

# Jupiter Merlin Funds

Société d'Investissement à Capital Variable (SICAV)

Annual Review and  
Audited Financial Statements

For the year ended 30 September 2019





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Subscriptions cannot be received on the basis of this report. Subscriptions can only be accepted on the basis of the current prospectus accompanied by the key investor information document supplemented by the latest annual report and semi-annual report if published thereafter.

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## Investment Objectives

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<b>Jupiter Merlin Funds – Jupiter Managed European Portfolio</b>	The investment objective of Jupiter Managed European Portfolio is to achieve long-term capital growth.
<b>Jupiter Merlin Funds – Jupiter Merlin International Balanced Portfolio</b>	The investment objective of Jupiter Merlin International Balanced Portfolio is to achieve long-term capital growth with income.
<b>Jupiter Merlin Funds – Jupiter Merlin International Equities Portfolio</b>	The investment objective of Jupiter Merlin International Equities Portfolio is to achieve long-term capital growth.
<b>Jupiter Merlin Funds – Jupiter Merlin Real Return Portfolio</b>	The investment objective of the Jupiter Merlin Real Return Portfolio is to achieve real returns over a 3 year rolling period.

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## Management, Administration and Independent Auditor

### Management, Administration and Independent Auditor

<b>Board of Directors</b>	Garth Lorimer Turner (Chairman)* Jacques Elvinger* Patrick Zurstrassen* Paula Moore Simon Rowson
<b>Registered Office</b>	Jupiter Merlin Funds 6, route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg
<b>Depositary, Paying Agent and Administrator</b>	J.P. Morgan Bank Luxembourg S.A. 6, route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg
<b>Management Company</b>	Jupiter Unit Trust Managers Limited (prior to 1 March 2019) The Zig Zag Building 70 Victoria Street London SW1E 6SQ United Kingdom  Authorised and regulated by the Financial Conduct Authority  Jupiter Asset Management International S.A. (from 1 March 2019) 5, rue Heienhaff L-1736 Senningerberg Grand Duchy of Luxembourg  Authorised and regulated by the CSSF
<b>Independent Auditor</b>	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator L-2182 Luxembourg Grand Duchy of Luxembourg
<b>Legal Adviser</b>	Elvinger Hoss Prussen, société anonyme 2, Place Winston Churchill L-1340 Luxembourg Grand Duchy of Luxembourg
<b>Investment Manager</b>	Jupiter Asset Management Limited The Zig Zag Building 70 Victoria Street London SW1E 6SQ United Kingdom  Authorised and regulated by the Financial Conduct Authority
<b>Distributor</b>	Jupiter Asset Management Limited The Zig Zag Building 70 Victoria Street London SW1E 6SQ United Kingdom

\*Independent

## Board of Directors' Report

The Board presents the Annual Review and Audited Financial Statements of the Company for the year ended 30 September 2019.

### Structure of the Company

The board of directors of the Company (the 'Board') has designated Jupiter Asset Management International S.A. ('JAMI') as Management Company of the Company to perform investment management, administration and marketing functions for the Company ('The Jupiter Global Fund'). JAMI is authorised as a management company managing UCITS governed by the UCITS Directive and is authorised and regulated by the Luxembourg regulator, the CSSF.

Following the United Kingdom's vote to leave the European Union ('EU') ('Brexit'), and to mitigate any regulatory impact on the Company upon Brexit, the board of directors of the Company (the 'Board') decided to terminate the appointment of Jupiter Unit Trust Managers Limited, a UK incorporated company, and appoint JAMI, a Luxembourg incorporated company, as the new management company of the Company, to perform investment management, administration and marketing functions for the Company as of 1 March 2019.

As at 30 September 2019, the Company comprised 4 funds with multiple share classes.

### Internal Control

The Board is responsible for establishing and maintaining the internal control structure of the Company, the objective being to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition and that transactions are executed in accordance with the applicable law and regulations and the Prospectus and are recorded properly in order to permit preparation of financial statements in conformity with generally accepted accounting principles.

### Corporate Governance and the ALFI Code of Conduct

The Board has responsibility for ensuring a high standard of corporate governance and adheres to the ALFI Code of Conduct ('the Code') which provides a framework of principles and best practice recommendations for the governance of Luxembourg investment funds, as set out below:

1. The Board should ensure that high standards of corporate governance are applied at all times;
2. The Board should have good professional standing and appropriate experience and use best efforts to ensure it is collectively competent to fulfil its responsibilities;
3. The Board should act fairly and independently in the best interests of the investors;
4. The Board should act with due care and diligence in the performance of its duties;
5. The Board should ensure compliance with all applicable laws and regulations and with the Company's constitutional documents;
6. The Board should ensure that investors are properly informed, are fairly and equitably treated, and receive the benefits and services to which they are entitled;

7. The Board should ensure that an effective risk management process and appropriate internal controls are in place;
8. The Board should identify and manage fairly and effectively, to the best of its ability, any actual, potential or apparent conflict of interest and ensure appropriate disclosure;
9. The Board should ensure that shareholder rights are exercised in a considered way and in the best interests of the Company;
10. The Board should ensure that the remuneration of the Board members is reasonable and fair and adequately disclosed.

The Board undertakes an annual review of ongoing compliance with the principles of the Code and considers that the Company has been in compliance with its principles in all material aspects throughout the financial year ended 30 September 2019.

### Responsibility and Role of the Board

The responsibility of the Board is governed by Luxembourg law. The Board is responsible for providing independent review and oversight in the best interests of the Company's investors. This includes approving the funds' strategies, ensuring the funds consistently follow their stated investment objectives, ensuring that the expenses charged to the fund are reasonable, fair and appropriate and the effective oversight of delegated functions including the appointment of delegated parties and review of their activities and performance.

The Board maintains a direct role in matters such as proposing and declaring distributions, signing material agreements, deciding on and approving matters of policy such as changes to the Prospectus, fund liquidations, mergers, launches and entering new markets.

The Board can take independent professional advice if necessary and at the Company's expense.

### Board Meetings

Board meetings are scheduled quarterly and additional meetings are arranged if necessary. Board agendas and papers are issued within a reasonable amount of time prior to the Board meeting to allow the Board members to give them due consideration. These papers include reports from JAMI, JAML (Jupiter Asset Management Limited) and JPMBL (J.P. Morgan Bank Luxembourg) ('the Delegates') which enable the Board to assess the Delegates' compliance with relevant compliance and internal audit obligations. Representatives from each of the Delegates are present at the Board meetings to respond to queries from the Board members.

The minutes of any Board meeting shall be signed by the chairman of the Board, or in his absence, by the chairman pro-tempore who presided at such Board meeting.

The Board is also informed of additional material matters without delay. Where immediate decisions are required due to time constraints, for example, the Board takes unanimous circular resolutions, delegates certain tasks to sub-committees and discusses pressing issues via conference calls.

## Board of Directors' Report (continued)

### Board Composition

The Board is composed of five Board members, three of them being independent from JAMI and JAML.

#### **GARTH LORIMER TURNER** Director and Chairman

Garth Lorimer Turner (British) is a Solicitor of the Supreme Court of England & Wales, a Solicitor of the Supreme Court of Hong Kong and a Bermuda Barrister & Attorney. He is a director of several companies, including investment funds.

#### **JACQUES ELVINGER** Director

Jacques Elvinger (Luxembourgish) is a partner of the Luxembourg law firm of Elvinger Hoss Prussen, société anonyme.

#### **PATRICK ZURSTRASSEN** Director

Patrick Zurstrassen (Belgian) is an independent director. He is honorary chairman of the European Confederation of Directors' Associations.

#### **PAULA MOORE** Director

Paula Moore (British) is a Chartered Accountant and a member of the Institute of Chartered Accountants in England and Wales. She is the Chief Operating Officer of JAML and a Director of JAMI, the Management Company.

#### **SIMON ROWSON** Director

Simon Rowson (British) is a Solicitor of the Supreme Court of England & Wales. He is Head of Legal of JAM.

### Directors' Fees, Expenses and Interests

Subject to approval by the Company's shareholders at each annual general meeting, the Board members are entitled to remuneration from the fund as well as insurance coverage and reasonable out of pocket expenses in connection with Board meetings.

The Directors' and Officers' Liability Insurance indemnifies the Board members against certain liabilities arising in the course of performing their duties and responsibilities but does not cover against any dishonest or fraudulent act or omission on their part.

Further details of directors' fees, expenses and interests can be found in Note 9 of the Financial Statements.

### Chairman's Review

Most investment markets closed a turbulent 12 months higher as concerns over the outlook for the global economy were countered by supportive action from central banks. Following steep stock market declines in the final quarter of 2018 resulting from fading optimism that the US and China would resolve their trade dispute, the first quarter of 2019 saw a sharp rebound amid growing speculation that central banks would take action to prevent a major slowdown in global growth. Global stocks remained volatile throughout the spring and summer, with further setbacks in May and August balanced by rising markets in other months. For UK investors, a fall in the value of the British pound due to the perceived greater likelihood of a no-deal Brexit helped to boost the returns of overseas stocks.

An increasingly protectionist stance from the US administration continued to unsettle investors: by the period end, the US had imposed tariffs on practically all Chinese exports, while China had retaliated with tariffs on US goods. Global trade slowed as a result, with the impact being felt mostly in the manufacturing sector. US manufacturing activity, as measured by the Institute of Supply Managers, fell in September 2019 to the lowest level in a decade, while Germany's export-heavy economy looked to be heading for a recession. Additionally, there were signs that the slowdown may be spreading to the services sector.

The weakening economic outlook caused central banks to undertake a U-turn in monetary policy as their focus switched from unwinding stimulus measures to reinstating them. After raising interest rates in December 2018, and predicting that interest rates would continue to rise throughout 2019 and 2020, in July the US Federal Reserve cut interest rates for the first time since 2008 – and followed this with a further cut in September. The European Central Bank also reduced interest rates further into negative territory and reinstated its bond-buying programme, having only stopped it in December 2018.

Bond markets surged as investors priced in cuts in those higher interest rates. Having reached a peak of 3.2% in October 2018, the yield on the 10-year US Treasury bond briefly fell below 1.5% at the end of August 2019 and the 30-year bond traded on a yield of less than 2.0% for the first time in history.

Closer to home, UK stocks rose modestly as Brexit-related uncertainty continued to weigh on the UK economy. Prime Minister Theresa May negotiated a withdrawal agreement with the EU but was forced to ask the EU to extend Article 50 after the UK parliament rejected the deal. With the Brexit deadline extended until 31 October, the Conservative Party suffered heavy losses in European and local elections, which precipitated a leadership election. New Prime Minister Boris Johnson took a 'do or die' approach to Brexit but, despite negotiating a renewed deal with the European Union that had begun to pass through parliament, a general election was subsequently called for 12 December in an attempt to resolve the parliamentary impasse.

Continuing uncertainty in the world makes life challenging for investors, although it is at times like these that active funds have the best opportunity to lay the foundations upon which long-term outperformance can be built. Jupiter's active philosophy empowers fund managers to invest according to their convictions and avoid becoming closet trackers that simply follow the market. I believe this approach means the portfolios are well-placed to adapt and thrive in a changing environment.

## Board of Directors' Report (continued)

### Chairman's Review (continued)

Jupiter has already taken a number of steps to mitigate the legal and operational impact of Brexit on the Jupiter Merlin Fund, whatever the timing and form the UK's exit from the European Union (EU) may take. These steps include , establishing a management company in Luxembourg, Jupiter Asset Management International S.A. ('JAMI'), which is regulated by the Luxembourg regulator, the Commission de Surveillance du Secteur Financier in order to ensure continuity of business for investors. No action is required by investors in the sub-funds of the Jupiter Merlin Fund as a result of Brexit.

JAMI was appointed as the management company to the Jupiter Merlin Fund on 1 March 2019. Jupiter does not anticipate any other significant changes becoming necessary but continues to monitor developments in the negotiations between the UK and the EU.

It was with great sadness that the Jupiter Merlin Funds Board was informed of the passing of Patrick Zurstrassen on the 7th November 2019. As a long serving director on the board since June 2008, Patrick brought a wealth of knowledge, enthusiasm and invaluable experience to the Board. He will be sorely missed.

### Annual General Meeting

The next annual general meeting of the Company will be held on 10 January 2020 at the registered office of the Company to consider matters relating to the year ended on 30 September 2019.

For and on behalf of the Board



**Garth Lorimer Turner**  
Chairman

Luxembourg, 13 December 2019



## **Audit report**

To the Shareholders of  
**Jupiter Merlin Funds**

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### **Our opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Jupiter Merlin Funds (the "Fund") and of each of its sub-funds as at 30 September 2019, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund's financial statements comprise:

- the statement of net assets as at 30 September 2019;
- the review of portfolios and schedule of investments as at 30 September 2019;
- the statement of operations and changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" 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.

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### **Other information**

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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, 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 in this regard.

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**Responsibilities of the Board of Directors of the Fund and those charged with governance for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines 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 Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' 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 Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

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**Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements**

The objectives of our audit 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 audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;
- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 13 December 2019

A handwritten signature in blue ink, appearing to read 'Shtayyeh', is written over a light blue horizontal line.

Serene Shtayyeh

## Statement of Net Assets

## Statement of Net Assets as at 30 September 2019

	Jupiter Managed European Portfolio EUR	Jupiter Merlin International Balanced Portfolio EUR	Jupiter Merlin International Equities Portfolio EUR	Jupiter Merlin Real Return Portfolio EUR	Combined EUR
<b>Assets</b>					
Investments in securities at cost	22,040,299	58,658,827	55,188,949	145,634,912	281,522,987
Unrealised gain/(loss)	4,457,291	10,369,362	24,285,215	20,978,159	60,090,027
Investments in securities at market value	26,497,590	69,028,189	79,474,164	166,613,071	341,613,014
Cash at bank and at brokers	2,819,259	700,654	625,597	5,985,284	10,130,794
Receivables on subscriptions	–	53,933	26,445	3,268,296	3,348,674
Dividends receivable	38,005	201,631	–	–	239,636
Management fee rebates	33,211	51,738	24,117	38,624	147,690
Unrealised gain on forward currency exchange contracts	–	37,663	–	495,716	533,379
Other assets	–	85	137	66	288
<b>Total assets</b>	<b>29,388,065</b>	<b>70,073,893</b>	<b>80,150,460</b>	<b>176,401,057</b>	<b>356,013,475</b>
<b>Liabilities</b>					
Payables on redemptions	–	65,426	45,845	36,685	147,956
Interest payable	1,160	321	320	1,157	2,958
Dividend distributions payable	–	21,594	–	–	21,594
Management fees payable	48,070	89,091	111,732	132,909	381,802
Unrealised loss on forward currency exchange contracts	–	4	229	10,238	10,471
Other liabilities	4,807	14,110	15,403	30,973	65,293
<b>Total liabilities</b>	<b>54,037</b>	<b>190,546</b>	<b>173,529</b>	<b>211,962</b>	<b>630,074</b>
<b>Total net assets</b>	<b>29,334,028</b>	<b>69,883,347</b>	<b>79,976,931</b>	<b>176,189,095</b>	<b>355,383,401</b>

The accompanying notes form an integral part of these financial statements.

## Statement of Operations and Changes in Net Assets

## Statement of Operations and Changes in Net Assets for the year ended 30 September 2019

	Jupiter Managed European Portfolio EUR	Jupiter Merlin International Balanced Portfolio EUR	Jupiter Merlin International Equities Portfolio EUR	Jupiter Merlin Real Return Portfolio EUR	Combined EUR
<b>Net assets at the beginning of the year</b>	<b>32,467,922</b>	<b>70,705,784</b>	<b>85,312,052</b>	<b>160,839,261</b>	<b>349,325,019</b>
<b>Income</b>					
Dividend income, net of withholding taxes	561,167	1,039,024	328,992	478,875	2,408,058
Bank interest	–	76	–	25	101
Management fee rebates	157,899	229,367	157,833	221,992	767,091
<b>Total income</b>	<b>719,066</b>	<b>1,268,467</b>	<b>486,825</b>	<b>700,892</b>	<b>3,175,250</b>
<b>Expenses</b>					
Management fees	592,009	1,065,389	1,359,483	1,587,357	4,604,238
Bank and other interest expenses	4,433	11,681	10,102	24,756	50,972
Aggregate operating fee	59,204	165,311	187,529	368,754	780,798
<b>Total expenses</b>	<b>655,646</b>	<b>1,242,381</b>	<b>1,557,114</b>	<b>1,980,867</b>	<b>5,436,008</b>
<b>Net investment income/(loss)</b>	<b>63,420</b>	<b>26,086</b>	<b>(1,070,289)</b>	<b>(1,279,975)</b>	<b>(2,260,758)</b>
Net realised gain/(loss) on:					
Sale of investments	1,093,417	2,801,297	5,098,842	935,752	9,929,308
Forward currency exchange contracts	–	(425,674)	(5,388)	3,156,212	2,725,150
Currency exchange	4,606	68,162	32,553	(272,926)	(167,605)
<b>Net realised gain/(loss) for the year</b>	<b>1,098,023</b>	<b>2,443,785</b>	<b>5,126,007</b>	<b>3,819,038</b>	<b>12,486,853</b>
Net change in unrealised appreciation/ (depreciation) on:					
Investments	(1,269,000)	903,831	(1,002,122)	(991,442)	(2,358,733)
Forward currency exchange contracts	–	37,489	(1,156)	223,795	260,128
Currency exchange	413	2,187	19	(40)	2,579
<b>Net change in unrealised appreciation/ (depreciation) for the year</b>	<b>(1,268,587)</b>	<b>943,507</b>	<b>(1,003,259)</b>	<b>(767,687)</b>	<b>(2,096,026)</b>
<b>Increase/(decrease) in net assets as a result of operations</b>	<b>(107,144)</b>	<b>3,413,378</b>	<b>3,052,459</b>	<b>1,771,409</b>	<b>8,130,102</b>
Subscriptions	37,672	9,208,904	3,048,509	31,107,866	43,402,951
Redemptions	(3,064,422)	(13,423,125)	(11,436,089)	(17,529,441)	(45,453,077)
<b>Increase/(decrease) in net assets as a result of movements in share capital</b>	<b>(3,026,750)</b>	<b>(4,214,221)</b>	<b>(8,387,580)</b>	<b>13,578,425</b>	<b>(2,050,126)</b>
Dividend distributions	–	(21,594)	–	–	(21,594)
<b>Net assets at the end of the year</b>	<b>29,334,028</b>	<b>69,883,347</b>	<b>79,976,931</b>	<b>176,189,095</b>	<b>355,383,401</b>

The accompanying notes form an integral part of these financial statements.

## Statistical Information

## Statistical Information as at 30 September 2019

	Shares outstanding as at 30 September 2019	NAV per Share as at 30 September 2019 (in class currency)	NAV per Share as at 30 September 2018 (in class currency)	NAV per Share as at 30 September 2017 (in class currency)
<b>Jupiter Managed European Portfolio</b>				
Class E EUR Acc	59,889	489.80	489.36	481.37
<b>Total net assets in EUR</b>		<b>29,334,028</b>	<b>32,467,922</b>	<b>34,544,984</b>
<b>Jupiter Merlin International Balanced Portfolio</b>				
Class D EUR Acc	346,756	13.82	12.99	12.34
Class D GBP A Inc	23,835	14.67	13.90	13.26
Class D GBP Acc	3,367	10.96	–	–
Class D USD Acc	118,817	11.32	11.28	10.93
Class E EUR Acc	33,999	433.06	411.91	396.17
Class E GBP Acc	2,199	381.74	363.17	347.24
Class E USD Acc	1,909	296.30	298.83	293.17
Class L EUR Acc	820,314	18.38	17.40	16.67
Class L GBP A Inc	860,042	20.77	19.69	18.78
Class L USD Acc	691,390	19.12	19.20	18.76
<b>Total net assets in EUR</b>		<b>69,883,347</b>	<b>70,705,784</b>	<b>74,873,249</b>
<b>Jupiter Merlin International Equities Portfolio</b>				
Class D EUR Acc	72,552	15.10	14.37	12.76
Class D GBP A Inc	13,442	16.46	15.66	13.83
Class D USD Acc	61,698	12.65	12.76	11.56
Class E EUR Acc	67,541	511.00	492.06	442.40
Class E GBP Acc	69	451.47	434.83	388.65
Class L EUR Acc	462,622	21.65	20.75	18.58
Class L GBP A Inc	362,036	28.80	27.61	24.57
Class L USD Acc	1,076,502	21.84	22.21	20.27
<b>Total net assets in EUR</b>		<b>79,976,931</b>	<b>85,312,052</b>	<b>116,761,786</b>
<b>Jupiter Merlin Real Return Portfolio</b>				
Class D EUR Acc	136,921	12.50	12.61	12.03
Class D GBP Acc HSC	320,888	13.03	12.99	12.29
Class I EUR Acc	7,354,863	14.12	14.24	13.58
Class I GBP Acc HSC	1,291,889	14.61	14.56	13.77
Class I USD Acc HSC	259,995	15.14	14.83	13.81
Class L EUR Acc	825,946	12.25	12.45	11.97
Class L GBP Acc HSC	87,853	12.44	12.50	11.91
Class L SGD Acc HSC	1,752,487	13.28	13.21	12.48
Class L USD Acc HSC	1,209,512	12.94	12.77	12.00
<b>Total net assets in EUR</b>		<b>176,189,095</b>	<b>160,839,261</b>	<b>155,497,278</b>

## Jupiter Managed European Portfolio

## Jupiter Managed European Portfolio Review of Portfolio as at 30 September 2019

### Performance

NAV	30 September 2019	30 September 2018	% Change
Class E EUR Acc	€489.80	€489.36*	0.09

\* Net Asset Values per Share include Swing Pricing Adjustments. For the current year, refer to Note 14 for further details.

### Review

The first half of 2019 saw the biggest rebound in global equity markets in over 20 years. After a fourth quarter of 2018 with precipitous declines, the S&P recovered by over 20% to late July when it hit its most recent peak.

The global economy is decelerating. President Trump's trade war, not only with China but virtually any major economy with a trade surplus with the US and with whom he has a political gripe, is taking its toll on confidence. An Emerging Market crisis last autumn as the economies of Venezuela and Turkey fell over was defused, though the recent collapse in Argentina suggests the danger is not over. China has slowed too, though mitigating actions by the Chinese authorities, including allowing the Yuan to devalue, may yet see 6% growth this year; in comparison to its major competitors it'd be an outstanding result; in the context of Chinese economic history, it's the slowest rate of growth in a generation. In the Eurozone, Italy is in recession, Germany is virtually in one, and France is sclerotic.

Against this backdrop, after a period since mid-2016 of tightening monetary policy by raising interest rates and/or scaling back Quantitative Easing (bond purchasing programmes), central banks have had to revert to remedial action to prevent global growth slipping away to nothing.

While equities appear sanguine, fixed income investors exude pessimism and have been fleeing to the safest havens available, buying the bonds of those countries and companies least likely to default. As they have done so, pushing prices up and yields down, at the period end some \$17 trillion, 26%, of global sovereign debt offered a guaranteed negative rate of return if held to redemption. There is a subtext: bond yields and central bank base rates correlate; as investors drive yields ever further down leaving central banks trailing in their wake, they expect such behaviour will force central banks to cut interest rates in sympathy. It's a power-play between central banks and the markets.

As global growth decelerates towards 2.6% this year from 3.2% in 2018, markets have been ten steps ahead of the central banks since the beginning of the year and central banks have indeed been frantically playing catch-up to restore a semblance of leadership. In July, the US Federal Reserve (the Fed) was forced to concede a cut in interest rates of 0.25%, having still been raising them as recently as last December. In emollient tones, Fed Chairman Jerome Powell declared it a 'mid-term policy adjustment', nothing about which to be concerned. Investors, unconvinced, continued their flight to safe havens, aggressively buying bonds of western governments and large, high quality companies, forcing yields even further down. With analysts trimming economic forecasts in the meantime, by the Fed's September meeting it felt impelled to cut interest rates by a further quarter point to 1.75-2.0%.

The European Central Bank is faring no better. In September it admitted recessionary pressures blighting Italy, Germany and France require a resumption of Quantitative Easing (printing money, from November 1st at a rate of €20bn a month) and reducing interest rates from minus 0.4% to minus 0.5% despite nine of the 25 Council members of President Draghi's board, including Germany, disagreeing with him. Admitting he's out of monetary policy bullets and appealing to national governments to help with fiscal stimulus, Draghi's parting shot ahead of his retirement on 31 October was to join Messrs Macron, Juncker and others demanding full fiscal union across the EU to create a homogenous economic system. It's entirely logical. But it requires political union as a pre-requisite, full concession of national sovereignty. EU members will eventually be confronted with a decision just as fundamental as ours with Brexit: In or Out?

In the UK it's difficult to avoid the subject of Brexit and the continuing shambles at Westminster. We are interested in Brexit but not obsessed with it. For us as global investors Brexit is just one among many important factors to be considered.

### Strategy

Over the last twelve months we have made a number of changes to the holdings within the Portfolio in order to better position it for the challenges we foresee.

We have amended a number of the positions, favouring the more quality, growth style as we feel they are better placed to weather the late economic cycle environment which we have felt was prevalent throughout 2019. This resulted in us redeeming our position in Quaero Capital Argonaut in July.

We continue to hold all of the other positions, but over the period tilted our exposures somewhat, bulking up our weighting in Evenlode Income and reducing our weighting in Jupiter Europa.

We believe the Jupiter Merlin Funds are appropriately structured to deal with the challenges of the future. With liquidity uppermost in our mind, we seek to invest in funds run by experienced managers with a blend of styles but who share our core philosophy of trying to capture good performance in buoyant markets while minimising as far as possible the risk of losses in more challenging conditions. The Portfolios are certainly not immune from market volatility but over time they are anticipated to be less volatile, and of course we are long-term investors, investing in managers who themselves are long-term investors who can use such volatility as an opportunity.

### Jupiter Independent Funds Team

30 September 2019

## Jupiter Managed European Portfolio

**Jupiter Managed European Portfolio** Schedule of Investments as at 30 September 2019

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
<b>Units of authorised UCITS or other collective investment undertakings</b>				
<b>Collective Investment Schemes – UCITS</b>				
<b>Luxembourg</b>				
The Jupiter Global Fund Jupiter Europa – Class L EUR A Acc <sup>†</sup>	EUR	110,000	1,486,100	5.06
The Jupiter Global Fund Jupiter European Growth – Class L EUR Acc <sup>†</sup>	EUR	145,000	5,528,850	18.85
			<b>7,014,950</b>	<b>23.91</b>
<b>United Kingdom</b>				
FP CRUX European Special Situations Fund – Class I Income GBP	GBP	2,140,000	5,425,167	18.50
Jupiter UK Special Situations Fund – I-Class Income Units <sup>†</sup>	GBP	1,650,000	3,575,398	12.19
Schroder European Alpha Income Fund – Class L Income GBP	GBP	6,450,000	4,933,971	16.82
TB Evenlode Income – Class C Income	GBP	2,000,000	5,548,104	18.91
			<b>19,482,640</b>	<b>66.42</b>
<b>Total Collective Investment Schemes – UCITS</b>			<b>26,497,590</b>	<b>90.33</b>
<b>Total Units of authorised UCITS or other collective investment undertakings</b>			<b>26,497,590</b>	<b>90.33</b>
<b>Total Investments</b>			<b>26,497,590</b>	<b>90.33</b>
<b>Cash</b>			<b>2,819,259</b>	<b>9.61</b>
<b>Other assets/(liabilities)</b>			<b>17,179</b>	<b>0.06</b>
<b>Total net assets</b>			<b>29,334,028</b>	<b>100.00</b>

<sup>†</sup> Related Party Fund

The accompanying notes form an integral part of these financial statements.

## Jupiter Merlin International Balanced Portfolio

## Jupiter Merlin International Balanced Portfolio Review of Portfolio as at 30 September 2019

### Performance

NAV	30 September 2019	30 September 2018 /Launch Date	% Change
Class D EUR Acc	€13.82*	€12.99*	6.39
Class D GBP A Inc	£14.67*	£13.90*	6.42*
Class D GBP Acc <sup>1</sup>	£10.96*	£10.00*	9.60
Class D USD Acc	\$11.32*	\$11.28*	0.35
Class E EUR Acc	€433.06*	€411.91*	5.13
Class E GBP Acc	£381.74*	£363.17*	5.11
Class E USD Acc	\$296.30*	\$298.83*	(0.85)
Class L EUR Acc	€18.38*	€17.40*	5.63
Class L GBP A Inc	£20.77*	£19.69*	5.58*
Class L USD Acc	\$19.12*	\$19.20*	(0.42)

\* Net Asset Values per Share include Swing Pricing Adjustments. For current year, refer to Note 14 for further details.

+ Performance takes into consideration dividend distributions during the year.

(1) Launch date 01 March 2019.

### Review

The first half of 2019 saw the biggest rebound in global equity markets in over 20 years. After a fourth quarter of 2018 with precipitous declines, the S&P recovered by over 20% to late July when it hit its most recent peak.

The global economy is decelerating. President Trump's trade war, not only with China but virtually any major economy with a trade surplus with the US and with whom he has a political gripe, is taking its toll on confidence. An Emerging Market crisis last autumn as the economies of Venezuela and Turkey fell over was defused, though the recent collapse in Argentina suggests the danger is not over. China has slowed too, though mitigating actions by the Chinese authorities, including allowing the Yuan to devalue, may yet see 6% growth this year; in comparison to its major competitors it'd be an outstanding result; in the context of Chinese economic history, it's the slowest rate of growth in a generation. In the Eurozone, Italy is in recession, Germany is virtually in one, and France is sclerotic.

Against this backdrop, after a period since mid-2016 of tightening monetary policy by raising interest rates and/or scaling back Quantitative Easing (bond purchasing programmes), central banks have had to revert to remedial action to prevent global growth slipping away to nothing.

While equities appear sanguine, fixed income investors exude pessimism and have been fleeing to the safest havens available, buying the bonds of those countries and companies least likely to default. As they have done so, pushing prices up and yields down, at the period end some \$17 trillion, 26%, of global sovereign debt offered a guaranteed negative rate of return if held to redemption. There is a subtext: bond yields and central bank base rates correlate; as investors drive yields ever further down leaving central banks trailing in their wake, they expect such behaviour will force central banks to cut interest rates in sympathy. It's a power-play between central banks and the markets.

As global growth decelerates towards 2.6% this year from 3.2% in 2018, markets have been ten steps ahead of the central banks since the beginning of the year and central banks have indeed been frantically playing catch-up to restore a semblance of leadership. In July, the US Federal Reserve (the Fed) was forced to concede a cut in interest rates of 0.25%, having still been raising them as recently as last December. In emollient tones, Fed Chairman Jerome Powell declared it a 'mid-term policy adjustment', nothing about which to be concerned. Investors, unconvinced, continued their flight to safe havens, aggressively buying bonds of western governments and large, high quality companies, forcing yields even further down. With analysts trimming economic forecasts in the meantime, by the Fed's September meeting it felt impelled to cut interest rates by a further quarter point to 1.75-2.0%.

The European Central Bank is faring no better. In September it admitted recessionary pressures blighting Italy, Germany and France require a resumption of Quantitative Easing (printing money, from November 1st at a rate of €20bn a month) and reducing interest rates from minus 0.4% to minus 0.5% despite nine of the 25 Council members of President Draghi's board, including Germany, disagreeing with him. Admitting he's out of monetary policy bullets and appealing to national governments to help with fiscal stimulus, Draghi's parting shot ahead of his retirement on 31 October was to join Messrs Macron, Juncker and others demanding full fiscal union across the EU to create a homogenous economic system. It's entirely logical. But it requires political union as a pre-requisite, full concession of national sovereignty. EU members will eventually be confronted with a decision just as fundamental as ours with Brexit: In or Out?

In the UK it's difficult to avoid the subject of Brexit and the continuing shambles at Westminster. We are interested in Brexit but not obsessed with it. For us as global investors Brexit is just one among many important factors to be considered.

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## Jupiter Merlin International Balanced Portfolio

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### **Jupiter Merlin International Balanced Portfolio** Review of Portfolio as at 30 September 2019 (continued)

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#### **Strategy**

Over the last twelve months we have made a number of changes to the holdings within the Portfolio in order to better position it for the challenges we foresee.

Within the equity component of the Portfolio we have consolidated a number of the positions, favouring the more quality, growth style managers as we feel they are better placed to weather the late economic cycle environment which we have felt was prevalent throughout 2019. This resulted in us redeeming our position in Quaero Capital Argonaut, the proceeds of which were reinvested in Crux European Special Situations and also Jupiter Global Emerging Markets, the resultant assets being directed into our holding in Stewart Investors Asia Pacific Leaders. In a similar way we sold our position in Merian (formerly Old Mutual) North American Equity and reinvested in Findlay Park American.

Within our global equity managers, we continue to hold both, but over the period tilted our exposure more firmly in the direction of Fundsmith by moving assets from our position in Jupiter Global Value.

In the bond space, we decided to sell our small position in the Ishares long dated Treasury ETF and instead have started a new position in the Allianz Strategic Bond. This fund is quite different to the majority of Strategic Bonds on the market because it takes a predominantly sovereign bond approach, looking to make excess returns by actively managing exposure to interest rates and country exposures while also selectively using corporate credit, emerging market and index linked bonds where the team deem appropriate. Unlike many bond funds the manager Mike Riddell will also take currency positions to enhance returns for his investors. We see this strategy as a good diversifier away from the more corporate credit focussed bond positions which we hold in the Portfolio and as such have reduced our weighting in the Twentyfour Strategic Income fund in order to bulk up this new position.

We believe the Jupiter Merlin Funds are appropriately structured to deal with the challenges of the future. With liquidity uppermost in our mind, we seek to invest in funds run by experienced managers with a blend of styles but who share our core philosophy of trying to capture good performance in buoyant markets while minimising as far as possible the risk of losses in more challenging conditions. The Portfolios are certainly not immune from market volatility but over time they are anticipated to be less volatile, and of course we are long-term investors, investing in managers who themselves are long-term investors who can use such volatility as an opportunity.

#### **Jupiter Independent Funds Team**

30 September 2019

## Jupiter Merlin International Balanced Portfolio

**Jupiter Merlin International Balanced Portfolio** Schedule of Investments as at 30 September 2019

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
<b>Units of authorised UCITS or other collective investment undertakings</b>				
<b>Collective Investment Schemes – UCITS</b>				
<b>Ireland</b>				
Findlay Park American Fund – Dollar Shares	USD	115,000	13,407,672	19.29
			<b>13,407,672</b>	<b>19.29</b>
<b>Luxembourg</b>				
The Jupiter Global Fund Jupiter Dynamic Bond – Class I EUR Q Inc <sup>†</sup>	EUR	1,170,000	12,729,600	18.21
The Jupiter Global Fund Jupiter Global Value – Class I GBP Acc <sup>†</sup>	GBP	280,000	3,989,805	5.71
Vontobel TwentyFour Strategic Income Fund – Class: AMH (hedged) EUR	EUR	87,000	8,614,740	12.33
			<b>25,334,145</b>	<b>36.25</b>
<b>United Kingdom</b>				
Allianz Strategic Bond Fund – Class I Dis	GBP	7,100,000	8,724,618	12.48
First State Stewart Investors Asia Pacific Leaders Fund – Class B (Accumulation) GBP	GBP	310,000	2,747,516	3.93
FP CRUX European Special Situations Fund – Class I Income GBP	GBP	900,000	2,281,612	3.27
Fundsmith Equity Fund – I Class Income Shares	GBP	1,850,000	8,899,879	12.74
Jupiter Japan Income Fund – I-Class Income Units <sup>†</sup>	GBP	1,030,000	1,185,745	1.70
LF Morant Wright Japan Fund – Class B Accumulation	GBP	235,000	1,141,246	1.63
Schroder European Alpha Income Fund – Class L Income GBP	GBP	1,000,000	764,956	1.09
			<b>25,745,572</b>	<b>36.84</b>
<b>Total Collective Investment Schemes – UCITS</b>			<b>64,487,389</b>	<b>92.38</b>
<b>Exchange Traded Funds</b>				
<b>Jersey</b>				
ETFS Physical Gold Fund	USD	35,000	4,540,800	6.50
			<b>4,540,800</b>	<b>6.50</b>
<b>Total Exchange Traded Funds</b>			<b>4,540,800</b>	<b>6.50</b>
<b>Total Units of authorised UCITS or other collective investment undertakings</b>			<b>69,028,189</b>	<b>98.88</b>
<b>Total Investments</b>			<b>69,028,189</b>	<b>98.88</b>
<b>Cash</b>			<b>700,654</b>	<b>1.00</b>
<b>Other assets/(liabilities)</b>			<b>154,504</b>	<b>0.12</b>
<b>Total net assets</b>			<b>69,883,347</b>	<b>100.00</b>

<sup>†</sup>Related Party Fund

The accompanying notes form an integral part of these financial statements.

## Jupiter Merlin International Balanced Portfolio

**Jupiter Merlin International Balanced Portfolio**  
 Schedule of Investments as at 30 September 2019 (continued)

**Forward Currency Exchange Contracts**

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
EUR	8,366,377	GBP	7,400,000	24/10/2019	J.P. Morgan	37,663	0.05
<b>Total Unrealised Gain on Forward Currency Exchange Contracts - Assets</b>						<b>37,663</b>	<b>0.05</b>
GBP	592	EUR	671	02/10/2019	J.P. Morgan	(4)	–
<b>Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities</b>						<b>(4)</b>	<b>–</b>
<b>Net Unrealised Gain on Forward Currency Exchange Contracts - Assets</b>						<b>37,659</b>	<b>0.05</b>

The accompanying notes form an integral part of these financial statements.

## Jupiter Merlin International Equities Portfolio

## Jupiter Merlin International Equities Portfolio Review of Portfolio as at 30 September 2019

### Performance

NAV	30 September 2019	30 September 2018	% Change
Class D EUR Acc	€15.10*	€14.37*	5.08
Class D GBP A Inc	£16.46*	£15.66*	5.11
Class D USD Acc	\$12.65*	\$12.76*	(0.86)
Class E EUR Acc	€511.00*	€492.06*	3.85
Class E GBP Acc	£451.47*	£434.83*	3.83
Class L EUR Acc	€21.65*	€20.75*	4.34
Class L GBP A Inc	£28.80*	£27.61*	4.31
Class L USD Acc	\$21.84*	\$22.21*	(1.67)

\* Net Asset Values per Share include Swing Pricing Adjustments. For the current year, refer to Note 14 for further details.

### Review

The first half of 2019 saw the biggest rebound in global equity markets in over 20 years. After a fourth quarter of 2018 with precipitous declines, the S&P recovered by over 20% to late July when it hit its most recent peak.

The global economy is decelerating. President Trump's trade war, not only with China but virtually any major economy with a trade surplus with the US and with whom he has a political gripe, is taking its toll on confidence. An Emerging Market crisis last autumn as the economies of Venezuela and Turkey fell over was defused, though the recent collapse in Argentina suggests the danger is not over. China has slowed too, though mitigating actions by the Chinese authorities, including allowing the Yuan to devalue, may yet see 6% growth this year; in comparison to its major competitors it'd be an outstanding result; in the context of Chinese economic history, it's the slowest rate of growth in a generation. In the Eurozone, Italy is in recession, Germany is virtually in one, and France is sclerotic.

Against this backdrop, after a period since mid-2016 of tightening monetary policy by raising interest rates and/or scaling back Quantitative Easing (bond purchasing programmes), central banks have had to revert to remedial action to prevent global growth slipping away to nothing.

While equities appear sanguine, fixed income investors exude pessimism and have been fleeing to the safest havens available, buying the bonds of those countries and companies least likely to default. As they have done so, pushing prices up and yields down, at the period end some \$17 trillion, 26%, of global sovereign debt offered a guaranteed negative rate of return if held to redemption. There is a subtext: bond yields and central bank base rates correlate; as investors drive yields ever further down leaving central banks trailing in their wake, they expect such behaviour will force central banks to cut interest rates in sympathy. It's a power-play between central banks and the markets.

As global growth decelerates towards 2.6% this year from 3.2% in 2018, markets have been ten steps ahead of the central banks since the beginning of the year and central banks have indeed been frantically playing catch-up to restore a semblance of leadership. In July, the US Federal Reserve (the Fed) was forced to concede a cut in interest rates of 0.25%, having still been raising them as recently as last December. In emollient tones, Fed Chairman Jerome Powell declared it a 'mid-term policy adjustment', nothing about which to be

concerned. Investors, unconvinced, continued their flight to safe havens, aggressively buying bonds of western governments and large, high quality companies, forcing yields even further down. With analysts trimming economic forecasts in the meantime, by the Fed's September meeting it felt impelled to cut interest rates by a further quarter point to 1.75-2.0%.

The European Central Bank is faring no better. In September it admitted recessionary pressures blighting Italy, Germany and France require a resumption of Quantitative Easing (printing money, from November 1st at a rate of €20bn a month) and reducing interest rates from minus 0.4% to minus 0.5% despite nine of the 25 Council members of President Draghi's board, including Germany, disagreeing with him. Admitting he's out of monetary policy bullets and appealing to national governments to help with fiscal stimulus, Draghi's parting shot ahead of his retirement on 31 October was to join Messrs Macron, Juncker and others demanding full fiscal union across the EU to create a homogenous economic system. It's entirely logical. But it requires political union as a pre-requisite, full concession of national sovereignty. EU members will eventually be confronted with a decision just as fundamental as ours with Brexit: In or Out?

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### Strategy

Over the last twelve months we have made a number of changes to the holdings within the Portfolio in order to better position it for the challenges we foresee.

We have consolidated a number of the positions, favouring the more quality, growth style managers as we feel they are better placed to weather the late economic cycle environment which we have felt was prevalent throughout 2019. This resulted in us redeeming our position in Quaero Capital Argonaut and also Jupiter Global Emerging Markets where the resultant assets were directed into our holding in Stewart Investors Asia Pacific Leaders.

We continue to hold both of our global equity managers, but over the period tilted our exposure more firmly in the direction of Fundsmith by moving assets from our position in Jupiter Global Value into the SICAV variant of the Fundsmith Equity fund.

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## Jupiter Merlin International Equities Portfolio

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### ■ Jupiter Merlin International Equities Portfolio

#### Review of Portfolio as at 30 September 2019 (continued)

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We believe the Jupiter Merlin Funds are appropriately structured to deal with the challenges of the future. With liquidity uppermost in our mind, we seek to invest in funds run by experienced managers with a blend of styles but who share our core philosophy of trying to capture good performance in buoyant markets while minimising as far as possible the risk of losses in more challenging conditions. The Portfolios are certainly not immune from market volatility but over time they are anticipated to be less volatile, and of course we are long-term investors, investing in managers who themselves are long-term investors who can use such volatility as an opportunity.

#### **Jupiter Independent Funds Team**

30 September 2019

## Jupiter Merlin International Equities Portfolio

**Jupiter Merlin International Equities Portfolio** Schedule of Investments as at 30 September 2019

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
<b>Units of authorised UCITS or other collective investment undertakings</b>				
<b>Collective Investment Schemes – UCITS</b>				
<b>Ireland</b>				
Findlay Park American Fund – Dollar Shares	USD	132,000	15,389,687	19.34
			<b>15,389,687</b>	<b>19.34</b>
<b>Luxembourg</b>				
Fundsmith Equity Fund Sicav – US Dollar I Class Shares Income	USD	300,000	6,463,115	8.08
The Jupiter Global Fund Jupiter Global Value – Class I GBP Acc <sup>†</sup>	GBP	750,000	10,686,978	13.36
			<b>17,150,093</b>	<b>21.44</b>
<b>United Kingdom</b>				
First State Stewart Investors Asia Pacific Leaders Fund – Class B (Accumulation) GBP	GBP	825,000	7,311,938	9.14
FP CRUX European Special Situations Fund – Class I Income GBP	GBP	796,000	2,017,959	2.52
Fundsmith Equity Fund – I Class Income Shares	GBP	3,100,000	14,913,310	18.65
Jupiter Japan Income Fund – Retail Income Units <sup>†</sup>	GBP	2,375,000	2,592,867	3.24
LF Morant Wright Japan Fund – Class B Accumulation	GBP	530,000	2,573,874	3.22
Merian North American Equity Fund – R (GBP) Accumulation Shares	GBP	4,300,000	15,688,540	19.62
Schroder European Alpha Income Fund – Class L Income GBP	GBP	2,400,000	1,835,896	2.30
			<b>46,934,384</b>	<b>58.69</b>
<b>Total Collective Investment Schemes - UCITS</b>			<b>79,474,164</b>	<b>99.47</b>
<b>Total Units of authorised UCITS or other collective investment undertakings</b>			<b>79,474,164</b>	<b>99.47</b>
<b>Total Investments</b>			<b>79,474,164</b>	<b>99.47</b>
<b>Cash</b>			<b>625,597</b>	<b>0.78</b>
<b>Other assets/(liabilities)</b>			<b>(122,830)</b>	<b>(0.25)</b>
<b>Total net assets</b>			<b>79,976,931</b>	<b>100.00</b>

<sup>†</sup> Related Party Fund

The accompanying notes form an integral part of these financial statements.

## Jupiter Merlin International Equities Portfolio

**Jupiter Merlin International Equities Portfolio**

Schedule of Investments as at 30 September 2019 (continued)

**Forward Currency Exchange Contracts**

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
EUR	1,490	USD	1,634	02/10/2019	J.P. Morgan	(6)	–
EUR	2,076	USD	2,278	03/10/2019	J.P. Morgan	(10)	–
GBP	31,569	EUR	35,773	02/10/2019	J.P. Morgan	(213)	–
<b>Net Unrealised Loss on Forward Currency Exchange Contracts - Liabilities</b>						<b>(229)</b>	<b>–</b>

The accompanying notes form an integral part of these financial statements.

## Jupiter Merlin Real Return Portfolio

## Jupiter Merlin Real Return Portfolio Review of Portfolio as at 30 September 2019

### Performance

NAV	30 September 2019	30 September 2018	% Change
Class D EUR Acc	€12.50*	€12.61*	(0.87)
Class D GBP Acc HSC	£13.03*	£12.99*	0.31
Class I EUR Acc	€14.12*	€14.24*	(0.84)
Class I GBP Acc HSC	£14.61*	£14.56*	0.34
Class I USD Acc HSC	\$15.14*	\$14.83*	2.09
Class L EUR Acc	€12.25*	€12.45*	(1.61)
Class L GBP Acc HSC	£12.44*	£12.50*	(0.48)
Class L SGD Acc HSC	SGD 13.28*	SGD 13.21*	0.53
Class L USD Acc HSC	\$12.94*	\$12.77*	1.33

\* Net Asset Values per Share include Swing Pricing Adjustments. For the current year, refer to Note 14 for further details.

### Review

The first half of 2019 saw the biggest rebound in global equity markets in over 20 years. After a fourth quarter of 2018 with precipitous declines, the S&P recovered by over 20% to late July when it hit its most recent peak.

The global economy is decelerating. President Trump's trade war, not only with China but virtually any major economy with a trade surplus with the US and with whom he has a political gripe, is taking its toll on confidence. An Emerging Market crisis last autumn as the economies of Venezuela and Turkey fell over was defused, though the recent collapse in Argentina suggests the danger is not over. China has slowed too, though mitigating actions by the Chinese authorities, including allowing the Yuan to devalue, may yet see 6% growth this year; in comparison to its major competitors it'd be an outstanding result; in the context of Chinese economic history, it's the slowest rate of growth in a generation. In the Eurozone, Italy is in recession, Germany is virtually in one, and France is sclerotic.

Against this backdrop, after a period since mid-2016 of tightening monetary policy by raising interest rates and/or scaling back Quantitative Easing (bond purchasing programmes), central banks have had to revert to remedial action to prevent global growth slipping away to nothing.

While equities appear sanguine, fixed income investors exude pessimism and have been fleeing to the safest havens available, buying the bonds of those countries and companies least likely to default. As they have done so, pushing prices up and yields down, at the period end some \$17 trillion, 26%, of global sovereign debt offered a guaranteed negative rate of return if held to redemption. There is a subtext: bond yields and central bank base rates correlate; as investors drive yields ever further down leaving central banks trailing in their wake, they expect such behaviour will force central banks to cut interest rates in sympathy. It's a power-play between central banks and the markets.

As global growth decelerates towards 2.6% this year from 3.2% in 2018, markets have been ten steps ahead of the central banks since the beginning of the year and central banks have indeed been frantically playing catch-up to restore a semblance of leadership. In July, the US Federal Reserve (the Fed) was forced to concede a cut

in interest rates of 0.25%, having still been raising them as recently as last December. In emollient tones, Fed Chairman Jerome Powell declared it a 'mid-term policy adjustment', nothing about which to be concerned. Investors, unconvinced, continued their flight to safe havens, aggressively buying bonds of western governments and large, high quality companies, forcing yields even further down. With analysts trimming economic forecasts in the meantime, by the Fed's September meeting it felt impelled to cut interest rates by a further quarter point to 1.75-2.0%.

The European Central Bank is faring no better. In September it admitted recessionary pressures blighting Italy, Germany and France require a resumption of Quantitative Easing (printing money, from November 1st at a rate of €20bn a month) and reducing interest rates from minus 0.4% to minus 0.5% despite nine of the 25 Council members of President Draghi's board, including Germany, disagreeing with him. Admitting he's out of monetary policy bullets and appealing to national governments to help with fiscal stimulus, Draghi's parting shot ahead of his retirement on 31 October was to join Messrs Macron, Juncker and others demanding full fiscal union across the EU to create a homogenous economic system. It's entirely logical. But it requires political union as a pre-requisite, full concession of national sovereignty. EU members will eventually be confronted with a decision just as fundamental as ours with Brexit: In or Out?

In the UK it's difficult to avoid the subject of Brexit and the continuing shambles at Westminster. We are interested in Brexit but not obsessed with it. For us as global investors Brexit is just one among many important factors to be considered.

### Strategy

Over the last twelve months we have made a number of changes to the holdings within the Portfolio in order to better position it for the challenges we foresee.

Within the equity component of the Portfolio, we have favoured the more quality, growth style managers as we feel they are better placed to weather the late economic cycle environment which we have felt was prevalent throughout 2019. This resulted in us tilting our exposure more firmly in the direction of Fundsmith and Findlay Park American by moving assets from our position in Jupiter Global Value.

**Jupiter Merlin Real Return Portfolio** Review of Portfolio as at 30 September 2019 (continued)

Within the absolute return space, we have moved the Portfolio to focus more specifically on fundamental managers by selling our positions in Merian (formerly Old Mutual) Global Equity Absolute Return and Melchior Velox. We also reduced some of our more volatile positions including Merian UK Specialist Equity, Polar Capital UK Absolute Return and Jupiter Global Leveraged Absolute Return. The areas which we have looked to bolster, have been the less style biased, market neutral approaches, primarily by increasing our weighting in Man GLG Alpha Select Alternative and also by introducing positions in Blackrock UK Emerging Companies Absolute Return and Eleva Absolute return Europe.

The Blackrock UK Emerging Companies Absolute Return is a market neutral, equity absolute return strategy which can benefit from rising or falling share prices (known as long/short), focussing on investing in what the manager deems to be the leaders of the future and shorting those companies that he feels are structurally challenged or being disrupted. The Eleva Absolute Return Europe is a strategy run out of Paris by ex. Bank Syz European equities manager Eric Bendahan. Eric looks to identify outstanding companies in mature industries, companies undergoing significant change and also family owned firms for his long book, with his short book made up of structurally challenged or expensive companies and those that appear to be at a negative inflection point.

At the end of the period the cash position was higher than we would usually look to hold as we are hoping to invest in a new strategy in the long/short equity absolute return space, which is due to come to market during October/November

We believe the Jupiter Merlin Funds are appropriately structured to deal with the challenges of the future. With liquidity uppermost in our mind, we seek to invest in funds run by experienced managers with a blend of styles but who share our core philosophy of trying to capture good performance in buoyant markets while minimising as far as possible the risk of losses in more challenging conditions. The Portfolios are certainly not immune from market volatility but over time they are anticipated to be less volatile, and of course we are long-term investors, investing in managers who themselves are long-term investors who can use such volatility as an opportunity.

**Jupiter Independent Funds Team**

30 September 2019

## Jupiter Merlin Real Return Portfolio

**Jupiter Merlin Real Return Portfolio** Schedule of Investments as at 30 September 2019

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
<b>Units of authorised UCITS or other collective investment undertakings</b>				
<b>Collective Investment Schemes – UCITS</b>				
<b>Ireland</b>				
Findlay Park American Fund – Dollar Shares	USD	125,000	14,573,555	8.32
Man GLG Alpha Select Alternative – Class IL H EUR Shares	EUR	130,000	17,836,000	10.12
Merian UK Specialist Equity Fund – F (EUR) Hedged Accumulation Shares	EUR	870,000	10,433,475	5.92
Polar Capital UK Absolute Equity Fund – Class I Hedged Euro Share	EUR	700,000	17,605,000	9.99
Prusik Asian Equity Income Fund – Class '2X' – US Dollar Distributing Shares	USD	48,811	7,504,637	4.26
			<b>67,952,667</b>	<b>38.61</b>
<b>Luxembourg</b>				
BlackRock UK Emerging Companies Absolute Return Fund – Class I2 EUR Hedged	EUR	155,000	16,476,500	9.35
Eleva Absolute Return Europe Fund – Class I (EUR) acc.	EUR	11,500	12,104,210	6.87
Melchior Selected Trust – Velox Fund – I1 € (Hedged)	EUR	60,000	6,280,800	3.57
The Jupiter Global Fund Jupiter Global Levered Absolute Return – Class F EUR Acc HSC†	EUR	70,000	5,987,100	3.40
The Jupiter Global Fund Jupiter Global Value – Class I GBP Acc†	GBP	600,000	8,549,582	4.85
			<b>49,398,192</b>	<b>28.04</b>
<b>United Kingdom</b>				
Fundsmith Equity Fund – I Class Income Shares	GBP	4,300,000	20,686,205	11.74
LF Odey Absolute Return Fund – Euro Hedged Institutional Accumulation	EUR	5,000,000	7,563,000	4.29
Man GLG UK Absolute Value Fund – Professional Accumulation (Class CX)	GBP	7,900,000	10,634,036	6.04
			<b>38,883,241</b>	<b>22.07</b>
<b>Total Collective Investment Schemes - UCITS</b>			<b>156,234,100</b>	<b>88.72</b>
<b>Exchange Traded Funds</b>				
<b>Jersey</b>				
ETFS Physical Gold Fund	USD	80,000	10,378,971	5.89
			<b>10,378,971</b>	<b>5.89</b>
<b>Total Exchange Traded Funds</b>			<b>10,378,971</b>	<b>5.89</b>
<b>Total Units of authorised UCITS or other collective investment undertakings</b>			<b>166,613,071</b>	<b>94.61</b>
<b>Total Investments</b>			<b>166,613,071</b>	<b>94.61</b>
<b>Cash</b>			<b>5,985,284</b>	<b>3.40</b>
<b>Other assets/(liabilities)</b>			<b>3,590,740</b>	<b>1.99</b>
<b>Total net assets</b>			<b>176,189,095</b>	<b>100.00</b>

† Related Party Fund

The accompanying notes form an integral part of these financial statements.

## Jupiter Merlin Real Return Portfolio

**Jupiter Merlin Real Return Portfolio** Schedule of Investments as at 30 September 2019 (continued)

**Forward Currency Exchange Contracts**

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
EUR	11,254	GBP	9,980	15/10/2019	J.P. Morgan	18	–
EUR	10,115,128	GBP	8,950,000	24/10/2019	J.P. Morgan	41,887	0.02
GBP	24,542,554	EUR	27,516,573	15/10/2019	J.P. Morgan	115,682	0.06
SGD	23,886,763	EUR	15,667,499	15/10/2019	J.P. Morgan	133,644	0.08
USD	20,369,479	EUR	18,427,227	15/10/2019	J.P. Morgan	204,485	0.12
<b>Total Unrealised Gain on Forward Currency Exchange Contracts - Assets</b>						<b>495,716</b>	<b>0.28</b>
EUR	403,949	GBP	360,746	15/10/2019	J.P. Morgan	(2,211)	–
EUR	340,987	SGD	518,088	15/10/2019	J.P. Morgan	(1,730)	–
EUR	605,575	USD	668,922	15/10/2019	J.P. Morgan	(6,280)	–
GBP	1,176	EUR	1,325	15/10/2019	J.P. Morgan	(1)	–
SGD	35,978	EUR	23,815	15/10/2019	J.P. Morgan	(16)	–
<b>Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities</b>						<b>(10,238)</b>	<b>–</b>
<b>Net Unrealised Gain on Forward Currency Exchange Contracts - Assets</b>						<b>485,478</b>	<b>0.28</b>

The accompanying notes form an integral part of these financial statements.

## Notes to the Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2019

**1. General Information**

Jupiter Merlin Funds (the 'Company') is an open-ended investment company which qualifies as an undertaking for collective investment in transferable securities (UCITS) under part I of the law of 17 December 2010, as amended, regarding undertakings for collective investment. The Company was incorporated in Luxembourg as a société d'investissement à capital variable (SICAV) on 4 June 2008 for an unlimited duration.

The Company may issue multiple classes of Shares in several funds (the 'Funds'). A separate pool of assets and liabilities is maintained for each Fund and is invested in accordance with the investment objective applicable to the relevant Fund. All liabilities attributable to a particular Fund are binding solely upon that Fund.

As at 30 September 2019 the Company was comprised of the following Funds with the following share classes in issue:

	Class			
Jupiter Managed European Portfolio	–	E	–	–
Jupiter Merlin International Balanced Portfolio	D	E	–	L
Jupiter Merlin International Equities Portfolio	D	E	–	L
Jupiter Merlin Real Return Portfolio	D	–	I	L

Class E and I Shares are reserved for certain Institutional Investors, Class D and L Shares are available for subscription by Retail Investors.

Unless a Class is identified as a 'Distributing Fund' or a dividend policy is otherwise specified in the relevant Information Sheet, all Classes of all Funds with the exception of Jupiter Merlin International Balanced Portfolio's Class L and D Sterling and Jupiter Merlin International Equities Portfolio's Class L and D Sterling, have an accumulation policy and, consequently, no dividends will be paid on those classes.

The share class names reflect the specifications of each Class, including their respective (i) categories (D, E, I or L), (ii) reference currencies, (iii) distribution policies (accumulation or distribution of income and if the latter case, the frequency thereof, i.e. annually, quarterly or monthly) and (iv) hedging share class (HSC) status.

For example 'Class L EUR A Inc' distributes income annually with payment (no automatic reinvestment by default).

**Events occurred during the year:****New share classes**

Sub-Fund Name	Class Currency	Base Currency	Date
<b>Jupiter Merlin International Balanced Portfolio</b>			
Class D GBP Acc	GBP	EUR	01 March 2019

**2. Summary of Significant Accounting Policies****a) Basis of preparation**

The financial statements have been prepared in conformity with Luxembourg generally accepted accounting principles applicable to investment funds.

**b) Financial Statements**

Financial statements are presented for each Fund in the base currency of the Fund, the combined Statement of Net Assets and combined Statement of Operations and Changes in Net Assets of the Company are presented in Euro (€), based on the exchange rate ruling at the date of these financial statements.

The net asset values have been calculated by reference to the valuation day which might differ from their value on a dealing day. The financial statements presented in this report have been prepared on the basis of the latest calculated net asset values in the period.

**c) Foreign currency translation**

Assets and liabilities denominated in currencies other than the Fund's base currency are translated into that base currency at exchange rates ruling at the date of these financial statements. Transactions occurring during the year in currencies other than the base currency are translated at rates of exchange ruling at the transaction dates. Differences arising on translation are included in the Statement of Operations and Changes in Net Assets.

**Notes to the Financial Statements for the year ended 30 September 2019 (continued)****2. Summary of Significant Accounting Policies (continued)****d) Investments**

Securities are initially recognised at cost, being the market value of the consideration given.

Securities listed on an official stock exchange or dealt in on any regulated market are valued at the last available price at the company's valuation point.

Units or shares in open-ended investment funds are valued at their last available Net Asset Value. Wherever practicable, the last available Net Asset Value is deemed to include the Net Asset Value calculated on the same Valuation Day for any underlying fund which itself has a valuation point at or before the Company's Valuation Point being 1pm Luxembourg time.

In the event that any of the securities held by a Fund on the relevant day are not listed on any stock exchange or dealt in on any regulated market or if, with respect to securities listed on any stock exchange or dealt in on any other regulated market, the basis of the price as determined above is not representative of the fair market value of the relevant securities, the value of such securities will be determined based on the reasonably foreseeable sales price determined prudently and in good faith by the Board of Directors of the Company (the 'Board of Directors').

Gains or losses arising on the disposal of investments are calculated by reference to the net sales proceeds and the average cost attributable to those investments.

All purchases and sales of securities are recognised on the trade date, i.e. the date the Fund commits to purchase or sell the security.

**e) Forward currency exchange contracts**

The Company may enter into forward currency exchange contracts to hedge against exposures to foreign currency fluctuations. The carrying value of these contracts is the gain or loss that would be realised if the position were closed out on the valuation date and is recorded in the Statement of Net Assets as 'Unrealised gain on forward currency exchange contracts or Unrealised loss on forward currency exchange contracts'. Upon the closing of the contract, the gain or loss is recorded in 'Net realised gain/(loss) on forward currency exchange contracts'.

**f) Income recognition**

Interest income is recognised as the interest accrues unless collectability is in doubt.

Dividend income is recognised when the right to receive the dividend is established, on the ex-date.

Income is presented net of withholding taxes in the Statement of Operations and Changes in Net Assets.

**g) Management fee rebates**

Management fee rebates from Related Party Funds are accrued daily and those from Third Party Funds accrued on a monthly basis.

**h) Expense recognition**

Expenses are accounted for on an accrual basis. Expenses are charged to the Statement of Operations and Changes in Net Assets except for expenses incurred on the acquisition of an investment which are included within the cost of that investment. Expenses arising on the disposal of investments are deducted from the disposal proceeds.

**i) Dividend distributions payable**

Dividend distributions payable by the Company are recorded on the ex-date.

**j) Net Asset Value per Share**

The Net Asset Value per Share is calculated by dividing the Net Assets of the relevant Class of Shares in a Fund included in the Statement of Net Assets by the number of Shares of the relevant class in that Fund in issue at the year end.

**k) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in Luxembourg requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses during the reported year. Actual results could differ from those estimates.

## Notes to the Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2019 (continued)

## 3. Investment Management Fees

The Management Company appointed Jupiter Asset Management Limited ('JAML') as the Investment Manager to provide certain administrative and management services.

The Investment Management Fee is calculated and accrued on the basis of the Net Asset Value of each Fund at each Valuation Point and is payable monthly in arrears. The fee per annum charged and applicable to each Class of Shares during the year ended 30 September 2019 is as follows:

Fund Name	D %	E %	I %	L %
Jupiter Managed European Portfolio	–	2.000	–	–
Jupiter Merlin International Balanced Portfolio	0.750	2.000	–	1.500
Jupiter Merlin International Equities Portfolio	0.750	2.000	–	1.500
Jupiter Merlin Real Return Portfolio	0.750	–	0.750	1.500

Where a Fund invests in other funds managed by the same Investment Manager, the Fund will not be subject to additional management fees. These related management fee reimbursements are included in 'Management fee rebates' in the Statement of Operations and Changes in Net Assets and amounted to €599,375 for the period ended 30 September 2019 as follows:

Fund	Amount in Fund Currency
Jupiter Managed European Portfolio	€ 140,409
Jupiter Merlin International Balanced Portfolio	€ 118,454
Jupiter Merlin International Equities Portfolio	€ 154,553
Jupiter Merlin Real Return Portfolio	€ 185,959

None of the Funds are entitled to accrue a performance fee on any of the Classes of Shares.

## 4. Aggregate Operating Fee

To seek to protect the Shareholders from fluctuations in ordinary operating expenses, the Company shall pay to the Management Company a fixed level of fee (the 'Aggregate Operating Fee'), which will be determined as an annual percentage of the Net Asset Value of the Class of Shares for each Fund, and the Management Company will be responsible for paying all of the ordinary fees and expenses out of the Aggregate Operating Fee received by it, including (but not limited to) the following:

- Management Company fees and expenses (but not the Investment Management fees and expenses);
- Depositary, fund accounting, transfer agency and fiduciary fees: J.P. Morgan Bank Luxembourg S.A., acting as Administrator and Depositary, is entitled to receive depositary fees, fund accounting fees, transfer agency fees and fiduciary fees. The depositary fee consists of safekeeping, administration and transaction charges;
- Set up costs incurred in connection with the launch of a new Fund;
- Costs of operating special purpose subsidiaries;
- Any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country together with associated support fees;
- Paying agent fees;
- Dividend/income distribution fees;
- Costs of agents employed by the Company, Correspondents and permanent representatives in places of registration;
- Financial and regulatory reporting costs;
- Governmental charges, taxes and duties;
- Costs related to the preparation and filing of tax or other reports in respect of the operations of the Company or its Shareholders;
- Costs related to the preparation and publication of data, literature and shareholder communications, including the costs of preparing, printing and distributing prospectuses, Key Investor Information Documents ('KIIDs'), explanatory memoranda, periodical reports or registration statements, and the costs of any reports to Shareholders;
- Directors' remuneration, their insurance coverage and reasonable travelling costs and out-of-pocket expenses in connection with board meetings;
- Legal fees; and
- Audit fees.

## Notes to the Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2019 (continued)

### 4. Aggregate Operating Fee (continued)

Save for the payment of the Aggregate Operating Fee, the Company shall have no obligation with respect to the ordinary operating expenses.

The Aggregate Operating Fee will accrue on a daily basis. The Aggregate Operating Fee will, in the first instance, be applied against any income in the relevant Fund. The Aggregate Operating Fee is accrued at each calculation of the Net Asset Value and is disclosed in the relevant KIIDs from time to time by comprising part of the ongoing charges of a Share Class.

The Aggregate Operating Fee is calculated and accrued per Fund on the basis of the daily Net Asset Value of each Fund at each Valuation Point and is payable monthly. The fee rates per annum charged and applicable to each Class of Shares during the year ended 30 September 2019 are as follows:

	D	E	I	L
Jupiter Managed European Portfolio	–	0.20%	–	–
Jupiter Merlin International Balanced Portfolio	0.24%	0.20%	–	0.26%
Jupiter Merlin International Equities Portfolio	0.24%	0.20%	–	0.26%
Jupiter Merlin Real Return Portfolio	0.24%	–	0.20%	0.26%

Further details of the Aggregate Operating Fee are published in the Company's prospectus which is available at [www.jupiteram.com](http://www.jupiteram.com).

### 5. Management Company Fee

From 1 March 2019 the Management Company changed from JUTM to JAMI.

The list of the funds managed by the Management Company may be obtained, on request, at the registered office of the Management Company.

The Management Company is responsible on a day-to-day basis, under the supervision of the Board of Directors of the Company, for providing administration, marketing and investment management services in respect of all Funds.

The Management Company has delegated its investment management function to Jupiter Asset Management Limited, the Investment Manager.

In the context of its administration functions, the Management Company has delegated its administration functions to J.P. Morgan Bank Luxembourg S.A. the Administrator.

In the context of its marketing function, the Management Company may enter into agreements with Distributors pursuant to which the Distributors agree to act as intermediaries or nominees for investors subscribing for Shares through their facilities.

The Management Company will monitor on a continual basis the activities of the third parties to which it has delegated functions. The agreements entered into between the Management Company and the relevant third parties provide that the Management Company can give at any time further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the Shareholders. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

The Company pays to the Management Company the Aggregate Operating Fee and the Management Company will be responsible for paying the Company costs out of the Aggregate Operating Fee received by it. Refer to Note 4 for further information. Full details are published in the Company's prospectus which is available at [www.jupiteram.com](http://www.jupiteram.com).

## Notes to the Financial Statements

### Notes to the Financial Statements for the year ended 30 September 2019 (continued)

#### 6. Administration, Custodian and Depositary Fees

J.P. Morgan Bank Luxembourg S.A. was appointed to perform central administration duties for the Company pursuant to a delegation of such duties to it by the Management Company.

J.P. Morgan Bank Luxembourg S.A. as Administrator, Custodian and Depositary is entitled to receive custodian fees, fund accounting fees, transfer agency fees and fiduciary fees.

The custodian fee consists of safekeeping, administration and transaction charges. Safekeeping and administration charges are applied to the market value of the assets of the country of the underlying investments held in custody at the end of the billing period. The transaction charges are based on the number of transactions in a particular country. The safekeeping and administration fee rate varies according to the country of the underlying investments and decreases depending on the thresholds in a particular country.

The fund accounting fee is the sum of the base NAV calculation fee plus the total of all other fees, including but not limited to financial reporting, share class valuation, tax reporting and all other fees detailed in the fee schedule agreement. The base fee per Fund which may be paid to J.P. Morgan Bank Luxembourg S.A. in its capacity as Administrator is calculated as the greater of the minimum annual fee of €15,000 or an ad valorem fee (from 0.50 to 2.50 basis points) based upon the Fund's month-end NAV.

The transfer agency fee is based on the number of transactions processed, the number of holdings (shareholder accounts), the number of new investor accounts opened and include fund/class set-up and annual maintenance fees, enhanced fund distribution support, platform connectivity fee and out-of-pocket expenses.

The fiduciary fee per Fund is calculated as the greater of the minimum annual fee or an ad valorem fee based upon the Company's month-end NAV.

These fees are included under the Aggregate Operating Fee. Refer to Note 4 for further details.

#### 7. Other Expenses

Each Share Class bears the costs relating to certain transactions such as the costs of buying and selling underlying securities, costs charged by any financial institution or organisation in relation to swap agreements or over-the-counter transactions, bank charges relating to delivery, receipt of securities or to foreign exchange transactions and fees relating to collateral management, transaction costs, stock lending charges, interest on bank overdraft and any other extraordinary fees and expenses.

Each Share Class also bears any extraordinary expenses incurred due to external factors, some of which may not be reasonably foreseeable in the normal course of activity of the Company such as, without limitation, any litigation expenses or any tax, levy, duty or similar charge of a fiscal nature imposed on the Company or its assets by virtue of a change of laws or regulations.

#### 8. Auditors Fees and Terms of Engagement

PricewaterhouseCoopers, Société cooperative have been appointed by the shareholders at their annual general meeting as Auditors of the Company for the current accounting period and the shareholders have authorised the Board to agree with the Auditors on their terms of appointment.

The fees of the Auditors are included under the Aggregate Operating Fee. Refer to Note 4 for further details.

#### 9. Directors' Fees, Expenses and Interests

Mr. Jacques Elvinger is a partner of the Luxembourg law firm of Elvinger Hoss Prussen, société anonyme, which provides legal services to the Company.

The Chairman receives fees of €17,000 and each independent Director receives fees of €15,000 (including taxes) per annum. Mrs Paula Moore and Mr Simon Rowson are employed by the Investment Manager and fees due to them are paid directly to JAML although JAML commenced a waiver of these fees with effect from 1 April 2016. In addition, all Directors are entitled to reimbursement by the Company of any expenses directly incurred in the execution of their duties as Directors.

No Director holds any shares in the Company nor has any interest in any transaction which, during the year under review, has been affected by the Company and is unusual in its nature or conditions, or is significant to the business of the Company.

Directors' remuneration, insurance coverage and reasonable expenses directly incurred in the execution of their duties as Directors are included under the Aggregate Operating Fee. Refer to Note 4 for further details.

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## Notes to the Financial Statements

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### ■ Notes to the Financial Statements for the year ended 30 September 2019 (continued)

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#### 10. Taxe d'abonnement and Other Operational Taxes

The Company is liable in Luxembourg to a tax (taxe d'abonnement), such tax being payable quarterly and calculated on the Net Asset Value of the Company at the end of the relevant calendar quarter. The taxe d'abonnement is levied at a rate of 0.01% per annum on Funds or Classes reserved to Institutional Investors (Class E and I) and at 0.05% per annum on other Funds or Classes (Class D and L). No such tax is payable in respect of the portion of the assets of each Fund invested in other Luxembourg collective investment undertakings which are subject to this tax. Taxe d'abonnement is included under the Aggregate Operating Fee, refer to Note 4 for further details.

Under current law and practice, the Company is not liable to Luxembourg taxes on income or capital gains, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

Interest, dividends and capital gains on securities may be subject to withholding or capital gains taxes in certain countries.

Where the withholding tax in certain jurisdictions has been raised at a rate higher than the rate applicable to comparable domestic UCITS funds, the Company has launched a withholding tax reclaim with the national tax authorities of those countries, with no guarantee of success. If and when those tax reclaims are successful, the proceeds of tax reimbursement are recognised in the Statement of Operations and Changes in Net Assets as 'Dividend income, net of withholding taxes'.

Treaty based withholding tax reclaims (excluding European Court of Justice reclaims) accrued by the Company during the year ended 30 September 2019 amounted to nil.

#### 11. Transactions with Connected Parties

All transactions with connected parties were carried out on an arm's length basis. The Investment Manager and its affiliates, the Management Company, the Directors and other related agents of the Company are considered connected parties.

#### 12. Use of Dealing Commission

Execution and research services received by the Investment Manager under these arrangements assist the Investment Manager in the provision of its investment management services to the Investment Manager's clients (including the Company) and do not impair compliance with the Investment Manager's obligation to act in the best interests of its clients (including the Company) nor the Investment Manager's ability to comply with its best execution obligations.

From 3 January 2018, the Investment Manager paid for research services from its own resources and its clients will take on no research costs at all. The Investment Manager considers this change demonstrates its commitment to embracing regulatory developments and represents a beneficial development for its clients.

Further information on such arrangements is available from the Investment Manager upon request by an investor.

There were no such benefits received or receivable by the Company or the Investment Manager during the year ended 30 September 2019.

#### 13. Statement of Changes in the Portfolio

A listing of the statement of changes in the portfolio during the year is available upon request to any investor at the registered office of the Company free of charge.

## Notes to the Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2019 (continued)

### 14. Swing Pricing

The Funds adopted a full swing pricing process.

If the net capital activity on a given Valuation Day leads to a net inflow of assets in the relevant Fund, the Net Asset Value used to process all subscriptions, redemptions or switches in such a Fund is adjusted upwards by the swing factor that shall be determined from time to time by the Investment Manager, as delegated by the Board of Directors.

If the net capital activity on a given Valuation Day leads to a net outflow of assets in the relevant Fund, the Net Asset Value used to process all subscriptions, redemptions or switches in such a Fund is adjusted downwards by the swing factor that shall be determined from time to time by the Investment Manager, as delegated by the Board of Directors.

The factor is calculated on a quarterly basis.

The price of each class in each Fund will be calculated separately but any dilution adjustment will affect the price of shares of each class of the relevant Fund identically, up to a maximum of 2%.

The dilution adjustment is recorded as the 'Net realised Gain/(Loss) on sale of investments' in the Statement of Operations and Changes in Net Assets.

The following Funds applied swing pricing as at 30 September 2019:

Sub Fund Name	Share class currency	Unswung NAV per share	Swung NAV per share
<b>Jupiter Merlin International Balanced Portfolio</b>			
Class D GBP Acc	GBP	10.95	10.96
Class D EUR Acc	EUR	13.80	13.82
Class D GBP A Inc	GBP	14.65	14.67
Class D USD Acc	USD	11.31	11.32
Class E EUR Acc	EUR	432.63	433.06
Class E GBP Acc	GBP	381.36	381.74
Class E USD Acc	USD	296.01	296.30
Class L EUR Acc	EUR	18.36	18.38
Class L GBP A Inc	GBP	20.75	20.77
Class L USD Acc	USD	19.11	19.12
<b>Jupiter Merlin International Equities Portfolio</b>			
Class D EUR Acc	EUR	15.12	15.10
Class D GBP A Inc	GBP	16.48	16.46
Class D USD Acc	USD	12.66	12.65
Class E EUR Acc	EUR	511.51	511.00
Class E GBP Acc	GBP	451.93	451.47
Class L EUR Acc	EUR	21.67	21.65
Class L GBP A Inc	GBP	28.82	28.80
Class L USD Acc	USD	21.87	21.84
<b>Jupiter Merlin Real Return Portfolio</b>			
Class I GBP Acc HSC	GBP	14.60	14.61
Class L EUR Acc	EUR	12.24	12.25
Class L GBP Acc HSC	GBP	12.43	12.44

## Notes to the Financial Statements

## Notes to the Financial Statements for the year ended 30 September 2019 (continued)

### 14. Swing Pricing (continued)

The maximum factor applied to each fund (the same factor being applied to every share class within each fund) during the year was as follows:

Fund name	Offer	Bid
International Equities	0.11%	(0.11%)
International Balanced	0.12%	(0.12%)
Managed European	0.16%	(0.08%)
Real Return	0.07%	(0.04%)

### 15. Transaction Costs

For the year ended 30 September 2019 the Funds incurred transaction costs related to purchase or sale of transferable securities as follows:

Sub-Fund	Sub-Fund Currency	Total transaction costs
Jupiter Merlin International Balanced Portfolio	EUR	1,663

The above transaction costs include brokers' fees, depositary's transaction specific fees, stamp duty fees, or security transaction taxes, where applicable. These costs are directly linked to the acquisition or sale of investments, to the extent that such costs are shown separately on transaction confirmations.

The transaction costs consisting of brokers' fees, stamp duty fees, or security transaction taxes, where applicable are included in the Statement of Net Assets as 'Investments in securities at cost' and in the Statement of Operations and Changes in Net Assets in 'Net change in unrealised appreciation/(depreciation) on sale of investments' in securities' for the purchase of securities. For the sale of securities, they are netted from the 'Cash at bank and at brokers' amount and from the 'Net realised gain/(loss) on sale of investments' in the Statement of Operations and Changes in Net Assets.

### 16. Subsequent events

There are no significant events after the reporting date.

## Appendix: Collateral (unaudited)

## ■ Appendix: Collateral (unaudited)

As at 30 September 2019, the collateral received or paid which is composed of cash collateral granted to or received from brokers and counterparties for the purpose of transactions in OTC derivatives is as follows:

Sub-fund name	Currency	Counterparty	Type of collateral	Collateral received	Collateral pledged
Jupiter Merlin Real Return Portfolio	EUR	J.P. Morgan	Cash	450,000	–
Jupiter Merlin International Balanced Portfolio	EUR	J.P. Morgan	Cash	–	260,000

## Additional Information (not forming part of the Notes to the Financial Statements)

### Measurement of Global Exposure Disclosure

All the Funds use the commitment approach in order to monitor and measure their global exposure.

### UCITS V Remuneration Disclosure

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

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

<https://www.jupiteram.com/corporate/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 2019.

JUTM's Board includes two independent Non-Executive Directors who are remunerated directly by the company. No other members of the JUTM 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.

Not all of JAMI's Board members are remunerated directly by the company and instead are remunerated by their employing entity in the Jupiter Group.

In the interests of transparency, Jupiter has apportioned the total employee remuneration paid to all its 562 staff in respect of JUTM's and JAMI's UCITS V duties performed for the UCITS schemes on a 'number of funds' basis. The total remuneration reported below includes all delegates, if any. Jupiter has estimated that the total amount of employee remuneration, split between fixed and variable remuneration, paid in respect of duties for the Fund and the aggregate total remuneration paid to UCITS V Identified Staff that is attributable to duties for the Fund is as follows:

Investment	Fixed Remuneration	Variable Remuneration	Total Remuneration	Identified Staff (Senior Management)	Identified Staff (Other Staff)	Total Identified Staff Remuneration
Merlin Real Return	£425,172	£441,297	£866,469	£107,183	£245,682	£352,865
Jupiter Managed European	£435,041	£608,721	£1,043,762	£107,183	£422,975	£530,158
Merlin International Balanced	£435,041	£608,721	£1,043,762	£107,183	£422,975	£530,158
Merlin International Equities	£435,041	£608,721	£1,043,762	£107,183	£422,975	£530,158

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.

### UK Tax Reporting Fund Regime

Jupiter Merlin International Balanced Portfolio, Jupiter Merlin International Equities Portfolio and Jupiter Merlin Real Return Portfolio are Reporting Funds for UK taxation purposes for the year ended 30 September 2019. Tax reporting information for the year end in respect of these Funds is available at [www.jupiteram.com](http://www.jupiteram.com).

### Securities Financing Transaction Regulation (SFTF)

Currently, none of the sub funds of the Jupiter Merlin Funds make use of the financial instruments to which this regulation pertains. Further details are published in the Company's prospectus which is available at [www.jupiteram.com](http://www.jupiteram.com).

**Jupiter Merlin Funds** Société d'Investissement à Capital Variable

Registered Office: 6, route de Trèves, L-2633 Senningerberg R.C.S Luxembourg B 139.274

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF JUPITER MERLIN FUNDS**

Luxembourg, December 13, 2019

Dear Shareholder,

Notice is hereby given that the **Annual General Meeting** (the 'Meeting') of **Jupiter Merlin Funds** (the 'Company') will be held on **January 10, 2020 at 10.30 a.m. CET** at the registered office of the Company, 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg with the following agenda:

**AGENDA**

1. Approval of the audited annual accounts including the Chairman's Statement and the Report of the approved statutory auditor (réviseur d'entreprises agréé) of the Company for the financial year ended September 30, 2019 (the 'Audited Annual Accounts').
2. Discharge of the Directors of the Company for the performance of their duties carried out for the financial year ended September 30, 2019.
3. Re-appointment of Mr Garth Lorimer Turner, Me Jacques Elvinger, Mrs Paula Moore and Mr Simon Rowson as Directors of the Company until the next Annual General Meeting of Shareholders of the Company that will consider the approval of the audited annual accounts for the financial year ending on September 30, 2020.
4. Re-appointment of PricewaterhouseCoopers, Société coopérative ('PWC') as the approved statutory auditor of the Company until the next Annual General Meeting of Shareholders of the Company that will consider the approval of the audited annual accounts for the financial year ending September 30, 2020 and authorization to the Board of Directors of the Fund to agree on the terms of PWC's appointment. The estimated remuneration of the approved statutory auditor for the financial year ended September 30, 2019 was 36,770 euros. These fees and expenses are paid by the Company's management company out of the Aggregate Operating Fee received from the Company.
5. Approval of Directors' Fees for the period October 1 2018 to September 30 2019, prior to any waiver applied to the fees, as described in the Company's Audited Annual Accounts. These fees were paid by the Company's management company out of the Aggregate Operating Fee received from the Company.

**VOTING**

Resolutions on the agenda of the Annual General Meeting will require no quorum and the resolutions will be passed by simple majority of the votes cast at the Meeting.

**VOTING ARRANGEMENTS**

Should you be unable to be personally present at the Meeting and wish to be represented, you are entitled to appoint a proxy to vote instead of you and in this regard we have enclosed a proxy form for your attention. In such instance, we would be grateful if you could sign the proxy form where indicated, return a copy by fax or email to arrive no later than 5.00 p.m. CET on Thursday January 9, 2020 marked for the attention of Ms Sarah Boyes Derengowski (fax + 352 46 26 85 825, email: Luxembourg.Company.Admin@jpmorgan.com) and send the signed original by post marked for the attention of:

Ms Sarah Boyes Derengowski,  
J.P. Morgan Bank Luxembourg S.A.,  
LXC6-6004, European Bank and Business Center,  
6C, route de Trèves,  
L-2633 Senningerberg,  
Grand-Duchy of Luxembourg.

Terms not defined in this notice have the same meaning as in the Company's prospectus.

The proxy will remain in force if the Meeting, for whatever reason, is postponed or reconvened.

Should you have any questions regarding the above, please do not hesitate to contact Ms Sarah Boyes Derengowski on + 352 46 26 85 139.

**By order of the Board of Directors**

**Jupiter Merlin Funds Société d'Investissement à Capital Variable**

Registered Office: 6, route de Trèves, L-2633 Senningerberg R.C.S Luxembourg B 139.274

**PROXY FORM**

I/We the undersigned \_\_\_\_\_, being shareholder(s) of the **Jupiter Merlin Funds** (the 'Company'), and with respect to my/our shares held on the Register of the Company hereby give irrevocable proxy to \_\_\_\_\_ or to the Chairman of the Meeting with full power of substitution, to represent me/us at the **Annual General Meeting of Shareholders** of the Company (the 'Meeting') to be held on **Friday January 10, 2020 at 10:30 a.m. CET**, and at any adjournment thereof, in order to deliberate upon the agenda, as indicated below:

*If you want your representative to vote in a certain way on the resolutions specified, please indicate with an 'X' in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Meeting. If you appoint the Chairman as your representative and you do not indicate with an 'X' in the spaces below how you wish your votes to be cast, the Chairman will vote 'for' in favour of the resolutions specified.*

**Direction to your Representative**
**AGENDA**

		For	Against
<b>Resolution 1</b>	Approval of the audited annual accounts including the Chairman's Statement and the Report of the approved statutory auditor (réviseur d'entreprises agréé) of the Company for the financial year ended September 30, 2019 (the 'Audited Annual Accounts').	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	Discharge of the Directors of the Company for the performance of their duties carried out for the financial year ended September 30, 2019.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	Re-appointment of Mr Garth Lorimer Turner, Me Jacques Elvinger, Mrs Paula Moore and Mr Simon Rowson as Directors of the Company until the next Annual General Meeting of Shareholders of the Company that will consider the approval of the audited annual accounts for the financial year ending on September 30, 2020.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	Re-appointment of PricewaterhouseCoopers, Société coopérative ('PWC') as the approved statutory auditor of the Company until the next Annual General Meeting of Shareholders of the Company that will consider the approval of the audited annual accounts for the financial year ending September 30, 2020 and authorization to the Board of Directors of the Fund to agree on the terms of PWC's appointment. The estimated remuneration of the approved statutory auditor for the financial year ended September 30, 2019 was 36,770 euros. These fees and expenses are paid by the Company's management company out of the Aggregate Operating Fee received from the Company.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b>	Approval of Directors' Fees for the period October 1 2018 to September 30 2019, prior to any waiver applied to the fees, as described in the Company's Audited Annual Accounts. These fees were paid by the Company's management company out of the Aggregate Operating Fee received from the Company.	<input type="checkbox"/>	<input type="checkbox"/>

The Proxy holder is furthermore authorised to make any statement cast all votes, sign all minutes of meetings and other documents, do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfilment of the present proxy and to proceed in accordance with the requirements of Luxembourg law.

Terms not defined in this proxy have the same meaning as in the Company's prospectus.

The present proxy will remain in force if the Meeting, for whatever reason, is postponed or reconvened.

Made in \_\_\_\_\_ dated this \_\_\_\_\_ .

Authorised Signature<sup>1</sup> \_\_\_\_\_

<sup>1</sup> It is not necessary for the signature(s) to be notarised.



