

Jupiter Merlin Real Return

Interim Report & Accounts (unaudited)

For the six months ended 31 December 2020



Contents

Fund Information*	1
Investment Report*	4
Comparative Tables	6
Portfolio Statement*	8
Statement of Total Return	9
Statement of Change in Net Assets Attributable to Unitholders	9
Balance Sheet	10
Directors' Statement	10
Notes to the Interim Financial Statements	11
General Information*	13

**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 Global Services SE (UK branch)
Trustee and Depositary Services
50 Bank Street
Canary Wharf
London E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation 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 M Moore

J Singh

K Baillie

T Scholefield

P Wagstaff

V Lazenby

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 Real Return 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 achieve a return, net of fees, that is at least 3% per annum higher than the Consumer Price Index over 3-year rolling periods.

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

The Consumer Price Index is an inflationary indicator published monthly by the UK Office for National Statistics that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation.

Investment Policy

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, although the underlying funds may do so.

Benchmarks

The Consumer Price Index is an inflationary indicator published monthly by the UK Office for National Statistics that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation and is a good relative measure to assess real capital appreciation.

Status

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

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

Unit Classes

In addition to the basic class of units which are available to all types of investors, the Fund also offers I-Class units which are available to investors who invest a minimum of £1,000,000, F-class units which are available to investors who invest a minimum of £10,000,000 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 Retail Units (non I-Class, non F-class and non J-Class) or I-Class Units, F-Class Units or J-Class Units. The unit types associated with each unit class are disclosed in the Comparative Tables on page 6.

Fund Information *(continued)*

Cumulative Performance (% change to 31 December 2020)

	6 months	1 year
Percentage Growth	4.1	2.8
CPI + 3%*	1.9	3.3

Source: Morningstar, I-Class Units, NAV to NAV or bid to NAV dependent on the period of reporting, all performance is net of fees with net income reinvested. Past performance is no guide to the future. *Target benchmark

This document is for informational purposes only and is not investment advice. Market and exchange rate movements can cause the value of an investment to fall as well as rise, and you may get back less than originally invested. We recommend you discuss any investment decisions with a financial adviser, particularly if you are unsure whether an investment is suitable. Jupiter is unable to provide investment advice. Current tax levels and reliefs will depend on your individual circumstances and are subject to change in the future. 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

For the 6 months to the end of December 2020 the Fund returned 4.1%* compared with the 1.9%* returned by its benchmark Consumer Price Index (CPI) + 3%. Over one year, the Fund has returned 2.8%* compared with 3.3%* returned by its benchmark CPI + 3%.

**Source: Morningstar, NAV to NAV or bid to NAV dependent on the period of reporting, all performance is net of fees with net income reinvested. The statistics disclosed above relate to I-Class Units unless otherwise stated.*

Market Review

As an extraordinary year comes to a close, global equity markets have been buoyant; the main US indices breached all-time highs in November, superficially at least giving the impression that Covid-19 and the subsequent collapse in the economy had barely existed.

For the first few months of the period, the long-running 'growth¹-versus-value²' debate, was won by those perceived as Covid 'winners', despite some froth evaporating during September. November was dominated by the US election and more importantly from an investment standpoint, the announcement of successful trial results of the first three vaccines against Covid. If day-to-day life still sees most of the western democracies battling with a second or even third wave of the virus and reimposing various restraints and curtailments of freedoms to deal with it with all the knock-on economic effects, those vaccines and others in the pipeline offer a real glimpse of light at the end of the tunnel and a return to some semblance of normal society. The almost immediate rotation by investors towards so-called 'value' companies, those which are economically sensitive which had been left behind, was pronounced.

Portfolio Position and Activity

We made some modest changes to the Portfolio early in the period, rebalancing some of our absolute return exposures to allow us to boost our weightings in fund such as Eleva Absolute Return Europe and Sandbar Global Equity Market Neutral. We also introduced the Merian Gold & Silver fund to sit alongside our existing VanEck Vectors Gold Miners holding, to broaden out our gold equity exposure and increase our position in companies further down the market cap scale.

Later in the period we redeemed our holding in the Ishares NASDAQ 100 on grounds that we did not want to have such concentrated exposure to the small set of large companies which dominate the Index.

We believe the vaccine announcements in November presage an economic recovery in 2021. The style rotation towards 'value' has the potential to prove more enduring than on previous occasions over the past three or four years, and we therefore decided to even up the 'value' exposure more in line with our exposure to 'growth' equities. We booked a very healthy profit on our gold investments, significantly reducing physical gold to around 2%, selling the VanEck Vectors Gold Miners in its entirety and reducing the Merian Gold & Silver fund to around 0.5%. We also trimmed our fixed income holding to increase our equity exposure. The proceeds were reinvested in 'value' equity funds: Jupiter Global Value and MAN GLG Income, both funds which we owned earlier in the year, reintroducing dedicated UK equity exposure to take advantage of the UK being one of the least-loved markets and therefore possibly with the best potential. We also reintroduced the Odey Absolute Return fund as we feel this strategy is well placed, focussing on out of favour companies with a bias towards the UK.

Investment Outlook

Covid-19 will still be dominating events in 2021, the various pipeline vaccines cannot come too quickly for some semblance of normal social behaviour to resume, but post-vaccine 'normal' will not be pre-Covid 'normal'. GDP growth will recover, but national balance sheets are in tatters and eventually the burgeoning debt mountains are going to have to be tackled, though whether through growth, inflation, taxation or austerity.

But change is perhaps more profound. There is no re-set button and we simply erase 2020 as if it never happened; societal norms are shifting and moreover they are expected to shift. It extends to the corporate world where stakeholders with their invested human, regulatory or commercial capital are increasingly prioritised over shareholders and their financial capital.

Investment Report *(continued)*

The inflation risk, and with it the interest rate outlook, remains benign thanks to slack economies and surplus capacity. As national governments' Covid recovery extend-and-pretend support schemes eventually recede and the oversupply of labour and capital narrows as economic recovery progresses, opinion is divided whether accelerating money supply through longer-term strategic fiscal stimulus packages risks inflationary pressures to which central banks feel the need to respond with higher interest rates. The past decade suggests structural deflationary pressures may have the upper hand.

Jupiter Merlin Real Return is for long term investors. To manage risk, and with liquidity uppermost in our minds, we deliberately blend a mix of styles among managers in whose funds we invest. But whatever their chosen approach, they share our core philosophy of aiming to capture decent performance in rising markets and trying to limit losses as far as possible when markets fall. We can't repeat it often enough: our approach is that of the tortoise over the hare; long-term investment over short-term speculation.

Jupiter Independent Funds Team

Fund Manager

¹ Stocks with potential to grow earnings significantly over time. Such stocks typically reinvest earnings into the business to fund future expansion.

² Stocks that currently trade below the intrinsic value of the company.

Comparative Tables

Change in net asset per unit

	Retail Accumulation**, ****			I-Class Accumulation**		
	31.12.20 (p)	30.06.20 (p)	30.06.19 (p)	31.12.20 (p)	30.06.20 (p)	30.06.19 (p)
Opening net asset value per unit	50.00	49.68	50.00	50.74	50.05	50.00
Return before operating charges*	2.58	1.48	0.38	2.62	1.48	0.40
Operating charges	(0.61)	(1.16)	(0.70)	(0.42)	(0.79)	(0.35)
Return after operating charges*	1.97	0.32	(0.32)	2.20	0.69	0.05
Distribution on accumulation unit	–	–	–	–	(0.03)	–
Retained distributions on accumulation unit	–	–	–	–	0.03	–
Closing net asset value per unit	51.97	50.00	49.68	52.94	50.74	50.05
*after direct transaction costs of:	–	–	–	–	–	–

Performance

Return after charges (%)	3.94	0.64	(0.64)	4.34	1.38	0.10
--------------------------	------	------	--------	------	------	------

Other Information

Closing net asset value (£'000)	2	6	38	7,529	7,683	19,865
Closing number of units	3,169	12,421	76,866	14,223,342	15,141,147	39,694,346
Operating charges (%)	2.34	2.31	2.42	1.59	1.56	1.67
Direct transaction costs (%)	0.01	0.01	–	0.01	0.01	–

Prices

Highest unit price (p)	52.24	51.81	50.50	53.19	52.44	50.55
Lowest unit price (p)	50.15	45.59	47.73	50.90	46.17	47.89

Change in net asset per unit

	J-Class Accumulation***	
	31.12.20 (p)	30.06.20 (p)
Opening net asset value per unit	50.01	49.32
Return before operating charges*	2.59	1.69
Operating charges	(0.53)	(1.00)
Return after operating charges*	2.06	0.69
Distribution on accumulation unit	–	–
Retained distributions on accumulation unit	–	–
Closing net asset value per unit	52.07	50.01
*after direct transaction costs of:	–	–

Performance

Return after charges (%)	4.12	1.40
--------------------------	------	------

Other Information

Closing net asset value (£'000)	10	9
Closing number of units	18,994	17,825
Operating charges (%)	2.04	2.02
Direct transaction costs (%)	0.01	0.01

Prices

Highest unit price (p)	52.32	50.06
Lowest unit price (p)	50.16	48.93

**The Fund was launched on 9 July 2018.

***The J-Class Accumulation units were launched on 29 May 2020.

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

Comparative Tables *(continued)*

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.

Retail Units



I-Class Units



J-Class Units



- 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 six months (annualised) to:	31.12.20***	31.12.19
Ongoing charges for Retail* Units	2.34%	2.41%
Ongoing charges for I-Class Units	1.59%	1.66%
Ongoing charges for J-Class** Units	2.04%	n/a

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

**There is no comparative figure as the class was launched on 29 May 2020.

***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) 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 31 December 2020

Holding	Investment	Market value £	Total net assets %
UK Equity Funds - 40.01% (25.32%)			
91,500	LF Odey Absolute Return Fund	384,190	5.09
8,500	Man GLG Alpha Select Alternative Fund	1,327,785	17.61
680,000	Man GLG Income Fund	741,880	9.84
1,500	Merian Gold and Silver Fund†	32,710	0.43
37,000	Merian UK Specialist Equity Fund†	530,836	7.04
		3,017,401	40.01
US Equity Funds - 6.95% (5.50%)			
4,500	Findlay Park American Fund	523,711	6.95
European Equity Funds - 6.82% (13.04%)			
375,000	Allianz Strategic Bond Fund	514,200	6.82
Far East Equity Funds - 0.00% (2.96%)			
Specialist Funds - 2.00% (15.53%)			
1,150	WisdomTree Physical Gold ETF	150,950	2.00
Global Equity Funds - 43.28% (31.51%)			
6,500	BlackRock UK Emerging Companies Absolute Return Fund	807,560	10.71
600	Eleva Absolute Return Europe Fund	700,992	9.30
100,000	Fundsmith Equity Fund	502,920	6.67
40,000	Jupiter JGF Global Value Fund†	503,200	6.67
7,000	Lumyna - Sandbar Global Equity Markets Neutral UCITS Fund	749,140	9.93
		3,263,812	43.28
	Total value of investments	7,470,074	99.06
	Net other assets	71,007	0.94
	Net assets	7,541,081	100.00

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

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

Statement of Total Return

For the six months ended 31 December 2020				
	Six months to 31.12.20		Six months to 31.12.19	
	£	£	£	£
Income				
Net capital gains		326,242		461,264
Revenue	21,111		16,627	
Expenses	(27,848)		(50,950)	
Interest payable and similar charges	(183)		(616)	
Net expense before taxation	(6,920)		(34,939)	
Taxation	–		–	
Net expense after taxation		(6,920)		(34,939)
Total return before distributions		319,322		426,325
Distributions		61		(955)
Change in net assets attributable to unitholders from investment activities		319,383		425,370

Statement of Change in Net Assets Attributable to Unitholders

For the six months ended 31 December 2020				
	Six months to 31.12.20		Six months to 31.12.19	
	£	£	£	£
Opening net assets attributable to unitholders		7,698,387		19,903,320
Amounts receivable on issue of units	28,673		463,704	
Amounts payable on cancellation of units	(505,362)		(7,653,833)	
		(476,689)		(7,190,129)
Change in net assets attributable to unitholders from investment activities		319,383		425,370
Closing net assets attributable to unitholders		7,541,081		13,138,561

Balance Sheet

As at 31 December 2020		
	31.12.20	30.06.20
	£	£
Assets		
Investments	7,470,074	7,225,439
Current assets:		
Debtors	7,784	372,312
Cash and bank balances	76,305	463,231
Total assets	7,554,163	8,060,982
Liabilities		
Creditors:		
Bank overdrafts	(11,580)	–
Other creditors	(1,502)	(362,595)
Total liabilities	(13,082)	(362,595)
Net assets attributable to unitholders	7,541,081	7,698,387

Directors' Statement

Jupiter Merlin Real Return

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

25 February 2021

Notes to the Interim Financial Statements

1. Accounting Policies

The interim financial statements have been prepared on 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).

Unless otherwise stated all other accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2020 and are described in those financial statements.

2. Financial Instruments

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

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

The Fund has little exposure to 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 risk and counterparty risk. The Manager reviews policies for managing these risk in pursuance of the Investment Objective and Policy as set out on page 2. These risks remain unchanged from 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 Manager's Report and Portfolio Statement.

Use of Derivatives

The Manager did not use any derivatives during the period under review (31.12.19: realised and unrealised gains of £2,933 on forward foreign currency contracts).

The underlying exposure for forward currency contracts were as follows:

Counterparty	31.12.20 £	31.12.19 £
Northern Trust	–	7,151
	–	7,151

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

Since the last day of dealing of the period on 31 December 2020, the Fund's quoted prices in pence have moved as follows:

	Price as at 31.12.20	Price as at 19.02.21	% Change
L-Class* Accumulation	51.92	51.89	-0.06
I-Class Accumulation	52.87	52.90	0.06
J-Class Accumulation	52.00	52.00	–

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

General Information (unaudited)

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**

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**.

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

www.jupiteram.com

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

