

# Jupiter Merlin Income Portfolio

Annual Report & Accounts

For the year ended 15 October 2021





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

## Fund Information

### Manager, Registrar and Administrator

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

Tel: **0800 561 4000**

Fax: **0800 561 4001**

**www.jupiteram.com**

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

*Authorised and regulated by the Financial Conduct Authority.*

### Trustee

Northern Trust 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 Manager

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

*Authorised and regulated by the Financial Conduct Authority.*

### Independent Auditors

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

### Directors

The Directors of Jupiter Unit Trust Managers Limited are:

**P Moore**

**J Singh**

**K Baillie\***

**T Scholefield**

**P Wagstaff**

**V Lazenby**

**D Skinner\*\***

*\*Resigned 29 November 2021*

*\*\*Appointed 24 September 2021*

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

## Fund Information *(continued)*

### Investment Objective

To provide income together with the prospect of capital growth to provide a return, net of fees, that is higher than the IA Mixed Investment 20%-60% Shares Sector average over the long term (at least five years).

### Investment Policy

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

### Benchmarks

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the IA Mixed Investment 20%-60% Shares Sector.

### Status

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

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

### Unit Classes

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

## Fund Information *(continued)*

### Cumulative Performance (% change to 15 October 2021)

	1 year	3 years	5 years	10 years
Percentage Growth	10.7	22.4	29.8	82.8
IA Mixed Investment 20%-60% Shares*	10.6	18.9	24.3	73.2
Sector Position	82/172	46/150	28/137	44/88
Quartile Ranking	2nd	2nd	1st	2nd

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

This document is for informational purposes only and is not investment advice. Market and exchange rate movements can cause the value of an investment to fall as well as rise and you may get back less than originally invested. We recommend you discuss any investment decisions with a financial adviser, particularly if you are unsure whether an investment is suitable. Jupiter is unable to provide investment advice. Current tax levels and reliefs will depend on your individual circumstances and are subject to change in the future. **All of the Fund's expenses are charged to capital. This has had the effect of increasing the distributions paid on an annualised basis on L-Class Units by up to 2.24% of the class' average Net Asset Value during the period under review (I-Class Units 1.49% and J-Class Units 1.94%) and constraining the class' capital performance to an equivalent extent. This portfolio can invest more than 35% of its value in securities issued or guaranteed by an EEA state.** For definitions please see the glossary at [jupiteram.com](http://jupiteram.com). Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Fund 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 its registered address is The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ.

## Investment Report

### Performance Review

For the year ended 15 October 2021, the Portfolio returned 10.7%\* compared to 10.6%\* for the IA Mixed Investments 20-60% Shares sector average in Sterling terms. Over five years, the Portfolio returned 29.8%\* compared to 24.3%\* for the IA Mixed Investment 20%-60% Shares sector average in Sterling terms.

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

### Distribution

A final quarterly distribution of 0.8175 pence per unit will be paid to holders of L-Class Income units on 15 December 2021 (1.9713 pence per unit L-Class Accumulation unit), bringing the total paid for the year under review to 3.0242 pence per unit for L-Class Income units (L-Class Accumulation units 7.2377 pence per unit) compared to 2.9798 pence per unit for L-Class income units (L-Class Accumulation units 6.9780 pence per unit) for the same period last year. A final quarterly distribution of 0.8715 pence per unit will be paid to holders of I-Class income units on 15 December 2021 (I-Class Accumulation units 2.0915 pence per unit), bringing the total paid for the year under review to 3.2176 pence per unit for I-Class Income units (I-Class Accumulation units 7.6640 pence per unit) compared to 3.1491 pence per unit for I-Class Income units (I-Class Accumulation units 7.3403 pence per unit) for the same period last year. Also, a final quarterly distribution of 0.8201 pence per unit will be paid to holders of J-Class Income units on 15 December 2021 (J-Class Accumulation units 1.9773 pence per unit), bringing the total paid for the year under review to 3.0305 pence per unit for J-Class Income units (J-Class Accumulation units 7.2514 pence per unit) compared to 1.3643 pence per unit for J-Class Income units (J-Class Accumulation units 3.2155 pence per unit) for the same period last year.

### Market Review

Nearly a year on from the arrival of the Covid-19 vaccines last November providing a prospective pathway towards recovery after the economic collapse of 2020, the effect of the rebound in global economic fortunes was pronounced in the first half of this year. However, it is evident that the release of pent-up demand has been such that many supply chain systems have had difficulty keeping up with the pace, both at the national level and globally: goods are log-jammed in the wrong places; in some sectors, notably haulage and logistics, labour shortages are acute (despite in many countries unemployment still being a factor, and in some cases appreciable numbers remaining on furlough). The net result is stuttering economic growth thanks to these pronounced frictional effects, but spiking inflation caused by shortages of raw materials and labour. If these seem contradictory and counter-intuitive, nevertheless they are the essential ingredients of the classic 1970s-type conditions: stagnant growth but rising costs giving rise to incipient "stagflation". The current situation is exacerbated by the compounding effect of a global electricity crisis, one in which to a greater or lesser extent all developed economies are being affected by an exponential increase in natural gas fuel prices, while in China an acute shortage of coal has led to swathes of Chinese industrial output being forced to close for up to 20 days a month to preserve stocks, literally to keep the lights on. Ahead of the November, United Nations COP26 Climate Change convention in Glasgow to plan the next phase of the global transition to a carbon net-zero society, a global energy crisis highlighting the lack of resilience in energy systems against a back-drop of ever-increasing demand for electricity should remind leaders of the need rapidly to develop sustainable, affordable and secure sources of energy for the foreseeable future.

### Policy Review

In October 2020, we switched M&G Strategic Corporate Bond Fund into M&G Global Corporate Bond Fund, managed by Ben Lord, offering a more concentrated approach to the attractive investment grade corporate bond sector.

## Investment Report *(continued)*

Preoccupied with capital preservation early in the pandemic, Portfolio equity exposure was biased towards 'growth' companies and those perceived as Covid-19 winners. Recognising the significance of the vaccine announcements in November and the visible prospect of economic recovery, we balanced up our 'growth' (An investment style that focuses on companies with the potential to grow their earnings significantly over time. Such companies typically reinvest earnings into the business to fund future expansion) and 'value' (An Investment style that focuses on buying stocks trading for less than their intrinsic value) styles. Believing the secular growth narrative remains intact we were reluctant to fund the 'value' additions from our 'growth' funds. Instead, we sold most of our physical gold exposure and most of the BlackRock Gold & General Fund holding at a significant profit. We also sold Jupiter Asian Income Fund. As investors began to price in higher inflation risk, particularly in the US, we trimmed the Allianz and Jupiter Strategic Bond funds to mitigate against weaker prices.

We reallocated some of the proceeds to the existing holding in M&G Global Dividend Fund. Anticipating Dominic Cummings' departure from No 10 presaging a likely Brexit deal, we added a new UK 'value' fund, Man GLG Income Fund seeking good-value, mispriced UK assets with the prospect of responding positively to economic recovery. Finally in November, we bought a new technology holding, BlueBox Global Technology Fund; manager William de Gale seeks companies which not only enable the technological revolution, but which are strong businesses, generating profits and cash and making decent returns. All these actions in November added significant extra value (had we not taken such action, performance would have been around 3% less or worse).

In March, to increase the Portfolio's exposure to the global economic recovery we bought a new holding in BlackRock Natural Resources Growth & Income Fund, investing in activities ranging from energy and mining to agriculture, trimming some Fundsmith Equity Fund and TB Wise Evenlode Income Fund. We also added to Morant Wright Nippon Yield Fund with its value approach in an attractive and cheap market. In April we opened a new position in Jupiter Global Equity Growth Unconstrained Fund, an interesting fund run by innovative managers based in the US which targets investment opportunities among disruptive technologies.

### Investment Outlook

The current situation presents a pretty policy problem for the major central banks, stuck on the horns of a dilemma. On the one hand, strong inflationary pressures which are showing signs of becoming enduring rather than merely transitory, scream "raise rates!", not least to mitigate against the corrosive effects of increasingly negative real interest rates (the amount by which inflation exceeds bank interest rates, eroding the purchasing power of savers' cash). On the other, the dislocation and disruption and the stuttering global recovery say that now is not the right time to be thinking either about tapering Quantitative Easing (QE) (is a monetary policy whereby a central bank buys government bonds or other financial assets in order to inject money into the economy to expand economic activity) or raising interest rates. What is also abundantly clear is that were we to talk ourselves in to a second global recession, the central banks would be on the ropes; while there are many technical complexities to monetary policy, essentially there are only two principal levers at a central banker's disposal: 1) pumping in money through QE (a strategy already demonstrably obeying the law of diminishing returns economically), and 2) flexing interest rates. But rates are already at zero (negative in the Eurozone); that lever is at its maximum limit on the arc of effective travel, the US Federal Reserve (FED) in particular having been adamant that negative rates are not a viable option. The risk is that central banks would be going to war with half their armoury unavailable. The language from the principal central bankers, Powell at the FED, Lagarde at the European Central Bank, Kuroda in Japan and Bailey at the Bank of England, is to hold a consistent line: this is a bump in the road, dislocation will sort itself out, the inflation pressure is transitory; keep calm. But you can tell that behind the microphones and the podiums, they have all their fingers and toes crossed; they are in trouble if they are wrong.

### Jupiter Independent Funds Team

## Comparative Tables

Change in net asset per unit						
	L-Class Income**			I-Class Income		
	15.10.21 (p)	15.10.20 (p)	15.10.19 (p)	15.10.21 (p)	15.10.20 (p)	15.10.19 (p)
Opening net asset value per unit	134.74	136.33	129.65	142.88	143.68	135.83
Return before operating charges*	16.25	4.30	12.83	17.06	4.36	13.27
Operating charges	(3.17)	(2.91)	(2.30)	(2.25)	(2.01)	(1.37)
Return after operating charges*	13.08	1.39	10.53	14.81	2.35	11.90
Distributions on income unit	(3.02)	(2.98)	(3.85)	(3.22)	(3.15)	(4.05)
Closing net asset value per unit	144.80	134.74	136.33	154.47	142.88	143.68
*after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after charges (%)	9.71	1.02	8.12	10.37	1.64	8.76
Other Information						
Closing net asset value (£'000)	143,446	153,250	182,360	337,001	349,948	381,502
Closing number of units	99,067,924	113,737,973	133,766,409	218,172,558	244,932,564	265,517,653
Operating charges (%)	2.24	2.16	2.21	1.49	1.41	1.46
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest unit price (p)	147.70	140.88	140.26	157.46	148.65	147.64
Lowest unit price (p)	130.71	118.33	126.84	138.64	125.03	133.05

Change in net asset per unit		
	J-Class Income***	
	15.10.21 (p)	15.10.20 (p)
Opening net asset value per unit	134.87	132.98
Return before operating charges*	16.20	5.77
Operating charges	(2.76)	(2.52)
Return after operating charges*	13.44	3.25
Distributions on income unit	(3.03)	(1.36)
Closing net asset value per unit	145.28	134.87
*after direct transaction costs of:	–	–
Performance		
Return after charges (%)	9.97	2.44
Other Information		
Closing net asset value (£'000)	11,526	9,526
Closing number of units	7,933,707	7,062,714
Operating charges (%)	1.94	1.86
Direct transaction costs (%)	–	–
Prices		
Highest unit price (p)	148.16	137.07
Lowest unit price (p)	130.85	131.85

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

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

## Comparative Tables *(continued)*

Change in net asset per unit						
	L-Class Accumulation**			I-Class Accumulation		
	15.10.21 (p)	15.10.20 (p)	15.10.19 (p)	15.10.21 (p)	15.10.20 (p)	15.10.19 (p)
Opening net asset value per unit	320.13	316.63	292.65	337.68	332.17	305.17
Return before operating charges*	38.58	10.32	29.23	40.48	10.19	30.10
Operating charges	(7.59)	(6.82)	(5.25)	(5.35)	(4.68)	(3.10)
Return after operating charges*	30.99	3.50	23.98	35.13	5.51	27.00
Distribution on accumulation unit	(7.24)	(6.98)	(8.79)	(7.66)	(7.34)	(9.20)
Retained distributions on accumulation unit	7.24	6.98	8.79	7.66	7.34	9.20
Closing net asset value per unit	351.12	320.13	316.63	372.81	337.68	332.17
*after direct transaction costs of:	0.01	0.01	–	0.01	0.01	–
Performance						
Return after charges (%)	9.68	1.11	8.19	10.40	1.66	8.85
Other Information						
Closing net asset value (£'000)	539,140	563,496	658,106	971,223	976,243	1,033,315
Closing number of units	153,547,179	176,018,719	207,844,874	260,516,285	289,105,542	311,083,326
Operating charges (%)	2.24	2.16	2.21	1.49	1.41	1.46
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest unit price (p)	356.15	328.04	323.60	377.90	334.85	339.04
Lowest unit price (p)	310.43	276.68	286.30	327.71	290.99	298.91

Change in net asset per unit		
	J-Class Accumulation***	
	15.10.21 (p)	15.10.20 (p)
Opening net asset value per unit	316.36	312.59
Return before operating charges*	42.54	9.70
Operating charges	(6.60)	(5.93)
Return after operating charges*	35.94	3.77
Distribution on accumulation unit	(7.25)	(3.22)
Retained distributions on accumulation unit	7.25	3.22
Closing net asset value per unit	352.30	316.36
*after direct transaction costs of:	0.01	0.01
Performance		
Return after charges (%)	11.36	1.21
Other Information		
Closing net asset value (£'000)	34,682	26,639
Closing number of units	9,844,600	8,420,431
Operating charges (%)	1.94	1.86
Direct transaction costs (%)	–	–
Prices		
Highest unit price (p)	357.25	323.53
Lowest unit price (p)	310.76	309.93

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

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

## Comparative Tables *(continued)*

### Portfolio Turnover Rate

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

	Year to 15.10.21	Year to 15.10.20
Portfolio Turnover Rate	48.83%	67.09%

The PTR provides an indication of the rate the Manager has bought and sold the underlying assets of the Fund during the year 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.

Charges taken from the Fund over the year to:	15.10.21	15.10.20**
Ongoing charges for L-Class* Units	2.24%	2.16%
Ongoing charges for I-Class Units	1.49%	1.41%
Ongoing charges for J-Class Units	1.94%	1.86%

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

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

## Portfolio Statement

As at 15 October 2021

Holding	Investment	Market value £	Total net assets %
<b>UK Equity Funds - 35.01% (28.72%)</b>			
600,000	BlackRock Gold and General Fund	7,848,000	0.38
18,000,000	Jupiter Income Trust Fund <sup>†</sup>	86,725,800	4.26
75,000,000	Jupiter UK Special Situations Fund <sup>†</sup>	142,395,000	6.99
120,000,000	Man GLG Income Fund	143,760,000	7.06
58,000,000	Royal London UK Equity Income Fund	69,890,000	3.43
109,000,000	TB Wise Evenlode Income Fund	262,591,900	12.89
		<b>713,210,700</b>	<b>35.01</b>
<b>Fixed Interest Funds - 31.84% (36.34%)</b>			
165,000,000	Allianz Strategic Bond Fund	205,293,000	10.08
40,000,000	Hermes Multi Strategy Credit Fund	42,956,000	2.11
255,000,000	Jupiter Strategic Bond Fund <sup>†</sup>	168,096,000	8.25
17,000,000	M&G Global Corporate Bond Fund	179,006,600	8.79
500,000	Vontobel Fund - TwentyFour Strategic Income Fund	53,230,000	2.61
		<b>648,581,600</b>	<b>31.84</b>
<b>Overseas Equity Funds - 25.12% (16.71%)</b>			
61,000,000	BlackRock Natural Resources Growth & Income Fund	61,183,000	3.00
140,000	BlueBox Global Technology Fund	136,389,162	6.70
28,000,000	Fundsmith Equity Fund	159,908,000	7.85
250,000	Jupiter Global Equity Growth Unconstrained Fund <sup>†</sup>	26,842,500	1.32
12,000,000	LF Morant Wright Nippon Yield Fund	42,648,000	2.09
33,000,000	M&G Global Dividend Fund	84,720,900	4.16
		<b>511,691,562</b>	<b>25.12</b>
<b>Others - 7.46% (16.68%)</b>			
10,386	Mayfair Capital Commercial Property Trust* <sup>^</sup>	115,375,581	5.67
300,000	WisdomTree Physical Gold ETF	36,523,540	1.79
		<b>151,899,121</b>	<b>7.46</b>
	Total value of investments	<b>2,025,382,983</b>	<b>99.43</b>
	Net other assets	<b>11,634,689</b>	<b>0.57</b>
	<b>Net assets</b>	<b>2,037,017,672</b>	<b>100.00</b>

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

The figures in brackets show allocations as at 15 October 2020.

<sup>†</sup>Represents an investment in a Jupiter Investment Management Group Limited product.

<sup>\*</sup>Represents an unquoted security.

<sup>^</sup>Represents an unapproved security.

## Summary of Material Portfolio Changes

### Total purchases and significant sales for the year ended 15 October 2021

Purchases	Cost £	Sales	Proceeds £
Man GLG Income Fund	192,305,000	Fundsmith Equity Fund	162,038,200
LF Morant Wright Nippon Yield Fund	42,311,600	WisdomTree Physical Gold ETF	133,872,766
M&G Global Dividend Fund	98,721,000	Man GLG Income Fund	77,000,000
BlackRock Natural Resources Growth & Income Fund	60,825,600	M&G Global Dividend Fund	67,989,900
Jupiter Global Equity Growth Unconstrained Fund	25,000,000	BlackRock Gold and General Fund	59,840,000
BlueBox Global Technology Fund	121,493,993	Amundi Physical Gold	58,982,685
		TB Wise Evenlode Income Fund	50,552,600
		Jupiter Strategic Bond Fund	36,687,500
		Allianz Strategic Bond Fund	26,898,000
		M&G Global Corporate Bond Fund	26,538,950
		Subtotal	700,400,601
<b>Total cost of purchases for the year</b>	<b>540,657,193</b>	<b>Total proceeds of sales, including the above, for the year</b>	<b>731,439,451</b>

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

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

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

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

## Statement of Trustee's Responsibilities in relation to the Financial Statements of the Scheme and Report of the Trustee to the Unitholders of the Jupiter Merlin Income Portfolio ("the Fund") for the Year Ended 15 October 2021

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

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

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

The Trustee must ensure that:

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

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

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

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

### Northern Trust Global Services SE (UK Branch)

Trustee & Depositary Services

London

7 December 2021

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

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the financial position of the Fund as at 15 October 2021 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 15 October 2021; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Tables; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

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

## **Independent auditors' report to the Unitholders of Jupiter Merlin Income 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.

### **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 Income Portfolio *(continued)*

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

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

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

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

### Use of this report

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

## **Independent auditors' report to the Unitholders of Jupiter Merlin Income 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

7 December 2021

## Statement of Total Return

For the year ended 15 October 2021					
	Note	Year to 15.10.21		Year to 15.10.20	
		£	£	£	£
Income					
Net capital gains	3		178,757,911		4,225,852
Revenue	4	48,339,757		54,168,552	
Expenses	5	(25,646,902)		(26,448,701)	
Interest payable and similar charges		(5,326)		(30)	
Net revenue before taxation		22,687,529		27,719,821	
Taxation	6	–		(2,485,520)	
Net revenue after taxation			22,687,529		25,234,301
<b>Total return before distributions</b>			<b>201,445,440</b>		<b>29,460,153</b>
Distributions	7		(44,177,848)		(47,279,204)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>157,267,592</b>		<b>(17,819,051)</b>

## Statement of Change in Net Assets Attributable to Unitholders

For the year ended 15 October 2021					
		Year to 15.10.21		Year to 15.10.20	
		£	£	£	£
<b>Opening net assets attributable to unitholders</b>			<b>2,079,101,695</b>		<b>2,255,283,029</b>
Amounts receivable on issue of units		12,154,509		22,322,929	
Amounts payable on cancellation of units		(244,424,641)		(215,876,569)	
			(232,270,132)		(193,553,640)
Change in net assets attributable to unitholders from investment activities			157,267,592		(17,819,051)
Unclaimed distributions			1,050		10,163
Retained distribution on accumulation units			32,917,467		35,181,194
<b>Closing net assets attributable to unitholders</b>			<b>2,037,017,672</b>		<b>2,079,101,695</b>

## Balance Sheet

As at 15 October 2021			
	Note	15.10.21 £	15.10.20 £
<b>Assets</b>			
Fixed Assets:			
Investments		2,025,382,983	2,046,930,166
Current assets:			
Debtors	8	10,510,557	224,455,301
Cash and bank balances	9	8,833,891	22,425,721
Total assets		2,044,727,431	2,293,811,188
<b>Liabilities</b>			
Creditors:			
Bank overdrafts		(52,121)	–
Distributions payable		(2,776,318)	(3,088,330)
Other creditors	10	(4,881,320)	(211,621,163)
Total liabilities		(7,709,759)	(214,709,493)
<b>Net assets attributable to unitholders</b>		<b>2,037,017,672</b>	<b>2,079,101,695</b>

## Directors' Statement

### Jupiter Merlin Income 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, Phil Wagstaff**

Jupiter Unit Trust Managers Limited

London

7 December 2021

## 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 11, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

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

#### (b) Revenue

All dividends and interest from underlying funds declared ex-dividend during the year ended 15 October 2021 are included in revenue, net of any attributable tax.

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

Bank interest are accrued up to the year end date.

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

#### (c) Expenses

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

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

#### (d) Valuation of Investments

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at Close of Business on 15 October 2021, being the last valuation point of the year. Market value is defined by the SORP as fair value which is generally the bid value of each security.

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 15 October 2021. For investments in other Collective Investment Schemes, they are valued at the bid price for dual priced funds and at the single price for single priced funds as defined by the SORP as being their respective fair value.

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

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

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

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

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

#### (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 15 October 2021, being the last valuation point of the year.

#### (f) Taxation

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

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

#### (g) Equalisation

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

### 2. Distribution Policies

#### (a) Basis of Distribution

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

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

#### (b) Distribution Dates

Net revenue, if any, will be distributed or accumulated to unitholders as a dividend distribution, quarterly on 15 March (1st quarter), 15 June (interim), 15 September (3rd quarter) and 15 December (final) in respect of the accounting periods ending 15 January (1st quarter), 15 April (interim), 15 July (3rd quarter) and 15 October (final).

#### (c) Expenses Charged to Capital for Distribution Purposes

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

#### (d) Unclaimed Distribution

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

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

### 3. Net Capital Gains

The net gains on investments during the year comprise:

	15.10.21 £	15.10.20 £
Currency gains	138,799	1,267,194
Transaction charges	–	(1,408)
Gains on non-derivative securities*	173,893,072	10,163,031
Gains/(losses) on forward currency contracts (see Note 13)**	380	(11,632,979)
Management fee rebates	4,725,660	4,430,014
<b>Net capital gains</b>	<b>178,757,911</b>	<b>4,225,852</b>

*Gains on non-derivative securities	£	£
Realised gains	187,647,962	98,762,466
Unrealised losses	(13,754,890)	(88,599,435)
	173,893,072	10,163,031

**Gains/(losses) on forward foreign currency contracts	£	£
Realised gains/(losses)	380	(11,632,979)
	380	(11,632,979)

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

### 4. Revenue

	15.10.21 £	15.10.20 £
UK dividends (franked) from authorised collective investment schemes	27,540,394	20,655,710
Interest distributions from authorised ICVCs and unit trusts	11,577,335	24,577,320
Offshore distributions from collective investment schemes	10,598	–
Bank interest	6	37,754
Management fee rebates	4,742,531	5,487,390
Distributions from property unit trusts	4,468,893	3,410,378
<b>Total revenue</b>	<b>48,339,757</b>	<b>54,168,552</b>

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

### 5. Expenses

	15.10.21 £	15.10.20 £
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Annual management charge	21,072,979	21,808,533
Registration fees	–	2,790,016
	<u>21,072,979</u>	<u>24,598,549</u>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee's fee	–	81,555
Safe custody charges	–	(9,603)
	<u>–</u>	<u>71,952</u>
<b>Other expenses:</b>		
Audit fee*	–	9,241
Financial Conduct Authority fee	–	70
Aggregate Operating Fee	4,573,923	1,768,889
	<u>4,573,923</u>	<u>1,778,200</u>
<b>Total expenses</b>	<u><b>25,646,902</b></u>	<u><b>26,448,701</b></u>

\*The audit fee (excluding VAT) incurred during the year was £12,677 (15.10.20: £12,130). The current year amount is borne by the Manager as it is paid out of the Aggregate Operating Fee.

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

### 6. Taxation

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

	15.10.21 £	15.10.20 £
Corporation tax	–	2,485,520
<b>Total tax charge for the year</b>	<b>–</b>	<b>2,485,520</b>

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

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

	15.10.21 £	15.10.20 £
Net revenue before taxation	22,687,529	27,719,821
Corporation tax of 20% (2020: 20%)	4,537,506	5,543,964
<b>Effects of:</b>		
Current year expenses not utilised	152,756	–
Revenue not subject to taxation	(5,635,394)	(3,944,447)
Taxable revenue in capital	945,132	886,003
<b>Current tax charge for the year</b>	<b>–</b>	<b>2,485,520</b>

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

#### (c) Provision for Deferred Tax

At 15 October 2021, there are surplus management expenses of £763,781 (15.10.20: £nil). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore a Deferred Tax asset of £152,756 (15.10.20: £nil) 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:

	15.10.21 £	15.10.20 £
1st interim distribution	7,212,523	15,111,208
2nd interim distribution	13,372,082	10,592,187
3rd interim distribution	11,559,541	8,680,412
Final distribution	11,446,549	12,466,957
	43,590,695	46,850,764
Amounts received on issue of units	(29,879)	(65,536)
Amounts paid on cancellation of units	617,032	493,976
<b>Net distributions for the year</b>	<b>44,177,848</b>	<b>47,279,204</b>
<b>Reconciliation of net revenue after taxation to distributions:</b>		
Net revenue after taxation	22,687,529	25,234,301
Charges borne by capital	25,646,902	26,448,703
Tax relief on capitalised expenses	(4,156,688)	(4,403,738)
Equalisation on conversions	(9)	(31)
Net movement in revenue account	114	(31)
<b>Net distributions for the year</b>	<b>44,177,848</b>	<b>47,279,204</b>

Details of the distributions in pence per unit are shown in the Distribution Tables on pages 34 to 41.

### 8. Debtors

	15.10.21 £	15.10.20 £
Accrued revenue	7,753,268	12,425,715
Amounts receivable for issue of units	104,395	379,173
Management fee rebates receivable	2,031,414	1,294,033
Sales awaiting settlement	–	210,159,900
Corporation tax receivable	621,480	196,480
<b>Total debtors</b>	<b>10,510,557</b>	<b>224,455,301</b>

### 9. Cash and Bank Balances

	15.10.21 £	15.10.20 £
Cash and bank balances	8,833,891	22,425,721
<b>Total cash and bank balances</b>	<b>8,833,891</b>	<b>22,425,721</b>

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

### 10. Other Creditors

	15.10.21 £	15.10.20 £
Accrued expenses	1,515,612	1,539,564
Amounts payable for cancellation of units	3,365,708	2,935,049
Purchases awaiting settlement	–	207,146,550
<b>Total other creditors</b>	<b>4,881,320</b>	<b>211,621,163</b>

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

The Fund had no contingent assets, liabilities or capital commitments at the balance sheet date (15.10.20: £nil).

### 12. Related Party Transactions

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

Amounts receivable/(payable) from JUTM in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders. At the year end, a net balance of £3,261,313 was payable to JUTM (15.10.20: £2,555,876 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, £1,515,612 (15.10.20: £1,256,127) was payable to JUTM. This amount is included as part of accrued expenses in Note 10.

Holdings in other Jupiter products at the year-end, which are shown in the portfolio statement on page pages 19 to 33 are valued at £424,059,300 (15.10.20: £398,457,950). There were no outstanding trade transaction at year end (15.10.20: £nil).

Dividends received from Jupiter products during the year totalled £9,849,324 (15.10.20: £14,883,681). At the year end, dividend receivable amounted to £1,261,350 (15.10.20: £882,922). This amount is included as part of accrued revenue in Note 8.

Where investments are held in other Jupiter products, a rebate could be paid into the Fund. Amounts received from other Jupiter products as management fee rebates are included in Note 3 (Net Capital Gains) and Note 4 (Revenue). At the year end, £2,031,414 (15.10.20: £1,294,033) was receivable from other Jupiter products. This amount is included as management fee rebates receivable in Note 8.

## 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 counterparty, liquidity and cash flow risk. These risks are not significant at current levels. The main risks it faces from its financial instruments are market price, foreign currency, interest rate and credit 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 Report and Portfolio Statement.

#### Leverage

In accordance with the requirements under the Alternative Investments Fund Managers Directive (AIFMD), the leverage employed by the Fund as at 15 October 2021 was 1:1 (15 October 2020: 0.99:1) as determined using the Gross method and 1:1 (15 October 2020: 1:1) as determined using the Commitment method.

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

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

	Maximum limit	Average leverage employed during the year to 15.10.21
Gross exposure	2:1	1:1
Commitment exposure	2:1	1:1

	Maximum limit	Average leverage employed during the year to 15.10.20
Gross exposure	2:1	0.99:1
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 per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £202,538,298 (15.10.20: £204,693,017). A ten per cent decrease would have an equal and opposite effect.

#### Foreign Currency Risk

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

Currency	15.10.21 £	15.10.20 £
US Dollar	172,860,581	243,777,215

#### Foreign Currency Risk Sensitivity

A ten per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £17,286,058 (15.10.20: £24,377,722). A ten per cent decrease would have an equal and opposite effect.

#### Interest Rate Risk

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

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

The interest rate risk profile of the Fund's financial assets and liabilities at 15 October was:

Currency	Floating Rate financial assets £	Fixed Rate financial assets £	Financial assets not carrying interest £	Total £
<b>15.10.21</b>				
US Dollar	–	–	172,912,702	172,912,702
Sterling	8,833,891	–	1,862,980,838	1,871,814,729
<b>Total</b>	<b>8,833,891</b>	<b>–</b>	<b>2,035,893,540</b>	<b>2,044,727,431</b>
<b>15.10.20</b>				
US Dollar	–	–	243,777,215	243,777,215
Sterling	22,425,721	–	2,027,608,252	2,050,033,973
<b>Total</b>	<b>22,425,721</b>	<b>–</b>	<b>2,271,385,467</b>	<b>2,293,811,188</b>

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

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

Currency	Floating Rate financial liabilities £	Fixed Rate financial liabilities £	Financial liabilities not carrying interest £	Total £
<b>15.10.21</b>				
US Dollar	52,121	–	–	52,121
Sterling	–	–	7,657,638	7,657,638
<b>Total</b>	<b>52,121</b>	<b>–</b>	<b>7,657,638</b>	<b>7,709,759</b>
<b>15.10.20</b>				
Sterling	–	–	214,709,493	214,709,493
<b>Total</b>	<b>–</b>	<b>–</b>	<b>214,709,493</b>	<b>214,709,493</b>

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

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

#### Credit Risk

Credit risk arises as the investment returns produced by the Fund's holdings in fixed interest funds are dependant on the issuer of the underlying bond contracts maintaining due payment of interest and capital. The 'Mixed Investment 20%-60% Shares' Investment Association sector requires the Fund to hold a minimum of 30% (maximum of 80%) of its total holdings in fixed interest funds or securities or in cash. The Manager aims to reduce this credit risk by holding a well diversified range of securities.

#### Use of Derivatives

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

#### Forward Foreign Currency Contracts

The Manager made use of forward foreign currency contracts during the year in order to hedge out some of the currency exposure in the Fund. This resulted in realised gains of £380 to the Fund during the year (15.10.20: realised losses of £11,632,979). All contracts were undertaken with Northern Trust as counterparty during the year.

There were no forward foreign currency contracts held at the end of the year.

## 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 £
<b>15.10.21</b>		
Level 1	36,523,540	–
Level 2	1,873,483,862	–
Level 3	115,375,581	–
<b>Total</b>	<b>2,025,382,983</b>	<b>–</b>

Basis of valuation	Assets £	Liabilities £
<b>15.10.20</b>		
Level 1	243,777,215	–
Level 2	1,700,047,910	–
Level 3	103,105,041	–
<b>Total</b>	<b>2,046,930,166</b>	<b>–</b>

The majority of financial instruments are classified as level 1: Quoted prices. Instruments classified as level 3: Unobservable data mainly comprise non-market traded and unquoted securities.

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

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

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 Mayfair Capital Commercial Property Trust is determined using Fund Manager's estimation of liquidation process and any potential recovery thereon, and taking into account where applicable any factors which may warrant adjustment to the net asset value 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 15 October 2021

	Funds £	%	Total £
<b>15.10.21</b>			
<b>Analysis of total purchases costs</b>			
Purchases in year before transaction costs	540,657,193		540,657,193
Commissions	–	–	–
	–		–
Purchases including transaction costs	540,657,193		540,657,193
<b>Analysis of total sales costs</b>			
Sales in year before transaction costs	731,487,677		731,487,677
Commissions	(48,226)	0.01	(48,226)
	(48,226)		(48,226)
Sales net of transaction costs	731,439,451		731,439,451

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 0.58%.

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

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

For the year ended 15 October 2020

	Funds £	%	Total £
<b>15.10.20</b>			
<b>Analysis of total purchases costs</b>			
Purchases in year before transaction costs	738,226,721		738,226,721
Commissions	31,394	–	31,394
	<u>31,394</u>		<u>31,394</u>
Purchases including transaction costs	<u>738,258,115</u>		<u>738,258,115</u>
<b>Analysis of total sales costs</b>			
Sales in year before transaction costs	930,474,090		930,474,090
Commissions	(27,517)	–	(27,517)
	<u>(27,517)</u>		<u>(27,517)</u>
Sales net of transaction costs	<u>930,446,573</u>		<u>930,446,573</u>

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

Commissions	0.00%
Expenses and other charges	0.00%

The average portfolio dealing spread as at the balance sheet date was 0.03%.

### 16. Unitholders' Funds

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

Unit Class	Initial Charge	Aggregate Operating Fee	Annual Management Charge	Minimum Initial Investment
L-Class* Units	0.00%	0.22%	1.50%	£500
I-Class Units	0.00%	0.22%	0.75%	£1,000,000
J-Class Units	0.00%	0.22%	1.20%	£500

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

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

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

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

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

Reconciliation of Units	L-Class Income*	L-Class Accumulation*	I-Class Income	I-Class Accumulation
Opening number of units at 16 October 2020	113,737,973	176,018,719	244,932,564	289,105,542
Units issued in year	1,850,196	177,368	2,793,169	1,047,293
Units cancelled in year	(15,019,489)	(19,385,863)	(30,127,178)	(30,885,760)
Units converted in year	(1,500,756)	(3,263,045)	574,003	1,249,210
Closing number of units at 15 October 2021	99,067,924	153,547,179	218,172,558	260,516,285

Reconciliation of Units	J-Class Income	J-Class Accumulation
Opening number of units at 16 October 2020	7,062,714	8,420,431
Units issued in year	376,474	156,077
Units cancelled in year	(423,974)	(654,718)
Units converted in year	918,493	1,922,810
Closing number of units at 15 October 2021	7,933,707	9,844,600

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

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

Since the last day of dealing of the period on 15 October 2021, the Fund's quoted prices in pence have moved as follows:

	Price as at 15.10.21	Price as at 01.12.21	% Change
L-Class Income*	145.65	145.47	(0.12)
L-Class Accumulation*	351.21	352.74	0.44
I-Class Income	155.38	155.31	(0.05)
I-Class Accumulation	372.90	374.82	0.51
J-Class Income	146.14	146.01	(0.09)
J-Class Accumulation	352.39	354.03	0.47

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

## Distribution Tables

For the quarter ended 15 January 2021

### FIRST INTERIM

Group 1: Units purchased prior to 16 October 2020

Group 2: Units purchased on or after 16 October 2020 to 15 January 2021

	Income	Equalisation	Distribution paid 15.03.21	Distribution paid 13.03.20
L-Class Income* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.4797	–	0.4797	0.9390
Group 2	0.2078	0.2719	0.4797	0.9390

	Income	Equalisation	Distribution accumulated 15.03.21	Distribution accumulated 13.03.20
L-Class Accumulation* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.1390	–	1.1390	2.1815
Group 2	0.7739	0.3651	1.1390	2.1815

	Income	Equalisation	Distribution paid 15.03.21	Distribution paid 13.03.20
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.5092	–	0.5092	0.9900
Group 2	0.2786	0.2306	0.5092	0.9900

	Income	Equalisation	Distribution accumulated 15.03.21	Distribution accumulated 13.03.20
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.2030	–	1.2030	2.2894
Group 2	0.8677	0.3353	1.2030	2.2894

	Income	Equalisation	Distribution paid 15.03.21	Distribution paid 13.03.20
J-Class Income** Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.4800	–	0.4800	n/a
Group 2	0.4458	0.0342	0.4800	n/a

	Income	Equalisation	Distribution accumulated 15.03.21	Distribution accumulated 13.03.20
J-Class Accumulation** Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.1382	–	1.1382	n/a
Group 2	0.7349	0.4033	1.1382	n/a

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

\*\*There are no comparative figures as the units were launched on 29 May 2020.

## Distribution Tables *(continued)*

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For the quarter ended 15 January 2021

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### All Unit Types

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

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

## Distribution Tables *(continued)*

For the quarter ended 15 April 2021

### SECOND INTERIM

Group 1: Units purchased prior to 16 January 2021

Group 2: Units purchased on or after 16 January 2021 to 15 April 2021

	Income	Equalisation	Distribution paid 15.06.21	Distribution paid 15.06.20
L-Class Income* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.9170	–	0.9170	0.6724
Group 2	0.6603	0.2567	0.9170	0.6724

	Income	Equalisation	Distribution accumulated 15.06.21	Distribution accumulated 15.06.20
L-Class Accumulation* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	2.1850	–	2.1850	1.5722
Group 2	1.1942	0.9908	2.1850	1.5722

	Income	Equalisation	Distribution paid 15.06.21	Distribution paid 15.06.20
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.9747	–	0.9747	0.7103
Group 2	0.3649	0.6098	0.9747	0.7103

	Income	Equalisation	Distribution accumulated 15.06.21	Distribution accumulated 15.06.20
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	2.3117	–	2.3117	1.6531
Group 2	1.1309	1.1808	2.3117	1.6531

	Income	Equalisation	Distribution paid 15.06.21	Distribution paid 15.06.20
J-Class Income** Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.9187	–	0.9187	n/a
Group 2	0.4500	0.4687	0.9187	n/a

	Income	Equalisation	Distribution accumulated 15.06.21	Distribution accumulated 15.06.20
J-Class Accumulation** Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	2.1891	–	2.1891	n/a
Group 2	1.1461	1.0430	2.1891	n/a

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

\*\*There are no comparative figures as the units were launched on 29 May 2020.

## Distribution Tables *(continued)*

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For the quarter ended 15 April 2021

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### All Unit Types

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

■ Franked investment income	82.11%
■ Annual payment (non-foreign element)	17.89%

## Distribution Tables *(continued)*

For the quarter ended 15 July 2021

### THIRD INTERIM

Group 1: Units purchased prior to 16 April 2021

Group 2: Units purchased on or after 16 April 2021 to 15 July 2021

	Income	Equalisation	Distribution paid 15.09.21	Distribution paid 15.09.20
L-Class Income* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.8100	–	0.8100	0.5564
Group 2	0.3218	0.4882	0.8100	0.5564

	Income	Equalisation	Distribution accumulated 15.09.21	Distribution accumulated 15.09.20
L-Class Accumulation* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.9424	–	1.9424	1.3078
Group 2	0.9833	0.9591	1.9424	1.3078

	Income	Equalisation	Distribution paid 15.09.21	Distribution paid 15.09.20
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.8622	–	0.8622	0.5884
Group 2	0.4486	0.4136	0.8622	0.5884

	Income	Equalisation	Distribution accumulated 15.09.21	Distribution accumulated 15.09.20
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	2.0578	–	2.0578	1.3765
Group 2	1.1221	0.9357	2.0578	1.3765

	Income	Equalisation	Distribution paid 15.09.21	Distribution paid 15.09.20
J-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.8117	–	0.8117	0.5519
Group 2	0.4531	0.3586	0.8117	0.5519

	Income	Equalisation	Distribution accumulated 15.09.21	Distribution accumulated 15.09.20
J-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.9468	–	1.9468	1.2971
Group 2	0.8973	1.0495	1.9468	1.2971

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

## Distribution Tables *(continued)*

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For the quarter ended 15 July 2021

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### All Unit Types

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

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

## Distribution Tables *(continued)*

### For the year ended 15 October 2021

#### FINAL

Group 1: Units purchased prior to 16 July 2021

Group 2: Units purchased on or after 16 July 2021 to 15 October 2021

	Income	Equalisation	Distribution payable 15.12.21	Distribution paid 15.12.20
L-Class Income* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.8175	–	0.8175	0.8120
Group 2	0.2269	0.5906	0.8175	0.8120

	Income	Equalisation	Distribution to be accumulated 15.12.21	Distribution accumulated 15.12.20
L-Class Accumulation* Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.9713	–	1.9713	1.9165
Group 2	0.9884	0.9829	1.9713	1.9165

	Income	Equalisation	Distribution payable 15.12.21	Distribution paid 15.12.20
I-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.8715	–	0.8715	0.8604
Group 2	0.4492	0.4223	0.8715	0.8604

	Income	Equalisation	Distribution to be accumulated 15.12.21	Distribution accumulated 15.12.20
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	2.0915	–	2.0915	2.0213
Group 2	1.0542	1.0373	2.0915	2.0213

	Income	Equalisation	Distribution payable 15.12.21	Distribution paid 15.12.20
J-Class Income Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	0.8201	–	0.8201	0.8124
Group 2	0.2750	0.5451	0.8201	0.8124

	Income	Equalisation	Distribution to be accumulated 15.12.21	Distribution accumulated 15.12.20
J-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	1.9773	–	1.9773	1.9184
Group 2	0.8516	1.1257	1.9773	1.9184

\*There are no comparative figures as the units were launched on 29 May 2021.

## Distribution Tables *(continued)*

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For the year ended 15 October 2021

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### All Unit Types

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

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

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

## General Information (unaudited)

### Remuneration

Under the requirements of the Alternative Investment Fund Managers Directive ('AIFMD'), Jupiter Unit Trust Managers Limited (JUTM) (part of the Jupiter Group, which comprises Jupiter Fund Management plc and all of its subsidiaries (Jupiter')) is required to comply with certain disclosure and reporting obligations for funds that are considered to be Alternative Investment Funds. This includes the Jupiter Merlin Income Portfolio (the 'Fund').

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

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

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

JUTM's Board includes two independent Non-Executive Directors who are remunerated directly by the company. No other members of the Board receive remuneration from JUTM and are instead remunerated directly by their employing entity in the Jupiter Group. JUTM does not employ any other staff. In the interests of transparency, Jupiter has apportioned the total employee remuneration paid to all its 510 staff (including Non-Executive Directors) in respect of JUTM's AIFMD duties performed for the AIFs on a "number of funds" basis. It has estimated that the total amount of employee remuneration paid in respect of duties for the Fund is £1,034,861, of which £407,704 is fixed remuneration and £627,157 is variable remuneration.

The aggregate total remuneration paid to AIFMD Identified Staff that is attributable to duties for the Fund is £554,981 of which £133,533 is paid to Senior Management and £421,448 is paid to Other Identified Staff. It should be noted that the aforementioned Identified Staff also provide services to other companies within Jupiter and its clients. They are included because their professional activities are considered to have a material impact on the risk profile of the Fund.

### Tax Information Reporting

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

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

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

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

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

### Value Assessment

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

### Advice to Unitholders

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

Fraudsters will often:

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

You can avoid investment scams by:

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

If you are suspicious, report it:

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

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

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

### Responsible Stewardship

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



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