarter ended 30 November 2022

### FINAL

Group 1: Units purchased prior to 1 September 2022

Group 2: Units purchased on or after 1 September 2022 to 30 November 2022

	Income	Equalisation	Distribution paid 31.01.23	Distribution paid 31.01.22
L-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.4912	–	0.4912	0.2983
Group 2	0.0725	0.4187	0.4912	0.2983

	Income	Equalisation	Distribution accumulated 31.01.23	Distribution accumulated 31.01.22
L-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.6337	–	0.6337	0.3767
Group 2	0.1004	0.5333	0.6337	0.3767

	Income	Equalisation	Distribution paid 31.01.23	Distribution paid 31.01.22
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.5571	–	0.5571	0.3359
Group 2	0.1057	0.4514	0.5571	0.3359

	Income	Equalisation	Distribution accumulated 31.01.23	Distribution accumulated 31.01.22
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.7184	–	0.7184	0.4238
Group 2	0.1483	0.5701	0.7184	0.4238

	Income	Equalisation	Distribution paid 31.01.23	Distribution paid 31.01.22
J-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.4947	–	0.4947	0.2996
Group 2	0.4947	–	0.4947	0.2996

	Income	Equalisation	Distribution accumulated 31.01.23	Distribution accumulated 31.01.22
J-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.6383	–	0.6383	0.3782
Group 2	0.0274	0.6109	0.6383	0.3782

## Distribution Tables *(continued)*

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### All Unit Types

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

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

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



## General Information (unaudited)

### AIFMD Remuneration Qualitative Disclosures

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

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

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

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

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

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

#### Link between pay and performance

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

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

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

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

### Material Risk Takers

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

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

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

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

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

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

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

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

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

### Quantitative disclosures

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

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

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

### Notes

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

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

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

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

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

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

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

### Appendix – Jupiter Fund Management Plc Remuneration Framework

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

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

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

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

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

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

#### Remuneration policy

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

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

## General Information (unaudited) (continued)

### Remuneration elements

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

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

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

### Risk and reward at Jupiter

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

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

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

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

Checkpoints – determining the variable compensation spend

### Capital base and liquidity

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

Sufficient liquidity to make payments?

Consider impact on Jupiter's capital base.

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



### Underlying financial performance

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

Consider performance against financial KPIs listed in the Annual Report.

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

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



### Risk

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

Consideration of the Enterprise Risk Management report.

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

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

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



### Compliance

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

Is any adjustment required?

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

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

*Request and consider input from the Compliance Director.*



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

### Commercial

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

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



### Reputational

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

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

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



### Variable compensation spend, total compensation ratio approval

## Tax Information Reporting

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

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

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

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

## Value Assessment

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



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

### Advice to Unitholders

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

Fraudsters will often:

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

You can avoid investment scams by:

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

If you are suspicious, report it:

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

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

### Responsible Stewardship

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





Jupiter Unit Trust Managers Limited, PO Box 10666, Chelmsford CM99 2BG  
Tel: 0800 561 4000 Fax: 0800 561 4001

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

Authorised and regulated by the Financial Conduct Authority whose address is  
12 Endeavour Square, London E20 1JN

