

Jupiter Merlin Worldwide Portfolio

Annual Report & Accounts

For the year ended 31 May 2023



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

Fund Information

Manager, Registrar and Administrator

Jupiter Unit Trust Managers Limited
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Chelmsford
CM99 2BG

Tel: **0800 561 4000**

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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
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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 Worldwide 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

(Prior to 15 May 2023)

To provide a return, net of fees, higher than the IA Global Sector average over the long term (five years).

(From 15 May 2023)

To provide a return, through a combination of capital growth and income, net of fees, over the long term (five years).

Investment Policy

(Prior to 15 May 2023)

At least 70% of the Fund is invested in collective investment schemes. 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.

(From 15 May 2023)

At least 70% of the Fund is invested in collective investment schemes. Up to 30% of the Fund may be invested in other assets, including shares of companies, cash and near cash. The Fund will have at least 80% exposure (direct and/or indirect) to shares of companies globally.

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

With effect from 15 May 2023 the benchmark was reclassified from target benchmark to comparator benchmark, with consequent revisions to the investment objectives and investment policy.

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 Global Sector.

ARC Sterling Equity Risk PCI Index

This is a risk-based index, which has 80%-110% relative risk to world equities. It is a fair representation of the risk-adjusted return which might be achieved by the Fund and as such it is an appropriate comparator benchmark.

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.

Fund Information *(continued)*

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 7 and 8.

Fund Information *(continued)*

Cumulative Performance (% change to 31 May 2023)

	1 year	3 years	5 years	10 years
Percentage Growth	(0.1)	20.5	30.6	99.8
IA Global Sector*	2.3	26.9	39.8	129.9
ARC Sterling Equity Risk PCI Index*	(1.4)	16.1	17.0	64.6
Sector Position	311/420	248/356	218/304	167/199
Quartile Ranking	3rd	3rd	3rd	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. *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. For definitions please see the glossary at jupiteram.com. Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Company examples are for illustrative purposes only and are not a recommendation to buy or sell. Quoted yields are not guaranteed and may change in the future. Jupiter Unit Trust Managers Limited is authorised and regulated by the Financial Conduct Authority and their registered address is The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ.

Investment Report

Performance Review

For the year ended 31 May 2023, the Fund returned -0.1%* in sterling terms, compared to 2.3%* and -1.4% for its comparator benchmarks, IA Global Sector and ARC Sterling Equity Risk PCI Index. Over five years, the Fund returned 30.6%* compared to 39.8%* and 17.0%* for its respective comparator benchmarks.

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

Market Review

15 months beyond the Russian invasion of Ukraine and more than three years since the start of the pandemic, markets are still reacting to the inflation resulting from two global exogenous shocks. The principal central banks were slow off the mark to realise the dangers of allowing incipient inflation to go unchecked in 2021. Once they did react in 2022, they were aggressive in raising interest rates to the point last November when the Federal Reserve, the European Central Bank and the Bank of England all deployed a very unusual full percentage point increase at one sitting. As the inflation curve subsides (but slowing at very different rates depending on national circumstances; UK inflation is proving stickier than in other countries) and worried about recessionary risks, investors have constantly been second-guessing the peak of the interest rate cycle and when interest rates will start to fall again. Volatility in asset prices has been pronounced; that volatility is a direct result of increasingly polarised and entrenched views about future monetary policy, depending on which opinion camp has the upper hand in the argument at the time.

Policy Review

We continue actively to review the managers whose funds are owned in the portfolio, and to evaluate our asset allocation in a challenging situation.

Activity in the first half of the period under review largely focused on increasing the style tilt within our equity holdings away from 'growth' towards 'value', trimming our holdings in Fundsmith Equity and BlueBox Global Technology and adding to Jupiter Global Value.

We consider the US still to be an attractive place in which to invest. It is the bedrock of capitalism and one of the global cradles of innovation and development. Seeking alternative means of accessing attractive opportunities and using proceeds from our existing holding in Findlay Park American, we opened two new positions. First, the Prevatt Global Master Fund, managed by Jonathan Tepper, a Fund with an impressive track record focusing on a limited number of quality growth companies; second, the Long Walk Master Fund, managed by James Zimmerman, another concentrated portfolio this time biased towards technology but in an alignment with shareholder interests focusing very much on companies in which management teams have a substantial equity interest in their own business. A further source of funds was from the disposal of Jupiter Global Equity Growth Unconstrained, a good quality Fund but one which was destined to struggle in an environment of high interest rates.

A foot in both 'growth' and 'value' camps avoids the traps inherent in chasing momentum and constantly being faced with making binary decisions and second-guessing swings in style. Our performance history, both in terms of absolute returns and relative to the sector, suggests this steady-as-we-go approach has been appropriate, not least because we do not profess to have all the answers when it comes to the outcome of momentous world events.

In June 2021, we purchased a small position in Chrysalis Investments Limited, managed by Jupiter's Richard Watts and team, giving exposure to high growth, disruptive, private companies which are technology enabled and often in the financial space. Volatile by nature, thanks to rapidly rising interest rates, performance in the period we owned it was disappointing and likely to remain that way. We sold the position in August 2022.

Investment Report *(continued)*

Investment Outlook

Investors are anticipating that the current interest rate cycle is close to its peak, if not already there. The question then is, how long will interest rates plateau at elevated levels before receding. The answer to that lies in the future trend of inflation rates in the context of the principal central banks' common target of 2%. Leaving aside the natural cyclicity and volatility of global commodity prices, economists are preoccupied with the idiosyncrasies of national labour markets as employees react to meeting the challenges of the cost-of-living crisis but where unemployment levels are still very low and job markets are tight, especially in the US and the UK.

If the past few months are anything to go by, momentum investors pursuing the latest fad have lost none of their appetite significantly to chase up share prices of a very small number of companies, having a disproportionate effect on the relevant index (e.g. in the US, the S&P500 is currently approaching all-time highs having risen 22% since October, most of which performance is attributable to only seven companies, all involved in the development of artificial intelligence).

Investing in challenging times such as these requires an open mind, remaining alert, having a well-diversified portfolio and being willing to change your mind when the facts change. They are exactly the principles we apply ourselves to managing the Jupiter Merlin Portfolios.

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

Jupiter Independent Funds Team

Comparative Tables

Change in net asset per unit

	L-Class Income			I-Class Income		
	31.05.23 (p)	31.05.22 (p)	31.05.21 (p)	31.05.23 (p)	31.05.22 (p)	31.05.21 (p)
Opening net asset value per unit	377.65	373.45	321.37	404.67	398.31	340.36
Return before operating charges*	6.68	13.36	60.78	7.18	14.23	64.66
Operating charges	(8.74)	(9.16)	(8.70)	(6.39)	(6.70)	(6.49)
Return after operating charges*	(2.06)	4.20	52.08	0.79	7.53	58.17
Distributions on income unit	–	–	–	(1.96)	(1.17)	(0.22)
Closing net asset value per unit	375.59	377.65	373.45	403.50	404.67	398.31
*after direct transaction costs of:	–	0.01	0.02	–	0.01	0.02

Performance

Return after charges (%)	(0.55)	1.12	16.21	0.20	1.89	17.09
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Other Information

Closing net asset value (£'000)	8,267	9,915	10,491	24,952	26,904	30,066
Closing number of units	2,200,987	2,625,346	2,809,284	6,183,799	6,648,395	7,548,463
Operating charges (%)	2.34	2.37	2.51	1.59	1.62	1.76
Direct transaction costs (%)	–	–	–	–	–	–

Prices

Highest unit price (p)	397.36	409.39	380.43	428.06	438.38	405.79
Lowest unit price (p)	346.29	357.46	312.80	371.18	383.47	331.39

Change in net asset per unit

	J-Class Income		
	31.05.23 (p)	31.05.22 (p)	31.05.21 (p)
Opening net asset value per unit	379.99	374.64	321.40
Return before operating charges*	6.71	13.38	60.93
Operating charges	(7.31)	(8.03)	(7.69)
Return after operating charges*	(0.60)	5.35	53.24
Distributions on income unit	(0.49)	–	–
Closing net asset value per unit	378.90	379.99	374.64
*after direct transaction costs of:	–	0.01	0.02

Performance

Return after charges (%)	(0.16)	1.43	16.57
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Other Information

Closing net asset value (£'000)	1,780	1,819	1,976
Closing number of units	469,682	478,634	527,359
Operating charges (%)	1.94	2.07	2.21
Direct transaction costs (%)	–	–	–

Prices

Highest unit price (p)	400.93	411.35	381.57
Lowest unit price (p)	348.50	359.43	312.90

Comparative Tables *(continued)*

Change in net asset per unit

	L-Class Accumulation			I-Class Accumulation		
	31.05.23 (p)	31.05.22 (p)	31.05.21 (p)	31.05.23 (p)	31.05.22 (p)	31.05.21 (p)
Opening net asset value per unit	377.63	373.43	321.35	409.11	401.52	342.92
Return before operating charges*	6.67	13.35	60.79	7.25	14.34	65.14
Operating charges	(8.73)	(9.15)	(8.71)	(6.46)	(6.75)	(6.54)
Return after operating charges*	(2.06)	4.20	52.08	0.79	7.59	58.60
Distribution on accumulation unit	–	–	–	(1.98)	(1.17)	(0.22)
Retained distributions on accumulation unit	–	–	–	1.98	1.17	0.22
Closing net asset value per unit	375.57	377.63	373.43	409.90	409.11	401.52
*after direct transaction costs of:	–	0.01	0.02	–	0.01	0.02

Performance

Return after charges (%)	(0.55)	1.12	16.21	0.19	1.89	17.09
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Other Information

Closing net asset value (£'000)	96,114	122,951	136,900	257,252	264,464	292,716
Closing number of units	25,591,620	32,558,375	36,659,970	62,759,353	64,644,345	72,901,401
Operating charges (%)	2.34	2.37	2.51	1.59	1.62	1.76
Direct transaction costs (%)	–	–	–	–	–	–

Prices

Highest unit price (p)	397.34	409.38	380.42	432.74	441.92	408.83
Lowest unit price (p)	346.27	357.44	312.79	375.25	386.56	333.91

Change in net asset per unit

	J-Class Accumulation		
	31.05.23 (p)	31.05.22 (p)	31.05.21 (p)
Opening net asset value per unit	379.96	374.61	321.38
Return before operating charges*	6.71	13.38	60.93
Operating charges	(7.31)	(8.03)	(7.70)
Return after operating charges*	(0.60)	5.35	53.23
Distribution on accumulation unit	(0.50)	–	–
Retained distributions on accumulation unit	0.50	–	–
Closing net asset value per unit	379.36	379.96	374.61
*after direct transaction costs of:	–	0.01	0.02

Performance

Return after charges (%)	(0.16)	1.43	16.56
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Other Information

Closing net asset value (£'000)	16,560	16,811	16,340
Closing number of units	4,365,198	4,424,400	4,361,801
Operating charges (%)	1.94	2.07	2.21
Direct transaction costs (%)	–	–	–

Prices

Highest unit price (p)	400.90	411.32	381.54
Lowest unit price (p)	348.47	359.40	312.88

Comparative Tables *(continued)*

Portfolio Turnover Rate

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

	Year to 31.05.23	Year to 31.05.22
Portfolio Turnover Rate	60.97%	45.65%

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 period.

Charges taken from the Fund over the year to:	31.05.23*	31.05.22
Ongoing charges for L-Class Units	2.34%	2.37%
Ongoing charges for I-Class Units	1.59%	1.62%
Ongoing charges for J-Class Units	1.94%	2.07%

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

Portfolio Statement

As at 31 May 2023

Holding	Investment	Market value £	Total net assets %
Global Equity Funds - 54.96% (44.45%)			
1,150,000	BlackRock Global Funds - World Energy Fund	22,102,407	5.46
25,000	BlueBox Global Technology Fund	24,827,750	6.13
3,800,000	Fundsmith Equity Fund	21,392,100	5.28
6,700,000	Jupiter JGF Global Value Fund [†]	109,545,000	27.05
17,000,000	M&G Global Dividend Fund	44,694,700	11.04
		222,561,957	54.96
Japanese Equity Funds - 12.60% (10.85%)			
40,000	Jupiter JGF Japan Select Fund [†]	1,062,800	0.26
10,380,000	LF Morant Wright Japan Fund	49,969,320	12.34
		51,032,120	12.60
Specialist Funds - 2.77% (2.35%)			
70,000	BlackRock Gold and General Fund	927,404	0.23
65,000	WisdomTree Physical Gold ETF	10,270,005	2.54
		11,197,409	2.77
UK Equity Funds - 7.73% (19.34%)			
9,000,000	Man GLG Income Fund	10,755,000	2.65
15,000,000	TB Evenlode Global Equity	20,559,000	5.08
		31,314,000	7.73
US Equity Funds - 21.05% (22.10%)			
390,000	Findlay Park American Fund	52,368,875	12.93
15,000,000	Long Walk Master Fund* [^]	13,110,003	3.24
25,000	Prevatt Global Investments Fund* [^]	19,741,570	4.88
		85,220,448	21.05
	Total value of investments	401,325,934	99.11
	Net other assets	3,599,074	0.89
	Net assets	404,925,008	100.00

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

The figures in brackets show allocations as at 31 May 2022.

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

^{*}Represents an unapproved and unquoted security.

[^]Represents an unlisted security.

Summary of Material Portfolio Changes

Total purchases and sales for the year ended 31 May 2023

Purchases	Cost £	Sales	Proceeds £
Jupiter JGF Global Value Fund	54,575,000	Blackrock Natural Resources Growth & Income Fund	64,035,857
BlackRock Global Funds - World Energy Fund	26,420,082	Findlay Park American Fund	46,587,875
TB Evenlode Global Equity	20,058,000	BlueBox Global Technology Fund	22,127,269
Prevatt Global Investments Fund	19,948,930	Fundsmith Equity Fund	20,563,320
Long Walk Master Fund	12,027,422	Jupiter Global Equity Income Fund	9,468,487
Blackrock Natural Resources Growth & Income Fund	9,887	Chrysalis Investments	6,810,606
		Jupiter JGF Japan Select Fund	1,195,650
Total cost of purchases for the year	133,039,321	Total proceeds of sales for the year	170,789,064

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 Worldwide Portfolio ("the Fund") for the Year Ended 31 May 2023

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

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

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

The Trustee must ensure that:

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

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

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

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

Northern Trust Investor Services Limited

Trustee & Depositary Services

London

8 August 2023

Independent auditors' report to the Unitholders of Jupiter Merlin Worldwide Portfolio

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the financial position of the Fund as at 31 May 2023 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 31 May 2023; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Table; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Independent auditors' report to the Unitholders of Jupiter Merlin Worldwide 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 Worldwide 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. 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 Worldwide 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

8 August 2023

Statement of Total Return

For the year ended 31 May 2023				
	Note	Year to 31.05.23 £		Year to 31.05.22 £
Income				
Net capital (losses)/gains	3		(1,425,314)	9,083,712
Revenue	4	5,995,944		5,761,108
Expenses	5	(5,050,148)		(5,856,487)
Interest payable and similar charges		(206)		(9,085)
Net revenue/(expense) before taxation		945,590		(104,464)
Taxation	6	–		–
Net revenue/(expense) after taxation		945,590		(104,464)
Total return before distributions		(479,724)		8,979,248
Distributions	7	(1,345,035)		(757,821)
Change in net assets attributable to unitholders from investment activities		(1,824,759)		8,221,427

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 May 2023			
	Year to 31.05.23 £		Year to 31.05.22 £
Opening net assets attributable to unitholders		442,863,617	488,488,655
Amounts receivable on issue of units	5,326,745		3,181,531
Amounts payable on cancellation of units	(42,707,602)		(57,787,179)
		(37,380,857)	(54,605,648)
Change in net assets attributable to unitholders from investment activities		(1,824,759)	8,221,427
Retained distribution on accumulation units		1,267,007	759,183
Closing net assets attributable to unitholders		404,925,008	442,863,617

Balance Sheet

As at 31 May 2023

	Note	31.05.23 £	31.05.22 £
Assets			
Fixed Assets:			
Investments		401,325,934	438,815,298
Current assets:			
Debtors	8	5,069,383	3,358,268
Cash and bank balances	9	9,284	3,010,631
Total assets		406,404,601	445,184,197
Liabilities			
Creditors:			
Bank overdrafts		(543,493)	(1,393,670)
Distributions payable		(123,681)	(77,454)
Other creditors	10	(812,419)	(849,456)
Total liabilities		(1,479,593)	(2,320,580)
Net assets attributable to unitholders		404,925,008	442,863,617

Directors' Statement

Jupiter Merlin Worldwide 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, Philip Wagstaff

Jupiter Unit Trust Managers Limited

London

8 August 2023

Notes to the Financial Statements

1. Significant Accounting Policies

(a) Basis of Accounting

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

As stated in the Statement of Authorised Fund Managers' Responsibilities in relation to the Financial Statements of the Scheme on page 12, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

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

(b) Revenue

All dividends from companies/dividends and interest from underlying funds declared ex-dividend during the year ended 31 May 2023 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 and interest on short-term deposits are accrued up to the year end date.

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

(c) Expenses

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

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

(d) Valuation of Investments

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at Close of Business on 31 May 2023, 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 31 May 2023. 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.

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 31 May 2023, 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) Distribution Dates

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

(c) Unclaimed Distribution

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

Notes to the Financial Statements *(continued)*

3. Net Capital (Losses)/Gains

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

	31.05.23 £	31.05.22 £
Currency gains/(losses)	348,307	(25,713)
(Losses)/gains on non-derivative securities*	(2,080,850)	8,178,620
(Losses)/gains on forward currency contracts** (see Note 13)	(251)	136
Management fee rebates	307,480	930,669
Net capital (losses)/gains	(1,425,314)	9,083,712

*(Losses)/gains on non-derivative securities	£	£
Realised gains	22,184,590	38,827,540
Unrealised losses	(24,265,440)	(30,648,920)
	(2,080,850)	8,178,620

** (Losses)/gains on forward foreign currency contracts	£	£
Realised (losses)/gains	(251)	136
Unrealised gains	–	–
	(251)	136

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

4. Revenue

	31.05.23 £	31.05.22 £
UK dividends (franked) from authorised collective investment schemes	3,352,967	4,149,123
Offshore distributions from collective investment schemes	1,483,242	949,630
Bank interest	79,821	327
Deposit Interest	170,552	–
Management fee rebates	909,362	662,028
Total revenue	5,995,944	5,761,108

Notes to the Financial Statements *(continued)*

5. Expenses

	31.05.23 £	31.05.22 £
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual management charge	339,047	4,754,959
	<u>339,047</u>	<u>4,754,959</u>
Other expenses:		
Fixed Annual Charge*	4,632,518	–
Aggregate Operating Fee	78,583	1,101,528
	<u>4,711,101</u>	<u>1,101,528</u>
Total expenses	5,050,148	5,856,487

*The audit fee (excluding VAT) incurred during the year was £14,157 (31.05.22: £12,528). 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:

	31.05.23 £	31.05.22 £
Total tax charge for the year	–	–

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

The tax assessed for the year is lower (2022: higher) than the standard rate of Corporation Tax in the UK for an authorised unit trust. The differences are explained below:

	31.05.23 £	31.05.22 £
Net revenue/(expense) before taxation	945,590	(104,464)
Corporation tax of 20% (2022: 20%)	189,118	(20,893)
Effects of:		
Current year expenses not utilised	716,628	854,510
Revenue not subject to taxation	<u>(905,746)</u>	<u>(833,617)</u>
Total tax charge for the year	–	–

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

(c) Provision for Deferred Tax

At 31 May 2023, there are surplus management expenses of £97,576,210 (31.05.22: £93,993,071). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore a Deferred Tax asset of £19,515,243 (31.05.22: £18,798,615) 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:

	31.05.23 £	31.05.22 £
Final distribution*	1,390,688	836,637
	1,390,688	836,637
Amounts paid on issue of units	6,983	6,880
Amounts received on cancellation of units	(52,636)	(85,696)
Net distributions for the year	1,345,035	757,821
Reconciliation of net revenue after taxation to distributions:		
Net revenue/(expense) after taxation	945,590	(104,464)
Tax relief on capitalised fee rebates	61,496	186,134
Equalisation on conversions	66,313	5,397
Net movement in revenue account	5	41
Transfer from capital for revenue deficit*	271,631	670,713
Net distributions for the year	1,345,035	757,821

*For the year ended 31 May 2023, no distribution was made for L Class Units due to an excess of expenses over revenue. For the year ended 31 May 2022, no distribution was made for L Class Units and J Class Units due to an excess of expenses over revenue. The deficit has been covered by a transfer from the capital of the Fund (as described in Note 2 on page 21).

Details of the distributions in pence per unit are shown in the Distribution Table on pages 35 and 36.

8. Debtors

	31.05.23 £	31.05.22 £
Accrued revenue	1,546,155	1,255,854
Amounts receivable for issue of units	175,138	27,393
Currency deals awaiting settlement	–	240
Management fee rebates receivable	380,594	668,885
Sales awaiting settlement	2,967,496	1,405,896
Total debtors	5,069,383	3,358,268

9. Cash and Bank Balances

	31.05.23 £	31.05.22 £
Cash and bank balances	9,284	3,010,631
Total cash and bank balances	9,284	3,010,631

Notes to the Financial Statements *(continued)*

10. Other Creditors

	31.05.23 £	31.05.22 £
Accrued expenses	106,619	111,051
Amounts payable for cancellation of units	705,800	738,405
Total other creditors	812,419	849,456

11. Contingent Assets, Liabilities and Capital Commitments

The Fund had no contingent assets, liabilities or capital commitments at the balance sheet date (31.05.22: £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 £530,662 was payable to JUTM (31.05.22: £711,012 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 and if any rebates/expense waiver received are included in Note 5 (Expenses). At the year end, £106,619 (31.05.22: £110,973) was payable to JUTM. This amount is included as part of accrued expenses in Note 10.

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, £145,843 (31.05.22: £73,648) was receivable from other Jupiter products. This amount is included as management fee rebates receivable in Note 8.

Holdings in other Jupiter products at the year-end, which are shown in the portfolio statement on page 10 are valued at £110,607,800 (31.05.22: £59,818,450). There were no outstanding trade transaction at year end (31.05.22: £nil).

Dividends received during the year totalled £1,483,242 (31.05.22: £949,630). There were no related accrued revenue due to Fund at year end (31.05.22: £nil).

Notes to the Financial Statements *(continued)*

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, bank overdrafts and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable from issues and payable for cancellations and debtors for accrued revenue.

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

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

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

Leverage

In accordance with the requirements under the Alternative Investments Fund Managers Directive (AIFMD), the leverage employed by the Fund as at 31 May 2023 was 1:0.99 (31.05.22: 1:0.99) as determined using the Gross method and 1:1 (31.05.22: 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.

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

	Maximum limit	Average leverage employed during the year to 31.05.23
Gross exposure	2:1	1:0.99
Commitment exposure	2:1	1:1

	Maximum limit	Average leverage employed during the year to 31.05.22
Gross exposure	2:1	1:0.99
Commitment exposure	2:1	1:1

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 percent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £40,132,593 (31.05.22: £43,881,530). A ten percent decrease would have an equal and opposite effect.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis. Certain transactions in securities that the Fund enters into expose it to the risk that a counterparty will not deliver the investment for a purchase, or cash for a sale after the Company has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Manager as an acceptable counterparty and these are reviewed on an ongoing basis. The Fund aims to reduce this credit risk by holding a well diversified range of securities.

Foreign Currency Risk

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

Currency	31.05.23 £	31.05.22 £
US Dollar	145,128,416	147,057,489

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 £14,512,842 (31.05.22: £14,705,749). A ten percent 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 31 May was:

Currency	Floating Rate financial assets £	Fixed Rate financial assets £	Financial assets not carrying interest £	Total £
31.05.23				
US Dollar	6,633	–	145,121,783	145,128,416
Sterling	2,651	–	261,273,534	261,276,185
Total	9,284	–	406,395,317	406,404,601
31.05.22				
US Dollar	–	–	148,986,902	148,986,902
Sterling	3,010,631	–	293,186,664	296,197,295
Total	3,010,631	–	442,173,566	445,184,197

Currency	Floating Rate financial liabilities £	Fixed Rate financial liabilities £	Financial liabilities not carrying interest £	Total £
31.05.23				
Sterling	543,493	–	936,100	1,479,593
Total	543,493	–	936,100	1,479,593
31.05.22				
Sterling	1,393,670	–	926,910	2,320,580
Total	1,393,670	–	926,910	2,320,580

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

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

Notes to the Financial Statements *(continued)*

13. Financial Instruments *(continued)*

Counterparty Risk

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

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 losses of £251 to the Fund during the year (31.05.22: realised gains of £136). All contracts were undertaken with Northern Trust as counterparty during the current year. There were no forward foreign currency contracts held at the end of the year (31.05.22: £nil).

Notes to the Financial Statements *(continued)*

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 £
31.05.23		
Level 1	10,270,005	—
Level 2	358,204,356	—
Level 3	32,851,573	—
Total	401,325,934	—

Basis of valuation	Assets £	Liabilities £
31.05.22		
Level 1	21,051,237	—
Level 2	417,764,061	—
Level 3	—	—
Total	438,815,298	—

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 data other than quoted prices within level 1. Instruments classified as level 3: Unobservable data mainly comprise non-market traded and unquoted securities.

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

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

The fair value of the Fund's investment in Long Walk Master Fund and Prevatt Global Investments Funds are determined using the independently provided external valuation which is then verified as part of a robust governance process involving the Valuation and Pricing Committee.

Notes to the Financial Statements *(continued)*

15. Portfolio Transaction Costs

For the year ended 31 May 2023

	Equities £	%	Funds £	%	Total £
31.05.23					
Analysis of total purchases costs					
Purchases in year before transaction costs	–		133,039,321		133,039,321
Commissions	–	–	–	–	–
	–		–		–
Purchases including transaction costs	–		133,039,321		133,039,321
Analysis of total sales costs					
Sales in year before transaction costs	6,813,838		163,978,458		170,792,296
Commissions	(3,209)	0.05	–	–	(3,209)
Expenses and other charges	(23)	–	–	–	(23)
	(3,232)		–		(3,232)
Sales net of transaction costs	6,810,606		163,978,458		170,789,064

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 31 May 2022

	Equities £	%	Funds £	%	Total £
31.05.22					
Analysis of total purchases costs					
Purchases in year before transaction costs	21,773,022		89,345,329		111,118,351
Commissions	10,292	0.05	88	–	10,380
Expenses and other charges	40	–	–	–	40
	10,332		88		10,420
Purchases including transaction costs	21,783,354		89,345,417		111,128,771
Analysis of total sales costs					
Sales in year before transaction costs	–		168,537,290		168,537,290
Commissions	–	–	(90)	–	(90)
	–		(90)		(90)
Sales net of transaction costs	–		168,537,200		168,537,200

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 0.89%.

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%	1.73%	£500
I-Class Units	0.00%	0.98%	£1,000,000
J-Class Units	0.00%	1.33%	£500

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

The Net Asset Value per unit and the number of units in each class are given in the Comparative Tables on pages 7 and 8. All unit classes have the same rights on winding up.

Notes to the Financial Statements *(continued)*

16. Unitholders' Funds *(continued)*

Reconciliation of Units	L-Class Income	L-Class Accumulation	I-Class Income	I-Class Accumulation
Opening number of units at 1 June 2022	2,625,346	32,558,375	6,648,395	64,644,345
Units issued in year	2,275	281,363	119,875	820,416
Units cancelled in year	(215,655)	(2,767,215)	(769,719)	(6,719,586)
Units converted in year	(210,979)	(4,480,903)	185,248	4,014,178
Closing number of units at 31 May 2023	2,200,987	25,591,620	6,183,799	62,759,353

Reconciliation of Units	J-Class Income	J-Class Accumulation
Opening number of units at 1 June 2022	478,634	4,424,400
Units issued in year	2,702	105,926
Units cancelled in year	(22,625)	(280,321)
Units converted in year	10,971	115,193
Closing number of units at 31 May 2023	469,682	4,365,198

Distribution Table

For the year ended 31 May 2023

FINAL

Group 1: Units purchased prior to 1 June 2022

Group 2: Units purchased on or after 1 June 2022 to 31 May 2023

	Income	Equalisation	Distribution paid 31.07.23	Distribution paid 29.07.22
L-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	–	–	–	–
Group 2	–	–	–	–
	Income	Equalisation	Distribution accumulated 31.07.23	Distribution accumulated 29.07.22
L-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	–	–	–	–
Group 2	–	–	–	–
	Income	Equalisation	Distribution paid 31.07.23	Distribution paid 29.07.22
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.9627	–	1.9627	1.1650
Group 2	1.9627	–	1.9627	1.1650
	Income	Equalisation	Distribution accumulated 31.07.23	Distribution accumulated 29.07.22
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.9843	–	1.9843	1.1744
Group 2	1.9843	–	1.9843	1.1744
	Income	Equalisation	Distribution paid 31.07.23	Distribution paid 29.07.22
J-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.4922	–	0.4922	–
Group 2	0.4922	–	0.4922	–
	Income	Equalisation	Distribution accumulated 31.07.23	Distribution accumulated 29.07.22
J-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.4965	–	0.4965	–
Group 2	0.4965	–	0.4965	–

Distribution Table *(continued)*

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)

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 Group Remuneration Policy.

General Information (unaudited) *(continued)*

Quantitative disclosures

The remuneration data provided below reflects amounts paid in respect of the performance year 2022 in relation to the funds managed by JUTM.

As at 31 December 2022, JUTM had GBP 27.3 billion assets under management consisting of 34 authorised Unit Trust, 12 sub-funds within 2 Open-Ended Investment Companies 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:	£8,678,282
Of which paid to Senior Management:	£2,755,669
Of which paid to other Identified Staff:	£5,922,613
Number of Identified Staff:	23
Total annual remuneration paid to employees in delegate(s):	£10,337,391
Of which fixed:	£1,344,131
Of which variable:	£8,993,260
Number of beneficiaries:	6

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 2022.

General Information (unaudited) *(continued)*

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.

Value Assessment

The Assessment of Value report for Jupiter Merlin Worldwide Portfolio, contained within a Composite Report on each of Jupiter's Unit Trusts is published annually on the Document Library at 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**

For further helpful information about investment scams and how to avoid them please visit **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**.

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Authorised and regulated by the Financial Conduct Authority whose address is
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