

# Jupiter European Income Fund

## Annual Report & Accounts

For the year ended 30 November 2021





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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**

**K Baillie\***

**T Scholefield**

**P Wagstaff**

**V Lazenby**

**D Skinner\*\***

*\*Resigned 29 November 2021*

*\*\*Appointed 24 September 2021*

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 European Income Fund does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

## Fund Information *(continued)*

### Investment Objective

To provide income together with the prospect of capital growth to achieve a return, net of fees, higher than that provided by the MSCI Europe ex-UK over the long term (at least five years).

### Investment Policy

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

The Fund may only enter into derivative transactions for the purposes of efficient portfolio management (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

The MSCI Europe ex-UK Index is an industry standard index and is one of the leading representations of Europe ex-UK stock markets. It is easily accessible and provides a fair reflection of the Investment Manager's investment universe and a good relative measure to assess performance outcomes.

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 Europe excluding UK Sector.

### Status

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

### Change of Appointed Trustee to the Fund

With effect from 27 November 2021, Northern Trust Investor Services Limited has replaced Northern Trust Global Services SE, UK Branch as the Trustee of the Fund.

## Fund Information *(continued)*

### Cumulative Performance (% change to 30 November 2021)

	1 year	3 year	5 years	10 years
Percentage Growth	12.3	23.3	41.2	146.6
MSCI Europe ex-UK Index*	14.6	38.0	61.6	168.5
IA Europe excluding UK Sector**	14.9	40.8	62.4	195.8
Sector Position	81/107	85/99	82/91	66/70
Quartile Ranking	4th	4th	4th	4th

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 \*\*Comparator 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. **This Fund invests mainly in shares and it is likely to experience fluctuations in price which are larger than funds that invest only in bonds and/or cash. 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 1.74% of the class' average Net Asset Value during the year under review (I-Class Units 0.99% and J-Class Units 1.44%) and constraining the class' capital performance to an equivalent extent.** 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 2021, the total return on the Fund was 12.3%\* compared to 14.6%\* for its target benchmark, the MSCI Europe ex-UK Index, and 14.9%\* for its comparator benchmark IA Europe excluding UK Sector, in Sterling terms. For the five years to 30 November 2021, the total return on the Fund was 41.2%\* compared to 61.6%\* for its target benchmark and 62.4%\* for its comparator benchmark.

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

### Dividend

A final distribution of 0.5795 pence per unit will be paid to holders of L-Class Income units on 31 January 2022 (L-Class Accumulation units 0.9503 pence per unit), bringing the total paid in respect of the period under review for L-Class Income units to 1.6011 pence per unit (L-Class Accumulation units 2.5933 pence per unit), compared to 1.5048 pence per unit for L-Class Income units (L-Class Accumulation units 2.3623 pence per unit) for the same period last year. Also, for holders of I-Class Income units a final distribution of 0.6219 pence per unit will be paid on 31 January 2022 (I-Class Accumulation units 1.0178 pence per unit) bringing the total paid in respect of the period under review to 1.7165 pence per unit for I-Class Income units (I-Class Accumulation units 2.7738 pence per unit), compared to 1.6007 pence per unit for I-Class Income units (I-Class Accumulation units 2.5070 pence per unit) for the same period last year. Also, for holders of J-Class Income units a final distribution of 0.5813 pence per unit will be paid on 31 January 2022 (J-Class Accumulation units 0.9539 pence per unit) bringing the total paid in respect of the period under review to 1.6063 pence per unit for J-Class Income units (J-Class Accumulation units 2.6026 pence per unit), compared to 1.5045 pence per unit for J-Class Income units (J-Class Accumulation units 2.3738 pence per unit) for the same period last year.

### Market Review

The year under review was one of very strong gains for equity markets in Europe, most likely driven by a combination of economic recovery after the chaos of lockdowns in 2020 and a marked shift in inflation and interest rate expectations. The former led to a year in which company profits rebounded after the slump in 2020, supported by stimulus efforts from governments and as the climate change-induced energy and digital transformation of the economy really began to gather pace. In addition, inflation expectations moved markedly higher, given the surge in many raw material prices, the breakdown of global supply chains and the shortage of labour across Europe and the US. This fed into higher interest rate expectations as central banks looked to start reducing their purchasing of government bonds, leaving equities as a relatively attractive, more inflation-protected asset class.

European equities certainly benefited in these circumstances. Technology was the best performing sector overall but, somewhat unusually, financials and energy stocks were not too far behind. For much of the year, equity investors globally were following a pattern of recent years of buying growth stocks at seemingly any price, with valuations in areas like technology hitting truly extraordinary levels. But the impact of high energy prices also helped oil & gas stocks, and the prospect of rising interest rates also helped banks move higher. Really the only sector not to benefit in this environment was utilities, where in some cases high energy prices attracted government pressure to protect consumers and limited utility companies' ability to pass on inflation.

## Investment Report *(continued)*

### Portfolio Review

At the individual stock level, many of our holdings performed very well, but at the aggregate level, the Fund lagged the benchmark by a couple of percentage points. Encouragingly, the backdrop of economic recovery, and an ever-increasing push into digital and energy transformation, was beneficial for our portfolio. Where one might expect an income fund to hold a lot of 'old economy' stocks like oil, resources and banks, we have focused on companies that are able to support dividend growth through a steady process of reinvesting profits into their businesses and paying back excess cash to shareholders. In practice, this meant that stocks like Novo Nordisk (diabetes and obesity drugs), Siemens Healthineers (medical imaging) and Schneider Electric (electrical equipment) were significant positive contributors to returns. Schneider Electric is a good case study in companies that have pivoted towards the climate crisis by providing equipment and systems for energy efficiency and automation in buildings, factories and data centres and is a world leader in corporate sustainability. We should also point out that about half of the companies in the Fund have committed to and have a roadmap to net zero carbon emissions. While this is clearly of great importance to reduce the effects of climate change, it also makes good business sense: these are often businesses that are responding well to a changing world, which is a sign of being well managed.

That said, some stocks did underperform. We held two utility stocks, EDP and RWE, both of which are among the largest renewable energy generators in the world and have good, growing dividends. However, after an exceptional run over 2020, they gave back some of those gains more recently. RWE, though ostensibly still one of the worst carbon emitters in Europe, is in the process of shutting down its entire coal mining business and investing heavily in renewables, which makes it an interesting play on the energy transition.

We continue to hold these two stocks, but we sold our position in Unilever after we lost confidence in its ability to grow. We also exited our holding in Inditex after it rebounded as the economy recovered, but we felt that its valuation was stretched compared to other retailers. New holdings included LVMH, a business we have long admired but where the valuation slipped on concerns over China, giving us a chance to buy in at a more reasonable price. We also added a telecoms towers company, Inwit, which we hope will be a steady compounder via its highly visible revenue streams.

### Investment Outlook

While we have evolved the Fund over the year in response to a changing world, we remain highly diversified with growth in profits coming from a wide range of end markets. There is debate raging over whether inflation chance is a temporary phenomenon or not. Our view is that we need a portfolio of businesses that are capable of coping with change in whatever form it arrives. The ability to pass through changes in input costs matters, as does the flexibility to adapt production in response to volatile demand. By and large, we think the holdings are well placed to cope, and we have seen little disruption to business in recent months. Overall though, our strategy continues to be to focus on businesses that are able to grow sustainably, without excessive debt, and convert that growth into sustainable cashflow and, ultimately, a steady stream of growing dividends.

### Gregory Herbert

Fund Manager

## Comparative Tables

Change in net asset per unit						
	L-Class Income**			I-Class Income		
	30.11.21 (p)	30.11.20 (p)	30.11.19 (p)	30.11.21 (p)	30.11.20 (p)	30.11.19 (p)
Opening net asset value per unit	49.02	50.92	48.81	52.28	53.92	51.29
Return before operating charges*	7.31	0.44	4.80	7.83	0.47	5.06
Operating charges	(0.91)	(0.84)	(0.89)	(0.55)	(0.51)	(0.54)
Return after operating charges*	6.40	(0.40)	3.91	7.28	(0.04)	4.52
Distributions on income unit	(1.60)	(1.50)	(1.80)	(1.72)	(1.60)	(1.89)
Closing net asset value per unit	53.82	49.02	50.92	57.84	52.28	53.92
*after direct transaction costs of:	0.03	0.03	0.02	0.03	0.03	0.02
Performance						
Return after charges (%)	13.06	(0.79)	8.01	13.93	(0.07)	8.81
Other Information						
Closing net asset value (£'000)	1,481	1,478	2,352	15,620	15,205	17,536
Closing number of units	2,751,008	3,014,872	4,619,102	27,007,012	29,082,346	32,525,242
Operating charges (%)	1.74	1.76	1.76	0.99	1.01	1.01
Direct transaction costs (%)	0.05	0.06	0.04	0.05	0.06	0.04
Prices						
Highest unit price (p)	56.74	53.44	53.23	60.95	56.68	56.19
Lowest unit price (p)	47.81	36.85	45.97	51.08	39.11	48.33

Change in net asset per unit		
	J-Class Income***	
	30.11.21 (p)	30.11.20 (p)
Opening net asset value per unit	49.09	47.10
Return before operating charges*	7.33	4.19
Operating charges	(0.75)	(0.70)
Return after operating charges*	6.58	3.49
Distributions on income unit	(1.61)	(1.50)
Closing net asset value per unit	54.06	49.09
*after direct transaction costs of:	0.03	0.03
Performance		
Return after charges (%)	13.40	7.41
Other Information		
Closing net asset value (£'000)	725	586
Closing number of units	1,341,034	1,193,189
Operating charges (%)	1.44	1.44
Direct transaction costs (%)	0.05	0.06
Prices		
Highest unit price (p)	56.98	50.29
Lowest unit price (p)	47.91	44.10

\*\*With effect from 15 February 2021, Retail Units have been re-named as L-Class Units.

\*\*\*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		
	30.11.21 (p)	30.11.20 (p)	30.11.19 (p)	30.11.21 (p)	30.11.20 (p)	30.11.19 (p)
Opening net asset value per unit	78.83	79.36	73.39	83.87	83.80	76.92
Return before operating charges*	11.85	0.79	7.32	12.65	0.88	7.70
Operating charges	(1.47)	(1.32)	(1.35)	(0.89)	(0.81)	(0.82)
Return after operating charges*	10.38	(0.53)	5.97	11.76	0.07	6.88
Distribution on accumulation unit	(2.59)	(2.36)	(2.72)	(2.77)	(2.51)	(2.68)
Retained distributions on accumulation unit	2.59	2.36	2.72	2.77	2.51	2.68
Closing net asset value per unit	89.21	78.83	79.36	95.63	83.87	83.80
*after direct transaction costs of:	0.04	0.05	0.03	0.04	0.05	0.03
Performance						
Return after charges (%)	13.17	(0.67)	8.13	14.02	0.08	8.94
Other Information						
Closing net asset value (£'000)	4,084	4,193	5,782	30,200	32,593	39,353
Closing number of units	4,578,205	5,319,088	7,285,182	31,579,852	38,859,837	46,959,019
Operating charges (%)	1.74	1.76	1.76	0.99	1.01	1.01
Direct transaction costs (%)	0.05	0.06	0.04	0.05	0.06	0.04
Prices						
Highest unit price (p)	93.05	83.29	82.30	99.71	88.10	86.64
Lowest unit price (p)	76.89	57.44	69.10	81.95	60.79	72.46

Change in net asset per unit		
	J-Class Accumulation***	
	30.11.21 (p)	30.11.20 (p)
Opening net asset value per unit	78.96	73.40
Return before operating charges*	11.89	6.66
Operating charges	(1.22)	(1.10)
Return after operating charges*	10.67	5.56
Distribution on accumulation unit	(2.60)	(2.37)
Retained distributions on accumulation unit	2.60	2.37
Closing net asset value per unit	89.63	78.96
*after direct transaction costs of:	0.04	0.05
Performance		
Return after charges (%)	13.51	7.57
Other Information		
Closing net asset value (£'000)	833	795
Closing number of units	929,209	1,007,574
Operating charges (%)	1.44	1.44
Direct transaction costs (%)	0.05	0.06
Prices		
Highest unit price (p)	93.48	79.83
Lowest unit price (p)	77.07	70.00

\*\*With effect from 15 February 2021, Retail Units have been re-named as L-Class Units.

\*\*\*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 30.11.21	Year to 30.11.20
Portfolio Turnover Rate	34.72%	57.29%

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

### Risk and Reward Indicator

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

#### As at 30.11.21



#### As at 30.11.20



- 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).

## Comparative Tables *(continued)*

### Charges

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

Charges taken from the Fund over the year to:	30.11.21	30.11.20**
Ongoing charges for L-Class* Units	1.74%	1.76%
Ongoing charges for I-Class Units	0.99%	1.01%
Ongoing charges for J-Class Units	1.44%	1.44%

\*With effect from 15 February 2021, Retail Units have been re-named as L-Class Units.

\*\*With effect from 29 May 2020, the fees charged to the Fund by the Manager have changed. Under the new simplified fee structure, the Manager will combine the Registration Fee and the Other Operational Charges into a new fixed fee called the Aggregate Operating Fee (AOF). The Manager will pay the Other Operational Charges (including fees charged by Trustee and Auditors) out of the AOF. The Fund will not have to pay any further amounts for its administration and operation. The AOF will not include transaction costs, the costs to trade the underlying stocks and shares, which will continue to be paid by the Fund.

## Portfolio Statement

As at 30 November 2021

Holding	Investment	Market value £	Total net assets %
<b>Denmark - 5.96% (4.39%)</b>			
28,171	Novo Nordisk 'B'	2,277,908	4.31
48,157	Tryg	874,530	1.65
		<hr/>	<hr/>
		3,152,438	5.96
<b>Finland - 1.92% (1.68%)</b>			
36,955	UPM-Kymmene	1,015,844	1.92
		<hr/>	<hr/>
<b>France - 21.45% (15.53%)</b>			
13,225	Amundi	827,657	1.56
28,397	AXA	589,563	1.12
6,233	Cie Generale des Etablissements Michelin	693,000	1.31
20,171	Edenred	679,506	1.28
1,852	LVMH	1,083,869	2.05
7,124	Pernod-Ricard	1,230,007	2.32
16,660	Schneider Electric	2,218,498	4.19
48,121	SPIE	905,104	1.71
32,993	Total	1,142,387	2.16
20,397	Verallia	514,426	0.97
20,616	Vinci	1,470,554	2.78
		<hr/>	<hr/>
		11,354,571	21.45
<b>Germany - 19.63% (21.67%)</b>			
3,583	Adidas	780,695	1.47
7,391	Allianz	1,212,711	2.29
11,158	Deutsche Boerse	1,318,585	2.49
29,495	Deutsche Post	1,311,982	2.48
35,303	Infineon Technologies	1,201,903	2.27
19,607	RTS. Vonovia	51,991	0.10
38,384	RWE	1,117,634	2.11
12,860	Siemens	1,549,103	2.92
18,802	Siemens Healthineers	1,031,119	1.95
19,607	Vonovia	819,154	1.55
		<hr/>	<hr/>
		10,394,877	19.63
<b>Greece - 3.67% (3.47%)</b>			
95,080	Greek Organisation of Football Prognostics	993,890	1.88
72,971	Hellenic Telecommunications Organization	948,809	1.79
		<hr/>	<hr/>
		1,942,699	3.67
<b>Italy - 4.79% (6.88%)</b>			
31,281	Banca Generali	965,223	1.82
94,998	Infrastrutture Wireless Italiane	820,103	1.55

## Portfolio Statement *(continued)*

As at 30 November 2021

Holding	Investment	Market value £	Total net assets %
<b>Italy (continued)</b>			
49,236	MARR	751,440	1.42
		<hr/> 2,536,766	<hr/> 4.79
<b>Luxembourg - 1.14% (1.51%)</b>			
16,721	Aperam	603,489	1.14
21,296	RTS. Aperam*	–	–
		<hr/> 603,489	<hr/> 1.14
<b>Netherlands - 6.62% (3.73%)</b>			
28,179	Flow Traders	740,005	1.40
122,792	ING Groep	1,277,915	2.41
26,318	Universal Music Group	567,942	1.07
10,863	Wolters Kluwer	919,354	1.74
		<hr/> 3,505,216	<hr/> 6.62
<b>Norway - 0.00% (2.42%)</b>			
<b>Portugal - 2.18% (3.35%)</b>			
280,311	Energias de Portugal	1,155,328	2.18
<b>Spain - 1.73% (3.51%)</b>			
19,006	Amadeus IT Group	915,259	1.73
<b>Sweden - 8.09% (9.92%)</b>			
26,897	Atlas Copco 'A'	1,247,454	2.36
155,378	Coor Service Management	998,209	1.88
155,449	Nobina	1,012,913	1.91
95,546	Tele2	1,025,828	1.94
		<hr/> 4,284,404	<hr/> 8.09
<b>Switzerland - 12.29% (10.55%)</b>			
22,964	Nestlé	2,218,636	4.19
1,247	Partners Group	1,622,869	3.07
5,816	Roche Holding	1,712,381	3.23
3,218	Sika	950,361	1.80
		<hr/> 6,504,247	<hr/> 12.29

## Portfolio Statement *(continued)*

As at 30 November 2021

Holding	Investment	Market value £	Total net assets %
	<b>United Kingdom - 7.07% (8.83%)</b>		
6,746	Linde	1,620,574	3.06
90,929	RELX	2,124,279	4.01
		<hr/>	<hr/>
		3,744,853	7.07
		<hr/>	<hr/>
	Total value of investments	51,109,991	96.54
	Net other assets	1,833,197	3.46
	<b>Net assets</b>	<hr/> <b>52,943,188</b> <hr/>	<hr/> <b>100.00</b> <hr/>

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

The figures in brackets show allocations as at 30 November 2020.

\*Represents an unquoted security.

## Summary of Material Portfolio Changes

### Significant purchases and sales for the year ended 30 November 2021

Purchases	Cost £	Sales	Proceeds £
ING Groep	1,166,683	Unilever	1,862,088
DNB	1,051,166	Essity	1,456,403
LVMH	998,280	Telenor	1,259,234
Adidas	923,999	Enel	1,206,762
Svenska Handelsbanken	893,946	BNP Paribas	1,146,299
Infrastrutture Wireless Italiane	812,351	DNB	1,069,418
SPIE	802,272	Inditex	1,002,760
Sika	798,213	Svenska Handelsbanken	863,883
AXA	664,610	Energias de Portugal	752,474
Cie Generale des Etablissements Michelin	639,980	ING Groep	737,728
Subtotal	8,751,500	Subtotal	11,357,049
<b>Total cost of purchases, including the above, for the year</b>	<b>12,278,023</b>	<b>Total proceeds of sales, including the above, for the year</b>	<b>20,377,983</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 European Income Fund ("the Fund") for the Year Ended 30 November 2021

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

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

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

The Trustee must ensure that:

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

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

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

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

### Northern Trust Investors Services Limited

Trustee & Depositary Services

London

27 January 2022

# Independent auditors' report to the Unitholders of Jupiter European Income Fund

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Jupiter European Income Fund (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 30 November 2021 and of the net revenue and the net capital gains 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 2021; 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 European Income Fund *(continued)*

### Reporting on other information

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

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

### 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 European Income Fund *(continued)*

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

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

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

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

### Use of this report

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

## Independent auditors' report to the Unitholders of Jupiter European Income Fund *(continued)*

### Other required reporting

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

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

#### Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

#### PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

27 January 2022

## Statement of Total Return

### For the year ended 30 November 2021

	Note	Year to 30.11.21		Year to 30.11.20	
		£	£	£	£
Income					
Net capital gains/(losses)	3		5,937,178		(1,632,207)
Revenue	4	1,861,301		2,022,348	
Expenses	5	(584,409)		(630,298)	
Interest payable and similar charges		(53)		(525)	
Net revenue before taxation		1,276,839		1,391,525	
Taxation	6	(195,552)		(196,360)	
Net revenue after taxation			1,081,287		1,195,165
<b>Total return before distributions</b>			<b>7,018,465</b>		<b>(437,042)</b>
Distributions	7		(1,662,551)		(1,819,919)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>5,355,914</b>		<b>(2,256,961)</b>

## Statement of Change in Net Assets Attributable to Unitholders

### For the year ended 30 November 2021

	Year to 30.11.21		Year to 30.11.20	
	£	£	£	£
<b>Opening net assets attributable to unitholders</b>		<b>54,849,703</b>		<b>65,023,218</b>
Amounts receivable on issue of units	2,757,823		3,605,971	
Amounts payable on cancellation of units	(11,116,901)		(12,734,181)	
		(8,359,078)		(9,128,210)
Change in net assets attributable to unitholders from investment activities		5,355,914		(2,256,961)
Unclaimed distributions		–		592
Retained distribution on accumulation units		1,096,649		1,211,064
<b>Closing net assets attributable to unitholders</b>		<b>52,943,188</b>		<b>54,849,703</b>

## Balance Sheet

As at 30 November 2021			
	Note	30.11.21 £	30.11.20 £
<b>Assets</b>			
Fixed Assets:			
Investments		51,109,991	53,443,802
Current assets:			
Debtors	8	333,324	1,357,160
Cash and bank balances	9	1,779,940	973,262
Total assets		53,223,255	55,774,224
<b>Liabilities</b>			
Creditors:			
Bank overdrafts		(2,311)	–
Distributions payable		(191,694)	(235,288)
Other creditors	10	(86,062)	(689,233)
Total liabilities		(280,067)	(924,521)
<b>Net assets attributable to unitholders</b>		<b>52,943,188</b>	<b>54,849,703</b>

## Directors' Statement

### Jupiter European Income Fund

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

**Directors: Paula Moore, Phil Wagstaff**

Jupiter Unit Trust Managers Limited

London

27 January 2022

## Notes to the Financial Statements

### 1. Significant Accounting Policies

#### (a) Basis of Accounting

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

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

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

#### (b) Revenue

All dividends from companies declared ex-dividend during the year ended 30 November 2021 are included in revenue, net of any attributable tax.

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

Bank interest are accrued up to the year end date.

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

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

#### (c) Expenses

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

With effect from 29 May 2020, the fees charged to the Fund by the Manager have changed. Under the new simplified fee structure, the Manager will combine the Registration Fee and the Other Operational Charges into a new fixed fee called the Aggregate Operating Fee (AOF). The Manager will pay the Other Operational Charges (including fees charged by Trustee and Auditors) out of the AOF. The Fund will not have to pay any further amounts for its administration and operation. The AOF will not include transaction costs, the costs to trade the underlying stocks and shares, which will continue to be paid by the Fund.

#### (d) Valuation of Investments

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at Close of Business on 30 November 2021, being the last valuation point of the year. Market value is defined by the SORP as fair value which is generally the bid value of each security.

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

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

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

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

#### (e) 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 2021, being the last valuation point of the year.

#### (f) 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.

#### (g) Equalisation

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

### 2. Distribution Policies

#### (a) Basis of Distribution

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

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

#### (b) Distributions Dates

Net revenue, if any, will be distributed or accumulated to unitholders as a dividend distribution, semi-annually on 31 July (interim) and 31 January (final) in respect of the accounting year periods ending 31 May (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 Gains/(Losses)

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

	30.11.21 £	30.11.20 £
Currency gains/(losses)	25	(8,350)
Transaction charges	–	(3,877)
Gains/(losses) on non-derivative securities	5,938,377	(1,619,980)
Losses on forward currency contracts (see Note 13)	(1,224)	–
<b>Net capital gains/(losses)</b>	<b>5,937,178</b>	<b>(1,632,207)</b>

### 4. Revenue

	30.11.21 £	30.11.20 £
UK dividends	80,329	50,722
Overseas dividends	1,779,446	1,968,274
Bank interest	1,526	3,352
<b>Total revenue</b>	<b>1,861,301</b>	<b>2,022,348</b>

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

### 5. Expenses

	30.11.21 £	30.11.20 £
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Annual management charge	454,552	483,537
Registration fees	–	61,274
	<u>454,552</u>	<u>544,811</u>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee's fee	–	1,770
Safe custody charges	–	2,180
	<u>–</u>	<u>3,950</u>
<b>Other expenses:</b>		
Audit fee*	–	6,138
Financial Conduct Authority fee	–	38
Professional fees	–	6,875
Aggregate Operating Fee	129,857	68,486
	<u>129,857</u>	<u>81,537</u>
<b>Total expenses</b>	<u><b>584,409</b></u>	<u><b>630,298</b></u>

\*The audit fee (excluding VAT) incurred during the year was £10,257 (30.11.20: £9,910). The current year amount is borne by the Manager as it is paid out of the Aggregate Operating Fee.

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

### 6. Taxation

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

	30.11.21 £	30.11.20 £
Irrecoverable overseas tax	195,552	196,360
<b>Total tax charge for the year</b>	<b>195,552</b>	<b>196,360</b>

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

The tax assessed for the year is lower (2020: lower) than the standard rate of Corporation Tax in the UK for an authorised unit trust. The differences are explained below:

	30.11.21 £	30.11.20 £
Net revenue before taxation	1,276,839	1,391,525
Corporation tax of 20% (2020: 20%)	255,368	278,305
<b>Effects of:</b>		
Current year expenses not utilised	106,849	108,474
Revenue not subject to taxation	(362,217)	(386,779)
Irrecoverable overseas tax	195,552	196,360
<b>Current tax charge for the year</b>	<b>195,552</b>	<b>196,360</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 2021, there are surplus management expenses of £8,159,643 (30.11.20: £7,625,397). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore a Deferred Tax asset of £1,631,928 (30.11.20: £1,525,079) has not been recognised.

## 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:

	30.11.21 £	30.11.20 £
Interim distribution	1,064,715	1,018,974
Final distribution	565,484	740,158
	1,630,199	1,759,132
Amounts received on issue of units	(14,390)	(27,499)
Amounts paid on cancellation of units	46,742	88,286
<b>Net distributions for the year</b>	<b>1,662,551</b>	<b>1,819,919</b>

#### Reconciliation of net revenue after taxation to distributions:

Net revenue after taxation	1,081,287	1,195,165
Charges borne by capital	584,408	630,298
Tax relief on capitalised expenses	(3,159)	(5,571)
Equalisation on conversions	–	(4)
Net movement in revenue account	15	31
<b>Net distributions for the year</b>	<b>1,662,551</b>	<b>1,819,919</b>

Details of the distributions in pence per unit are shown in the Distribution Tables on pages 35 to 37.

### 8. Debtors

	30.11.21 £	30.11.20 £
Accrued revenue	10,779	18,263
Amounts receivable for issue of units	63,698	30,080
Currency sales awaiting settlement	–	529,225
Overseas tax recoverable	258,847	250,030
Sales awaiting settlement	–	529,562
<b>Total debtors</b>	<b>333,324</b>	<b>1,357,160</b>

### 9. Cash and Bank Balances

	30.11.21 £	30.11.20 £
Cash and bank balances	1,779,940	973,262
<b>Total cash and bank balances</b>	<b>1,779,940</b>	<b>973,262</b>

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

### 10. Other Creditors

	30.11.21 £	30.11.20 £
Accrued expenses	11,123	16,543
Amounts payable for cancellation of units	74,939	143,128
Currency purchases awaiting settlement	–	529,562
<b>Total other creditors</b>	<b>86,062</b>	<b>689,233</b>

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

The Fund had no contingent assets and liabilities or capital commitments at the balance sheet date (30.11.20: £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 £11,241 was payable to JUTM (30.11.20: £113,048 payable to 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 disclosed in Note 5 (Expenses). At the year end, £11,123 (30.11.20: £11,352) was payable to JUTM. This amount is included as part of accrued expenses in Note 10.

### 13. Financial Instruments

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

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

The Fund has little exposure to credit, 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, 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.

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

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

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

#### Market Price Risk

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

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

#### Price Risk Sensitivity

A ten per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £5,110,999 (30.11.20: £5,344,380). A ten per cent decrease would have an equal and opposite effect.

#### 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	30.11.21 £	30.11.20 £
Danish Kroner	3,218,202	2,466,620
Euro	37,319,988	38,586,227
Norwegian Krone	32,855	1,416,265
Swedish Krona	4,304,326	5,456,398
Swiss Franc	6,504,246	5,786,585

#### Foreign Currency Risk Sensitivity

A ten per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £5,137,962 (30.11.20: £5,371,210). A ten per cent decrease would have an equal and opposite effect.

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

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

#### 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>30.11.21</b>				
Danish Kroner	–	–	3,218,202	3,218,202
Euro	2,311	–	37,319,988	37,322,299
Norwegian Krone	–	–	32,855	32,855
Swedish Krona	–	–	4,304,326	4,304,326
Swiss Franc	–	–	6,504,246	6,504,246
Sterling	1,777,629	–	63,698	1,841,327
<b>Total</b>	<b>1,779,940</b>	<b>–</b>	<b>51,443,315</b>	<b>53,223,255</b>

<b>30.11.20</b>				
Danish Kroner	–	–	2,647,563	2,647,563
Euro	–	–	38,826,159	38,826,159
Norwegian Krone	–	–	1,416,265	1,416,265
Swedish Krona	–	–	5,456,398	5,456,398
Swiss Franc	–	–	5,895,272	5,895,272
Sterling	973,262	–	559,305	1,532,567
<b>Total</b>	<b>973,262</b>	<b>–</b>	<b>54,800,962</b>	<b>55,774,224</b>

Currency	Floating Rate financial liabilities £	Fixed Rate financial liabilities £	Financial liabilities not carrying interest £	Total £
<b>30.11.21</b>				
Euro	2,311	–	–	2,311
Sterling	–	–	277,756	277,756
<b>Total</b>	<b>2,311</b>	<b>–</b>	<b>277,756</b>	<b>280,067</b>

<b>30.11.20</b>				
Danish Kroner	–	–	180,943	180,943
Euro	–	–	239,932	239,932
Swiss Franc	–	–	108,687	108,687
Sterling	–	–	394,959	394,959
<b>Total</b>	<b>–</b>	<b>–</b>	<b>924,521</b>	<b>924,521</b>

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

The floating rate financial assets and liabilities include bank balances 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%.

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

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

#### Use of Derivatives

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

#### Forward 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 losses of £1,224 to the Fund during the year (31.11.20: £nil). All contracts were undertaken with Northern Trust as counterparty during the year. There are no outstanding contracts at the year end.

### 14. Fair Value of Investments

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

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Basis of valuation	Assets £	Liabilities £
<b>30.11.21</b>		
Level 1	51,109,991	–
Level 2	–	–
Level 3	–	–
<b>Total</b>	<b>51,109,991</b>	<b>–</b>

Basis of valuation	Assets £	Liabilities £
<b>30.11.20</b>		
Level 1	53,443,802	–
Level 2	–	–
Level 3	–	–
<b>Total</b>	<b>53,443,802</b>	<b>–</b>

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

### 15. Portfolio Transaction Costs

For the year ended 30 November 2021

	Equities £	%	Corporate Actions £	%	Total £
<b>30.11.21</b>					
<b>Analysis of total purchases costs</b>					
Purchases in year before transaction costs	11,622,915		636,961		12,259,876
Commissions	4,293	0.04	–	–	4,293
Expenses and other charges	13,854	0.12	–	–	13,854
	18,147		–		18,147
Purchases including transaction costs	11,641,062		636,961		12,278,023
<b>Analysis of total sales costs</b>					
Sales in year before transaction costs	20,385,982		–		20,385,982
Commissions	(7,922)	0.04	–	–	(7,922)
Expenses and other charges	(77)	–	–	–	(77)
	(7,999)		–		(7,999)
Sales net of transaction costs	20,377,983		–		20,377,983

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

Commissions	0.02%
Expenses and other charges	0.03%

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

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

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

For the year ended 30 November 2020

	Equities £	%	Corporate Actions £	%	Total £
<b>30.11.20</b>					
<b>Analysis of total purchases costs</b>					
Purchases in year before transaction costs	21,041,563		126,924		21,168,487
Commissions	10,944	0.05	–	–	10,944
Expenses and other charges	10,048	0.05	–	–	10,048
	20,992		–		20,992
Purchases including transaction costs	21,062,555		126,924		21,189,479
<b>Analysis of total sales costs</b>					
Sales in year before transaction costs	28,133,750		–		28,133,750
Commissions	(14,387)	0.05	–	–	(14,387)
Expenses and other charges	(225)	–	–	–	(225)
	(14,612)		–		(14,612)
Sales net of transaction costs	28,119,138		–		28,119,138

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

Commissions	0.04%
Expenses and other charges	0.02%

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

### 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	Aggregate Operating Fee	Annual Management Charge	Minimum Initial Investment
L-Class* Units	0.00%	0.24%	1.50%	£500
I-Class units	0.00%	0.24%	0.75%	£1,000,000
J-Class units	0.00%	0.24%	1.20%	£500

\*With effect from 15 February 2021, Retail Units have been re-named as L-Class Units.

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 pages 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 2020	3,014,872	5,319,088	29,082,346	38,859,837
Units issued in year	99,250	99,535	1,991,480	1,589,220
Units cancelled in year	(308,102)	(825,522)	(4,086,471)	(8,883,137)
Units converted in year	(55,012)	(14,896)	19,657	13,932
Closing number of units at 30 November 2021	2,751,008	4,578,205	27,007,012	31,579,852

Reconciliation of Units	J-Class Income	J-Class Accumulation
Opening number of units at 1 December 2020	1,193,189	1,007,574
Units issued in year	113,910	54,552
Units cancelled in year	–	(132,917)
Units converted in year	33,935	–
Closing number of units at 30 November 2021	1,341,034	929,209

\*With effect from 15 February 2021, Retail Units have been re-named as L-Class Units.

### 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 2021, the Fund's quoted prices in pence have moved as follows:

	Price as at 30.11.21	Price as at 21.01.22	% Change
L-Class Income*	54.15	54.03	(0.22)
L-Class Accumulation*	88.80	89.56	0.86
I-Class Income	58.19	58.12	(0.12)
I-Class Accumulation	95.19	96.10	0.96
J-Class Income	54.39	54.29	(0.18)
J-Class Accumulation	89.22	90.02	0.90

\*With effect from 15 February 2021, Retail Units have been re-named as L-Class Units.

## Distribution Tables

For the six months ended 31 May 2021

### INTERIM

Group 1: Units purchased prior to 1 December 2020

Group 2: Units purchased on or after 1 December 2020 to 31 May 2021

	Income	Equalisation	Distribution paid 30.07.21	Distribution paid 31.07.20
L-Class Income* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.0216	–	1.0216	0.8327
Group 2	0.8274	0.1942	1.0216	0.8327

	Income	Equalisation	Distribution accumulated 30.07.21	Distribution accumulated 31.07.20
L-Class Accumulation* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.6430	–	1.6430	1.3001
Group 2	1.3082	0.3348	1.6430	1.3001

	Income	Equalisation	Distribution paid 30.07.21	Distribution paid 31.07.20
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.0946	–	1.0946	0.8883
Group 2	0.7255	0.3691	1.0946	0.8883

	Income	Equalisation	Distribution accumulated 30.07.21	Distribution accumulated 31.07.20
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.7560	–	1.7560	1.3805
Group 2	1.4051	0.3509	1.7560	1.3805

	Income	Equalisation	Distribution paid 30.07.21	Distribution paid 31.07.20
J-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.0250	–	1.0250	0.8472
Group 2	0.8156	0.2094	1.0250	0.8472

	Income	Equalisation	Distribution accumulated 30.07.21	Distribution accumulated 31.07.20
J-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.6487	–	1.6487	1.3203
Group 2	1.0652	0.5835	1.6487	1.3203

\*With effect from 15 February 2021, Retail Units have been re-named as L-Class Units.

## Distribution Tables *(continued)*

### For the year ended 30 November 2021

#### FINAL

Group 1: Units purchased prior to 1 June 2021

Group 2: Units purchased on or after 1 June 2021 to 30 November 2021

	Income	Equalisation	Distribution payable 31.01.22	Distribution paid 31.01.21
L-Class Income* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.5795	–	0.5795	0.6721
Group 2	0.4851	0.0944	0.5795	0.6721

	Income	Equalisation	Distribution to be accumulated 31.01.22	Distribution accumulated 31.01.21
L-Class Accumulation* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.9503	–	0.9503	1.0622
Group 2	0.4273	0.5230	0.9503	1.0622

	Income	Equalisation	Distribution payable 31.01.22	Distribution paid 31.01.21
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.6219	–	0.6219	0.7124
Group 2	0.2396	0.3823	0.6219	0.7124

	Income	Equalisation	Distribution to be accumulated 31.01.22	Distribution accumulated 31.01.21
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.0178	–	1.0178	1.1265
Group 2	0.5939	0.4239	1.0178	1.1265

	Income	Equalisation	Distribution payable 31.01.22	Distribution paid 31.01.21
J-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.5813	–	0.5813	0.6573
Group 2	0.1620	0.4193	0.5813	0.6573

	Income	Equalisation	Distribution to be accumulated 31.01.22	Distribution accumulated 31.01.21
J-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.9539	–	0.9539	1.0535
Group 2	0.2455	0.7084	0.9539	1.0535

\*With effect from 15 February 2021, Retail Units have been re-named as L-Class Units.

## Distribution Tables *(continued)*

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### All Unit Types

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

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

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

## General Information (unaudited)

### Remuneration

Under the requirements of the Undertakings for Collective Investment in Transferable Securities V Directive ('UCITS V'), Jupiter Unit Trust Managers Limited ('JUTM') (part of the Jupiter Group, which comprises Jupiter Fund Management plc and all of its subsidiaries ('Jupiter')) is required to comply with certain disclosure and reporting obligations for funds that are considered to be UCITS schemes. This includes the Jupiter European Income fund (the 'Fund').

Jupiter operates a Group-wide remuneration policy, which applies to all employees across the Group. All employees are incentivised in a similar way and are rewarded according to personal performance and Jupiter's success. Details of the remuneration policy, including the applicable financial and non-financial criteria, are set out in the detailed remuneration policy disclosures available via the following link:

<https://www.jupiteram.com/board-and-governance/#risk-management>

Remuneration decisions are governed by Jupiter's Remuneration Committee (the 'Committee'), which meets on a regular basis to consider remuneration matters across the Group. In order to avoid conflicts of interest, the Committee comprises independent non-executive directors, and no individual is involved in any decisions regarding their own remuneration. Implementation of the remuneration policy for the Group is subject to an annual independent review by Jupiter's internal audit department. No material outcomes or irregularities were identified as a result of the most recent independent review, which took place in 2020.

JUTM's Board includes two independent Non-Executive Directors who are remunerated directly by the company. No other members of the Board receive remuneration from JUTM and are instead remunerated directly by their employing entity in the Jupiter Group. JUTM does not employ any other staff. In the interests of transparency, Jupiter has apportioned the total employee remuneration paid to all its 510 staff (including Non-Executive Directors) in respect of JUTM's UCITS V duties performed for the UCITS schemes on a "number of funds" basis. It has estimated that the total amount of employee remuneration paid in respect of duties for the Fund is £649,074, of which £391,808 is fixed remuneration and £257,266 is variable remuneration.

The aggregate total remuneration paid to UCITS V Identified Staff that is attributable to duties for the Fund is £179,493 of which £143,833 is paid to Senior Management and £35,661 is paid to other staff. It should be noted that the aforementioned Identified Staff also provide services to other companies within Jupiter and its clients. They are included because their professional activities are considered to have a material impact on the risk profile of the Fund.

### 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)**.

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

### Value Assessment

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

### 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)

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

### Responsible Stewardship

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

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

### Other Information

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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

