

# Jupiter Investment Management Series I

Annual Report & Accounts

For the year ended 31 July 2022



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## Company Information

### Authorised Corporate Director (“ACD”)

Jupiter Fund Managers Limited (prior to 14 November 2022)

The Zig Zag Building  
70 Victoria Street  
London SW1E 6SQ

*Authorised and regulated by the Financial Conduct Authority.*

Jupiter Unit Trust Managers Limited (from 14 November 2022)

The Zig Zag Building  
70 Victoria Street  
London SW1E 6SQ

*Authorised and regulated by the Financial Conduct Authority.*

### Investment Adviser

Jupiter Investment Management Limited

The Zig Zag Building  
70 Victoria Street  
London SW1E 6SQ

*Authorised and regulated by the Financial Conduct Authority.*

### Independent Auditor

KPMG LLP  
319 St. Vincent Street  
Glasgow  
G2 5AS

### Administrator

Citibank Europe plc (prior to 2 August 2021)

1, North Wall Quay  
Dublin 1  
Ireland

*Authorised by the Central Bank of Ireland and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority.*

Northern Trust Investor Services Limited

(from 2 August 2021)  
50 Bank Street  
Canary Wharf  
London E14 5NT

*Authorised and regulated by the Financial Conduct Authority.*

### Directors of the ACD

Jupiter Fund Managers Limited (prior to 14 November 2022)

P Wagstaff  
V Lazenby (resigned 5 September 2022)  
P Moore  
J Singh

D Shaw – Non-Executive Director (resigned 24 September 2021)

M Skinner – Non-Executive Director

T Scholefield - Non-Executive Director (appointed 24 September 2021)

Jupiter Unit Trust Managers Limited (from to 14 November 2022)

P Wagstaff  
P Moore  
J Singh  
D Skinner – Non-Executive Director  
T Scholefield - Non-Executive Director

### Depository

Citibank Europe Plc, UK Branch (prior to 2 August 2021)  
Citigroup Centre  
33 Canada Square  
Canary Wharf  
London  
E14 5LB

*Authorised by the Central Bank of Ireland and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority.*

Northern Trust Investor Services Limited  
(from 2 August 2021)

Trustee and Depository Services  
50 Bank Street  
Canary Wharf  
London E14 5NT

*Authorised and regulated by the Financial Conduct Authority.*

## Company Information *(continued)*

### Registrar

FNZ TA Services Limited (prior to 14 November 2022)  
Suite 1  
3rd Floor  
11-12 St. James's Square  
London SW1Y 4LB

SS&C Financial Services International Ltd (from 14  
November 2022)  
SS&C House  
St Nicholas Lane Basildon  
Essex SS15 5FS

*(The register of shareholders can be inspected at the above address).*

### Legal Adviser

Macfarlanes LLP  
20 Cursitor Street  
London  
EC4A 1 LT

## Report of the Directors of Jupiter Investment Management Series I

The Directors present the report and financial statements for the Jupiter Investment Management Series I ("the Company") for the year ended 31 July 2022.

### Authorised Status

The Company is an Open-Ended Investment Company ("OEIC") incorporated as an Investment Company with Variable Capital ("ICVC") under Regulation 12 (authorisation) of the OEIC Regulations. It is incorporated in England and Wales and authorised by the Financial Conduct Authority under the OEIC Regulations 2001 and the Collective Investment Schemes Sourcebook ("the Regulations"). It is a UCITS scheme for the purposes of that part of the Financial Conduct Authority's Handbook of Rules and Guidance which deals with regulated collective investment schemes (the "Sourcebook").

### Liability

The Company is under the "Protected cell" regime. As such, each sub-fund has a specific portfolio of securities to which that sub-fund's assets and liabilities are attributable. So far as investors are concerned each sub-fund will be treated as a separate entity. The assets of a sub-fund shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other sub-fund and shall not be available for any such purpose.

### Change of ACD

With effect from 14 November 2022, the ACD changed from Jupiter Fund Managers Limited to Jupiter Unit Trust Managers Limited. There is no change to the Directors of the ACD.

### Change of Registrar

With effect from 14 November 2022, the Registrar changed from FNZ TA Services Limited to SS&C Financial Services International Ltd.

### Director Changes

Douglas Shaw resigned as a Director of the Authorised Corporate Director effective 24 September 2021.

Timothy Scholefield was appointed as a Director of the Authorised Corporate Director effective 24 September 2021.

Veronica Lazenby resigned as a Director of the Authorised Corporate Director effective 5 September 2022.

### Change of Appointed Depositary to the Company

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

### Charges

With effect from 1 July 2022, the fees charged to the sub-funds by the ACD have changed. Under the new simplified fee structure, the ACD has renamed the Fixed Ongoing Charge to the Fixed Annual Charge.

## Report of the Directors of Jupiter Investment Management Series I *(continued)*

### Additional Information

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (now referred to as the Investment Association) in May 2014 and amended in 2017.

The Company is an umbrella scheme which complies with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) and as at 31 July 2022 has seven sub-funds (listed below). Additional sub-funds may be launched in the future.

Sub-fund name	Launch date
Jupiter Investment Grade Bond Fund	17 June 2000
Jupiter Monthly Income Bond Fund	30 September 2004
Jupiter UK Alpha Fund	15 June 2018
Merian UK Equity Income Fund	30 September 1975
Jupiter UK Mid Cap Fund	22 February 2002
Jupiter UK Opportunities Fund	02 August 2013
Jupiter UK Smaller Companies Fund	09 February 2001

The following share classes of Jupiter UK Mid Cap Fund were renamed with effect from 1 July 2022:

The U1 share class became the Z1 share class  
The U2 share class became the Z2 share class

In accordance with the requirements of the Financial Services and Market Act 2000, we hereby certify these financial statements on behalf of the Authorised Corporate Director.

#### P Wagstaff

For and on behalf of Jupiter Unit Trust Managers Limited  
Director  
29 November 2022

#### J Singh

For and on behalf of Jupiter Unit Trust Managers Limited  
Director  
29 November 2022



## Authorised Corporate Director's report

The purpose of this report is to provide details of the progress of the Company, and the sub-funds contained within. The report provides details of the performance and the portfolio of each of the sub-funds.

	31 July 2022			31 July 2021		
	Net Asset Value of sub-fund per share class £	Shares in Issue	Net Asset Value in pence per share	Net Asset Value of sub-fund per share class £	Shares in Issue	Net Asset Value in pence per share
<b>Jupiter Investment Grade Bond Fund</b>	<b>212,319,086</b>	<b>152,863,077</b>	<b>-</b>	<b>374,644,602</b>	<b>236,604,722</b>	<b>-</b>
L (GBP) Income	4,090,513	3,590,153	113.94	10,063,603	7,468,234	134.75
L (GBP) Accumulation	44,265,880	17,952,437	246.57	63,611,161	22,473,880	283.04
I (GBP) Income	37,027,126	33,668,719	109.97	51,296,084	39,636,770	129.42
I (GBP) Accumulation	74,316,911	54,438,008	136.52	144,696,850	92,797,054	155.93
P (GBP) Income	1,317,209	1,139,546	115.59	1,714,368	1,258,444	136.23
P (GBP) Accumulation	1,319,822	708,463	186.29	1,706,061	800,578	213.10
U1 (GBP) Income	9,416,126	9,313,224	101.10	11,537,489	9,726,557	118.62
U1 (GBP) Accumulation	40,307,553	31,796,064	126.77	89,454,118	61,965,448	144.36
U2 (GBP) Income	257,946	256,463	100.58	564,868	477,757	118.23
<b>Jupiter Monthly Income Bond Fund</b>	<b>138,403,881</b>	<b>125,440,311</b>	<b>-</b>	<b>46,836,526</b>	<b>39,705,389</b>	<b>-</b>
L (GBP) Income	5,664,968	15,162,752	37.36	754,894	1,801,873	41.89
L (GBP) Accumulation	6,703,234	7,827,585	85.64	5,326,437	5,815,107	91.60
I (GBP) Income	19,681,514	19,729,930	99.75	10,480,051	9,415,760	111.30
I (GBP) Accumulation	52,437,767	37,849,854	138.54	14,427,063	9,783,832	147.46
P (GBP) Income	302,869	325,362	93.09	302,272	290,595	104.02
P (GBP) Accumulation	686,682	425,739	161.29	50,995	29,664	171.91
U1 (GBP) Income	6,955,356	7,836,967	88.75	3,873,381	3,923,267	98.73
U1 (GBP) Accumulation	45,971,099	36,281,693	126.71	11,613,865	8,637,878	134.45
U2 (GBP) Income	392	429	91.35	7,568	7,413	102.10
<b>Jupiter UK Alpha Fund</b>	<b>685,530,195</b>	<b>437,663,518</b>	<b>-</b>	<b>827,611,868</b>	<b>532,098,292</b>	<b>-</b>
L (GBP) Income	3,860,576	3,366,330	114.68	4,369,930	3,666,922	119.17
L (GBP) Accumulation	67,758,598	45,747,180	148.12	75,662,887	50,826,936	148.86
I (GBP) Income	13,634,206	11,051,653	123.37	18,626,247	14,639,652	127.23
I (GBP) Accumulation	219,086,506	119,951,752	182.65	252,263,141	138,454,077	182.20
P (GBP) Income	2,363,794	2,378,324	99.39	2,528,327	2,460,412	102.76
P (GBP) Accumulation	3,575,372	3,294,551	108.52	3,903,556	3,596,769	108.53
U1 (GBP) Income	74,926,335	61,851,111	121.14	102,634,992	82,213,735	124.84
U1 (GBP) Accumulation	185,174,208	113,806,935	162.71	237,877,332	146,665,295	162.19
U2 (GBP) Income	11,939,958	10,126,067	117.91	34,115,124	28,097,234	121.42
U2 (GBP) Accumulation	103,210,642	66,089,615	156.17	95,630,332	61,477,260	155.55

## Net asset value of the sub-funds

	31 July 2022			31 July 2021		
	Net Asset Value of sub-fund per share class £	Shares in Issue	Net Asset Value in pence per share	Net Asset Value of sub-fund per share class £	Shares in Issue	Net Asset Value in pence per share
<b>Merian UK Equity Income Fund</b>	<b>45,709,879</b>	<b>25,297,404</b>	<b>-</b>	<b>43,588,682</b>	<b>26,465,104</b>	<b>-</b>
L (GBP) Income	3,249,179	385,984	841.79	3,367,477	419,500	802.74
L (GBP) Accumulation	4,227,774	111,326	3,797.66	3,859,043	111,426	3,463.34
I (GBP) Income	12,760,801	9,177,398	139.05	12,669,011	9,625,564	131.62
I (GBP) Accumulation	12,319,066	5,999,852	205.32	9,567,123	5,147,026	185.88
P (GBP) Income	4,015,023	3,222,264	124.60	4,128,230	3,491,464	118.24
P (GBP) Accumulation	644,473	284,986	226.14	593,271	289,080	205.23
U1 (GBP) Income	2,186,856	1,980,389	110.43	2,493,331	2,387,125	104.45
U1 (GBP) Accumulation	6,054,122	3,916,216	154.59	6,609,539	4,726,248	139.85
U2 (GBP) Income	208,460	190,772	109.27	207,351	200,956	103.18
U2 (GBP) Accumulation	44,125	28,217	156.38	94,306	66,715	141.36
<b>Jupiter UK Mid Cap Fund</b>	<b>1,650,688,728</b>	<b>853,696,024</b>	<b>-</b>	<b>3,524,014,806</b>	<b>1,269,111,859</b>	<b>-</b>
L (GBP) Income	86,686,692	26,063,810	332.59	148,885,728	29,401,319	506.39
L (GBP) Accumulation	250,514,192	66,092,374	379.04	440,083,921	76,393,226	576.08
I (GBP) Income	135,403,804	67,465,526	200.70	280,356,864	91,561,514	306.20
I (GBP) Accumulation	477,024,114	182,934,345	260.76	924,261,728	234,976,697	393.34
P (GBP) Income	2,112,129	1,061,817	198.92	4,170,812	1,375,328	303.26
P (GBP) Accumulation	7,385,280	2,228,839	331.35	13,826,627	2,759,444	501.07
Z1 (GBP) Income*	90,236,752	67,181,857	134.32	408,727,404	199,419,360	204.96
Z1 (GBP) Accumulation*	327,948,115	226,416,942	144.84	682,499,661	312,616,540	218.32
Z2 (GBP) Income**	231,870,143	186,261,662	124.49	540,755,478	284,592,807	190.01
Z2 (GBP) Accumulation**	41,507,507	27,988,852	148.30	80,446,583	36,015,624	223.37
<b>Jupiter UK Opportunities Fund</b>	<b>7,769,844</b>	<b>7,696,611</b>	<b>-</b>	<b>9,729,268</b>	<b>9,189,415</b>	<b>-</b>
L (GBP) Accumulation	5,134,937	4,997,320	102.75	6,303,714	5,795,951	108.76
I (GBP) Accumulation	1,370,819	1,234,595	111.03	1,572,440	1,348,036	116.65
U1 (GBP) Accumulation	1,264,088	1,464,696	86.30	1,853,114	2,045,428	90.60
<b>Jupiter UK Smaller Companies Fund</b>	<b>833,173,247</b>	<b>340,297,712</b>	<b>-</b>	<b>1,415,314,220</b>	<b>446,315,440</b>	<b>-</b>
L (GBP) Income	12,437,888	2,501,753	497.17	18,643,681	2,808,736	663.77
L (GBP) Accumulation	149,692,435	28,782,149	520.09	216,870,460	31,304,768	692.77
I (GBP) Income	52,107,950	20,433,536	255.01	79,595,089	23,335,875	341.08
I (GBP) Accumulation	262,330,578	91,684,726	286.12	459,944,122	121,750,955	377.77
P (GBP) Income	7,706,057	3,366,718	228.89	11,151,836	3,645,594	305.90
P (GBP) Accumulation	6,729,942	1,690,689	398.06	9,207,978	1,745,370	527.57
U1 (GBP) Income	139,377,346	79,249,255	175.87	218,221,783	92,755,936	235.26
U1 (GBP) Accumulation	186,890,330	103,380,174	180.78	370,545,140	155,374,854	238.48
U2 (GBP) Income	8,940,038	5,354,764	166.95	18,642,918	8,346,098	223.37
U2 (GBP) Accumulation	6,960,683	3,853,948	180.61	12,491,213	5,247,254	238.05

\*With effect from 01 July 2022, U1 Shares have been re-named as Z1 Shares.

\*\*With effect from 01 July 2022, U2 Shares have been re-named as Z2 Shares.

## Statement of the Authorised Corporate Director's responsibilities

The Collective Investment Schemes Sourcebook published by the FCA, ("the COLL Rules") require the Authorised Corporate Director ("ACD") to prepare financial statements for each annual and semi-annual accounting period which give a true and fair view of the financial position of the Company and of the net income and net gains or losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (now referred to as the Investment Association) in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

The ACD is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Statement of Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of Jupiter Investment Management Series I for the Year Ended 31 July 2022

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Depositary must ensure that:

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

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

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

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

### Northern Trust Investor Services Limited

UK Trustee and Depositary Services  
London  
29 November 2022

## Independent Auditor's report to the Shareholders of the Jupiter Investment Management Series I ("the Company")

### Opinion

We have audited the financial statements of the Company for the year ended 31 July 2022 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 4 and the significant accounting policies set out on pages 240 to 242.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the sub-funds as at 31 July 2022 and of the net revenue/net expense and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or its sub-funds or to cease their operations, and as they have concluded that the Company and its sub-funds' financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the Company's and its sub-funds' business model and analysed how those risks might affect the Company's and its sub-funds' financial resources or ability to continue operations over the going concern period

Our conclusions based on this work:

- we consider that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Authorised Corporate Director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's and its sub-funds' ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company or its sub-funds will continue in operation.

## Independent Auditor's report to the Shareholders of the Jupiter Investment Management Series I ("the Company") *(continued)*

### Fraud and breaches of laws and regulations – ability to detect

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the ACD, the Depositary, the Administrator and the Investment Adviser; (use term used by entity to refer to portfolio manager);
- Reading ACD board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the ACD and the Administrator, no further high-risk journal entries or other adjustments were identified.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the ACD and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## Independent Auditor's report to the Shareholders of the Jupiter Investment Management Series I ("the Company") *(continued)*

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Other information**

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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

### **Authorised Corporate Director's responsibilities**

As explained more fully in their statement set out on page 7 the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and 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 they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

## Independent Auditor's report to the Shareholders of the Jupiter Investment Management Series I ("the Company") *(continued)*

### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Grant Archer

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
319 St. Vincent Street  
Glasgow  
G2 5AS  
29 November 2022



## Jupiter Investment Grade Bond Fund

### Performance

	1 year	3 year	5 years	10 years
Jupiter Investment Grade Bond Fund*	(12.97)	(1.23)	7.50	48.17
ICE BofA Sterling non-Gilt Index (Benchmark)	(11.76)	(4.88)	2.72	38.23
IA Sterling Corporate Bond (Sector Average)	(11.52)	(3.52)	3.28	38.84
Quartile Ranking	4th	1st	1st	1st

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

### Investment Objective and Policy

To seek to achieve income and capital growth by delivering a return, net of fees, greater than that of the ICE BofA Sterling Non-Gilt Index over rolling 3 year periods.

The sub-fund primarily invests (at least 70%) in investment grade corporate debt securities.

The sub-fund may also invest in other transferable securities (including convertible securities, government bonds and sub-investment grade debt securities), units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives, and may hold cash.

The sub-fund may use derivatives for investment purposes or Efficient Portfolio Management purposes. The use of derivatives for investment purposes may affect the volatility or risk profile of the fund although this is not the ACD's intention.

### Market Review

Financial markets, particularly fixed income assets, faced an extremely challenging period in the current year.

Overall, the year can be divided into two main parts. During the last five months of 2021, sentiment continued generally to be positive, with risk assets holding up relatively well and credit spreads remaining at tight levels.

However, markets came under pressure from late 2021 as the Covid-19 Omicron variant started to spread across the globe. Fears of a new wave and prospects of potential restrictions adversely affected risk sentiment and prompted markets to reprice government bond yields lower. Then, just as concerns over the severity of Covid-19 started to dissipate, the spectre of inflation emerged. Since the beginning of 2022, persistent inflationary pressures forced central banks to materially pivot their policy stance towards a more hawkish narrative. This put government bond yields under pressure as markets priced in more aggressive interest rate hikes.

A further shock came at the end of February, with the unexpected invasion of Ukraine by Russia spurring a new inflationary panic as commodities (especially energy and agricultural products) spiked on fears of supply chain disruption. After some short-term volatility induced by the conflict, fixed income entered a prolonged bear market into the summer as inflation and hawkish central bank rhetoric combined to undermine investor confidence.

Since April, more material concerns regarding a potential slowdown in economic growth soon took centre stage, with a material widening in credit spreads across developed market investment grade and high yield as well as in emerging markets. However, in July, we have seen a strong recovery in the performance of fixed income as investors took comfort from indications by the US Federal Reserve (Fed) that the pace of monetary tightening might start to slow as inflation rolled over. Overall, during the year the direction has been materially higher government bond yields across the globe (with the 10 years UK gilt yield up +129bps) and materially wider sterling IG spreads.

## Policy Review

The Fund closed the year with a performance of -12.97% (Inst. Share class) against the -11.76% recorded by the ICE BofA Sterling Non-Gilt Index and the -11.52% recorded by the IA £ Corporate Bond sector average. The differential came mainly from the following contributors:

### Positive contributors

- Underweight duration\* in the first half of the year
- Underweight and security selection in industrials
- Underweight to financials
- Security selection in utilities

### Negative contributors

- Security selection in real estate
- Security selection in healthcare
- Security selection in materials
- Security selection in financials

Approaching the summer of 2021, we had become more concerned about the level of credit spreads, as we felt that markets were seeking to justify expensive valuations on the assumption that the prevailing level of emergency fiscal and monetary support will continue. As the world gradually advanced in its fight against Covid-19 and short-term inflationary pressures grew, we saw the potential for a repricing as central banks and governments gradually reduced their stimulus.

In light of this, we entered the year with overall duration of the Fund significantly below the index. We also started the year with a lower overall spread duration and duration times spread vs the index, with a material allocation towards highly rated credit with strong liquidity and more defensive characteristics.

Towards end of 2021, we continued to decrease our overall exposure to interest rates and our overall exposure to credit risk, as government bonds yields were pushed down by new concerns regarding the Covid-19 Omicron variant.

In the second part of the year, as rates started to materially increase and the prospects of a macroeconomic slowdown became quite clear, we gradually shifted our stance on duration to an overweight. Initially this detracted from relative performance, but in the last month, as government bond yields peaked and started to retrace, we started to see a more positive contribution from our rate exposure. As spreads widened, we also started to increase our credit risk, extending our spread duration especially in the BBB segment in keeping with our philosophy of being 'Active, Pragmatic and Risk Aware'.

Looking at current positioning, in rating terms we are currently running a barbell approach with overweight to BBBs and some off-benchmark exposure in HY, paired with an overweight to highly liquid AAA/AA credits and sovereign bonds. We remain significantly underweight As, where we see a poor risk/return trade-off.

From a sector perspective we remain well diversified, staying overweight sectors that can either continue to thrive in an inflationary environment (energy, materials) or that can withstand the slowdown we expect (healthcare). We keep an underweight on sectors that we consider high beta (e.g. financials) and those more exposed to consumer behaviour (e.g. consumer discretionary) as we fear that consumer discretionary spending may come under considerable pressure given the real income squeeze resulting from high inflation and rising interest rates.

*\*Duration is a measure of a bond price's sensitivity to changes in interest rates.*

## Investment Outlook

The last quarters have been quite transformational for financial markets. We went from a phase of extraordinary monetary and fiscal policy support to an environment characterised by a frenetic removal of such stimulus.

At the end of 2021 and in the first part of 2022 we believed that the market had been living for too long with the idea of continuous and unconditional support. This prompted us to bring down our interest rate and credit risk vs the GBP corporate bond market. This helped us to avoid part of the drawdown in the initial part of 2022.

Towards the end of the review year, as financial conditions kept tightening, we started to see a more material possibility of a slowdown in the global and UK economies.

At this point in time, we would say that a recession in the coming 12 months is quite likely in many developed markets and almost certain in the UK. Slowing growth, and the final restoration of disrupted supply chains from the Covid-19 period, should combine to bring down inflation from current elevated levels. For this reason, we started to gradually increase our duration exposure over the year, bringing it closer to market level. Although this detracted from performance in the short term as yields continued to rise, we are quite confident that the tide might be turning for government bond yields and the Fund has outperformed more recently because of its longer duration positioning.

Notwithstanding our economic slowdown scenario, the extreme market volatility during the year has presented attractive credit opportunities – with UK credit spreads reaching levels that historically have generated strong total returns on a forward-looking basis. We have been thus selectively adding risk to names that look attractive on a through the cycle basis. Given the macroeconomic backdrop, our exposure to areas of the market that we would characterise as consumer discretionary remain modest.

As said, we keep a barbell approach pairing BBBs with a heavy overweight to the highest quality AAA/AA rated credit relative to the broad market. This provides a defensive core to the portfolio and provides liquidity which we can rotate into higher yielding credit opportunities when valuations are sufficiently attractive.

August 2022

## Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 4 have in the past shown moderate volatility. With a sub-fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

## Comparative Tables

Change in net asset per share						
	L (GBP) Income			I (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	134.75	134.04	125.98	129.42	128.09	119.78
Return before operating charges*	(15.69)	5.42	12.96	(15.14)	5.20	12.37
Operating charges	(1.46)	(1.55)	(1.48)	(0.79)	(0.84)	(0.80)
Return after operating charges*	(17.15)	3.87	11.48	(15.93)	4.36	11.57
Distributions on income shares	(3.66)	(3.16)	(3.42)	(3.52)	(3.03)	(3.26)
Closing net asset value per share	113.94	134.75	134.04	109.97	129.42	128.09
*after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after charges (%)	(12.73)	2.89	9.11	(12.31)	3.40	9.66
Other Information						
Closing net asset value (£'000)	4,090	10,064	9,661	37,027	51,296	55,168
Closing number of shares	3,590,153	7,468,234	7,207,934	33,668,719	39,636,770	43,070,680
Operating charges (%)	1.15	1.15	1.15	0.65	0.65	0.65
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest share price (p)	135.74	138.90	135.40	130.38	133.00	129.40
Lowest share price (p)	109.70	132.00	116.60	105.83	126.60	111.20

Change in net asset per share						
	P (GBP) Income			U1 (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	136.23	135.03	126.49	118.62	117.04	109.11
Return before operating charges*	(15.92)	5.48	13.03	(13.90)	4.76	11.30
Operating charges	(1.02)	(1.09)	(1.05)	(0.39)	(0.41)	(0.40)
Return after operating charges*	(16.94)	4.39	11.98	(14.29)	4.35	10.90
Distributions on income shares	(3.70)	(3.19)	(3.44)	(3.23)	(2.77)	(2.97)
Closing net asset value per share	115.59	136.23	135.03	101.10	118.62	117.04
*after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after charges (%)	(12.43)	3.25	9.47	(12.05)	3.72	9.99
Other Information						
Closing net asset value (£'000)	1,317	1,714	1,691	9,416	11,537	21,601
Closing number of shares	1,139,546	1,258,444	1,252,118	9,313,224	9,726,557	18,455,906
Operating charges (%)	0.80	0.80	0.80	0.35	0.35	0.35
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest share price (p)	137.24	140.10	136.40	119.52	121.70	118.30
Lowest share price (p)	111.26	133.30	117.30	97.27	115.90	101.50

## Comparative Tables *(continued)*

Change in net asset per share			
	U2 (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	118.23	117.12	109.35
Return before operating charges*	(13.81)	4.53	11.37
Operating charges	(0.62)	(0.65)	(0.62)
Return after operating charges*	(14.43)	3.88	10.75
Distributions on income shares	(3.22)	(2.77)	(2.98)
Closing net asset value per share	100.58	118.23	117.12
*after direct transaction costs of:	–	–	–
Performance			
Return after charges (%)	(12.21)	3.31	9.83
Other Information			
Closing net asset value (£'000)	258	565	44,553
Closing number of shares	256,463	477,757	38,041,050
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	–	–	–
Prices			
Highest share price (p)	119.12	121.40	118.40
Lowest share price (p)	96.78	115.60	100.00

Change in net asset per share						
	L (GBP) Accumulation			I (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	283.04	275.02	251.83	155.93	150.75	137.34
Return before operating charges*	(33.39)	11.23	26.18	(18.45)	6.18	14.34
Operating charges	(3.08)	(3.21)	(2.99)	(0.96)	(1.00)	(0.93)
Return after operating charges*	(36.47)	8.02	23.19	(19.41)	5.18	13.41
Distribution on accumulation share	(7.76)	(6.55)	(6.90)	(4.29)	(3.60)	(3.77)
Retained distributions on accumulation share	7.76	6.55	6.90	4.29	3.60	3.77
Closing net asset value per share	246.57	283.04	275.02	136.52	155.93	150.75
*after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after charges (%)	(12.89)	2.92	9.21	(12.45)	3.44	9.76
Other Information						
Closing net asset value (£'000)	44,266	63,611	72,279	74,317	144,697	143,073
Closing number of shares	17,952,437	22,473,880	26,280,891	54,438,008	92,797,054	94,904,958
Operating charges (%)	1.15	1.15	1.15	0.65	0.65	0.65
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest share price (p)	285.12	286.60	276.20	157.09	157.50	151.40
Lowest share price (p)	235.36	274.20	236.20	130.24	150.60	129.20

## Comparative Tables *(continued)*

Change in net asset per share						
	P (GBP) Accumulation			U1 (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	213.10	206.35	188.32	144.36	139.16	126.35
Return before operating charges*	(25.20)	8.43	19.59	(17.11)	5.70	13.27
Operating charges	(1.61)	(1.68)	(1.56)	(0.48)	(0.50)	(0.46)
Return after operating charges*	(26.81)	6.75	18.03	(17.59)	5.20	12.81
Distribution on accumulation share	(5.86)	(4.92)	(5.17)	(3.98)	(3.33)	(3.48)
Retained distributions on accumulation share	5.86	4.92	5.17	3.98	3.33	3.48
Closing net asset value per share	186.29	213.10	206.35	126.77	144.36	139.16
*after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after charges (%)	(12.58)	3.27	9.57	(12.18)	3.74	10.14
Other Information						
Closing net asset value (£'000)	1,320	1,706	1,227	40,308	89,454	107,551
Closing number of shares	708,463	800,578	594,823	31,796,064	61,965,448	77,284,504
Operating charges (%)	0.80	0.80	0.80	0.35	0.35	0.35
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest share price (p)	214.68	215.40	207.20	145.45	145.50	139.70
Lowest share price (p)	177.76	206.10	177.00	120.90	139.00	119.10

## Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>CORPORATE BONDS AND FIXED INTEREST STOCKS - 98.18% (98.47%)</b>			
<b>Australia - 0.00% (1.64%)</b>			
€2,900,000	<b>Belgium - 0.92% (0.00%)</b> Silfin 2.875% 11/04/2027	1,945,970	0.92
<b>Finland - 0.00% (1.03%)</b>			
<b>France - 3.03% (2.88%)</b>			
€1,900,000	Carrefour 2.375% 30/10/2029	1,548,370	0.73
\$1,600,000	CNP Assurances 4.875% Perpetual	1,057,862	0.50
£1,300,000	Electricite de France 5.5% 17/10/2041	1,477,788	0.70
£2,100,000	Electricite de France 5.125% 22/09/2050	2,344,251	1.10
		<b>6,428,271</b>	<b>3.03</b>
<b>Germany - 9.93% (3.54%)</b>			
€1,000,000	Altice France 5.875% 01/02/2027	790,495	0.37
£585,000	Ardagh Packaging Finance 4.75% 15/07/2027	436,663	0.21
£720,000	AT&T 4.25% 01/06/2043	700,871	0.33
£2,000,000	Banco Santander 2.25% 04/10/2032	1,726,880	0.81
€2,000,000	Banco Santander 3.625% Perpetual	1,225,383	0.58
£1,600,000	BNP Paribas 2% 13/09/2036	1,267,462	0.60
€730,000	Carnival 10.125% 01/02/2026	641,503	0.30
£1,200,000	Credit Agricole 7.5% Perpetual	1,212,000	0.57
£5,162,000	International Development Association 0.375% 22/09/2027	4,723,598	2.22
€1,724,000	Louis Dreyfus Co Finance 1.625% 28/04/2028	1,261,807	0.59
£900,000	National Grid Electricity Transmission 2% 16/09/2038	683,467	0.32
€443,000	Nidda BondCo 7.25% 30/09/2025	323,442	0.15
€2,140,000	OMV 6.25% Perpetual	1,878,773	0.89
€522,441	Summer BidCo 9% 15/11/2025	355,788	0.17
€1,601,000	TotalEnergies 3.369% Perpetual	1,304,297	0.61
£1,950,000	Verizon Communications 1.875% 03/11/2038	1,475,261	0.70
€1,620,000	Viterra Finance 1% 24/09/2028	1,085,750	0.51
		<b>21,093,440</b>	<b>9.93</b>
<b>Guernsey, Channel Islands - 1.18% (0.96%)</b>			
€600,000	Motion Finco 7% 15/05/2025	488,483	0.23
€309,000	Nidda BondCo 5% 30/09/2025	218,343	0.10
£1,110,000	Pinewood Finance 3.625% 15/11/2027	939,338	0.44
£1,000,000	Virgin Media O2 UK Financing I 4.5% 15/07/2031	864,100	0.41
		<b>2,510,264</b>	<b>1.18</b>



## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>Ireland - 18.44% (17.90%)</b>			
£750,000	AA Bond 6.269% 02/07/2043	778,422	0.37
£900,000	AA Bond 4.875% 31/07/2043	897,962	0.42
£1,350,000	AA Bond 5.5% 31/07/2050	1,325,268	0.62
€800,000	ABN AMRO Bank 4.375% Perpetual	633,061	0.30
\$2,750,000	Argentum Netherlands 4.625% Perpetual	2,064,143	0.97
£1,200,000	Aroundtown 3.625% 10/04/2031	1,039,342	0.49
£1,000,000	Aroundtown 4.75% Perpetual	840,000	0.40
\$1,500,000	AT Securities 5.25% Perpetual	1,147,961	0.54
€700,000	Cellnex Telecom 1.75% 23/10/2030	477,729	0.22
£1,363,000	Channel Link Enterprises Finance 3.043% 30/06/2050	1,277,680	0.60
€1,400,000	Cooperatieve Rabobank UA 4.875% Perpetual	1,055,765	0.50
€4,790,000	CPI Property 1.5% 27/01/2031	2,913,637	1.37
£1,820,000	Danske Bank 2.25% 14/01/2028	1,679,594	0.79
€1,660,000	Digital Dutch Finance 1.5% 15/03/2030	1,225,902	0.58
€900,000	Digital Dutch Finco 1% 15/01/2032	604,915	0.28
£700,000	Direct Line Insurance 4% 05/06/2032	635,684	0.30
£850,000	Direct Line Insurance 4.75% Perpetual	669,817	0.32
€1,755,000	Enel F2V 1.875% Perpetual	1,055,801	0.50
£2,543,400	Greene King Finance 3.593% 15/03/2035	2,427,133	1.14
£1,336,760	Greene King Finance 4.0643% 15/03/2035	1,302,901	0.61
£1,164,677	Gwynt y Mor 2.778% 17/02/2034	1,124,180	0.53
£921,000	HSBC 5.875% Perpetual	886,463	0.42
€7,850,000	Lehman Brothers Defaulted 4.625% 14/03/2019*	–	–
€2,644,000	Logicor Financing Sarl 2% 17/01/2034	1,756,404	0.83
€1,065,000	Louvre Bidco 6.5% 30/09/2024	849,794	0.40
€520,000	Mauser Packaging Solutions 4.75% 15/04/2024	418,218	0.20
£3,340,000	MPT Operating Partnership 3.692% 05/06/2028	2,920,563	1.38
£1,550,000	Nordea Bank Abp 1.625% 09/12/2032	1,338,230	0.63
£720,000	Ocado Group 3.875% 08/10/2026	578,293	0.27
\$600,000	Skandinaviska Enskilda Banken 6.875% Perpetual	495,257	0.23
£1,827,974	Telereal Secured Finance 4.01% 10/12/2031	1,845,051	0.87
€3,917,000	Teva Pharmaceutical Finance Netherlands II 4.375% 09/05/2030	2,895,186	1.36
		39,160,356	18.44
<b>Italy - 1.50% (0.00%)</b>			
\$3,300,000	Intesa Sanpaolo 4% 23/09/2029	2,439,807	1.15
£850,000	Intesa Sanpaolo 2.5% 15/01/2030	735,274	0.35
		3,175,081	1.50
<b>Luxembourg - 7.88% (4.61%)</b>			
€1,452,000	Akzo Nobel 2% 28/03/2032	1,142,308	0.54
\$1,200,000	Allianz 3.5% Perpetual	866,489	0.41
€3,600,000	Bayer 1% 12/01/2036	2,274,479	1.07
€1,063,000	Eni 3.375% Perpetual	748,453	0.35

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
	<b>Luxembourg (continued)</b>		
\$1,200,000	EnQuest 7% 15/10/2023	931,379	0.44
€600,000	Gamma Bidco 6.25% 15/07/2025	485,056	0.23
£4,996,000	International Bank for Reconstruction & Development 1% 21/12/2029	4,597,630	2.17
€1,550,000	Intesa Sanpaolo 6.375% Perpetual	1,164,727	0.55
€1,250,000	Quatrim 5.875% 15/01/2024	997,148	0.47
£1,757,000	Virgin Media Secured Finance 4.25% 15/01/2030	1,518,927	0.71
€900,000	Volkswagen International Finance 3.875% Perpetual	668,939	0.31
€1,500,000	Vonovia 1.625% 01/09/2051	839,878	0.40
€720,000	WMG Acquisition 2.25% 15/08/2031	492,038	0.23
		<b>16,727,451</b>	<b>7.88</b>
	<b>Norway - 0.29% (0.00%)</b>		
\$750,000	Gulf Keystone Petroleum 10% 25/07/2023	626,258	0.29
	<b>Singapore - 0.00% (0.49%)</b>		
	<b>United Kingdom - 40.84% (47.15%)</b>		
£1,340,000	Aviva 4% 03/06/2055	1,155,107	0.54
£2,099,000	Berkeley 2.5% 11/08/2031	1,571,660	0.74
£439,000	Blend Funding 3.459% 21/09/2049	407,167	0.19
£610,000	Blend Funding 2.922% 05/04/2056	506,844	0.24
£637,000	BP Capital Markets 4.25% Perpetual	586,244	0.28
£2,700,000	BUPA Finance 4.125% 14/06/2035	2,381,751	1.12
£867,000	BUPA Finance 4% Perpetual	612,119	0.29
£2,315,000	Cadent Finance 2.625% 22/09/2038	1,867,742	0.88
£1,629,000	Close Brothers 2% 11/09/2031	1,449,435	0.68
€1,700,000	Coca-Cola HBC Finance 1.625% 14/05/2031	1,304,018	0.61
£2,032,000	Coventry Building Society 2% 20/12/2030	1,762,642	0.83
£860,000	Coventry Building Society 6.875% Perpetual	842,800	0.40
£2,250,000	ENW Finance 1.415% 30/07/2030	1,950,021	0.92
£1,846,156	Eversholt Funding 2.742% 30/06/2040	1,689,049	0.80
£2,295,000	Flagship Finance 1.875% 14/07/2061	1,452,483	0.68
£1,215,000	Gatwick Funding 2.5% 15/04/2032	1,088,373	0.51
£3,010,000	Gatwick Funding 2.625% 07/10/2048	2,117,445	1.00
£2,430,000	Heathrow Funding 2.75% 09/08/2051	1,764,472	0.83
£790,000	Legal & General Group 5.625% Perpetual	711,079	0.33
£1,670,000	Lloyds Banking Group 2% 12/04/2028	1,533,815	0.72
£1,357,000	Lloyds Banking Group 2.707% 03/12/2035	1,146,344	0.54
€1,500,000	Mondi Finance Europe 2.375% 01/04/2028	1,186,604	0.56
£3,525,000	National Grid Gas 1.375% 07/02/2031	2,919,371	1.37
£2,100,000	NatWest Group 3.622% 14/08/2030	2,022,107	0.95
€900,000	Netflix 3.625% 15/06/2030	714,093	0.34
£1,463,000	Peabody Capital No 2 2.75% 02/03/2034	1,355,961	0.64

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>United Kingdom (continued)</b>			
£1,715,000	Pension Insurance 3.625% 21/10/2032	1,426,777	0.67
£1,351,000	Phoenix 5.625% 28/04/2031	1,330,181	0.63
£1,296,000	Places For People Treasury 2.5% 26/01/2036	1,111,164	0.52
£2,453,000	Quadgas Finance 3.375% 17/09/2029	2,313,317	1.09
£2,465,000	Sage 2.875% 08/02/2034	2,227,867	1.05
€778,000	Segro Capital Sarl 1.875% 23/03/2030	607,047	0.29
£1,800,000	Shell International Finance 1.75% 10/09/2052	1,114,927	0.53
£1,700,000	South Eastern Power Networks 5.625% 30/09/2030	1,968,039	0.93
£3,638,000	Tesco rate Treasury Services 1.875% 02/11/2028	3,195,579	1.50
£3,300,000	United Kingdom Gilt 0.25% 31/07/2031	2,864,801	1.35
£16,750,000	United Kingdom Gilt 0.625% 22/10/2050	10,713,970	5.05
£598,000	Virgin Media Secured Finance 4.125% 15/08/2030	511,888	0.24
£1,400,000	Virgin Money UK 3.375% 24/04/2026	1,341,837	0.63
£1,500,000	Vodafone Group 3.375% 08/08/2049	1,275,030	0.60
£3,180,000	Wales & West Utilities Finance 1.875% 28/05/2041	2,289,444	1.08
£2,300,000	Wells Fargo 3.5% 12/09/2029	2,293,463	1.08
£2,100,000	Wells Fargo 4.875% 29/11/2035	2,171,928	1.02
£1,400,000	Wessex Water Services Finance 1.5% 17/09/2029	1,238,776	0.58
£2,970,000	Western Power Distribution East Midlands 1.75% 09/09/2031	2,560,639	1.21
£2,100,000	Western Power Distribution South Wales 1.625% 07/10/2035	1,589,280	0.75
£2,282,000	Western Power Distribution South West 2.375% 16/05/2029	2,135,970	1.01
£1,320,000	Yorkshire Building Society 3.375% 13/09/2028	1,217,064	0.57
£1,347,000	Yorkshire Building Society 3.511% 11/10/2030	1,285,377	0.61
£2,126,000	Yorkshire Water Finance 1.75% 27/10/2032	1,828,062	0.86
		86,711,173	40.84
<b>United States - 14.17% (18.27%)</b>			
\$2,468,000	AngloGold Ashanti 3.75% 01/10/2030	1,736,864	0.82
\$1,900,000	Bausch Health Cos 9% 15/12/2025	1,131,370	0.53
\$500,000	Energy Transfer 6.5% Perpetual	372,675	0.18
€3,550,000	Exxon Mobil 1.408% 26/06/2039	2,342,795	1.10
£3,930,000	HSBC 3% 29/05/2030	3,702,610	1.74
\$3,708,000	JPMorgan Chase 6.1% Perpetual	3,047,287	1.43
£1,120,000	Lloyds Banking Group 1.985% 15/12/2031	994,591	0.47
£4,900,000	Metropolitan Life Global Funding I 1.625% 21/09/2029	4,456,697	2.10
\$800,000	Perenti Finance Pty 6.5% 07/10/2025	586,752	0.28
\$4,300,000	Plains All American Pipeline 3.8% 15/09/2030	3,204,409	1.51
\$1,729,000	Plains All American Pipeline 6.125% Perpetual	1,077,583	0.51
\$1,455,000	Tesco 6.15% 15/11/2037	1,310,068	0.62
£3,500,000	Verizon Communications 2.5% 08/04/2031	3,229,443	1.52

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
	<b>United States (continued)</b>		
£2,750,000	Welltower 4.8% 20/11/2028	2,888,974	1.36
		<u>30,082,118</u>	<u>14.17</u>
	<b>DERIVATIVES - 0.00% (0.03%)</b>		
	<b>Futures Contracts - (0.10%) ((0.17%))</b>		
(25)	Futures Euro Buxl September 2022	(264,576)	(0.12)
25	Futures Long Gilt September 2022	53,872	0.02
		<u>(210,704)</u>	<u>(0.10)</u>
	<b>Forward Currency Contracts - 0.10% (0.20%)</b>		
	Bought Sterling £41,543,274: Sold EUR €49,367,887	20,638	0.01
	Bought Sterling £22,125,589: Sold USD \$26,719,868	194,893	0.09
		<u>215,531</u>	<u>0.10</u>
	Total value of investments	<u>208,465,209</u>	<u>98.18</u>
	Net other assets	<u>3,853,877</u>	<u>1.82</u>
	<b>Net assets</b>	<u><b>212,319,086</b></u>	<u><b>100.00</b></u>

The figures in brackets show allocations as at 31 July 2021.

\*Represents an unquoted security.

Asset allocation	
Debt Securities	98.18%
Derivatives	–%
Net other assets	1.82%
<b>Total</b>	<b>100.00%</b>

Portfolio allocation	
United Kingdom	40.84%
Ireland	18.44%
United States	14.17%
Germany	9.93%
Luxembourg	7.88%
France	3.03%
Italy	1.50%
Guernsey, Channel Islands	1.18%
Belgium	0.92%
Norway	0.29%
Derivatives	–%
Net other assets	1.82%
<b>Total</b>	<b>100.00%</b>

Major holdings	Percentage of portfolio
United Kingdom Gilt 0.625% 22/10/2050	5.05%
International Development Association 0.375% 22/09/2027	2.22%
International Bank for Reconstruction & Development 1% 21/12/2029	2.17%
Metropolitan Life Global Funding I 1.625% 21/09/2029	2.10%
HSBC 3% 29/05/2030	1.74%
Verizon Communications 2.5% 08/04/2031	1.52%
Plains All American Pipeline 3.8% 15/09/2030	1.51%
Tescoorate Treasury Services 1.875% 02/11/2028	1.50%
JPMorgan Chase 6.1% Perpetual	1.43%
MPT Operating Partnership 3.692% 05/06/2028	1.38%
<b>Number of holdings</b>	<b>142</b>

## Statement of Total Return

For the year ended 31 July 2022					
	Note	Year to 31.07.22		Year to 31.07.21	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(42,659)		6,630
Revenue	3	8,283		9,786	
Expenses	4	(1,955)		(2,700)	
Interest payable and similar charges		(28)		(44)	
Net revenue before taxation		6,300		7,042	
Taxation	5	(56)		(45)	
Net revenue after taxation			6,244		6,997
<b>Total return before distributions</b>			<b>(36,415)</b>		<b>13,627</b>
Distributions	6		(8,199)		(9,726)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(44,614)</b>		<b>3,901</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022				
	Year to 31.07.22		Year to 31.07.21	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>374,645</b>		<b>456,804</b>
Amounts receivable on issue of shares	38,987		87,895	
Amounts payable on cancellation of shares	(162,769)		(181,489)	
		(123,782)		(93,594)
Change in net assets attributable to shareholders from investment activities		(44,614)		3,901
Unclaimed distributions		15		2
Retained distribution on accumulation shares		6,055		7,532
<b>Closing net assets attributable to shareholders</b>		<b>212,319</b>		<b>374,645</b>

The notes on pages 28 to 40 form an integral part of these financial statements.

## Balance Sheet

As at 31 July 2022			
	Note	31.07.22 £'000	31.07.21 £'000
<b>Assets</b>			
Fixed Assets:			
Investments		208,730	369,893
Current assets:			
Debtors	7	3,390	5,369
Cash and bank balances	8	3,076	7,151
Total assets		215,196	382,413
<b>Liabilities</b>			
Investment liabilities		(265)	(854)
Creditors:			
Bank overdrafts	9	(1,259)	–
Distributions payable		(455)	(434)
Other creditors	10	(898)	(6,480)
Total liabilities		(2,877)	(7,768)
<b>Net assets attributable to shareholders</b>		<b>212,319</b>	<b>374,645</b>

The notes on pages 28 to 40 form an integral part of these financial statements.

## Notes to the Financial Statements

### 1. Significant Accounting Policies

The summary of applicable accounting policies adopted by the Jupiter Investment Grade Bond Fund are included on pages 240 to 242.

### 2. Net Capital (Losses)/Gains

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

	31.07.22 £'000	31.07.21 £'000
Currency gains	376	2,035
Transaction charges	–	(10)
(Losses)/gains on non-derivative securities	(41,005)	1,047
(Losses)/gains on forward currency contracts (see Note 13)	(4,012)	2,675
Gains on derivative contracts (see Note 13)	1,982	883
<b>Net capital (losses)/gains</b>	<b>(42,659)</b>	<b>6,630</b>

### 3. Revenue

	31.07.22 £'000	31.07.21 £'000
Bank interest	2	–
Interest on debt securities	8,281	9,786
<b>Total revenue</b>	<b>8,283</b>	<b>9,786</b>

### 4. Expenses

	31.07.22 £'000	31.07.21 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Fixed Annual Charge*	112	–
Fixed Ongoing Charge**	1,843	2,700
<b>Total expenses</b>	<b>1,955</b>	<b>2,700</b>

\*This figure represent the Fixed Annual Charge, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Investment adviser, Depositary (including associates etc.) and other expenses.

The audit fee for the year, excluding VAT, was £9,550 (31.07.21: £9,100).

\*\*With effect from 1 July 2022, the ACD has renamed the Fixed Ongoing Charge to the Fixed Annual Charge.



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

### 5. Taxation

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

	31.07.22 £'000	31.07.21 £'000
Corporation tax	–	5
Irrecoverable overseas tax	56	26
Double taxation relief	–	(5)
Prior year adjustment	–	19
<b>Total tax charge for the year</b>	<b>56</b>	<b>45</b>

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

The tax assessed for the year is lower (2021: lower) than the standard rate of Corporation Tax in the UK for an open-ended investment company. The differences are explained below:

	31.07.22 £'000	31.07.21 £'000
Net revenue before taxation	6,300	7,042
Corporation tax of 20% (2021: 20%)	1,260	1,408
<b>Effects of:</b>		
Capitalised revenue not subject to taxation	–	19
Double taxation relief	–	(5)
Irrecoverable overseas tax	56	26
Tax deductible interest distributions	(1,260)	(1,403)
<b>Total tax charge for the year</b>	<b>56</b>	<b>45</b>

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

#### (c) Provision for Deferred Tax

There is no material unrecognised Deferred Tax in the current year and prior year.

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

### 6. Distributions

The distributions take account of amounts received on the issue of shares and deducted on the cancellation of shares and comprise:

	31.07.22 £'000	31.07.21 £'000
1st interim distribution	2,132	2,501
2nd interim distribution	1,892	2,423
3rd interim distribution	1,976	2,333
Final distribution	1,840	2,152
	<u>7,840</u>	<u>9,409</u>
Amounts received on issue of shares	(130)	(251)
Amounts paid on cancellation of shares	489	568
<b>Net distributions for the year</b>	<b>8,199</b>	<b>9,726</b>
<b>Reconciliation of net revenue after taxation to distributions:</b>		
Net revenue after taxation	6,244	6,997
Charges borne by capital	1,955	2,710
Tax effect of fee rebates taken to capital	–	19
<b>Net distributions for the year</b>	<b>8,199</b>	<b>9,726</b>

Details of the distributions in pence per share are shown in the Distribution Tables on pages 41 to 48.

### 7. Debtors

	31.07.22 £'000	31.07.21 £'000
Accrued revenue	2,885	4,016
Amounts receivable for issue of shares	505	320
Sales awaiting settlement	–	1,033
<b>Total debtors</b>	<b>3,390</b>	<b>5,369</b>

### 8. Cash and Bank Balances

	31.07.22 £'000	31.07.21 £'000
Amounts held at brokers	1,439	1,795
Cash and bank balances	1,637	5,356
<b>Total cash and bank balances</b>	<b>3,076</b>	<b>7,151</b>

### 9. Bank Overdrafts

	31.07.22 £'000	31.07.21 £'000
Amounts due to brokers	1,259	–
<b>Total bank overdrafts</b>	<b>1,259</b>	<b>–</b>

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

### 10. Other Creditors

	31.07.22 £'000	31.07.21 £'000
Accrued expenses	28	193
Amounts payable for cancellation of shares	870	6,287
<b>Total other creditors</b>	<b>898</b>	<b>6,480</b>

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

The sub-fund had no contingent assets, liabilities or capital commitments at the balance sheet date (31.07.21: £nil).

### 12. Related Party Transactions

Jupiter Fund Managers Limited (JFML), as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 26. Any amounts due to or from JFML at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in Notes 7 (Debtors) and 10 (Other Creditors).

Amounts receivable/(payable) from JFML in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. At the year end, a net balance of £364,431 was payable to JFML (31.07.21: £5,966,496 payable to JFML). These amounts are included in amounts receivable for issue of shares in Note 7 and amounts payable for cancellation of shares in Note 10.

Amounts paid to JFML in respect of fund management are disclosed in Note 4 (Expenses). At the year end, £27,970 (31.07.21: £192,959) was payable to JFML. This amount is included as part of accrued expenses in Note 10.

### 13. Financial Instruments

#### Financial Instrument Risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Bonds, collective investment schemes and derivatives.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives for investment purposes and the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

The Investment Adviser is responsible for monitoring the portfolio of the sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio statement of each sub-fund.

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

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

The main risks arising from financial instruments are market price, foreign currency, interest rate, liquidity, credit and counterparty risk which are summarised below.

#### Market Risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate this risk and reduce cost.

#### Market Price Risk Sensitivity

A five percent market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £10,423,260 or 4.91% of NAV (31.07.21: £18,451,937 or 4.93% of NAV).

#### Foreign Currency Risk

A proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Adviser does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 July were as follows:

Currency	31.07.22 £'000	31.07.21 £'000
Australian Dollar	–	11
Euro	2,133	10
US Dollar	571	(50)

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

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

#### Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates. The interest rate risk profile of the sub-fund's financial assets and liabilities at the year end were as follows:

Currency	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Euro	11,174	32,187	560	43,921
US Dollar	10,129	11,967	406	22,502
Sterling	29,868	116,211	2,694	148,773
<b>Total</b>	<b>51,171</b>	<b>160,365</b>	<b>3,660</b>	<b>215,196</b>

<b>31.07.21</b>				
Australian Dollar	–	6,145	12	6,157
Euro	955	29,474	236	30,665
US Dollar	560	43,383	782	44,725
Sterling	5,636	289,897	86,408	381,941
<b>Total</b>	<b>7,151</b>	<b>368,899</b>	<b>87,438</b>	<b>463,488</b>

Currency	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Euro	–	–	265	265
Sterling	1,259	–	1,353	2,612
<b>Total</b>	<b>1,259</b>	<b>–</b>	<b>1,618</b>	<b>2,877</b>

<b>31.07.21</b>				
Canadian Dollar	–	–	6,146	6,146
Euro	–	–	30,655	30,655
US Dollar	–	–	44,775	44,775
Sterling	–	–	7,267	7,267
<b>Total</b>	<b>–</b>	<b>–</b>	<b>88,843</b>	<b>88,843</b>

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

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

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

#### Liquidity Risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares.

Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

#### Credit Risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio statement.

As at 31.07.22		
Analysis of Bonds	Market value £'000	Total net assets %
Investment grade	183,303	86.34
Below investment grade	24,531	11.55
Unrated	626	0.29
	<u>208,460</u>	<u>98.18</u>

As at 31.07.21		
Analysis of Bonds	Market value £'000	Total net assets %
Investment grade	342,811	91.51
Below investment grade	26,088	6.96
Unrated	–	–
	<u>368,899</u>	<u>98.47</u>

#### Counterparty Risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

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

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

#### Use of Derivatives

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

#### Forward Currency Contracts

The ACD made use of forward foreign currency contracts during the year in order to hedge out some of the currency exposure in the sub-fund. This resulted in realised and unrealised losses of £4,011,501 to the sub-fund during the year (31.07.21: realised and unrealised gains of £2,675,000). All contracts were undertaken with Canadian Imperial Bank of Commerce, Citigroup, Goldman Sachs, HSBC Bank, JPMorgan Chase, Merrill Lynch, Morgan Stanley, Northern Trust, Societe Generale, State Street and Toronto-Dominion Bank as counterparty during the year.

The underlying exposure for forward currency contracts at the balance sheet date are shown below:

Counterparty	31.07.22 £'000	31.07.21 £'000
Citigroup	–	745
Morgan Stanley	195	–
Northern Trust	21	–
	<b>216</b>	<b>745</b>

#### Futures Contracts

The ACD bought some stock market index futures with the aim of protecting the sub-fund from the risk of index volatility. This resulted in realised and unrealised gains of £1,982,148 (31.07.21: realised and unrealised gains of £883,000) to the sub-fund during the year. All contracts were undertaken with Merrill Lynch as counterparty during the year.

Counterparty	31.07.22 £'000	31.07.21 £'000
Merrill Lynch	54	–
	<b>54</b>	<b>–</b>

In order to reduce this risk, collateral may be held by the sub-fund. The counterparties to these transactions and any collateral held by the sub-fund at the balance sheet date are shown below:

Counterparty	31.07.22 £'000	31.07.21 £'000
Canadian Imperial Bank of Commerce	450	–
JPMorgan Chase	–	140
Toronto-Dominion Bank	(1,250)	–
	<b>(800)</b>	<b>140</b>

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

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

#### Sensitivity Analysis

The Gross Sum of Notionals (GSON) leverage figures are prepared with no hedging or netting of any asset class. Across the range of asset classes exposures are treated differently. For instance, currency forwards are treated by valuing both legs of the underlying and expressing them as a percentage of the NAV. Physical assets are excluded to get the incremental exposure resulting from derivatives. The sub-fund is limited to 400% gross leverage (2021: 400%), and this limit has not been exceeded over the year. Using the "gross sum of notionals" methodology, the average leverage for the year ended 31 July 2022 was 38.86% (31.07.21: 44.40%).

The Investment Adviser assesses the market risk of the Jupiter Investment Grade Bond Fund, including any derivative exposures, using an Relative Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Adviser with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. As the sub-fund adopts a relative VaR model to measure the sub-fund market risk, the daily VaR limit for the sub-fund is twice the VaR of the relevant benchmark which is the Markit Iboxx GBP non-Gilt. The VaR is calculated using a one-tailed 95 percent confidence level, a one month holding period and the historical period of one year (250 Business Days). Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Jupiter Investment Grade Bond Fund. The sub-fund uses relative methodology to measure Value at Risk (VaR). The VaR for the sub-fund and the benchmark as at 31 July 2022 was 4.19% and 3.58% respectively (31.07.21: 4.60% and 4.77%).

	31.07.22	31.07.21
Maximum	5.75%	7.30%
Minimum	2.79%	3.00%
Average	4.03%	5.10%

#### What is VaR?

It estimates the worst potential loss in the portfolio within a certain time period and with a certain amount of confidence, using the following criteria:

- Internal Guidelines: 20% relative VaR (95% confidence) over 20 day timeframe measured each day
- Holding period: 1 month (20 days)
- Observation period: minimum 1 year (250 days)
- 95% confidence implies a breach of 1 out of every 100 twenty day periods

#### If VaR approaches its limit the ACD may:

- Diversify the portfolio
- Reduce the gross exposure
- Hedge part of the portfolio
- Reduce exposure to positions with high marginal VaR contribution



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

### 14. Fair Value of Financial Assets and Liabilities

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

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.22</b>		
Level 1	13,633	(265)
Level 2	195,097	–
Level 3	–	–
<b>Total</b>	<b>208,730</b>	<b>(265)</b>

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.21</b>		
Level 1	19,594	(854)
Level 2	350,299	–
Level 3	–	–
<b>Total</b>	<b>369,893</b>	<b>(854)</b>

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

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

The majority of financial instruments are classified as level 2: Observable inputs. Instruments classified as level 3: Unobservable data mainly comprise non-market traded and unquoted securities.

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

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

The fair value of the sub-fund's investment in Lehman Brothers Defaulted 4.625% 14/03/2019 is determined using ACD's estimation of liquidation process and any potential recovery thereon, and taking into account where applicable any factors which may warrant adjustment to the net asset value as part of a robust governance process involving the Valuation and Pricing Committee.

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

### 15. Portfolio Transaction Costs

There are no commissions, stamp duty or taxes paid in relation to the transactions on the bond portfolio for current and prior year. Quoted in £'000, the total value of purchases for the year was £207,855 (31.07.21: £232,860) and the total value of sales was £326,603 (31.07.21: £310,407).

Commissions on derivative transactions of £nil (31.07.21: £7,308). There were no taxes on derivative transactions (31.07.21: £nil).

The average portfolio dealing spread as at the balance sheet date was 0.74% (31.07.21: 0.56%).

### 16. Shareholders' Funds

The net asset value of each share class, net asset value per share and the number of shares in issue are given in the comparative tables for each sub-fund.

The share classes currently in issue and the Fixed Annual Charge of each share class are shown below.

Share Class	31.07.22	31.07.21
L (GBP) Income	1.15%	1.15%
L (GBP) Accumulation	1.15%	1.15%
I (GBP) Income	0.65%	0.65%
I (GBP) Accumulation	0.65%	0.65%
P (GBP) Income	0.80%	0.80%
P (GBP) Accumulation	0.80%	0.80%
U1 (GBP) Income	0.35%	0.35%
U1 (GBP) Accumulation	0.35%	0.35%
U2 (GBP) Income	0.55%	0.55%

Reconciliation of Shares	L (GBP) Income	L (GBP) Accumulation	I (GBP) Income
Opening number of shares at 1 August 2021	7,468,234	22,473,880	39,636,770
Shares issued in year	139,916	516,032	2,202,104
Shares cancelled in year	(3,947,757)	(4,988,155)	(8,241,332)
Shares converted in year	(70,240)	(49,320)	71,177
Closing number of shares at 31 July 2022	3,590,153	17,952,437	33,668,719

Reconciliation of Shares	I (GBP) Accumulation	P (GBP) Income	P (GBP) Accumulation
Opening number of shares at 1 August 2021	92,797,054	1,258,444	800,578
Shares issued in year	13,185,485	15,004	11,223
Shares cancelled in year	(51,647,785)	(133,902)	(83,903)
Shares converted in year	103,254	–	(19,435)
Closing number of shares at 31 July 2022	54,438,008	1,139,546	708,463

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

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

Reconciliation of Shares	U1 (GBP) Income	U1 (GBP) Accumulation	U2 (GBP) Income
Opening number of shares at 1 August 2021	9,726,557	61,965,448	477,757
Shares issued in year	3,676,896	7,817,569	3,686
Shares cancelled in year	(4,076,964)	(38,012,714)	(224,980)
Shares converted in year	(13,265)	25,761	–
Closing number of shares at 31 July 2022	9,313,224	31,796,064	256,463

## Distribution Tables

For the quarter ended 31 October 2021

### FIRST INTERIM

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 October 2021

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.8503	–	0.8503	0.8137
Group 2	0.2605	0.5898	0.8503	0.8137

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.7856	–	1.7856	1.6692
Group 2	1.0726	0.7130	1.7856	1.6692

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.8171	–	0.8171	0.7780
Group 2	0.4055	0.4116	0.8171	0.7780

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.9841	–	0.9841	0.9155
Group 2	0.4993	0.4848	0.9841	0.9155

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.8605	–	0.8605	0.8200
Group 2	0.6169	0.2436	0.8605	0.8200

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.3453	–	1.3453	1.2529
Group 2	0.6635	0.6818	1.3453	1.2529

## Distribution Tables *(continued)*

For the quarter ended 31 October 2021

### FIRST INTERIM

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 October 2021

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.7494	–	0.7494	0.7112
Group 2	0.1344	0.6150	0.7494	0.7112

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.9116	–	0.9116	0.8454
Group 2	0.3612	0.5504	0.9116	0.8454

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.7472	–	0.7472	0.7111
Group 2	0.2218	0.5254	0.7472	0.7111

## Distribution Tables *(continued)*

For the quarter ended 31 January 2022

### SECOND INTERIM

Group 1: Shares purchased prior to 1 November 2021

Group 2: Shares purchased on or after 1 November 2021 to 31 January 2022

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.8515	–	0.8515	0.8024
Group 2	0.2697	0.5818	0.8515	0.8024

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.8003	–	1.8003	1.6561
Group 2	1.1075	0.6928	1.8003	1.6561

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.8194	–	0.8194	0.7683
Group 2	0.4242	0.3952	0.8194	0.7683

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.9936	–	0.9936	0.9094
Group 2	0.5708	0.4228	0.9936	0.9094

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.8620	–	0.8620	0.8095
Group 2	0.3088	0.5532	0.8620	0.8095

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.3572	–	1.3572	1.2441
Group 2	1.1358	0.2214	1.3572	1.2441

## Distribution Tables *(continued)*

For the quarter ended 31 January 2022

### SECOND INTERIM

Group 1: Shares purchased prior to 1 November 2021

Group 2: Shares purchased on or after 1 November 2021 to 31 January 2022

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.7519	–	0.7519	0.7028
Group 2	0.5946	0.1573	0.7519	0.7028

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.9210	–	0.9210	0.8405
Group 2	0.5639	0.3571	0.9210	0.8405

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.7489	–	0.7489	0.7016
Group 2	0.5719	0.1770	0.7489	0.7016



## Distribution Tables *(continued)*

For the quarter ended 30 April 2022

### THIRD INTERIM

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022 to 30 April 2022

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.9607	–	0.9607	0.7692
Group 2	0.4170	0.5437	0.9607	0.7692

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.0446	–	2.0446	1.5967
Group 2	1.3378	0.7068	2.0446	1.5967

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.9256	–	0.9256	0.7373
Group 2	0.3100	0.6156	0.9256	0.7373

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.1299	–	1.1299	0.8779
Group 2	0.4383	0.6916	1.1299	0.8779

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.9734	–	0.9734	0.7766
Group 2	0.3271	0.6463	0.9734	0.7766

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.5428	–	1.5428	1.2006
Group 2	0.9085	0.6343	1.5428	1.2006

## Distribution Tables *(continued)*

For the quarter ended 30 April 2022

### THIRD INTERIM

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022 to 30 April 2022

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.8500	–	0.8500	0.6751
Group 2	0.4166	0.4334	0.8500	0.6751

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.0481	–	1.0481	0.8119
Group 2	0.5943	0.4538	1.0481	0.8119

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.8462	–	0.8462	0.6734
Group 2	0.4995	0.3467	0.8462	0.6734

## Distribution Tables *(continued)*

### For the quarter ended 31 July 2022

#### FINAL

Group 1: Shares purchased prior to 1 May 2022

Group 2: Shares purchased on or after 1 May 2022 to 31 July 2022

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.9945	–	0.9945	0.7783
Group 2	0.3277	0.6668	0.9945	0.7783

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.1336	–	2.1336	1.6249
Group 2	1.4073	0.7263	2.1336	1.6249

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.9593	–	0.9593	0.7470
Group 2	0.4448	0.5145	0.9593	0.7470

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.1805	–	1.1805	0.8946
Group 2	0.7019	0.4786	1.1805	0.8946

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.0084	–	1.0084	0.7865
Group 2	0.8267	0.1817	1.0084	0.7865

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.6112	–	1.6112	1.2228
Group 2	1.0150	0.5962	1.6112	1.2228

## Distribution Tables *(continued)*

### For the quarter ended 31 July 2022

#### FINAL

Group 1: Shares purchased prior to 1 May 2022

Group 2: Shares purchased on or after 1 May 2022 to 31 July 2022

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.8816	–	0.8816	0.6844
Group 2	0.7445	0.1371	0.8816	0.6844

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.0958	–	1.0958	0.8279
Group 2	0.4577	0.6381	1.0958	0.8279

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.8772	–	0.8772	0.6824
Group 2	0.6614	0.2158	0.8772	0.6824

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

## Jupiter Monthly Income Bond Fund

### Performance

	1 year	3 years	5 years	10 years
Jupiter Monthly Income Bond Fund*	(6.19)	12.08	19.08	63.41
50% ICE BofA 1-5yr BBB Sterling Corporate Index, 50% ICE BofA Sterling High Yield Index (Benchmark)	(8.14)	0.85	6.51	46.44
IA Sterling Strategic Bond (Sector Average)	(9.00)	(0.26)	5.59	38.91
Quartile Ranking	1st	1st	1st	1st

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

### Investment Objective and Policy

To seek to achieve income and capital growth by delivering a return, net of fees, greater than that of the Target Benchmark over rolling 3 year periods. The Target Benchmark consists 50% of the ICE BofA 1-5Y BBB Sterling Corporate Index and 50% of the ICE BofA Sterling High Yield Index.

The sub-fund primarily invests (at least 70%) in a diversified portfolio of fixed, variable and zero rate debt securities, including corporate and government bonds. There are no specific restrictions as to the economic sectors or geographic areas that the sub-fund may invest in.

The sub-fund may also invest in other transferable securities (including convertible securities), units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives, and may hold cash.

The sub-fund may use derivatives for investment purposes or Efficient Portfolio Management purposes. The use of derivatives for investment purposes may affect the volatility or risk profile of the sub-fund although this is not the ACD's intention.

### Market Review

The year under review has been extremely challenging for financial markets, especially for fixed income assets.

Overall, the timeframe can be divided in two distinct periods. During the last five months of 2021, sentiment continued to be positive, with risk assets holding up relatively well and credit spreads remaining tight.

Markets saw some volatility at the end of 2021 as the Covid-19 Omicron variant started to spread across the globe. Fears of a possible new pandemic wave caused markets to re-price government bond yields and affected risk sentiment. As concerns on Covid-19 started to dissipate, inflation emerged as the new market catalyst. Since the beginning of the year central banks facing persistent inflationary pressures started to materially pivot their policy stance towards a more hawkish narrative.

At the end of February, the unexpected invasion of Ukraine from Russia kick-started a new inflationary wave with commodities (especially energy and agricultural) particularly affected. After some short-term volatility induced by the conflict, the market started to trade on a trend of higher inflation and more hawkish central banks, with duration-bearing assets suffering in particular.

Since April however more material concerns regarding a potential slowdown in economic growth started to affect credit markets, with a material widening in credit spreads across developed markets, investment grade, high yield, and across emerging markets. However, markets rebounded in July as investor sentiment was uplifted by what has been perceived as a more dovish Federal Reserve.

Overall, during the year the direction has been materially higher government bond yields across the globe (with the 10 years UK gilt yield up +1.29%) and materially wider spreads.

## Policy Review

The Fund closed the year with a performance of -6.19% vs. the -8.14% recorded by the benchmark. The differential came mainly from the following contributors:

- Underweight to interest rate exposure
- Security selection in high yield and investment grade
- Asset allocation in the Half Year space, where we held an overall underweight exposure to spreads (also via CDX hedging)
- Underweight to investment grade

We started the year with a modest overweight in terms of interest rate exposure. As support from global central banks started to become more uncertain and inflation risks started to intensify, we switched our exposure to a modest underweight that we kept until April 2022. In the second part of quarter two 2022 we switched our position to neutral, given the potential for a sizeable slowdown in the global (and UK) economy, which we thought might exert downward pressure on global government bond yields.

When it comes to overall credit risk. We started the year with a relatively constructive view on high yield credit, offset by an underweight on investment grade. Moving forward to the last three months, however, notwithstanding persistent inflationary risks, we have started to see the signs of a broader macroeconomic slowdown. This led us to gradually reduce the overall credit risk of the portfolio. We are keeping a significant amount of dry powder in cash and US treasuries, in order to navigate any uncertainty ahead. Our high yield exposure is focused on short duration bonds, that allow us to reduce overall spread sensitivity and give better visibility on company prospects. We have also reduced our High Yield exposure and increased our holdings in cash, BBBs and A, AA and AAA securities, including Treasuries.

On a sector perspective we hold diversified exposure, staying overweight sectors that can either continue to thrive in an inflationary environment (energy, materials) or that can withstand the slowdown we expect (telecommunications, healthcare). Where we have added longer-dated bonds, it has typically been in more defensive sectors.

## Investment Outlook

Writing at the end of July 2022, recent macroeconomic data, particularly the more forward-looking releases, suggests that economies around the world may be slowing as consumer spending is weighed down by high levels of inflation. While inflation remains high, there are some indications that supply pressures may be starting to ease. Labour markets in the UK, US and Europe remain very tight and many of the companies that we speak to are reporting labour shortages. Whilst it is our view that in the short-term, inflation will moderate as economies cool, we feel there are a range of possible outcomes over a medium-term view. In our view, there is a risk that inflation may remain above target in the UK, US and Europe by year end, particularly if labour markets remain tight and wage growth remains strong. In this scenario, long dated credit assets may underperform, as was the trend at the start of the year. On the other hand, if economies around the world experience a severe downturn, it is likely that inflation will moderate. In this scenario, a dovish pivot from central banks would likely lead to a rally in high quality long dated fixed income assets. The last weeks of July in particular have seen this kind of environment. We try our best to avoid positioning the strategy on binary bets, and in our opinion, taking a particular view on the path of inflation is risky.

Notwithstanding the recent tightening seen in July, we still see spreads as attractively priced vs. their historical norms. This offers an opportunity to own shorter duration bonds at very attractive yields. As at the end of July 2022, the strategy had a yield to maturity of 6.8% and a duration of just 3.5 years. The current macroeconomic environment is uncertain, and markets are volatile. As a result, we believe the shorter duration approach that the strategy offers are the best way to manage the range of risks and possible outcomes ahead.

August 2022

### Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 4 have in the past shown moderate volatility. With a sub-fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

## Comparative Tables

Change in net asset per share						
	L (GBP) Income			I (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	41.89	39.90	38.48	111.30	105.47	101.14
Return before operating charges*	(2.19)	4.28	3.40	(5.83)	11.34	9.04
Operating charges	(0.45)	(0.48)	(0.45)	(0.69)	(0.71)	(0.67)
Return after operating charges*	(2.64)	3.80	2.95	(6.52)	10.63	8.37
Distributions on income shares	(1.89)	(1.81)	(1.53)	(5.03)	(4.80)	(4.04)
Closing net asset value per share	37.36	41.89	39.90	99.75	111.30	105.47
*after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after charges (%)	(6.30)	9.52	7.67	(5.86)	10.08	8.28
Other Information						
Closing net asset value (£'000)	5,665	755	680	19,682	10,480	7,248
Closing number of shares	15,162,752	1,801,873	1,704,171	19,729,930	9,415,760	6,872,559
Operating charges (%)	1.15	1.15	1.15	0.65	0.65	0.65
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest share price (p)	43.23	42.20	40.39	112.27	112.10	106.50
Lowest share price (p)	36.78	40.11	35.13	98.17	106.00	92.65

Change in net asset per share						
	P (GBP) Income			U1 (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	104.02	98.72	94.81	98.73	93.28	89.18
Return before operating charges*	(5.43)	10.61	8.46	(5.18)	10.04	7.99
Operating charges	(0.80)	(0.82)	(0.77)	(0.33)	(0.34)	(0.32)
Return after operating charges*	(6.23)	9.79	7.69	(5.51)	9.70	7.67
Distributions on income shares	(4.70)	(4.49)	(3.78)	(4.47)	(4.25)	(3.57)
Closing net asset value per share	93.09	104.02	98.72	88.75	98.73	93.28
*after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after charges (%)	(5.99)	9.92	8.11	(5.58)	10.40	8.60
Other Information						
Closing net asset value (£'000)	303	302	262	6,955	3,873	2,372
Closing number of shares	325,362	290,595	265,563	7,836,967	3,923,267	2,542,754
Operating charges (%)	0.80	0.80	0.80	0.35	0.35	0.35
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest share price (p)	104.90	104.80	99.72	99.63	99.40	94.13
Lowest share price (p)	91.62	99.19	86.76	87.33	93.73	81.85



## Comparative Tables *(continued)*

Change in net asset per share			
	U2 (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	102.10	96.79	92.82
Return before operating charges*	(5.40)	10.37	8.28
Operating charges	(0.66)	(0.65)	(0.61)
Return after operating charges*	(6.06)	9.72	7.67
Distributions on income shares	(4.69)	(4.41)	(3.70)
Closing net asset value per share	91.35	102.10	96.79
*after direct transaction costs of:	–	–	–
Performance			
Return after charges (%)	(5.94)	10.04	8.26
Other Information			
Closing net asset value (£'000)	–	8	32
Closing number of shares	429	7,413	32,805
Operating charges (%)	0.65	0.65	0.65
Direct transaction costs (%)	–	–	–
Prices			
Highest share price (p)	102.98	102.80	97.71
Lowest share price (p)	89.94	97.26	85.02

Change in net asset per share						
	L (GBP) Accumulation			I (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	91.60	83.49	77.38	147.46	133.75	123.41
Return before operating charges*	(4.93)	9.13	7.03	(7.99)	14.63	11.17
Operating charges	(1.03)	(1.02)	(0.92)	(0.93)	(0.92)	(0.83)
Return after operating charges*	(5.96)	8.11	6.11	(8.92)	13.71	10.34
Distribution on accumulation share	(4.22)	(3.87)	(3.14)	(6.81)	(6.21)	(5.02)
Retained distributions on accumulation share	4.22	3.87	3.14	6.81	6.21	5.02
Closing net asset value per share	85.64	91.60	83.49	138.54	147.46	133.75
*after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after charges (%)	(6.51)	9.71	7.90	(6.05)	10.25	8.38
Other Information						
Closing net asset value (£'000)	6,703	5,326	4,907	52,438	14,427	8,354
Closing number of shares	7,827,585	5,815,107	5,876,617	37,849,854	9,783,832	6,246,115
Operating charges (%)	1.15	1.15	1.15	0.65	0.65	0.65
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest share price (p)	92.69	91.87	84.02	149.31	147.90	134.70
Lowest share price (p)	83.96	83.90	72.21	135.79	134.50	115.50

## Comparative Tables *(continued)*

Change in net asset per share						
	P (GBP) Accumulation			U1 (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	171.91	156.17	144.21	134.45	121.60	111.77
Return before operating charges*	(9.32)	17.07	13.16	(7.28)	13.30	10.24
Operating charges	(1.30)	(1.33)	(1.20)	(0.46)	(0.45)	(0.41)
Return after operating charges*	(10.62)	15.74	11.96	(7.74)	12.85	9.83
Distribution on accumulation share	(7.93)	(7.25)	(5.87)	(6.22)	(5.66)	(4.56)
Retained distributions on accumulation share	7.93	7.25	5.87	6.22	5.66	4.56
Closing net asset value per share	161.29	171.91	156.17	126.71	134.45	121.60
*after direct transaction costs of:	–	–	–	–	–	–
Performance						
Return after charges (%)	(6.18)	10.08	8.29	(5.76)	10.57	8.79
Other Information						
Closing net asset value (£'000)	687	51	26	45,971	11,614	10,168
Closing number of shares	425,739	29,664	16,545	36,281,693	8,637,878	8,362,158
Operating charges (%)	0.80	0.80	0.80	0.35	0.35	0.35
Direct transaction costs (%)	–	–	–	–	–	–
Prices						
Highest share price (p)	174.06	172.40	157.10	136.20	134.80	122.30
Lowest share price (p)	158.10	156.90	134.90	124.16	122.20	104.80

## Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>CORPORATE BONDS AND FIXED INTEREST STOCKS - 92.01% (96.45%)</b>			
<b>Canada - 0.80% (0.56%)</b>			
\$1,200,000	Enbridge 5.75% 15/07/2080	928,323	0.67
€300,000	Maxeda DIY 5.875% 01/10/2026	180,542	0.13
		1,108,865	0.80
<b>France - 0.92% (4.33%)</b>			
£300,000	BNP Paribas 2% 24/05/2031	271,371	0.20
€1,383,000	TotalEnergies 1.625% Perpetual	1,001,313	0.72
		1,272,684	0.92
<b>Germany - 15.53% (9.29%)</b>			
€600,000	Abanca Bancaria 7.5% Perpetual	508,384	0.37
€1,000,000	Abanca Bancaria 7.5% Perpetual	847,307	0.61
€377,000	Altice France 8% 15/05/2027	275,487	0.20
€300,000	ARD Finance 5% 30/06/2027	188,231	0.14
£810,000	Aviva 6.125% Perpetual	809,028	0.58
£226,000	BCP V Modular Services Finance II 6.125% 30/11/2028	180,800	0.13
€1,000,000	Carnival 10.125% 01/02/2026	878,771	0.63
€100,000	Casino Guichard Perrachon 6.625% 15/01/2026	58,984	0.04
\$265,000	Citrix Systems 3.3% 01/03/2030	213,503	0.15
\$320,000	Citrix Systems 3.3% 01/03/2030	257,814	0.19
£700,000	Cornwall Jersey 0.75% 16/04/2026	459,924	0.33
€489,000	CT Investment 5.5% 15/04/2026	348,293	0.25
\$500,000	Danske Bank 4.375% Perpetual	353,372	0.26
€350,000	Deuce Finco 4.75% 15/06/2027	258,930	0.19
€600,000	Deutsche Bank 4.5% Perpetual	414,503	0.30
€2,000,000	House of Finance 4.375% 15/07/2026	1,668,090	1.21
€693,000	HSE Finance 5.625% 15/10/2026	418,326	0.30
€496,000	Jaguar Land Rover Automotive 4.5% 15/07/2028	312,222	0.23
€1,500,000	Lincoln Financing SARL 3.625% 01/04/2024	1,235,080	0.89
€250,000	Lune Sarl 5.625% 15/11/2028	182,325	0.13
€281,000	Lune Sarl 5.625% 15/11/2028	204,934	0.15
€300,000	Midco GB 7.75% 01/11/2027	243,158	0.18
£1,450,000	MPT Operating Partnership 2.5% 24/03/2026	1,288,253	0.93
€750,000	Nidda Healthcare 3.5% 30/09/2024	584,314	0.42
€250,000	PeopleCert Wisdom Issuer 5.75% 15/09/2026	198,063	0.14
€386,000	PeopleCert Wisdom Issuer 5.75% 15/09/2026	305,809	0.22
£1,412,000	PepsiCo 3.55% 22/07/2034	1,460,745	1.06
€600,000	Picard Bondco 5.375% 01/07/2027	418,131	0.30
£600,000	Pinnacle Bidco 6.375% 15/02/2025	561,720	0.41
€1,050,000	SCIL IV 4.375% 01/11/2026	729,789	0.53
€1,000,000	SELP Finance Sarl 0.875% 27/05/2029	708,896	0.51
€495,579	Summer BC Holdco A SARL 9.25% 31/10/2027	362,078	0.26
€500,000	Summer BC Holdco B SARL 5.75% 31/10/2026	389,396	0.28

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>Germany (continued)</b>			
€769,914	Summer BidCo 9% 15/11/2025	524,319	0.38
€486,000	Tereos Finance Groupe I 7.5% 30/10/2025	421,164	0.30
€1,500,000	Teva Pharmaceutical Finance Netherlands IV 4.5% 01/03/2025	1,256,631	0.91
£1,000,000	TP ICAP 5.25% 29/05/2026	974,270	0.70
£800,000	Virgin Money UK 8.25% Perpetual	774,000	0.56
£240,000	Vodafone 4.875% 03/10/2078	223,466	0.16
		21,498,510	15.53
<b>Guernsey, Channel Islands - 8.54% (8.70%)</b>			
€500,000	Banijay Entertainment 3.5% 01/03/2025	400,329	0.29
€1,000,000	Birkenstock GMBH 5.25% 30/04/2029	694,701	0.50
£250,000	CPUK Finance 6.5% 28/08/2026	236,234	0.17
£405,000	Deuce Finco 5.5% 15/06/2027	342,225	0.25
£250,000	Energia 4.75% 15/09/2024	228,400	0.16
€600,000	Garfunkelux 6.75% 01/11/2025	432,721	0.31
€120,000	Kleopatra Holdings 6.5% 01/09/2026	68,644	0.05
€1,000,000	Loarre Investments Sarl 6.5% 15/05/2029	816,982	0.59
€175,000	Motion Finco 7% 15/05/2025	142,474	0.10
€250,000	Nidda BondCo 5% 30/09/2025	176,653	0.13
€2,100,000	Parts Europe 6.5% 16/07/2025	1,780,510	1.29
£500,000	Pinewood Finance 3.25% 30/09/2025	452,500	0.33
£2,000,000	Pinewood Finance 3.625% 15/11/2027	1,692,500	1.22
£350,000	Punch Finance 6.125% 30/06/2026	308,206	0.22
€703,000	Sani/lkos Financial 5.625% 15/12/2026	523,626	0.38
€800,000	Tereos Finance Groupe I 7.5% 30/10/2025	693,274	0.50
£250,000	The Very Group Funding 6.5% 01/08/2026	195,125	0.14
€2,000,000	VZ Secured Financing 3.5% 15/01/2032	1,379,005	1.00
\$487,000	Welltec International 8.25% 15/10/2026	383,584	0.28
\$700,000	Welltec International 8.25% 15/10/2026	551,353	0.40
£400,000	Zenith Finco 6.5% 30/06/2027	321,896	0.23
		11,820,942	8.54
<b>Ireland - 12.02% (18.09%)</b>			
£1,250,000	AA Bond 6.269% 02/07/2043	1,297,370	0.94
£227,000	AA Bond 3.25% 31/07/2050	192,744	0.14
£500,000	ABP Finance 6.25% 14/12/2026	558,975	0.40
€350,000	Afflelou 8% 19/05/2027	286,624	0.21
€200,000	AIB 6.25% Perpetual	164,588	0.12
€440,520	ARD Finance 5% 30/06/2027	276,399	0.20
\$400,000	ASG Finance Designated Activity 7.875% 03/12/2024	303,889	0.22
\$1,000,000	AT Securities 5.25% Perpetual	765,307	0.55
€200,000	CPI Property Group 4.875% Perpetual	119,288	0.09
€400,000	Energio-Pro 4.5% 04/05/2024	316,877	0.23
£472,200	Greene King Finance 5.318% 15/09/2031	494,275	0.36

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>Ireland (continued)</b>			
€500,000	International Consolidated Airlines 2.75% 25/03/2025	374,884	0.27
€800,000	Koninklijke FrieslandCampina 2.85% Perpetual	591,703	0.43
€1,250,000	Lehman Brothers Defaulted 4.625% 14/03/2019*	–	–
£1,000,000	Logicor Financing Sarl 2.75% 15/01/2030	881,262	0.64
£2,100,000	MPT Operating Partnership 2.55% 05/12/2023	2,015,000	1.45
£500,000	MPT Operating Partnership 3.692% 05/06/2028	437,210	0.32
£537,000	Ocado Group 3.875% 08/10/2026	431,310	0.31
£1,000,000	RAC Bond 4.565% 06/05/2046	999,111	0.72
£357,000	Rothesay Life 6.875% Perpetual	342,680	0.25
€800,000	Sagax Euro MTN 1% 17/05/2029	524,964	0.38
£1,000,000	Thames Water Utilities Finance 2.625% 24/01/2032	916,450	0.66
€1,400,000	Trivium Packaging Finance 3.75% 15/08/2026	1,090,642	0.79
£800,000	UNITE USAF II 3.921% 30/06/2030	819,749	0.59
£500,000	Virgin Money UK 9.25% Perpetual	503,125	0.36
€1,500,000	Viterra Finance 0.375% 24/09/2025	1,127,775	0.81
\$1,000,000	Viterra Finance 4.9% 21/04/2027	807,524	0.58
		16,639,725	12.02
<b>Italy - 0.32% (1.02%)</b>			
\$300,000	Intesa Sanpaolo 4% 23/09/2029	221,801	0.16
€350,000	Pro-Gest 3.25% 15/12/2024	220,327	0.16
		442,128	0.32
<b>Jersey, Channel Islands - 0.24% (0.81%)</b>			
£360,000	Galaxy Finco 9.25% 31/07/2027	327,780	0.24
<b>Liberia - 0.15% (0.00%)</b>			
\$245,000	Royal Caribbean Cruises 9.125% 15/06/2023	204,264	0.15
<b>Luxembourg - 14.76% (13.51%)</b>			
€500,000	Almaviva-The Italian Innovation Co 4.875% 30/10/2026	349,870	0.25
€635,000	Almaviva-The Italian Innovation Co 4.875% 30/10/2026	444,335	0.32
€951,000	Alpha Bank 3% 14/02/2024	786,632	0.57
€500,000	Altice Financing 2.25% 15/01/2025	390,875	0.28
£500,000	Arqiva Broadcast Finance 6.75% 30/09/2023	486,250	0.35
£557,000	AXA 5.453% Perpetual	556,942	0.40
£600,000	B&M European Value Retail 3.625% 15/07/2025	531,000	0.38
€500,000	Burger King France SAS 4.75% 01/11/2026	394,764	0.28
€495,000	Canpack SA 2.375% 01/11/2027	355,477	0.26
€400,000	Casino Guichard Perrachon 4.561% 25/01/2023	330,930	0.24
€400,000	Casino Guichard Perrachon 4.498% 07/03/2024	270,456	0.19
€350,000	Casino Guichard Perrachon 5.25% 15/04/2027	190,348	0.14
£780,000	Cidron Aida Finco SARL 6.25% 01/04/2028	674,700	0.49

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>Luxembourg (continued)</b>			
£791,000	Encore Capital 4.25% 01/06/2028	645,654	0.47
€1,300,000	Eni 2.625% Perpetual	1,020,928	0.74
€200,000	Eurobank 2.25% 14/03/2028	135,648	0.10
€440,000	GELF Bond Issuer I 1.625% 20/10/2026	341,105	0.25
€1,588,000	Golden Goose 4.875% 14/05/2027	1,157,072	0.84
€800,000	Goldstory SASU 5.375% 01/03/2026	581,241	0.42
€250,000	Intesa Sanpaolo 5.875% Perpetual	172,709	0.12
€1,000,000	Louis Dreyfus Co Finance 2.375% 27/11/2025	820,129	0.59
€600,000	Loxam SAS 4.5% 15/02/2027	468,174	0.34
€600,000	Marcolin 6.125% 15/11/2026	442,170	0.32
£850,000	Nestle 2.125% 04/04/2027	830,807	0.60
\$1,600,000	Nielsen Co Luxembourg SARL 5% 01/02/2025	1,292,214	0.93
€721,000	Rekeep 7.25% 01/02/2026	525,345	0.38
€750,000	Rossini SARL 6.75% 30/10/2025	632,781	0.46
€1,800,000	Telenet Finance Luxembourg Notes Sarl 3.5% 01/03/2028	1,354,086	0.98
€500,000	Tendam Brands 5% 15/09/2024	397,797	0.29
€350,000	Tendam Brands 5.25% 15/09/2024	280,010	0.20
£300,000	Unique Pub Finance 6.464% 30/03/2032	343,300	0.25
€900,000	Vallourec 8.5% 30/06/2026	723,215	0.52
£2,750,000	Virgin Media Secured Finance 5.25% 15/05/2029	2,502,500	1.81
		20,429,464	14.76
<b>Netherlands - 0.92% (0.00%)</b>			
\$1,605,000	LeasePlan 2.875% 24/10/2024	1,268,726	0.92
<b>Norway - 0.69% (0.82%)</b>			
\$1,048,000	International Petroleum 7.25% 01/02/2027	808,742	0.58
\$200,000	Seaspan 6.5% 29/04/2026	148,556	0.11
		957,298	0.69
<b>Panama - 0.22% (0.00%)</b>			
\$350,000	Carnival 10.5% 01/02/2026	301,841	0.22
<b>Singapore - 1.26% (0.41%)</b>			
\$1,650,000	BlueScope Finance Americas 4.625% 25/05/2023	1,360,315	0.98
€500,000	SoftBank 2.125% 06/07/2024	383,384	0.28
		1,743,699	1.26
<b>Spain - 0.24% (0.77%)</b>			
€400,000	Ibercaja Banco 7% Perpetual	336,178	0.24

## Portfolio Statement *(continued)*

As at 31 July 2022			
Holding	Investment	Market value £	Total net assets %
	<b>Sweden - 0.16% (0.00%)</b>		
€257,000	Preem 12% 30/06/2027	220,178	0.16
	<b>Switzerland - 0.90% (1.06%)</b>		
£1,000,000	Barclays Bank 7.25% Perpetual	1,006,250	0.73
\$295,000	Credit Suisse 6.25% Perpetual	231,876	0.17
		1,238,126	0.90
	<b>United Kingdom - 16.01% (17.69%)</b>		
£582,000	Anglian Water Services Financing 2.625% 15/06/2027	572,718	0.41
£200,000	Anglian Water Services Financing 6.293% 30/07/2030	244,372	0.18
\$500,000	Ashtead Capital 4.375% 15/08/2027	390,519	0.28
\$2,400,000	Ashtead Capital 4% 01/05/2028	1,829,511	1.32
\$500,000	Ashtead Capital 4.25% 01/11/2029	376,693	0.27
£124,000	Aviva 8.75% Cumulative Irredeemable Preference 0.0875% Perpetual	148,800	0.11
\$500,000	Beazley Insurance 5.875% 04/11/2026	403,269	0.29
£850,000	BHP Billiton Finance 6.5% 22/10/2077	851,040	0.62
£587,000	Boparan Finance 7.625% 30/11/2025	431,445	0.31
£1,300,000	BP Capital Markets 4.25% Perpetual	1,196,416	0.86
£500,000	Coventry Building Society 6.875% Perpetual	490,000	0.35
£1,300,000	Go-Ahead Group 2.5% 06/07/2024	1,257,494	0.91
€675,489	Hellas Telecom 12.732% 31/12/2025*	–	–
£850,000	John Lewis 6.125% 21/01/2025	880,787	0.64
\$1,200,000	KCA Deutag UK Finance 9.875% 01/12/2025	919,552	0.66
£500,000	Logicor 1.875% 17/11/2031	473,773	0.34
£112,000	Maison Finco 6% 31/10/2027	82,320	0.06
£200,000	Maison Finco 6% 31/10/2027	147,000	0.11
£200,000	Marston's Issuer 5.1774% 15/07/2032	192,764	0.14
£200,000	Marston's Issuer 3.60417% 15/07/2035	150,000	0.11
£750,000	Matalan Finance 6.75% 31/01/2023	587,625	0.42
€1,000,000	Mondi Finance Europe 2.375% 01/04/2028	791,069	0.57
£200,000	Nationwide Building Society 5.875% Perpetual	196,250	0.14
£1,250,000	Nats En Route 1.375% 31/03/2031	1,157,763	0.84
£205,000	Natwest Group 5.125% Perpetual	181,876	0.13
£821,000	Newday Bondco 7.375% 01/02/2024	784,876	0.57
£600,000	Pension Insurance 6.5% 03/07/2024	621,115	0.45
£750,000	Places For People Treasury 2.875% 17/08/2026	746,931	0.54
£358,000	Provident Financial 7% 04/06/2023	360,599	0.26
£325,000	Provident Financial 8.875% 13/01/2032	302,575	0.22
£1,500,000	RAC Bond 4.87% 06/05/2046	1,470,718	1.06
£300,000	Reckitt Benckiser Treasury Services 1.75% 19/05/2032	269,537	0.20
€500,000	Rolls-Royce 1.625% 09/05/2028	335,746	0.24
£700,000	Scottish Hydro Electric Transmission 1.5% 24/03/2028	636,391	0.46
£1,005,000	SSE 3.74% Perpetual	927,253	0.67

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>United Kingdom (continued)</b>			
£450,000	Thames Water Utilities Finance 5.75% 13/09/2030	451,013	0.33
£500,000	Virgin Money UK 4% 03/09/2027	481,994	0.35
£800,000	Virgin Money UK 7.875% 14/12/2028	822,515	0.59
		22,164,319	16.01
<b>United States - 18.33% (19.39%)</b>			
£1,500,000	AT&T 2.9% 04/12/2026	1,473,888	1.06
\$300,000	Bath & Body Works 9.375% 01/07/2025	257,528	0.19
\$200,000	Baytex Energy 8.75% 01/04/2027	167,344	0.12
\$600,000	BBVA Global Finance 7% 01/12/2025	523,794	0.38
\$600,000	Community Health Systems 8% 15/12/2027	468,153	0.34
\$932,000	Danaos 8.5% 01/03/2028	765,129	0.55
\$1,500,000	Drax Finco 6.625% 01/11/2025	1,220,242	0.88
\$500,000	Enbridge 6.25% 01/03/2078	389,648	0.28
\$2,000,000	Enel 8.75% 24/09/2073	1,692,169	1.22
\$1,000,000	Energy Transfer 4.2% 15/04/2027	804,697	0.58
\$1,000,000	Energy Transfer 6.75% Perpetual	714,307	0.52
\$747,000	Energy Ventures 11.75% 15/04/2026	612,964	0.44
\$300,000	Ford Motor 9.625% 22/04/2030	294,444	0.21
\$400,000	Fresnillo 5.5% 13/11/2023	331,403	0.24
\$500,000	Genesis Energy Finance 6.5% 01/10/2025	397,887	0.29
\$291,000	HSBC 4% Perpetual	211,346	0.15
€1,700,000	IM Group 6.625% 01/03/2025	1,382,180	1.00
\$850,000	Kohl's 3.375% 01/05/2031	525,992	0.38
\$243,000	Magic Mergerco 7.875% 01/05/2029	136,713	0.10
\$1,500,000	Microchip Technology 4.25% 01/09/2025	1,226,554	0.89
\$600,000	Neptune Energy Bondco 6.625% 15/05/2025	476,235	0.34
\$1,500,000	Neptune Energy Bondco 6.625% 15/05/2025	1,190,588	0.86
\$2,000,000	Netflix 5.875% 15/02/2025	1,700,149	1.23
\$1,800,000	Prime Healthcare Services 7.25% 01/11/2025	1,300,175	0.94
\$1,000,000	RegionalCare Hospital Partners 9.75% 01/12/2026	772,042	0.56
€650,000	Synthos 2.5% 07/06/2028	436,761	0.31
\$485,000	Talos Production 12% 15/01/2026	424,233	0.31
\$1,500,000	US Treasury Note 2.875% 15/05/2032	1,254,119	0.91
\$3,000,000	US Treasury Note 3.25% 15/05/2042	2,466,659	1.78
£1,200,000	Verizon Communications 4.75% 17/02/2034	1,305,660	0.94



## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
	<b>United States (continued)</b>		
£430,000	Welltower 4.8% 20/11/2028	451,731	0.33
		<b>25,374,734</b>	<b>18.33</b>
	<b>DERIVATIVES - 0.24% (0.30%)</b>		
	<b>Futures Contracts - 0.00% ((0.12%))</b>		
	<b>Forward Currency Contracts - 0.24% (0.42%)</b>		
	Bought Sterling £46,058,450: Sold EUR €54,736,221	20,583	0.01
	Bought Sterling £3,587,097: Sold EUR €4,251,271	11,413	0.01
	Bought Sterling £705,535: Sold EUR €842,760	(3,299)	–
	Bought EUR €1,940,015: Sold GBP £1,637,056	(5,337)	(0.01)
	Bought USD \$405,925: Sold GBP £337,595	(4,426)	–
	Bought Sterling £42,465,954: Sold USD \$51,357,131	313,888	0.23
		<b>332,822</b>	<b>0.24</b>
	Total value of investments	127,682,283	92.25
	Net other assets	10,721,598	7.75
	<b>Net assets</b>	<b>138,403,881</b>	<b>100.00</b>

The figures in brackets show allocations as at 31 July 2021.

\*Represents an unquoted security.

Asset allocation	
Debt Securities	92.01%
Derivatives	0.24%
Net other assets	7.75%
<b>Total</b>	<b>100.00%</b>

Portfolio allocation	
United States	18.33%
United Kingdom	16.01%
Germany	15.53%
Luxembourg	14.76%
Ireland	12.02%
Guernsey, Channel Islands	8.54%
Singapore	1.26%
France	0.92%
Netherlands	0.92%
Switzerland	0.90%
Canada	0.80%
Norway	0.69%
Italy	0.32%
Spain	0.24%
Jersey, Channel Islands	0.24%
Panama	0.22%
Sweden	0.16%
Liberia	0.15%
Derivatives	0.24%
Net other assets	7.75%
<b>Total</b>	<b>100.00%</b>

Major holdings	Percentage of portfolio
Virgin Media Secured Finance 5.25% 15/05/2029	1.81%
US Treasury Note 3.25% 15/05/2042	1.78%
MPT Operating Partnership 2.55% 05/12/2023	1.46%
Ashtead Capital 4% 01/05/2028	1.32%
Parts Europe 6.5% 16/07/2025	1.29%
Netflix 5.875% 15/02/2025	1.23%
Pinewood Finance 3.625% 15/11/2027	1.22%
Enel 8.75% 24/09/2073	1.22%
House of Finance 4.375% 15/07/2026	1.20%
AT&T 2.9% 04/12/2026	1.06%
<b>Number of holdings</b>	<b>213</b>

## Statement of Total Return

For the year ended 31 July 2022					
	Note	Year to 31.07.22		Year to 31.07.21	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(11,272)		2,045
Revenue	3	4,488		1,570	
Expenses	4	(546)		(222)	
Interest payable and similar charges		(14)		(29)	
Net revenue before taxation		3,928		1,319	
Taxation	5	–		(19)	
Net revenue after taxation			3,928		1,300
<b>Total return before distributions</b>			<b>(7,344)</b>		<b>3,345</b>
Distributions	6		(4,476)		(1,539)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(11,820)</b>		<b>1,806</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022				
	Year to 31.07.22		Year to 31.07.21	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		46,837		34,049
Amounts receivable on issue of shares	136,039		24,438	
Amounts payable on cancellation of shares	(36,174)		(14,521)	
		99,865		9,917
Dilution levy		–		68
Change in net assets attributable to shareholders from investment activities		(11,820)		1,806
Unclaimed distributions		13		–
Retained distribution on accumulation shares		3,509		997
<b>Closing net assets attributable to shareholders</b>		<b>138,404</b>		<b>46,837</b>

The notes on pages 65 to 78 form an integral part of these financial statements.

## Balance Sheet

As at 31 July 2022			
	Note	31.07.22 £'000	31.07.21 £'000
<b>Assets</b>			
Fixed Assets:			
Investments		127,695	45,368
Current assets:			
Debtors	7	4,960	1,668
Cash and bank balances	8	7,968	2,298
Total assets		140,623	49,334
<b>Liabilities</b>			
Investment liabilities		(13)	(53)
Creditors:			
Bank overdrafts	9	(9)	(811)
Distributions payable		(134)	(59)
Other creditors	10	(2,063)	(1,574)
Total liabilities		(2,219)	(2,497)
<b>Net assets attributable to shareholders</b>		<b>138,404</b>	<b>46,837</b>

The notes on pages 65 to 78 form an integral part of these financial statements.

## Notes to the Financial Statements

### 1. Significant Accounting Policies

The summary of applicable accounting policies adopted by the Jupiter Monthly Income Bond Fund are included on pages 240 to 242.

### 2. Net Capital (Losses)/Gains

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

	31.07.22 £'000	31.07.21 £'000
Currency gains	263	448
(Losses)/gains on non-derivative securities	(7,115)	1,184
(Losses)/gains on forward currency contracts (see Note 13)	(4,599)	473
Gains/(losses) on derivative contracts (see Note 13)	179	(60)
<b>Net capital (losses)/gains</b>	<b>(11,272)</b>	<b>2,045</b>

### 3. Revenue

	31.07.22 £'000	31.07.21 £'000
UK dividends	10	11
Bank interest	6	1
Interest on debt securities	4,469	1,558
Credit default swap income	3	–
<b>Total revenue</b>	<b>4,488</b>	<b>1,570</b>

### 4. Expenses

	31.07.22 £'000	31.07.21 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Fixed Annual Charge*	60	–
Fixed Ongoing Charge**	486	222
<b>Total expenses</b>	<b>546</b>	<b>222</b>

\*This figure represent the Fixed Annual Charge, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Investment adviser, Depositary (including associates etc.) and other expenses.

The audit fee for the year, excluding VAT, was £9,550 (31.07.21: £9,100).

\*\*With effect from 1 July 2022, the ACD has renamed the Fixed Ongoing Charge to the Fixed Annual Charge.

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

### 5. Taxation

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

	31.07.22 £'000	31.07.21 £'000
Irrecoverable overseas tax	–	2
Prior year adjustment	–	17
<b>Total tax charge for the year</b>	<b>–</b>	<b>19</b>

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

The tax assessed for the year is lower (2021: lower) than the standard rate of Corporation Tax in the UK for an open-ended investment company. The differences are explained below:

	31.07.22 £'000	31.07.21 £'000
Net revenue before taxation	3,928	1,319
Corporation tax of 20% (2021: 20%)	786	264
<b>Effects of:</b>		
Revenue not subject to taxation	(2)	(2)
Tax deductible interest distributions	(784)	(262)
Prior year adjustment	–	17
Tax relief on overseas tax suffered	–	2
<b>Total tax charge for the year</b>	<b>–</b>	<b>19</b>

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

#### (c) Provision for Deferred Tax

There is no material unrecognised Deferred Tax in the current year and prior year.

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

### 6. Distributions

The distributions take account of amounts received on the issue of shares and deducted on the cancellation of shares and comprise:

	31.07.22 £'000	31.07.21 £'000
1st interim distribution	202	107
2nd interim distribution	200	132
3rd interim distribution	245	124
4th interim distribution	283	129
5th interim distribution	329	115
6th interim distribution	363	105
7th interim distribution	339	102
8th interim distribution	485	128
9th interim distribution	523	140
10th interim distribution	556	134
11th interim distribution	580	172
Final distribution	568	180
	<u>4,673</u>	<u>1,568</u>
Amounts received on issue of shares	(272)	(51)
Amounts paid on cancellation of shares	75	22
<b>Net distributions for the year</b>	<u><b>4,476</b></u>	<u><b>1,539</b></u>
<b>Reconciliation of net revenue after taxation to distributions:</b>		
Net revenue after taxation	3,928	1,300
Charges borne by capital	547	222
Tax relief on capitalised expenses	–	17
Net movement in revenue account	1	–
<b>Net distributions for the year</b>	<u><b>4,476</b></u>	<u><b>1,539</b></u>

Details of the distributions in pence per share are shown in the Distribution Tables on pages 79 to 102.

### 7. Debtors

	31.07.22 £'000	31.07.21 £'000
Accrued revenue	1,989	623
Amounts receivable for issue of shares	1,336	847
Overseas tax recoverable	2	11
Sales awaiting settlement	1,633	187
<b>Total debtors</b>	<u><b>4,960</b></u>	<u><b>1,668</b></u>

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

### 8. Cash and Bank Balances

	31.07.22 £'000	31.07.21 £'000
Amounts held at brokers	427	978
Cash and bank balances	7,541	1,320
<b>Total cash and bank balances</b>	<b>7,968</b>	<b>2,298</b>

### 9. Bank Overdrafts

	31.07.22 £'000	31.07.21 £'000
Bank overdraft	9	16
Amounts due to brokers	–	795
<b>Total bank overdrafts</b>	<b>9</b>	<b>811</b>

### 10. Other Creditors

	31.07.22 £'000	31.07.21 £'000
Accrued expenses	16	18
Amounts payable for cancellation of shares	779	137
Corporation tax payable	–	10
Purchases awaiting settlement	1,268	1,409
<b>Total other creditors</b>	<b>2,063</b>	<b>1,574</b>

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

The sub-fund had no contingent assets, liabilities or capital commitments at the balance sheet date (31.07.21: £nil).

### 12. Related Party Transactions

Jupiter Fund Managers Limited (JFML), as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 63. Any amounts due to or from JFML at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in Notes 7 (Debtors) and 10 (Other Creditors).

Amounts receivable/(payable) from JFML in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. At the year end, a net balance of £557,238 was receivable from JFML (31.07.21: £709,984 receivable from JFML). These amounts are included in amounts receivable for issue of shares in Note 7 and amounts payable for cancellation of shares in Note 10.

Amounts paid to JFML in respect of fund management are disclosed in Note 4 (Expenses). At the year end, £15,515 (31.07.21: £18,597) was payable to JFML. This amount is included as part of accrued expenses in Note 10.



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

### 13. Financial Instruments

#### Financial Instrument Risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Bonds and derivatives.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives for investment purposes and the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

The Investment Adviser is responsible for monitoring the portfolio of the sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are market price, foreign currency, interest rate, liquidity, credit and counterparty risk which are summarised below.

#### Market Risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate this risk and reduce cost.

#### Market Price Risk Sensitivity

A five percent market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £6,384,114 or 4.61% of NAV (31.07.21: £2,265,767 or 4.84% of NAV).

#### Foreign Currency Risk

A proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Adviser does seek to reduce some of this risk by using forward currency contracts.

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

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

The direct foreign currency exposure of the sub-fund as at 31 July were as follows:

Currency	31.07.22 £'000	31.07.21 £'000
Euro	(4,183)	555
Swiss Franc	–	2
US Dollar	(4,055)	581

### Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates. The interest rate risk profile of the sub-fund's financial assets and liabilities at the year end were as follows:

Currency	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Euro	8,601	35,301	614	44,516
US Dollar	6,183	29,361	2,220	37,764
Sterling	17,678	38,044	2,621	58,343
<b>Total</b>	<b>32,462</b>	<b>102,706</b>	<b>5,455</b>	<b>140,623</b>
<b>31.07.21</b>				
Euro	1,516	12,651	172	14,339
Swiss Franc	–	158	2	160
US Dollar	1,329	10,885	346	12,560
Sterling	1,555	19,378	26,437	47,370
<b>Total</b>	<b>4,400</b>	<b>43,072</b>	<b>26,957</b>	<b>74,429</b>

Currency	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Euro	9	–	5	14
US Dollar	–	–	4	4
Sterling	–	–	2,201	2,201
<b>Total</b>	<b>9</b>	<b>–</b>	<b>2,210</b>	<b>2,219</b>
<b>31.07.21</b>				
Euro	16	–	13,768	13,784
Swiss Franc	–	–	158	158
US Dollar	–	–	11,979	11,979
Sterling	795	–	876	1,671
<b>Total</b>	<b>811</b>	<b>–</b>	<b>26,781</b>	<b>27,592</b>

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

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

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

#### Liquidity Risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares.

Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

#### Credit Risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio statement.

As at 31.07.22		
Analysis of Bonds	Market value £'000	Total net assets %
Investment grade	56,512	40.83
Below investment grade	69,347	50.10
Unrated	1,490	1.08
	<u>127,349</u>	<u>92.01</u>

As at 31.07.21		
Analysis of Bonds	Market value £'000	Total net assets %
Investment grade	16,083	34.34
Below investment grade	28,231	60.28
Unrated	657	1.40
	<u>44,971</u>	<u>96.02</u>

#### Counterparty Risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

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

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

#### Use of Derivatives

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

#### Forward Currency Contracts

The ACD made use of forward foreign currency contracts during the year in order to hedge out some of the currency exposure in the sub-fund. This resulted in realised and unrealised losses of £4,598,653 to the sub-fund during the year (31.07.21: realised and unrealised gains of £473,000). All contracts were undertaken with Canadian Imperial Bank of Commerce, Citigroup, Goldman Sachs, HSBC Bank, JPMorgan Chase, Merrill Lynch, Morgan Stanley, Northern Trust, Societe Generale, State Street and Toronto-Dominion Bank as counterparty during the year.

The underlying exposure for forward currency contracts at the balance sheet date are shown below:

Counterparty	31.07.22 £'000	31.07.21 £'000
Citigroup	–	193
HSBC Bank	11	–
Morgan Stanley	335	1
	<b>346</b>	<b>194</b>

#### Futures Contracts

The ACD bought some stock market index futures with the aim of protecting the sub-fund from the risk of index volatility. This resulted in realised and unrealised losses of £10,721 (31.07.21: realised and unrealised losses of £60,000) to the sub-fund during the year. All contracts were undertaken with Merrill Lynch as counterparty during the year.

#### Swaps

The ACD bought/sold some credit default and interest rate swap contracts during the year with the aim of protecting the sub-fund from credit risk. These resulted in realised gains of £189,659 (31.07.21: realised losses of £10,000) to the sub-fund during the year which are included in net capital (losses)/gains on Note 2. There are no outstanding contracts at year end. All contracts were undertaken with Goldman Sachs and Merrill Lynch as counterparty during the year.

In order to reduce this risk, collateral may be held by the sub-fund. The counterparties to these transactions and any collateral held by the sub-fund at the balance sheet date are shown below:

Counterparty	31.07.22 £'000	31.07.21 £'000
HSBC Bank	(870)	–
JPMorgan Chase	–	100
Morgan Stanley	10	–
	<b>(860)</b>	<b>100</b>

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

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

#### Sensitivity Analysis

The Gross Sum of Notionals (GSON) leverage figures are prepared with no hedging or netting of any asset class. Across the range of asset classes exposures are treated differently. For instance, currency forwards are treated by valuing both legs of the underlying and expressing them as a percentage of the NAV. Physical assets are excluded to get the incremental exposure resulting from derivatives. The sub-fund is limited to 400% gross leverage (2021: 400%), and this limit has not been exceeded over the year. Using the “gross sum of notionals” methodology, the average leverage for the year ended 31 July 2022 was 84.02% (31.07.21: 73.30%).

The Investment Adviser assesses the market risk of the Jupiter Monthly Income Bond Fund, including any derivative exposures, using an Absolute Value at Risk (“VaR”) methodology. VaR is a process that provides the Investment Adviser with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. As the sub-fund adopts an absolute VaR Model to measure the global market risk, the daily VaR limit for the sub-fund cannot be greater than 20 percent of the Net Asset Value of the sub-fund. The VaR is calculated using a one-tailed 95 percent confidence level, a one month holding period and the historical period of one year (250 Business Days). Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Jupiter Monthly Income Bond Fund. The sub-fund uses absolute methodology to measure Value at Risk (VaR). The VaR as at 31 July 2022 was 3.42% (31.07.21: 4.40%).

	31.07.22	31.07.21
Maximum	4.64%	11.40%
Minimum	1.74%	3.60%
Average	3.10%	5.50%

#### What is VaR?

It estimates the worst potential loss in the portfolio within a certain time period and with a certain amount of confidence, using the following criteria:

- Internal Guidelines: 20% absolute VaR (95% confidence) over 20 day timeframe measured each day
- Holding period: 1 month (20 days)
- Observation period: minimum 1 year (250 days)
- 99% confidence implies a breach of 1 out of every 100 twenty day periods

#### If VaR approaches its limit the ACD may:

- Diversify the portfolio
- Reduce the gross exposure
- Hedge part of the portfolio
- Reduce exposure to positions with high marginal VaR contribution

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

### 14. Fair Value of Financial Assets and Liabilities

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

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.22</b>		
Level 1	3,870	–
Level 2	123,825	(13)
Level 3	–	–
<b>Total</b>	<b>127,695</b>	<b>(13)</b>

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.21</b>		
Level 1	203	(53)
Level 2	44,943	–
Level 3	222	–
<b>Total</b>	<b>45,368</b>	<b>(53)</b>

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

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

The majority of financial instruments are classified as level 2: Observable inputs. Instruments classified as level 3: Unobservable data mainly comprise non-market traded and unquoted securities.

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

- **Price of recent transactions** — Management determine the fair value based on the price of recent transactions made by management or a third party.

- **Milestone analysis** — Management assess the investment company's progress against milestones expected at the time of investment in order to determine whether an adjustment is required to the transaction price to determine fair value.

- **Multiples** — Earnings or Revenue multiples are selected from comparable public companies based on geographic location, industry, size, risk profile, earnings growth prospects, target markets and other factors that management consider reasonable. A discount for lack of liquidity may then be applied to represent the adjustment to comparable company multiples to reflect the illiquidity of the portfolio companies relative to the comparable peer group. Management determines the discount for lack of liquidity based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Among the most common forms of multiples used for cash generating companies are EV/EBITDA and EV/Revenue multiples, generally seen to represent a good proxy for free cash flow and company performance. These are applied where appropriate based on the development of underlying portfolio companies but other inputs such as comparable company share price movements may also be considered.

- **Net assets** — Management determine the fair value based on the net asset value of the underlying portfolio company.

In applying the above valuation techniques in arriving at the fair value the ACD has assessed any further information available from internal and external sources to arrive at an estimated fair value, which includes but is not limited to the following:

- Reference to listed securities of the same company.
- Consideration of seniority of the securities held and terms of repayment upon realisation.
- Consideration of any trading restrictions on the investment company's shares that would limit ACD's ability to realise its holding.
- Consideration of any outstanding payments to be made by ACD.
- Industry statistics or events (such as mergers and acquisitions).

The fair value of the sub-fund's investment in Hellas Telecom 12.732% 31/12/2025 and Lehman Brothers Defaulted 4.625% 14/03/2019 are determined using ACD's estimation of liquidation process and any potential recovery thereon, and taking into account where applicable any factors which may warrant adjustment to the net asset value as part of a robust governance process involving the Valuation and Pricing Committee.

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

### 15. Portfolio Transaction Costs

For the year ended 31 July 2022

	Bonds £'000	%	Corporate Actions £'000	%	Derivatives £'000	%	Total £'000
<b>31.07.22</b>							
<b>Analysis of total purchases costs</b>							
Purchases in year before transaction costs	160,866		–		(12)		160,854
Commissions	–	–	–	–	–	–	–
Expenses and other charges	–	–	–	–	–	–	–
	–		–		–		–
Purchases including transaction costs	160,866		–		(12)		160,854
<b>Analysis of total sales costs</b>							
Sales in year before transaction costs	70,122		1,003		123		71,248
Commissions	–	–	–	–	–	–	–
Expenses and other charges	–	–	–	–	–	–	–
	–		–		–		–
Sales net of transaction costs	70,122		1,003		123		71,248

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

Commissions	0.00%
Expenses and other charges	0.00%

The average portfolio dealing spread as at the balance sheet date was 0.83%.



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

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

For the year ended 31 July 2021

	Bonds £'000	%	Derivatives £'000	%	Total £'000
<b>31.07.21</b>					
<b>Analysis of total purchases costs</b>					
Purchases in year before transaction costs	48,350		–		48,350
Commissions	–	–	–	–	–
Expenses and other charges	–	–	–	–	–
	–		–		–
Purchases including transaction costs	48,350		–		48,350
<b>Analysis of total sales costs</b>					
Sales in year before transaction costs	35,362		–		35,362
Commissions	–	–	–	–	–
Expenses and other charges	–	–	–	–	–
	–		–		–
Sales net of transaction costs	35,362		–		35,362

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

Commissions	0.00%
Expenses and other charges	0.00%

The average portfolio dealing spread as at the balance sheet date was 0.60%.

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

### 16. Shareholders' Funds

The net asset value of each share class, net asset value per share and the number of shares in issue are given in the comparative tables for each sub-fund.

The share classes currently in issue and the Fixed Annual Charge of each share class are shown below.

Share Class	31.07.22	31.07.21
L (GBP) Income	1.15%	1.15%
L (GBP) Accumulation	1.15%	1.15%
I (GBP) Income	0.65%	0.65%
I (GBP) Accumulation	0.65%	0.65%
P (GBP) Income	0.80%	0.80%
P (GBP) Accumulation	0.80%	0.80%
U1 (GBP) Income	0.35%	0.35%
U1 (GBP) Accumulation	0.35%	0.35%
U2 (GBP) Income	0.65%	0.65%

Reconciliation of Shares	L (GBP) Income	L (GBP) Accumulation	I (GBP) Income
Opening number of shares at 1 August 2021	1,801,873	5,815,107	9,415,760
Shares issued in year	14,528,620	4,127,146	14,332,542
Shares cancelled in year	(1,167,741)	(2,114,668)	(4,038,056)
Shares converted in year	–	–	19,684
Closing number of shares at 31 July 2022	15,162,752	7,827,585	19,729,930

Reconciliation of Shares	I (GBP) Accumulation	P (GBP) Income	P (GBP) Accumulation
Opening number of shares at 1 August 2021	9,783,832	290,595	29,664
Shares issued in year	36,632,308	45,026	425,321
Shares cancelled in year	(8,563,231)	(10,259)	(29,245)
Shares converted in year	(3,055)	–	(1)
Closing number of shares at 31 July 2022	37,849,854	325,362	425,739

Reconciliation of Shares	U1 (GBP) Income	U1 (GBP) Accumulation	U2 (GBP) Income
Opening number of shares at 1 August 2021	3,923,267	8,637,878	7,413
Shares issued in year	7,346,088	38,620,178	235
Shares cancelled in year	(3,436,485)	(10,961,048)	(7,219)
Shares converted in year	4,097	(15,315)	–
Closing number of shares at 31 July 2022	7,836,967	36,281,693	429

## Distribution Tables

For the month ended 31 August 2021

### FIRST INTERIM

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 August 2021

	Revenue	Equalisation	Distribution paid 30.09.21	Distribution paid 30.09.20
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1657	–	0.1657	0.1249
Group 2	0.0913	0.0744	0.1657	0.1249

	Revenue	Equalisation	Distribution accumulated 30.09.21	Distribution accumulated 30.09.20
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3622	–	0.3622	0.2613
Group 2	0.1859	0.1763	0.3622	0.2613

	Revenue	Equalisation	Distribution paid 30.09.21	Distribution paid 30.09.20
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4402	–	0.4402	0.3302
Group 2	0.1888	0.2514	0.4402	0.3302

	Revenue	Equalisation	Distribution accumulated 30.09.21	Distribution accumulated 30.09.20
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5826	–	0.5826	0.4190
Group 2	0.2664	0.3162	0.5826	0.4190

	Revenue	Equalisation	Distribution paid 30.09.21	Distribution paid 30.09.20
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4115	–	0.4115	0.3091
Group 2	0.3077	0.1038	0.4115	0.3091

	Revenue	Equalisation	Distribution accumulated 30.09.21	Distribution accumulated 30.09.20
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6799	–	0.6799	0.4888
Group 2	0.0805	0.5994	0.6799	0.4888

## Distribution Tables *(continued)*

### For the month ended 31 August 2021

#### FIRST INTERIM

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 August 2021

	Revenue	Equalisation	Distribution paid 30.09.21	Distribution paid 30.09.20
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3907	–	0.3907	0.2921
Group 2	0.2426	0.1481	0.3907	0.2921

	Revenue	Equalisation	Distribution accumulated 30.09.21	Distribution accumulated 30.09.20
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5316	–	0.5316	0.3806
Group 2	0.2547	0.2769	0.5316	0.3806

	Revenue	Equalisation	Distribution paid 30.09.21	Distribution paid 30.09.20
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4034	–	0.4034	0.3031
Group 2	–	0.4034	0.4034	0.3031

## Distribution Tables *(continued)*

For the month ended 30 September 2021

### SECOND INTERIM

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased on or after 1 September 2021 to 30 September 2021

	Revenue	Equalisation	Distribution paid 29.10.21	Distribution paid 31.10.20
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1522	–	0.1522	0.1523
Group 2	0.0704	0.0818	0.1522	0.1523

	Revenue	Equalisation	Distribution accumulated 29.10.21	Distribution accumulated 31.10.20
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3340	–	0.3340	0.3196
Group 2	0.2037	0.1303	0.3340	0.3196

	Revenue	Equalisation	Distribution paid 29.10.21	Distribution paid 31.10.20
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4046	–	0.4046	0.4028
Group 2	0.1660	0.2386	0.4046	0.4028

	Revenue	Equalisation	Distribution accumulated 29.10.21	Distribution accumulated 31.10.20
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5380	–	0.5380	0.5123
Group 2	0.2818	0.2562	0.5380	0.5123

	Revenue	Equalisation	Distribution paid 29.10.21	Distribution paid 31.10.20
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3780	–	0.3780	0.3769
Group 2	0.2103	0.1677	0.3780	0.3769

	Revenue	Equalisation	Distribution accumulated 29.10.21	Distribution accumulated 31.10.20
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6272	–	0.6272	0.5978
Group 2	0.4407	0.1865	0.6272	0.5978

## Distribution Tables *(continued)*

For the month ended 30 September 2021

### SECOND INTERIM

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased on or after 1 September 2021 to 30 September 2021

	Revenue	Equalisation	Distribution paid 29.10.21	Distribution paid 31.10.20
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3590	–	0.3590	0.3564
Group 2	0.2282	0.1308	0.3590	0.3564

	Revenue	Equalisation	Distribution accumulated 29.10.21	Distribution accumulated 31.10.20
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4908	–	0.4908	0.4659
Group 2	0.2711	0.2197	0.4908	0.4659

	Revenue	Equalisation	Distribution paid 29.10.21	Distribution paid 31.10.20
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3706	–	0.3706	0.3696
Group 2	–	0.3706	0.3706	0.3696

## Distribution Tables *(continued)*

For the month ended 31 October 2021

### THIRD INTERIM

Group 1: Shares purchased prior to 1 October 2021

Group 2: Shares purchased on or after 1 October 2021 to 31 October 2021

	Revenue	Equalisation	Distribution paid 30.11.21	Distribution paid 30.11.20
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1643	–	0.1643	0.1410
Group 2	0.1013	0.0630	0.1643	0.1410

	Revenue	Equalisation	Distribution accumulated 30.11.21	Distribution accumulated 30.11.20
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3621	–	0.3621	0.2970
Group 2	–	0.3621	0.3621	0.2970

	Revenue	Equalisation	Distribution paid 30.11.21	Distribution paid 30.11.20
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4371	–	0.4371	0.3731
Group 2	0.2545	0.1826	0.4371	0.3731

	Revenue	Equalisation	Distribution accumulated 30.11.21	Distribution accumulated 30.11.20
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5825	–	0.5825	0.4762
Group 2	0.2147	0.3678	0.5825	0.4762

	Revenue	Equalisation	Distribution paid 30.11.21	Distribution paid 30.11.20
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4084	–	0.4084	0.3491
Group 2	0.4084	–	0.4084	0.3491

	Revenue	Equalisation	Distribution accumulated 30.11.21	Distribution accumulated 30.11.20
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6802	–	0.6802	0.5559
Group 2	0.4563	0.2239	0.6802	0.5559

## Distribution Tables *(continued)*

For the month ended 31 October 2021

### THIRD INTERIM

Group 1: Shares purchased prior to 1 October 2021

Group 2: Shares purchased on or after 1 October 2021 to 31 October 2021

	Revenue	Equalisation	Distribution paid 30.11.21	Distribution paid 30.11.20
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3880	–	0.3880	0.3301
Group 2	0.1823	0.2057	0.3880	0.3301

	Revenue	Equalisation	Distribution accumulated 30.11.21	Distribution accumulated 30.11.20
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5324	–	0.5324	0.4332
Group 2	0.1828	0.3496	0.5324	0.4332

	Revenue	Equalisation	Distribution paid 30.11.21	Distribution paid 30.11.20
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4008	–	0.4008	0.3423
Group 2	0.0233	0.3775	0.4008	0.3423



## Distribution Tables *(continued)*

For the month ended 30 November 2021

### FOURTH INTERIM

Group 1: Shares purchased prior to 1 November 2021

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

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1474	–	0.1474	0.1456
Group 2	0.1126	0.0348	0.1474	0.1456

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3260	–	0.3260	0.3078
Group 2	0.1709	0.1551	0.3260	0.3078

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3922	–	0.3922	0.3854
Group 2	0.1322	0.2600	0.3922	0.3854

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5256	–	0.5256	0.4938
Group 2	0.3240	0.2016	0.5256	0.4938

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3664	–	0.3664	0.3606
Group 2	0.2104	0.1560	0.3664	0.3606

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6123	–	0.6123	0.5762
Group 2	0.3404	0.2719	0.6123	0.5762

## Distribution Tables *(continued)*

For the month ended 30 November 2021

### FOURTH INTERIM

Group 1: Shares purchased prior to 1 November 2021

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

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3482	–	0.3482	0.3411
Group 2	0.1594	0.1888	0.3482	0.3411

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4797	–	0.4797	0.4493
Group 2	0.3300	0.1497	0.4797	0.4493

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3601	–	0.3601	0.3537
Group 2	–	0.3601	0.3601	0.3537

## Distribution Tables *(continued)*

For the month ended 31 December 2021

### FIFTH INTERIM

Group 1: Shares purchased prior to 1 December 2021

Group 2: Shares purchased on or after 1 December 2021 to 31 December 2021

	Revenue	Equalisation	Distribution paid 31.01.22	Distribution paid 31.01.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1578	–	0.1578	0.1638
Group 2	0.0924	0.0654	0.1578	0.1638

	Revenue	Equalisation	Distribution accumulated 31.01.22	Distribution accumulated 31.01.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3502	–	0.3502	0.3475
Group 2	0.1460	0.2042	0.3502	0.3475

	Revenue	Equalisation	Distribution paid 31.01.22	Distribution paid 31.01.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4199	–	0.4199	0.4337
Group 2	0.2287	0.1912	0.4199	0.4337

	Revenue	Equalisation	Distribution accumulated 31.01.22	Distribution accumulated 31.01.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5647	–	0.5647	0.5576
Group 2	0.2925	0.2722	0.5647	0.5576

	Revenue	Equalisation	Distribution paid 31.01.22	Distribution paid 31.01.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3922	–	0.3922	0.4057
Group 2	0.1962	0.1960	0.3922	0.4057

	Revenue	Equalisation	Distribution accumulated 31.01.22	Distribution accumulated 31.01.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6581	–	0.6581	0.6508
Group 2	0.3846	0.2735	0.6581	0.6508

## Distribution Tables *(continued)*

### For the month ended 31 December 2021

#### FIFTH INTERIM

Group 1: Shares purchased prior to 1 December 2021

Group 2: Shares purchased on or after 1 December 2021 to 31 December 2021

	Revenue	Equalisation	Distribution paid 31.01.22	Distribution paid 31.01.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3729	–	0.3729	0.3840
Group 2	0.1956	0.1773	0.3729	0.3840

	Revenue	Equalisation	Distribution accumulated 31.01.22	Distribution accumulated 31.01.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5155	–	0.5155	0.5075
Group 2	0.2690	0.2465	0.5155	0.5075

	Revenue	Equalisation	Distribution paid 31.01.22	Distribution paid 31.01.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3848	–	0.3848	0.3980
Group 2	–	0.3848	0.3848	0.3980

## Distribution Tables *(continued)*

For the month ended 31 January 2022

### SIXTH INTERIM

Group 1: Shares purchased prior to 1 January 2022

Group 2: Shares purchased on or after 1 January 2022 to 31 January 2022

	Revenue	Equalisation	Distribution paid 28.02.22	Distribution paid 28.02.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1603	–	0.1603	0.1480
Group 2	0.0496	0.1107	0.1603	0.1480

	Revenue	Equalisation	Distribution accumulated 28.02.22	Distribution accumulated 28.02.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3571	–	0.3571	0.3151
Group 2	0.1099	0.2472	0.3571	0.3151

	Revenue	Equalisation	Distribution paid 28.02.22	Distribution paid 28.02.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4268	–	0.4268	0.3922
Group 2	0.2022	0.2246	0.4268	0.3922

	Revenue	Equalisation	Distribution accumulated 28.02.22	Distribution accumulated 28.02.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5762	–	0.5762	0.5059
Group 2	0.2783	0.2979	0.5762	0.5059

	Revenue	Equalisation	Distribution paid 28.02.22	Distribution paid 28.02.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3986	–	0.3986	0.3668
Group 2	0.1361	0.2625	0.3986	0.3668

	Revenue	Equalisation	Distribution accumulated 28.02.22	Distribution accumulated 28.02.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6715	–	0.6715	0.5904
Group 2	0.4003	0.2712	0.6715	0.5904

## Distribution Tables *(continued)*

For the month ended 31 January 2022

### SIXTH INTERIM

Group 1: Shares purchased prior to 1 January 2022

Group 2: Shares purchased on or after 1 January 2022 to 31 January 2022

	Revenue	Equalisation	Distribution paid 28.02.22	Distribution paid 28.02.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3791	–	0.3791	0.3473
Group 2	0.2089	0.1702	0.3791	0.3473

	Revenue	Equalisation	Distribution accumulated 28.02.22	Distribution accumulated 28.02.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5261	–	0.5261	0.4607
Group 2	0.2072	0.3189	0.5261	0.4607

	Revenue	Equalisation	Distribution paid 28.02.22	Distribution paid 28.02.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3911	–	0.3911	0.3602
Group 2	–	0.3911	0.3911	0.3602

## Distribution Tables *(continued)*

For the month ended 28 February 2022

### SEVENTH INTERIM

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022 to 28 February 2022

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1408	–	0.1408	0.1395
Group 2	0.0602	0.0806	0.1408	0.1395

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3150	–	0.3150	0.2983
Group 2	0.2395	0.0755	0.3150	0.2983

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3752	–	0.3752	0.3698
Group 2	0.2173	0.1579	0.3752	0.3698

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5085	–	0.5085	0.4790
Group 2	0.2321	0.2764	0.5085	0.4790

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3504	–	0.3504	0.3458
Group 2	0.3504	–	0.3504	0.3458

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5923	–	0.5923	0.5587
Group 2	0.3675	0.2248	0.5923	0.5587

## Distribution Tables *(continued)*

For the month ended 28 February 2022

### SEVENTH INTERIM

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022 to 28 February 2022

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3334	–	0.3334	0.3276
Group 2	0.1889	0.1445	0.3334	0.3276

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4644	–	0.4644	0.4361
Group 2	0.2335	0.2309	0.4644	0.4361

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3437	–	0.3437	0.3394
Group 2	–	0.3437	0.3437	0.3394



## Distribution Tables *(continued)*

For the month ended 31 March 2022

### EIGHTH INTERIM

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased on or after 1 March 2022 to 31 March 2022

	Revenue	Equalisation	Distribution paid 30.04.22	Distribution paid 30.04.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1598	–	0.1598	0.1675
Group 2	0.0726	0.0872	0.1598	0.1675

	Revenue	Equalisation	Distribution accumulated 30.04.22	Distribution accumulated 30.04.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3592	–	0.3592	0.3591
Group 2	0.0953	0.2639	0.3592	0.3591

	Revenue	Equalisation	Distribution paid 30.04.22	Distribution paid 30.04.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4264	–	0.4264	0.4441
Group 2	0.2236	0.2028	0.4264	0.4441

	Revenue	Equalisation	Distribution accumulated 30.04.22	Distribution accumulated 30.04.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5797	–	0.5797	0.5770
Group 2	0.2978	0.2819	0.5797	0.5770

	Revenue	Equalisation	Distribution paid 30.04.22	Distribution paid 30.04.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3982	–	0.3982	0.4153
Group 2	0.3876	0.0106	0.3982	0.4153

	Revenue	Equalisation	Distribution accumulated 30.04.22	Distribution accumulated 30.04.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6754	–	0.6754	0.6731
Group 2	0.3803	0.2951	0.6754	0.6731

## Distribution Tables *(continued)*

For the month ended 31 March 2022

### EIGHTH INTERIM

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased on or after 1 March 2022 to 31 March 2022

	Revenue	Equalisation	Distribution paid 30.04.22	Distribution paid 30.04.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3793	–	0.3793	0.3934
Group 2	0.1633	0.2160	0.3793	0.3934

	Revenue	Equalisation	Distribution accumulated 30.04.22	Distribution accumulated 30.04.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5289	–	0.5289	0.5256
Group 2	0.2360	0.2929	0.5289	0.5256

	Revenue	Equalisation	Distribution paid 30.04.22	Distribution paid 30.04.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4483	–	0.4483	0.4076
Group 2	–	0.4483	0.4483	0.4076

## Distribution Tables *(continued)*

For the month ended 30 April 2022

### NINTH INTERIM

Group 1: Shares purchased prior to 1 April 2022

Group 2: Shares purchased on or after 1 April 2022 to 30 April 2022

	Revenue	Equalisation	Distribution paid 31.05.22	Distribution paid 31.05.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1599	–	0.1599	0.1581
Group 2	0.0822	0.0777	0.1599	0.1581

	Revenue	Equalisation	Distribution accumulated 31.05.22	Distribution accumulated 31.05.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3605	–	0.3605	0.3406
Group 2	0.2035	0.1570	0.3605	0.3406

	Revenue	Equalisation	Distribution paid 31.05.22	Distribution paid 31.05.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4265	–	0.4265	0.4195
Group 2	0.2227	0.2038	0.4265	0.4195

	Revenue	Equalisation	Distribution accumulated 31.05.22	Distribution accumulated 31.05.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5825	–	0.5825	0.5475
Group 2	0.3083	0.2742	0.5825	0.5475

	Revenue	Equalisation	Distribution paid 31.05.22	Distribution paid 31.05.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3983	–	0.3983	0.3923
Group 2	0.3018	0.0965	0.3983	0.3923

	Revenue	Equalisation	Distribution accumulated 31.05.22	Distribution accumulated 31.05.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6783	–	0.6783	0.6386
Group 2	0.2883	0.3900	0.6783	0.6386

## Distribution Tables *(continued)*

For the month ended 30 April 2022

### NINTH INTERIM

Group 1: Shares purchased prior to 1 April 2022

Group 2: Shares purchased on or after 1 April 2022 to 30 April 2022

	Revenue	Equalisation	Distribution paid 31.05.22	Distribution paid 31.05.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3793	–	0.3793	0.3719
Group 2	0.2151	0.1642	0.3793	0.3719

	Revenue	Equalisation	Distribution accumulated 31.05.22	Distribution accumulated 31.05.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5323	–	0.5323	0.4988
Group 2	0.2964	0.2359	0.5323	0.4988

	Revenue	Equalisation	Distribution paid 31.05.22	Distribution paid 31.05.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4108	–	0.4108	0.3849
Group 2	0.0147	0.3961	0.4108	0.3849

## Distribution Tables *(continued)*

For the month ended 31 May 2022

### TENTH INTERIM

Group 1: Shares purchased prior to 1 May 2022

Group 2: Shares purchased on or after 1 May 2022 to 31 May 2022

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1625	–	0.1625	0.1420
Group 2	0.1058	0.0567	0.1625	0.1420

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3677	–	0.3677	0.3067
Group 2	0.1484	0.2193	0.3677	0.3067

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4334	–	0.4334	0.3768
Group 2	0.1692	0.2642	0.4334	0.3768

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5942	–	0.5942	0.4933
Group 2	0.2579	0.3363	0.5942	0.4933

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4045	–	0.4045	0.3522
Group 2	0.2696	0.1349	0.4045	0.3522

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6920	–	0.6920	0.5753
Group 2	0.1129	0.5791	0.6920	0.5753

## Distribution Tables *(continued)*

For the month ended 31 May 2022

### TENTH INTERIM

Group 1: Shares purchased prior to 1 May 2022

Group 2: Shares purchased on or after 1 May 2022 to 31 May 2022

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3853	–	0.3853	0.3339
Group 2	0.1318	0.2535	0.3853	0.3339

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5431	–	0.5431	0.4495
Group 2	0.2651	0.2780	0.5431	0.4495

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3949	–	0.3949	0.3457
Group 2	0.0006	0.3943	0.3949	0.3457

## Distribution Tables *(continued)*

For the month ended 30 June 2022

### ELEVENTH INTERIM

Group 1: Shares purchased prior to 1 June 2022

Group 2: Shares purchased on or after 1 June 2022 to 30 June 2022

	Revenue	Equalisation	Distribution paid 29.07.22	Distribution paid 31.07.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1647	–	0.1647	0.1684
Group 2	0.0412	0.1235	0.1647	0.1684

	Revenue	Equalisation	Distribution accumulated 29.07.22	Distribution accumulated 31.07.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3744	–	0.3744	0.3652
Group 2	0.1570	0.2174	0.3744	0.3652

	Revenue	Equalisation	Distribution paid 29.07.22	Distribution paid 31.07.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4396	–	0.4396	0.4470
Group 2	0.1685	0.2711	0.4396	0.4470

	Revenue	Equalisation	Distribution accumulated 29.07.22	Distribution accumulated 31.07.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6054	–	0.6054	0.5874
Group 2	0.2732	0.3322	0.6054	0.5874

	Revenue	Equalisation	Distribution paid 29.07.22	Distribution paid 31.07.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4103	–	0.4103	0.4179
Group 2	0.4103	–	0.4103	0.4179

	Revenue	Equalisation	Distribution accumulated 29.07.22	Distribution accumulated 31.07.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.7049	–	0.7049	0.6849
Group 2	0.2709	0.4340	0.7049	0.6849

## Distribution Tables *(continued)*

For the month ended 30 June 2022

### ELEVENTH INTERIM

Group 1: Shares purchased prior to 1 June 2022

Group 2: Shares purchased on or after 1 June 2022 to 30 June 2022

	Revenue	Equalisation	Distribution paid 29.07.22	Distribution paid 31.07.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3910	–	0.3910	0.3964
Group 2	0.2098	0.1812	0.3910	0.3964

	Revenue	Equalisation	Distribution accumulated 29.07.22	Distribution accumulated 31.07.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5535	–	0.5535	0.5354
Group 2	0.1843	0.3692	0.5535	0.5354

	Revenue	Equalisation	Distribution paid 29.07.22	Distribution paid 31.07.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4025	–	0.4025	0.4094
Group 2	0.0005	0.4020	0.4025	0.4094



## Distribution Tables *(continued)*

### For the month ended 31 July 2022

#### FINAL

Group 1: Shares purchased prior to 1 July 2022

Group 2: Shares purchased on or after 1 July 2022 to 31 July 2022

	Revenue	Equalisation	Distribution paid 31.08.22	Distribution paid 31.08.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.1541	–	0.1541	0.1612
Group 2	0.0676	0.0865	0.1541	0.1612

	Revenue	Equalisation	Distribution accumulated 31.08.22	Distribution accumulated 31.08.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3518	–	0.3518	0.3510
Group 2	0.2034	0.1484	0.3518	0.3510

	Revenue	Equalisation	Distribution paid 31.08.22	Distribution paid 31.08.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.4113	–	0.4113	0.4282
Group 2	0.2167	0.1946	0.4113	0.4282

	Revenue	Equalisation	Distribution accumulated 31.08.22	Distribution accumulated 31.08.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5687	–	0.5687	0.5650
Group 2	0.3179	0.2508	0.5687	0.5650

	Revenue	Equalisation	Distribution paid 31.08.22	Distribution paid 31.08.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3839	–	0.3839	0.4001
Group 2	0.1034	0.2805	0.3839	0.4001

	Revenue	Equalisation	Distribution accumulated 31.08.22	Distribution accumulated 31.08.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6624	–	0.6624	0.6587
Group 2	0.2545	0.4079	0.6624	0.6587

## Distribution Tables *(continued)*

### For the month ended 31 July 2022

#### FINAL

Group 1: Shares purchased prior to 1 July 2022

Group 2: Shares purchased on or after 1 July 2022 to 31 July 2022

	Revenue	Equalisation	Distribution paid 31.08.22	Distribution paid 31.08.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3660	–	0.3660	0.3798
Group 2	0.1322	0.2338	0.3660	0.3798

	Revenue	Equalisation	Distribution accumulated 31.08.22	Distribution accumulated 31.08.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5203	–	0.5203	0.5151
Group 2	0.2715	0.2488	0.5203	0.5151

	Revenue	Equalisation	Distribution paid 31.08.22	Distribution paid 31.08.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.3821	–	0.3821	0.3923
Group 2	0.0287	0.3534	0.3821	0.3923

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

## Jupiter UK Alpha Fund

### Performance

	1 year	3 years	5 years	10 years
Jupiter UK Alpha*	(0.02)	7.46	19.20	115.45
FTSE All-Share Index (Benchmark)	5.51	9.89	21.48	100.42
IA UK All Companies (Sector Average)	(4.50)	7.81	15.72	102.17
Quartile Ranking	2nd	3rd	2nd	2nd

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

### Investment Objective and Policy

To achieve capital growth. In seeking to achieve its investment objective the sub-fund will aim to deliver a return, net of fees, greater than that of the FTSE All-Share Index over rolling 3 year periods.

The sub-fund primarily invests (at least 70%) in a portfolio of UK equities. UK equities are equities of companies domiciled or incorporated in the UK, or that conduct a significant part of their business in the UK.

The sub-fund may also invest in other transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives, and may hold cash.

The sub-fund maintains a concentrated, high conviction portfolio consisting of companies which the Investment Adviser believes are undervalued relative to their growth prospects.

The sub-fund may use derivatives for Efficient Portfolio Management purposes only. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund.

### Market Review

The year under review might be characterised as seeing the consequences of central banks keeping monetary policy too loose for too long, with near zero interest rates and continued asset purchases buoying markets with excess liquidity throughout 2021. Costs were already rising, with supply shortages in key components like semiconductors, shipping rates soaring, energy prices accelerating and labour markets tight.

Yet it wasn't until towards the end of 2021 that the US central bank, the Federal Reserve, stopped describing inflation as 'transitory', speeded up its scheduled remaining asset purchases and signalled interest rates would rise in 2022. In fairness, the new Omicron Covid-19 variant in November did see travel restrictions reimposed, creating uncertainty about the outlook, but fortunately the variant spread rapidly yet was far less damaging – so actually accelerated the end of the pandemic and a return to normality in the West.

Coming into 2022, bond yields started to rise significantly in anticipation of higher interest rates, whilst inflation had now picked up to rates not seen for forty years. Energy prices were already rising when Russia invaded Ukraine, causing a severe spike in oil and gas prices, alongside wheat and other agricultural products. The US and UK moved swiftly to isolate Russia from dollar-based financial markets, and aid to Ukraine put paid to any hopes Russia might have had of a swift victory.

The impact of rampant inflation, rising interest rates and bond yields meant the first half of 2022 was one of the worst for bond and equity investors in many years. Growth stocks, which have seen their valuations expand during the long period of low bond yields, saw a contraction in their valuations. More lowly valued shares performed better in an environment of investor caution, but anything more cyclical or exposed to consumer discretionary spending fell heavily as markets feared an economic downturn due to the energy crisis.

The UK equity market was one of the better performing markets, as its large exposure to oil & gas, mining and relatively stable sectors such as consumer staples, tobacco and pharmaceuticals proved defensive relative to the technology-heavy US market. Towards the end of the year, markets rallied in the hope that softening economic activity would lead to a peak in inflation, weaker oil prices and thereby enabling investors to see the peak in interest rate increases.

## Policy Review

Unsurprisingly, the biggest contributors to performance were commodity-related companies like Glencore and electricity producer Drax but being underweight the oil & gas sector – despite holding both BP and Shell – was a source of relative underperformance against the index.

Travel-related holdings such as Premier Inn owner Whitbread and airport caterer SSP Group were hit during the Omicron Covid-19 scare, though have bounced back since and are trading well. Banks Lloyds and Barclays benefitted from rising interest rates, but Barclays discovered they had breached limits on their issuance of certain notes to US investors, and whilst the cost of making good this error was manageable given their profits, the hit to its reputation was far greater, weakening the shares.

Gaming company Entain was a big detractor to returns as a bid approach in late 2021 fell away and markets worried about reduced consumer spending and a UK regulatory review, the results of which kept being delayed by the events in Westminster over the summer. Industrial companies like Melrose and recent purchase Rotork suffered from concerns over a downturn, though recent results have been encouraging.

We added to Burberry on weakness concerning further lockdowns in China, trimmed Pets at Home after very strong performance, and similarly trimmed Drax. We used the latter to start a holding in Rotork, a high-quality engineering company we have wanted to own for a while, but felt the valuation was full. As it has weakened with peers, we have built a position, part funded by our sale of Vodafone – Rotork will benefit from the energy transition for years to come. We also sold packaging maker DS Smith as although it buys energy ahead, as hedges roll off it will not be immune to cost pressures and may not be able to pass these on fully to customers.

## Investment Outlook

After very heavy falls in the first half of 2022, both bond and equity markets are rallying as some economic data is weakening – notably housing activity and consumer confidence in the US – fuelling hopes of a peak in inflation and a possible end to interest rate increases. But the labour market remains very strong and even if inflation peaks, it is still substantially higher than the 2% level targeted by the Federal Reserve.

Moreover, as there has been no increase in energy supplies in response to high prices, we may be facing several years of sustained high energy prices, which is a headwind to activity and consumption. This is the biggest issue behind the ‘cost of living’ crisis, polarising the better and worse off. The UK economy is likely to neither grow nor shrink much in the coming months.

Markets may be volatile, but our companies have strong balance sheets, good management teams thoroughly tested during the pandemic and excellent long-term prospects, even if short-term prospects remain challenging.

August 2022

### Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

## Comparative Tables

Change in net asset per share						
	L (GBP) Income			I (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	119.17	90.14	118.66	127.23	95.53	124.80
Return before operating charges*	1.38	33.16	(23.43)	1.46	35.22	(24.76)
Operating charges	(1.92)	(1.74)	(1.73)	(1.09)	(0.97)	(0.97)
Return after operating charges*	(0.54)	31.42	(25.16)	0.37	34.25	(25.73)
Distributions on income shares	(3.95)	(2.39)	(3.36)	(4.23)	(2.55)	(3.54)
Closing net asset value per share	114.68	119.17	90.14	123.37	127.23	95.53
*after direct transaction costs of:	0.06	0.02	0.06	0.06	0.02	0.07
Performance						
Return after charges (%)	(0.45)	34.86	(21.20)	0.29	35.85	(20.62)
Other Information						
Closing net asset value (£'000)	3,861	4,370	3,460	13,634	18,626	22,169
Closing number of shares	3,366,330	3,666,922	3,837,870	11,051,653	14,639,652	23,205,869
Operating charges (%)	1.60	1.60	1.60	0.85	0.85	0.85
Direct transaction costs (%)	0.05	0.02	0.06	0.05	0.02	0.06
Prices						
Highest share price (p)	128.06	124.50	126.70	137.21	132.80	133.60
Lowest share price (p)	109.15	88.16	72.58	117.35	93.60	76.70

Change in net asset per share						
	P (GBP) Income			U1 (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	102.76	77.34	101.30	124.84	93.65	122.26
Return before operating charges*	1.18	28.51	(20.18)	1.44	34.57	(24.26)
Operating charges	(1.14)	(1.03)	(0.90)	(0.98)	(0.88)	(0.88)
Return after operating charges*	0.04	27.48	(21.08)	0.46	33.69	(25.14)
Distributions on income shares	(3.41)	(2.06)	(2.88)	(4.16)	(2.50)	(3.47)
Closing net asset value per share	99.39	102.76	77.34	121.14	124.84	93.65
*after direct transaction costs of:	0.05	0.02	0.05	0.06	0.02	0.07
Performance						
Return after charges (%)	0.04	35.53	(20.81)	0.37	35.97	(20.56)
Other Information						
Closing net asset value (£'000)	2,364	2,528	2,022	74,926	102,635	76,948
Closing number of shares	2,378,324	2,460,412	2,614,993	61,851,111	82,213,735	82,161,490
Operating charges (%)	1.10	1.10	1.10	0.775	0.775	0.775
Direct transaction costs (%)	0.05	0.02	0.06	0.05	0.02	0.06
Prices						
Highest share price (p)	110.69	107.30	108.40	134.67	130.30	131.00
Lowest share price (p)	94.56	75.74	62.15	115.23	91.79	75.18

## Comparative Tables *(continued)*

Change in net asset per share			
	U2 (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	121.42	91.02	118.77
Return before operating charges*	1.39	33.58	(23.59)
Operating charges	(0.86)	(0.75)	(0.77)
Return after operating charges*	0.53	32.83	(24.36)
Distributions on income shares	(4.04)	(2.43)	(3.39)
Closing net asset value per share	117.91	121.42	91.02
*after direct transaction costs of:	0.06	0.02	0.07
Performance			
Return after charges (%)	0.44	36.07	(20.51)
Other Information			
Closing net asset value (£'000)	11,940	34,115	82,117
Closing number of shares	10,126,067	28,097,234	90,221,384
Operating charges (%)	0.70	0.70	0.70
Direct transaction costs (%)	0.05	0.02	0.06
Prices			
Highest share price (p)	131.03	126.70	127.30
Lowest share price (p)	112.15	89.22	73.08

Change in net asset per share						
	L (GBP) Accumulation			I (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	148.86	110.29	140.60	182.20	133.99	169.53
Return before operating charges*	1.67	40.71	(28.24)	2.02	49.58	(34.22)
Operating charges	(2.41)	(2.14)	(2.07)	(1.57)	(1.37)	(1.32)
Return after operating charges*	(0.74)	38.57	(30.31)	0.45	48.21	(35.54)
Distribution on accumulation share	(4.97)	(2.94)	(4.01)	(6.11)	(3.59)	(4.85)
Retained distributions on accumulation share	4.97	2.94	4.01	6.11	3.59	4.85
Closing net asset value per share	148.12	148.86	110.29	182.65	182.20	133.99
*after direct transaction costs of:	0.07	0.02	0.08	0.09	0.03	0.09
Performance						
Return after charges (%)	(0.50)	34.97	(21.56)	0.25	35.98	(20.96)
Other Information						
Closing net asset value (£'000)	67,759	75,663	62,379	219,086	252,263	272,278
Closing number of shares	45,747,180	50,826,936	56,557,841	119,951,752	138,454,077	203,206,901
Operating charges (%)	1.60	1.60	1.60	0.85	0.85	0.85
Direct transaction costs (%)	0.05	0.02	0.06	0.05	0.02	0.06
Prices						
Highest share price (p)	159.97	153.40	150.10	196.48	187.60	181.60
Lowest share price (p)	138.23	107.90	87.38	170.36	131.30	105.90

## Comparative Tables *(continued)*

Change in net asset per share						
	P (GBP) Accumulation			U1 (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	108.53	80.01	101.49	162.19	119.18	150.68
Return before operating charges*	1.20	29.59	(20.56)	1.80	44.12	(30.43)
Operating charges	(1.21)	(1.07)	(0.92)	(1.28)	(1.11)	(1.07)
Return after operating charges*	(0.01)	28.52	(21.48)	0.52	43.01	(31.50)
Distribution on accumulation share	(3.64)	(2.14)	(2.90)	(5.44)	(3.19)	(4.31)
Retained distributions on accumulation share	3.64	2.14	2.90	5.44	3.19	4.31
Closing net asset value per share	108.52	108.53	80.01	162.71	162.19	119.18
*after direct transaction costs of:	0.05	0.02	0.05	0.08	0.02	0.08
Performance						
Return after charges (%)	(0.01)	35.65	(21.16)	0.32	36.09	(20.91)
Other Information						
Closing net asset value (£'000)	3,575	3,904	2,797	185,174	237,877	279,382
Closing number of shares	3,294,551	3,596,769	3,495,584	113,806,935	146,665,295	234,414,070
Operating charges (%)	1.10	1.10	1.10	0.775	0.775	0.775
Direct transaction costs (%)	0.05	0.02	0.06	0.05	0.02	0.06
Prices						
Highest share price (p)	116.90	111.80	108.60	174.97	167.00	161.40
Lowest share price (p)	101.24	78.36	63.27	151.76	116.80	94.14

Change in net asset per share			
	U2 (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	155.55	114.23	144.33
Return before operating charges*	1.73	42.28	(29.17)
Operating charges	(1.11)	(0.96)	(0.93)
Return after operating charges*	0.62	41.32	(30.10)
Distribution on accumulation share	(5.22)	(3.06)	(4.13)
Retained distributions on accumulation share	5.22	3.06	4.13
Closing net asset value per share	156.17	155.55	114.23
*after direct transaction costs of:	0.08	0.02	0.08
Performance			
Return after charges (%)	0.40	36.17	(20.85)
Other Information			
Closing net asset value (£'000)	103,211	95,630	120,052
Closing number of shares	66,089,615	61,477,260	105,094,697
Operating charges (%)	0.70	0.70	0.70
Direct transaction costs (%)	0.05	0.02	0.06
Prices			
Highest share price (p)	167.87	160.10	154.70
Lowest share price (p)	145.65	112.00	90.20



## Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>UNITED KINGDOM - 82.98% (84.00%)</b>			
<b>Banks - 9.07% (9.12%)</b>			
19,133,637	Barclays	30,074,251	4.39
70,999,378	Lloyds Banking	32,120,119	4.68
		<hr/>	<hr/>
		62,194,370	9.07
<b>Electricity - 7.95% (5.60%)</b>			
5,404,064	Drax	42,367,862	6.18
688,536	SSE	12,173,316	1.77
		<hr/>	<hr/>
		54,541,178	7.95
<b>Electronic and Electrical Equipment - 2.29% (0.00%)</b>			
6,029,194	Rotork	15,675,904	2.29
		<hr/>	<hr/>
<b>Food Producers - 2.44% (2.28%)</b>			
2,084,181	Tate & Lyle	16,710,963	2.44
		<hr/>	<hr/>
<b>General Industrials - 3.46% (5.36%)</b>			
14,799,335	Melrose Industries	23,752,933	3.46
		<hr/>	<hr/>
<b>Household Goods and Home Construction - 2.23% (2.67%)</b>			
12,015,802	Taylor Wimpey	15,266,076	2.23
		<hr/>	<hr/>
<b>Industrial Engineering - 3.46% (3.21%)</b>			
1,419,444	Weir	23,697,618	3.46
		<hr/>	<hr/>
<b>Industrial Metals and Mining - 3.70% (4.14%)</b>			
515,117	Rio Tinto (UK Listing)	25,361,785	3.70
		<hr/>	<hr/>
<b>Investment Banking and Brokerage Services - 3.60% (4.29%)</b>			
2,009,823	St James's Place	24,660,528	3.60
		<hr/>	<hr/>
<b>Life Insurance - 2.36% (2.89%)</b>			
1,607,458	Prudential	16,171,027	2.36
		<hr/>	<hr/>
<b>Medical Equipment and Services - 1.79% (2.18%)</b>			
1,168,309	Smith & Nephew	12,238,037	1.79
		<hr/>	<hr/>
<b>Oil, Gas and Coal - 3.77% (2.45%)</b>			
6,461,532	BP	25,842,897	3.77
		<hr/>	<hr/>

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>Personal Care, Drug and Grocery Stores - 2.56% (3.60%)</b>			
6,088,740	Tesco	15,989,031	2.33
2,243,283	THG	1,535,751	0.23
		<hr/>	
		17,524,782	2.56
<b>Personal Goods - 2.83% (2.35%)</b>			
1,078,915	Burberry	19,371,919	2.83
<b>Pharmaceuticals and Biotechnology - 10.43% (7.60%)</b>			
380,233	AstraZeneca (UK Listing)	41,217,257	6.01
1,449,532	GSK	25,042,115	3.65
1,811,915	Haleon	5,285,356	0.77
		<hr/>	
		71,544,728	10.43
<b>Retailers - 5.50% (7.36%)</b>			
277,266	Next	18,870,724	2.75
5,757,308	Pets at Home	18,872,456	2.75
		<hr/>	
		37,743,180	5.50
<b>Software and Computer Services - 4.71% (5.06%)</b>			
2,779,440	Micro Focus International	7,915,845	1.15
3,460,154	Sage	24,373,325	3.56
		<hr/>	
		32,289,170	4.71
<b>Telecommunications Service Providers - 0.00% (1.12%)</b>			
<b>Travel and Leisure - 10.83% (12.72%)</b>			
2,177,830	Entain	26,188,406	3.82
8,743,631	SSP	22,235,054	3.24
995,402	Whitbread	25,860,544	3.77
		<hr/>	
		74,284,004	10.83
<b>IRELAND - 5.47% (5.70%)</b>			
<b>Construction and Materials - 1.99% (2.13%)</b>			
434,624	CRH (UK Listing)	13,651,540	1.99
		<hr/>	

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
832,096	<b>Industrial Support Services - 3.48% (3.57%)</b> Experian	23,822,908	3.48
1,262,701	<b>NETHERLANDS - 4.01% (2.38%)</b> <b>Oil, Gas and Coal - 4.01% (2.38%)</b> Shell	27,514,255	4.01
8,053,508	<b>SWITZERLAND - 5.42% (3.55%)</b> <b>Industrial Metals and Mining - 5.42% (3.55%)</b> Glencore	37,126,672	5.42
156,233	<b>UNITED STATES - 1.91% (2.14%)</b> <b>Industrial Support Services - 1.91% (2.14%)</b> Fidelity National Information Services	13,114,051	1.91
	Total value of investments	684,100,525	99.79
	Net other assets	1,429,670	0.21
	<b>Net assets</b>	<b>685,530,195</b>	<b>100.00</b>

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

The figures in brackets show allocations as at 31 July 2021.

Asset allocation	
Equities	99.79%
Net other assets	0.21%
<b>Total</b>	<b>100.00%</b>

Portfolio allocation	
Travel and Leisure	10.83%
Pharmaceuticals and Biotechnology	10.43%
Industrial Metals and Mining	9.12%
Banks	9.07%
Electricity	7.95%
Oil, Gas and Coal	7.78%
Retailers	5.50%
Industrial Support Services	5.39%
Software and Computer Services	4.71%
Investment Banking and Brokerage Services	3.60%
General Industrials	3.46%
Industrial Engineering	3.46%
Personal Goods	2.83%
Personal Care, Drug and Grocery Stores	2.56%
Food Producers	2.44%
Life Insurance	2.36%
Electronic and Electrical Equipment	2.29%
Household Goods and Home Construction	2.23%
Construction and Materials	1.99%
Medical Equipment and Services	1.79%
Net other assets	0.21%
<b>Total</b>	<b>100.00%</b>

Major holdings	Percentage of portfolio
Drax	6.18%
AstraZeneca (UK Listing)	6.01%
Glencore	5.42%
Lloyds Banking	4.68%
Barclays	4.39%
Shell	4.01%
Entain	3.82%
Whitbread	3.77%
BP	3.77%
Rio Tinto (UK Listing)	3.70%
<b>Number of holdings</b>	<b>32</b>

## Statement of Total Return

For the year ended 31 July 2022					
	Note	Year to 31.07.22		Year to 31.07.21	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(13,928)		248,400
Revenue	3	25,180		19,256	
Expenses	4	(6,636)		(7,247)	
Interest payable and similar charges		–		–	
Net revenue before taxation		18,544		12,009	
Taxation	5	(31)		(38)	
Net revenue after taxation			18,513		11,971
<b>Total return before distributions</b>			<b>4,585</b>		<b>260,371</b>
Distributions	6		(25,147)		(18,377)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(20,562)</b>		<b>241,994</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022				
	Year to 31.07.22		Year to 31.07.21	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>827,612</b>		<b>923,602</b>
Amounts receivable on issue of shares	117,208		71,319	
Amounts payable on cancellation of shares	(258,263)		(422,841)	
		(141,055)		(351,522)
Dilution levy		–		149
Change in net assets attributable to shareholders from investment activities		(20,562)		241,994
Unclaimed distributions		–		19
Retained distribution on accumulation shares		19,535		13,370
<b>Closing net assets attributable to shareholders</b>		<b>685,530</b>		<b>827,612</b>

The notes on pages 115 to 125 form an integral part of these financial statements.

## Balance Sheet

As at 31 July 2022			
	Note	31.07.22 £'000	31.07.21 £'000
<b>Assets</b>			
Fixed Assets:			
Investments		684,101	809,180
Current assets:			
Debtors	7	4,163	3,730
Cash and bank balances	8	4,133	18,823
Total assets		692,397	831,733
<b>Liabilities</b>			
Creditors:			
Distributions payable		(2,117)	(2,243)
Other creditors	9	(4,750)	(1,878)
Total liabilities		(6,867)	(4,121)
<b>Net assets attributable to shareholders</b>		<b>685,530</b>	<b>827,612</b>

The notes on pages 115 to 125 form an integral part of these financial statements.

## Notes to the Financial Statements

### 1. Significant Accounting Policies

The summary of applicable accounting policies adopted by the Jupiter UK Alpha Fund are included on pages 240 to 242.

### 2. Net Capital (Losses)/Gains

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

	31.07.22 £'000	31.07.21 £'000
Currency gains/(losses)	15	(59)
(Losses)/gains on non-derivative securities	(13,943)	248,459
<b>Net capital (losses)/gains</b>	<b>(13,928)</b>	<b>248,400</b>

### 3. Revenue

	31.07.22 £'000	31.07.21 £'000
UK dividends	22,707	18,574
Overseas dividends	2,470	682
Bank interest	3	–
<b>Total revenue</b>	<b>25,180</b>	<b>19,256</b>

### 4. Expenses

	31.07.22 £'000	31.07.21 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Fixed Annual Charge*	446	–
Fixed Ongoing Charge**	6,190	7,247
<b>Total expenses</b>	<b>6,636</b>	<b>7,247</b>

\*This figure represent the Fixed Annual Charge, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Investment Adviser, Depositary (including associates etc.) and other expenses.

The audit fee for the year, excluding VAT, was £8,300 (31.07.2021: £7,900).

\*\*With effect from 1 July 2022, the ACD has renamed the Fixed Ongoing Charge to the Fixed Annual Charge.

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

### 5. Taxation

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

	31.07.22 £'000	31.07.21 £'000
Irrecoverable overseas tax	31	38
<b>Total tax charge for the year</b>	<b>31</b>	<b>38</b>

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

The tax assessed for the year is lower (2021: lower) than the standard rate of Corporation Tax in the UK for an open-ended investment company. The differences are explained below:

	31.07.22 £'000	31.07.21 £'000
Net revenue before taxation	18,544	12,009
Corporation tax of 20% (2021: 20%)	3,709	2,402
<b>Effects of:</b>		
Current year expenses not utilised	1,327	1,449
Revenue not subject to taxation	(5,036)	(3,851)
Irrecoverable overseas tax	31	38
<b>Total tax charge for the year</b>	<b>31</b>	<b>38</b>

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

#### (c) Provision for Deferred Tax

At 31 July 2022, there are surplus management expenses of £42,984,704 (31.07.21: £36,351,317). It is unlikely the sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore a Deferred Tax asset of £8,596,941 (31.07.21: £7,270,263) has not been recognised.



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

### 6. Distributions

The distributions take account of amounts received on the issue of shares and deducted on the cancellation of shares and comprise:

	31.07.22 £'000	31.07.21 £'000
Interim distribution	10,252	5,404
Final distribution	13,378	11,316
	23,630	16,720
Amounts received on issue of shares	(1,109)	(597)
Amounts paid on cancellation of shares	2,626	2,254
<b>Net distributions for the year</b>	<b>25,147</b>	<b>18,377</b>
<b>Reconciliation of net revenue after taxation to distributions:</b>		
Net revenue after taxation	18,513	11,971
Charges borne by capital	6,636	6,406
Tax relief on capitalised expenses	(1)	–
Net movement in revenue account	(1)	–
<b>Net distributions for the year</b>	<b>25,147</b>	<b>18,377</b>

Details of the distributions in pence per share are shown in the Distribution Tables on pages 126 to 129.

### 7. Debtors

	31.07.22 £'000	31.07.21 £'000
Accrued revenue	1,602	1,841
Amounts receivable for issue of shares	2,541	1,889
Overseas tax recoverable	20	–
<b>Total debtors</b>	<b>4,163</b>	<b>3,730</b>

### 8. Cash and Bank Balances

	31.07.22 £'000	31.07.21 £'000
Cash and bank balances	4,133	18,823
<b>Total cash and bank balances</b>	<b>4,133</b>	<b>18,823</b>

### 9. Other Creditors

	31.07.22 £'000	31.07.21 £'000
Accrued expenses	115	562
Amounts payable for cancellation of shares	4,635	1,316
<b>Total other creditors</b>	<b>4,750</b>	<b>1,878</b>

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

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

The sub-fund had no contingent assets, liabilities or capital commitments at the balance sheet date (31.07.21: £nil).

### 11. Related Party Transactions

Jupiter Fund Managers Limited (JFML), as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 113. Any amounts due to or from JFML at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in Notes 7 (Debtors) and 9 (Other Creditors).

Amounts receivable/(payable) from JFML in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. At the year end, a net balance of £2,093,616 was payable to JFML (31.07.21: £572,257 receivable from JFML). These amounts are included in amounts receivable for issue of shares in Note 7 and amounts payable for cancellation of shares in Note 9.

Amounts paid to JFML in respect of fund management is presented as Fixed Annual Charge in Note 4 (Expenses). At the year end, £115,394 (31.07.21: £561,884) was payable to JFML. This amount is included as part of accrued expenses in Note 9.

### 12. Financial Instruments

#### Financial Instrument Risk

The sub-fund, in pursuing its investment objective, may hold a range of financial instruments in line with its investment policy.

The ACD has established a risk management policy and permanent risk management function to identify, measure, monitor and manage all risks relevant to the sub-fund. This is designed to meet the key requirements of investor protection and to ensure compliance with the FCA's regulatory requirements.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are market price, foreign currency, interest rate, liquidity, credit, and counterparty risk which are summarised below.

#### Market Risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate this risk and reduce cost.

#### Market Price Risk Sensitivity

A five percent market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £34,205,026 or 4.99% of NAV (31.07.2021: £40,459,013 or 4.89% of NAV).

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

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

#### Foreign Currency Risk

A proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Adviser does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 July were as follows:

Currency	31.07.22 £'000	31.07.21 £'000
Euro	–	307
US Dollar	13,114	17,869

#### Foreign Currency Risk Sensitivity

A five percent increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 31 July 2022 by £655,703 or 0.10% of NAV (31.07.2021: £908,473 or 0.11% of NAV). A five percent decrease would have an equal and opposite effect.

#### Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates. The interest rate risk profile of the sub-fund's financial assets and liabilities at the year end were as follows:

Currency	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>31.07.22</b>				
US Dollar	–	–	13,114	13,114
Sterling	4,133	–	675,150	679,283
<b>Total</b>	<b>4,133</b>	<b>–</b>	<b>688,264</b>	<b>692,397</b>
<b>31.07.21</b>				
Euro	–	–	307	307
US Dollar	–	–	17,869	17,869
Sterling	18,823	–	794,734	813,557
<b>Total</b>	<b>18,823</b>	<b>–</b>	<b>812,910</b>	<b>831,733</b>

Currency	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Sterling	–	–	6,867	6,867
<b>Total</b>	<b>–</b>	<b>–</b>	<b>6,867</b>	<b>6,867</b>
<b>31.07.21</b>				
Sterling	–	–	4,121	4,121
<b>Total</b>	<b>–</b>	<b>–</b>	<b>4,121</b>	<b>4,121</b>

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

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

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

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

#### Liquidity Risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares.

Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

#### Credit Risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio Statement.

#### Counterparty Risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

#### Global Exposure

The Investment Adviser assesses the market risk of the Jupiter UK Alpha Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. As the sub-fund uses the commitment approach it must ensure that its global exposure does not exceed its total net asset value and sub-fund may not therefore be leveraged in excess of 100% of its net asset value. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative. Using the commitment approach, the global exposure is 0.00% (31.07.21: 0.00%).

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

### 13. Fair Value of Financial Assets and Liabilities

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

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.22</b>		
Level 1	684,101	–
Level 2	–	–
Level 3	–	–
<b>Total</b>	<b>684,101</b>	<b>–</b>

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.21</b>		
Level 1	809,180	–
Level 2	–	–
Level 3	–	–
<b>Total</b>	<b>809,180</b>	<b>–</b>

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

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

The majority of financial instruments are classified as level 1: Quoted prices.

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

- **Price of recent transactions** — Management determine the fair value based on the price of recent transactions made by management or a third party.
- **Milestone analysis** — Management assess the investment company's progress against milestones expected at the time of investment in order to determine whether an adjustment is required to the transaction price to determine fair value.
- **Multiples** — Earnings or Revenue multiples are selected from comparable public companies based on geographic location, industry, size, risk profile, earnings growth prospects, target markets and other factors that management consider reasonable. A discount for lack of liquidity may then be applied to represent the adjustment to comparable company multiples to reflect the illiquidity of the portfolio companies relative to the comparable peer group. Management determines the discount for lack of liquidity based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Among the most common forms of multiples used for cash generating companies are EV/EBITDA and EV/Revenue multiples, generally seen to represent a good proxy for free cash flow and company performance. These are applied where appropriate based on the development of underlying portfolio companies but other inputs such as comparable company share price movements may also be considered.
- **Net assets** — Management determine the fair value based on the net asset value of the underlying portfolio company.

In applying the above valuation techniques in arriving at the fair value the ACD has assessed any further information available from internal and external sources to arrive at an estimated fair value, which includes but is not limited to the following:

- Reference to listed securities of the same company.
- Consideration of seniority of the securities held and terms of repayment upon realisation.
- Consideration of any trading restrictions on the investment company's shares that would limit ACD's ability to realise its holding.
- Consideration of any outstanding payments to be made by ACD.
- Industry statistics or events (such as mergers and acquisitions).

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

### 14. Portfolio Transaction Costs

For the year ended 31 July 2022

	Equities £'000	%	Total £'000
<b>31.07.22</b>			
<b>Analysis of total purchases costs</b>			
Purchases in year before transaction costs	64,886		64,886
Commissions	18	0.03	18
Expenses and other charges	301	0.47	301
	<u>319</u>		<u>319</u>
Purchases including transaction costs	<u>65,205</u>		<u>65,205</u>
<b>Analysis of total sales costs</b>			
Sales in year before transaction costs	176,393		176,393
Commissions	(51)	0.03	(51)
	<u>(51)</u>		<u>(51)</u>
Sales net of transaction costs	<u>176,342</u>		<u>176,342</u>

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

Commissions	0.01%
Expenses and other charges	0.04%

The average portfolio dealing spread as at the balance sheet date was 0.05%.

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

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

For the year ended 31 July 2021

	Equities £'000	%	Corporate Actions £'000	Total £'000
<b>31.07.21</b>				
<b>Analysis of total purchases costs</b>				
Purchases in year before transaction costs	22,018		6,318	28,336
Commissions	5	0.02	–	5
Expenses and other charges	46	0.21	–	46
Purchases including transaction costs	<u>22,069</u>		<u>6,318</u>	<u>28,387</u>
<b>Analysis of total sales costs</b>				
Sales in year before transaction costs	392,814		4,985	397,799
Commissions	(93)	0.02	–	(93)
Expenses and other charges	(1)	–	–	(1)
Sales net of transaction costs	<u>392,720</u>		<u>4,985</u>	<u>397,705</u>

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

Commissions	0.01%
Expenses and other charges	0.01%

The average portfolio dealing spread as at the balance sheet date was 0.06%.



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

### 15. Shareholders' Funds

The net asset value of each share class, net asset value per share and the number of shares in issue are given in the comparative tables for each sub-fund.

The share classes currently in issue and the Fixed Annual Charge of each share class are shown below.

Share Class	31.07.22	31.07.21
L (GBP) Income	1.60%	1.60%
L (GBP) Accumulation	1.60%	1.60%
I (GBP) Income	0.85%	0.85%
I (GBP) Accumulation	0.85%	0.85%
P (GBP) Income	1.10%	1.10%
P (GBP) Accumulation	1.10%	1.10%
U1 (GBP) Income	0.775%	0.775%
U1 (GBP) Accumulation	0.775%	0.775%
U2 (GBP) Income	0.70%	0.70%
U2 (GBP) Accumulation	0.70%	0.70%

Reconciliation of Shares	L (GBP) Income	L (GBP) Accumulation	I (GBP) Income	I (GBP) Accumulation
Opening number of shares at 1 August 2021	3,666,922	50,826,936	14,639,652	138,454,077
Shares issued in year	54,538	1,545,293	775,813	35,863,759
Shares cancelled in year	(403,556)	(6,174,124)	(3,978,702)	(54,590,782)
Shares converted in year	48,426	(450,925)	(385,110)	224,698
Closing number of shares at 31 July 2022	3,366,330	45,747,180	11,051,653	119,951,752

Reconciliation of Shares	P (GBP) Income	P (GBP) Accumulation	U1 (GBP) Income	U1 (GBP) Accumulation
Opening number of shares at 1 August 2021	2,460,412	3,596,769	82,213,735	146,665,295
Shares issued in year	115	6	3,634,577	11,606,571
Shares cancelled in year	(50,730)	(309,532)	(23,964,257)	(44,502,238)
Shares converted in year	(31,473)	7,308	(32,944)	37,307
Closing number of shares at 31 July 2022	2,378,324	3,294,551	61,851,111	113,806,935

Reconciliation of Shares	U2 (GBP) Income	U2 (GBP) Accumulation
Opening number of shares at 1 August 2021	28,097,234	61,477,260
Shares issued in year	103,741	15,698,122
Shares cancelled in year	(18,561,399)	(11,154,338)
Shares converted in year	486,491	68,571
Closing number of shares at 31 July 2022	10,126,067	66,089,615

## Distribution Tables

### For the six months ended 31 January 2022

#### INTERIM

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 January 2022

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.6705	–	1.6705	0.7415
Group 2	0.4834	1.1871	1.6705	0.7415

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.0866	–	2.0866	0.9073
Group 2	0.8057	1.2809	2.0866	0.9073

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.7856	–	1.7856	0.7868
Group 2	0.5175	1.2681	1.7856	0.7868

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.5568	–	2.5568	1.1038
Group 2	–	2.5568	2.5568	1.1038

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.4416	–	1.4416	0.6367
Group 2	1.4416	–	1.4416	0.6367

## Distribution Tables *(continued)*

For the six months ended 31 January 2022

### INTERIM

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 January 2022

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.5225	–	1.5225	0.6588
Group 2	0.6403	0.8822	1.5225	0.6588

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.7522	–	1.7522	0.7718
Group 2	0.6072	1.1450	1.7522	0.7718

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.2763	–	2.2763	0.9819
Group 2	0.9354	1.3409	2.2763	0.9819

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.7044	–	1.7044	0.7504
Group 2	0.5848	1.1196	1.7044	0.7504

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
U2 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.1835	–	2.1835	0.9412
Group 2	0.4334	1.7501	2.1835	0.9412

## Distribution Tables *(continued)*

### For the year ended 31 July 2022

#### FINAL

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022 to 31 July 2022

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.2801	–	2.2801	1.6511
Group 2	0.6439	1.6362	2.2801	1.6511

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.8874	–	2.8874	2.0343
Group 2	1.7369	1.1505	2.8874	2.0343

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.4475	–	2.4475	1.7588
Group 2	1.2589	1.1886	2.4475	1.7588

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	3.5531	–	3.5531	2.4845
Group 2	2.1461	1.4070	3.5531	2.4845

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.9732	–	1.9732	1.4216
Group 2	1.1598	0.8134	1.9732	1.4216

## Distribution Tables *(continued)*

### For the year ended 31 July 2022

#### FINAL

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022 to 31 July 2022

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.1126	–	2.1126	1.4809
Group 2	0.6409	1.4717	2.1126	1.4809

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.4028	–	2.4028	1.7254
Group 2	1.2058	1.1970	2.4028	1.7254

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	3.1646	–	3.1646	2.2110
Group 2	0.9050	2.2596	3.1646	2.2110

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.3382	–	2.3382	1.6776
Group 2	1.2618	1.0764	2.3382	1.6776

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
U2 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	3.0366	–	3.0366	2.1202
Group 2	0.7793	2.2573	3.0366	2.1202

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

## Merian UK Equity Income Fund

### Performance

	1 year	3 years	5 years	10 years
Merian UK Equity Income Fund*	10.34	22.53	26.05	128.42
FTSE All-Share Index (Benchmark)	5.51	9.89	21.48	100.42
IA UK Equity Income (Sector Average)	2.35	10.35	15.14	99.77
Quartile Ranking	1st	1st	1st	1st

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

### Investment Objective and Policy

To achieve income and capital growth. In seeking to achieve its investment objective the sub-fund will aim to deliver an income, net of fees, greater than the yield of the FTSE All-Share Index and a total return (i.e. a combination of income and capital growth), net of fees, greater than the average return of the IA UK Equity Income sector over rolling 3 year periods.

The sub-fund primarily invests (at least 70%) in a portfolio of UK equities. UK equities are equities of companies domiciled or incorporated in the UK, or that conduct a significant part of their business in the UK.

The sub-fund may also invest in other transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives, and may hold cash.

The sub-fund may use derivatives for investment purposes or Efficient Portfolio Management purposes. The use of derivatives for investment purposes may affect the volatility or risk profile of the fund although this is not the ACD's intention.

### Market Review

Earlier in the year a new Covid-19 variant, Omicron, spread rapidly and forced many further restrictions on travel and social interaction. However, this time it became clear relatively fast that Omicron was not as dangerous as prior variants and so many of these restrictions were rapidly withdrawn. In the fourth quarter of 2021, the inflationary environment started to exert greater pressure on economies, leading central banks to see inflation as more than just a "transitory" phase.

Early in 2022 Russia invaded Ukraine. This – alongside central banks raising rates – dominated markets. Energy prices, which were already elevated given supply chain issues, rose to levels never experienced before, given Europe's reliance on Russia for its hydrocarbons.

### Policy Review

Significant contributors to the Fund's outperformance included Drax, which was a beneficiary of rising power prices especially. Similarly, positions in Diversified Energy and Glencore both benefitted from wider commodity complex improvements and careful management of costs.

Negative contributors to the Fund's performance were generally at the more discretionary end, with for instance Whitbread and National Express detracting. Entain fell after several bids did not consummate.

During the course of the year, we sold down our positions in bid targets Biffa and Secure Income REIT, and also sold down holdings in Rio Tinto and Prudential as Chinese Covid-19 restrictions pushed their respective end markets, and Big Yellow, which, after strong performance, no longer suited our total shareholder return (TSR) framework, which takes into account dividend income as well as capital gains.

On the other hand, we entered small positions in Next, the retailer, after it had underperformed to the extent that we felt TSR prospects were attractive for such a well-run business (one we have owned before). We also introduced investments in Sabre, the insurer (again one owned before) where we feel the current economics of the industry will force a rate hardening cycle.

## Investment Outlook

The outlook as we write this report is probably more uncertain than even in the last couple of years.

As we write, Nord Stream 1 is delivering very little gas relative to prior years, and a very difficult winter for Europe is in prospect. The UK price cap is now expected to go up to about £4,000 per household early in the new year which will push a very significant number of households into fuel poverty. The economic implications of this are so significant it is likely to become subsumed into politics.

Indeed, most recently Andrew Bailey, governor of the Bank of England, has done his utmost to terrify the entire UK with predictions of runaway inflation and recessions. It seems markets knew about this beforehand and did not particularly react.

Indeed, given all the above we would look to certain core commodities potentially peaking as a more important forward indicator. There is some evidence that supply chains are improving and China may be showing tentative signs of standing back from blanket Covid-19 restrictions.

For us then we see the near term as fraught with volatility and risk but actually – as is the way – an equilibrium is approaching. Yes, we are worried about this winter but – for instance – the most recent data suggest Germany so far (the pinch-point) has done a good job of filling its gas storage. This could limit the potential for the doomsday scenarios we were concerned about just a few weeks ago. It does not however eliminate them in the event of a very cold winter.

So, whilst the Fund has been a strong beneficiary of exposure to energy, we are highly cognisant of a potential political crunch which could have fallout for some of our stocks (as we have seen already with the on/off electricity windfall tax debacle). Recycling profits into less loved areas that suit our TSR framework remains our priority, and we continue to remain optimistic about longer-term outcomes for the UK market.

August 2022

## Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.



## Comparative Tables

Change in net asset per share						
	L (GBP) Income			I (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	802.74	600.25	791.07	131.62	97.67	127.75
Return before operating charges*	91.70	238.23	(149.88)	15.04	39.10	(24.29)
Operating charges	(14.06)	(10.79)	(11.69)	(1.26)	(1.07)	(1.05)
Return after operating charges*	77.64	227.44	(161.57)	13.78	38.03	(25.34)
Distributions on income shares	(38.59)	(24.95)	(29.25)	(6.35)	(4.08)	(4.74)
Closing net asset value per share	841.79	802.74	600.25	139.05	131.62	97.67
*after direct transaction costs of:	1.22	1.05	2.16	0.20	0.19	0.36
Performance						
Return after charges (%)	9.67	37.89	(20.42)	10.47	38.94	(19.84)
Other Information						
Closing net asset value (£'000)	3,249	3,367	21,072	12,761	12,669	11,972
Closing number of shares	385,984	419,500	3,510,627	9,177,398	9,625,564	12,256,676
Operating charges (%)	1.65	1.65	1.65	0.90	0.90	0.90
Direct transaction costs (%)	0.14	0.16	0.31	0.14	0.16	0.31
Prices						
Highest share price (p)	900.53	837.84	846.70	148.45	137.24	137.10
Lowest share price (p)	798.38	580.52	489.80	131.49	94.57	79.47

Change in net asset per share						
	P (GBP) Income			U1 (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	118.24	87.97	115.35	104.45	77.45	101.22
Return before operating charges*	13.51	35.18	(22.02)	11.94	31.02	(19.25)
Operating charges	(1.45)	(1.24)	(1.08)	(0.92)	(0.78)	(0.76)
Return after operating charges*	12.06	33.94	(23.10)	11.02	30.24	(20.01)
Distributions on income shares	(5.70)	(3.67)	(4.28)	(5.04)	(3.24)	(3.76)
Closing net asset value per share	124.60	118.24	87.97	110.43	104.45	77.45
*after direct transaction costs of:	0.18	0.17	0.29	0.16	0.15	0.28
Performance						
Return after charges (%)	10.20	38.58	(20.03)	10.55	39.04	(19.77)
Other Information						
Closing net asset value (£'000)	4,015	4,128	3,336	2,187	2,493	2,419
Closing number of shares	3,222,264	3,491,464	3,792,014	1,980,389	2,387,125	3,122,855
Operating charges (%)	1.15	1.15	1.15	0.825	0.825	0.825
Direct transaction costs (%)	0.14	0.16	0.31	0.14	0.16	0.31
Prices						
Highest share price (p)	133.12	123.33	123.70	117.87	108.90	108.70
Lowest share price (p)	117.95	85.14	71.64	104.39	75.00	63.00

## Comparative Tables *(continued)*

Change in net asset per share			
	U2 (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	103.18	76.46	99.90
Return before operating charges*	11.91	30.63	(19.02)
Operating charges	(0.83)	(0.70)	(0.69)
Return after operating charges*	11.08	29.93	(19.71)
Distributions on income shares	(4.99)	(3.21)	(3.73)
Closing net asset value per share	109.27	103.18	76.46
*after direct transaction costs of:	0.16	0.15	0.28
Performance			
Return after charges (%)	10.74	39.14	(19.73)
Other Information			
Closing net asset value (£'000)	208	208	165
Closing number of shares	190,772	200,956	216,293
Operating charges (%)	0.75	0.75	0.75
Direct transaction costs (%)	0.14	0.16	0.31
Prices			
Highest share price (p)	116.61	107.67	107.30
Lowest share price (p)	103.27	74.14	62.23

Change in net asset per share						
	L (GBP) Accumulation			I (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	3,463.34	2,504.87	3,165.95	185.88	133.44	167.39
Return before operating charges*	395.99	1,009.48	(612.61)	21.25	53.94	(32.54)
Operating charges	(61.67)	(51.01)	(48.47)	(1.81)	(1.50)	(1.41)
Return after operating charges*	334.32	958.47	(661.08)	19.44	52.44	(33.95)
Distribution on accumulation share	(169.18)	(105.48)	(118.75)	(9.11)	(5.64)	(6.30)
Retained distributions on accumulation share	169.18	105.48	118.75	9.11	5.64	6.30
Closing net asset value per share	3,797.66	3,463.34	2,504.87	205.32	185.88	133.44
*after direct transaction costs of:	5.37	4.96	8.97	0.29	0.27	0.48
Performance						
Return after charges (%)	9.65	38.26	(20.88)	10.46	39.30	(20.88)
Other Information						
Closing net asset value (£'000)	4,228	3,859	3,015	12,320	9,567	6,696
Closing number of shares	111,326	111,426	120,380	5,999,852	5,147,026	5,017,764
Operating charges (%)	1.65	1.65	1.65	0.90	0.90	0.90
Direct transaction costs (%)	0.14	0.16	0.31	0.14	0.16	0.31
Prices						
Highest share price (p)	4,002.68	3,590.84	3,443.00	216.18	192.54	182.60
Lowest share price (p)	3,496.77	2,422.84	2,003.00	187.68	129.21	106.40

## Comparative Tables *(continued)*

Change in net asset per share						
	P (GBP) Accumulation			U1 (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	205.23	147.69	185.70	139.85	100.32	125.75
Return before operating charges*	23.46	59.63	(36.09)	15.99	40.56	(24.46)
Operating charges	(2.55)	(2.09)	(1.92)	(1.25)	(1.03)	(0.97)
Return after operating charges*	20.91	57.54	(38.01)	14.74	39.53	(25.43)
Distribution on accumulation share	(10.05)	(6.24)	(6.98)	(6.86)	(4.24)	(4.73)
Retained distributions on accumulation share	10.05	6.24	6.98	6.86	4.24	4.73
Closing net asset value per share	226.14	205.23	147.69	154.59	139.85	100.32
*after direct transaction costs of:	0.32	0.29	0.51	0.22	0.20	0.36
Performance						
Return after charges (%)	10.19	38.96	(20.47)	10.54	39.40	(20.22)
Other Information						
Closing net asset value (£'000)	644	593	588	6,054	6,610	3,145
Closing number of shares	284,986	289,080	397,982	3,916,216	4,726,248	3,134,837
Operating charges (%)	1.15	1.15	1.15	0.825	0.825	0.825
Direct transaction costs (%)	0.14	0.16	0.31	0.14	0.16	0.31
Prices						
Highest share price (p)	238.18	212.65	202.40	162.75	144.85	137.20
Lowest share price (p)	207.22	142.96	117.90	141.21	97.15	79.98

Change in net asset per share			
	U2 (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	141.36	101.33	126.92
Return before operating charges*	16.16	40.96	(24.69)
Operating charges	(1.14)	(0.93)	(0.90)
Return after operating charges*	15.02	40.03	(25.59)
Distribution on accumulation share	(6.91)	(4.29)	(4.78)
Retained distributions on accumulation share	6.91	4.29	4.78
Closing net asset value per share	156.38	141.36	101.33
*after direct transaction costs of:	0.22	0.20	0.36
Performance			
Return after charges (%)	10.63	39.50	(20.16)
Other Information			
Closing net asset value (£'000)	44	94	118
Closing number of shares	28,217	66,715	116,316
Operating charges (%)	0.75	0.75	0.75
Direct transaction costs (%)	0.14	0.16	0.31
Prices			
Highest share price (p)	164.60	146.40	138.50
Lowest share price (p)	142.73	98.13	80.76

## Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>UNITED KINGDOM - 97.33% (86.42%)</b>			
<b>Banks - 9.11% (8.85%)</b>			
789,270	Barclays	1,240,574	2.72
128,023	HSBC Holdings	657,526	1.44
263,603	Standard Chartered	1,487,248	3.25
542,611	Virgin Money UK	776,748	1.70
		<hr/>	
		4,162,096	9.11
<b>Chemicals - 1.69% (1.12%)</b>			
330,631	Synthomer	771,031	1.69
<b>Construction and Materials - 1.17% (1.21%)</b>			
261,879	lbstock	536,328	1.17
<b>Electricity - 7.48% (7.86%)</b>			
282,952	Drax	2,218,344	4.85
67,924	SSE	1,200,896	2.63
		<hr/>	
		3,419,240	7.48
<b>Electronic and Electrical Equipment - 3.57% (3.41%)</b>			
43,817	IMI	583,642	1.28
402,306	Rotork	1,045,996	2.29
		<hr/>	
		1,629,638	3.57
<b>Finance and Credit Services - 1.04% (0.99%)</b>			
90,565	OSB	476,825	1.04
<b>Food Producers - 1.23% (1.15%)</b>			
69,875	Tate & Lyle	560,258	1.23
<b>Gas, Water and Multiutilities - 3.77% (1.26%)</b>			
1,963,008	Centrica	1,721,558	3.77
<b>General Industrials - 1.51% (2.79%)</b>			
236,738	DS Smith	689,381	1.51
<b>Household Goods and Home Construction - 1.65% (2.35%)</b>			
595,629	Taylor Wimpey	756,747	1.65
<b>Industrial Metals and Mining - 5.31% (4.18%)</b>			
257,001	Central Asia Metals	641,218	1.40

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>Industrial Metals and Mining (continued)</b>			
387,800	Glencore	1,787,758	3.91
		<hr/>	
		2,428,976	5.31
<b>Investment Banking and Brokerage Services - 2.44% (4.41%)</b>			
90,748	St James's Place	1,113,478	2.44
<b>Life Insurance - 4.01% (4.01%)</b>			
157,499	Aviva	623,696	1.36
188,371	Phoenix	1,212,356	2.65
		<hr/>	
		1,836,052	4.01
<b>Non-life Insurance - 1.21% (0.00%)</b>			
505,853	Sabre Insurance Group	553,403	1.21
<b>Oil, Gas and Coal - 13.73% (3.88%)</b>			
477,106	BP	1,908,186	4.17
1,661,334	Diversified Gas & Oil	2,055,070	4.50
24,046	Energiean	275,808	0.60
93,453	Shell	2,036,341	4.46
		<hr/>	
		6,275,405	13.73
<b>Personal Care, Drug and Grocery Stores - 2.11% (2.13%)</b>			
367,303	Tesco	964,538	2.11
<b>Pharmaceuticals and Biotechnology - 8.02% (6.41%)</b>			
16,241	AstraZeneca (UK Listing)	1,760,524	3.85
91,150	GSK	1,574,701	3.44
113,937	Haleon	332,354	0.73
		<hr/>	
		3,667,579	8.02
<b>Real Estate Investment Trusts - 1.00% (3.32%)</b>			
355,277	Supermarket Income	456,531	1.00
<b>Retailers - 5.62% (5.39%)</b>			
62,442	Dunelm	530,757	1.16
13,428	Next	913,910	2.00
150,468	Pets at Home	493,234	1.08
43,587	WH Smith	629,178	1.38
		<hr/>	
		2,567,079	5.62

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>Software and Computer Services - 7.22% (5.41%)</b>			
383,803	Micro Focus International	1,093,071	2.39
403,684	Moneysupermarket.com	821,901	1.80
196,595	Sage	1,384,815	3.03
		<hr/>	
		3,299,787	7.22
<b>Telecommunications Service Providers - 0.00% (2.28%)</b>			
<b>Tobacco - 5.64% (5.17%)</b>			
30,517	British American Tobacco	982,800	2.15
88,771	Imperial Brands	1,596,990	3.49
		<hr/>	
		2,579,790	5.64
<b>Travel and Leisure - 8.80% (7.88%)</b>			
128,077	Entain	1,540,126	3.37
351,417	National Express	645,904	1.41
70,684	Whitbread	1,836,370	4.02
		<hr/>	
		4,022,400	8.80
<b>Waste and Disposal Services - 0.00% (0.96%)</b>			
<b>IRELAND - 1.53% (1.59%)</b>			
<b>Construction and Materials - 1.53% (1.59%)</b>			
22,258	CRH	699,124	1.53
		<hr/>	
<b>MAURITIUS - 0.22% (0.33%)</b>			
<b>Real Estate Investment and Services - 0.22% (0.33%)</b>			
335,445	Grit Real Estate Income Group	100,633	0.22
		<hr/>	
	Total value of investments	45,287,877	99.08
	Net other assets	422,002	0.92
	<b>Net assets</b>	<hr/>	
		45,709,879	100.00

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

The figures in brackets show allocations as at 31 July 2021.

Asset allocation	
Equities	99.08%
Net other assets	0.92%
<b>Total</b>	<b>100.00%</b>

Portfolio allocation	
Oil, Gas and Coal	13.73%
Banks	9.11%
Travel and Leisure	8.80%
Pharmaceuticals and Biotechnology	8.02%
Electricity	7.48%
Software and Computer Services	7.22%
Tobacco	5.64%
Retailers	5.62%
Industrial Metals and Mining	5.31%
Life Insurance	4.01%
Gas, Water and Multiutilities	3.77%
Electronic and Electrical Equipment	3.57%
Construction and Materials	2.70%
Investment Banking and Brokerage Services	2.44%
Personal Care, Drug and Grocery Stores	2.11%
Chemicals	1.69%
Household Goods and Home Construction	1.65%
General Industrials	1.51%
Food Producers	1.23%
Non-life Insurance	1.21%
Finance and Credit Services	1.04%
Real Estate Investment Trusts	1.00%
Real Estate Investment and Services	0.22%
Net other assets	0.92%
<b>Total</b>	<b>100.00%</b>

Major holdings	Percentage of portfolio
Drax	4.85%
Diversified Gas & Oil	4.50%
Shell	4.46%
BP	4.17%
Whitbread	4.02%
Glencore	3.91%
AstraZeneca (UK Listing)	3.85%
Centrica	3.77%
Imperial Brands	3.49%
GSK	3.44%
<b>Number of holdings</b>	<b>44</b>

## Statement of Total Return

For the year ended 31 July 2022					
	Note	Year to 31.07.22		Year to 31.07.21	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		2,765		14,602
Revenue	3	2,095		1,646	
Expenses	4	(470)		(511)	
Interest payable and similar charges		–		–	
Net revenue before taxation		1,625		1,135	
Taxation	5	(34)		(50)	
Net revenue after taxation			1,591		1,085
<b>Total return before distributions</b>			<b>4,356</b>		<b>15,687</b>
Distributions	6		(2,055)		(1,529)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,301</b>		<b>14,158</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022				
	Year to 31.07.22		Year to 31.07.21	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>43,589</b>		<b>52,526</b>
Amounts receivable on issue of shares	7,274		12,438	
Amounts payable on cancellation of shares	(8,465)		(36,210)	
		(1,191)		(23,772)
Dilution levy		–		57
Change in net assets attributable to shareholders from investment activities		2,301		14,158
Unclaimed distributions		21		27
Retained distribution on accumulation shares		990		593
<b>Closing net assets attributable to shareholders</b>		<b>45,710</b>		<b>43,589</b>

The notes on pages 142 to 153 form an integral part of these financial statements.



## Balance Sheet

As at 31 July 2022			
	Note	31.07.22 £'000	31.07.21 £'000
<b>Assets</b>			
Fixed Assets:			
Investments		45,288	43,584
Current assets:			
Debtors	7	561	174
Cash and bank balances	8	329	170
Total assets		46,178	43,928
<b>Liabilities</b>			
Creditors:			
Distributions payable		(220)	(152)
Other creditors	9	(248)	(187)
Total liabilities		(468)	(339)
<b>Net assets attributable to shareholders</b>		<b>45,710</b>	<b>43,589</b>

The notes on pages 142 to 153 form an integral part of these financial statements.

## Notes to the Financial Statements

### 1. Significant Accounting Policies

The summary of applicable accounting policies adopted by the Merian UK Equity Income Fund are included on pages 240 to 242.

### 2. Net Capital Gains

The net gains on investments during the year comprise:

	31.07.22 £'000	31.07.21 £'000
Currency losses	–	(3)
Transaction charges	–	(2)
Gains on non-derivative securities	2,765	14,607
<b>Net capital gains</b>	<b>2,765</b>	<b>14,602</b>

### 3. Revenue

	31.07.22 £'000	31.07.21 £'000
UK dividends	1,722	1,399
Overseas dividends	329	192
Revenue from REITs	44	55
<b>Total revenue</b>	<b>2,095</b>	<b>1,646</b>

### 4. Expenses

	31.07.22 £'000	31.07.21 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Fixed Annual Charge*	34	–
Fixed Ongoing Charge**	436	511
<b>Total expenses</b>	<b>470</b>	<b>511</b>

\*This figure represent the Fixed Annual Charge, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Investment adviser, Depositary (including associates etc.) and other expenses.

The audit fee for the year, excluding VAT, was £8,500 (31.07.2021: £8,100).

\*\*With effect from 1 July 2022, the ACD has renamed the Fixed Ongoing Charge to the Fixed Annual Charge.

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

### 5. Taxation

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

	31.07.22 £'000	31.07.21 £'000
Irrecoverable overseas tax	34	50
<b>Total tax charge for the year</b>	<b>34</b>	<b>50</b>

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

The tax assessed for the year is lower (2021: lower) than the standard rate of Corporation Tax in the UK for an open-ended investment company. The differences are explained below:

	31.07.22 £'000	31.07.21 £'000
Net revenue before taxation	1,625	1,135
Corporation tax of 20% (2021: 20%)	325	227
<b>Effects of:</b>		
Current year expenses not utilised	85	91
Revenue not subject to taxation	(411)	(318)
Irrecoverable overseas tax	34	50
Tax due to timing differences	1	–
<b>Total tax charge for the year</b>	<b>34</b>	<b>50</b>

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

#### (c) Provision for Deferred Tax

At 31 July 2022, there are surplus management expenses of £19,307,052 (31.07.21: £18,880,838). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore a Deferred Tax asset of £3,861,410 (31.07.21: £3,776,168) has not been recognised.

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

### 6. Distributions

The distributions take account of amounts received on the issue of shares and deducted on the cancellation of shares and comprise:

	31.07.22 £'000	31.07.21 £'000
1st interim distribution	559	372
2nd interim distribution	266	264
3rd interim distribution	774	560
Final distribution	446	289
	<u>2,045</u>	<u>1,485</u>
Amounts received on issue of shares	(43)	(42)
Amounts paid on cancellation of shares	53	86
<b>Net distributions for the year</b>	<u>2,055</u>	<u>1,529</u>
<b>Reconciliation of net revenue after taxation to distributions:</b>		
Net revenue after taxation	1,591	1,085
Charges borne by capital	472	444
Tax relief on capitalised expenses	(8)	–
<b>Net distributions for the year</b>	<u>2,055</u>	<u>1,529</u>

Details of the distributions in pence per share are shown in the Distribution Tables on pages 154 to 161.

### 7. Debtors

	31.07.22 £'000	31.07.21 £'000
Accrued revenue	143	142
Amounts receivable for issue of shares	335	32
Overseas tax recoverable	1	–
Sales awaiting settlement	81	–
PID tax recoverable	1	–
<b>Total debtors</b>	<u>561</u>	<u>174</u>

### 8. Cash and Bank Balances

	31.07.22 £'000	31.07.21 £'000
Cash and bank balances	329	170
<b>Total cash and bank balances</b>	<u>329</u>	<u>170</u>

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

### 9. Other Creditors

	31.07.22 £'000	31.07.21 £'000
Accrued expenses	9	33
Amounts payable for cancellation of shares	139	154
Purchases awaiting settlement	100	–
<b>Total other creditors</b>	<b>248</b>	<b>187</b>

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

The sub-fund had no contingent assets, liabilities or capital commitments at the balance sheet date (31.07.21: £nil).

### 11. Related Party Transactions

Jupiter Fund Managers Limited (JFML), as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 140. Any amounts due to or from JFML at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in Notes 7 (Debtors) and 9 (Other Creditors).

Amounts receivable/(payable) from JFML in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. At the year end, a net balance of £195,613 was receivable from JFML (31.07.21: £121,258 payable to JFML). These amounts are included in amounts receivable for issue of shares in Note 7 and amounts payable for cancellation of shares in Note 9.

Amounts paid to JFML in respect of fund management is presented as Fixed Annual Charge in Note 4 (Expenses). At the year end, £9,031 (31.07.21: £32,590) was payable to JFML. This amount is included as part of accrued expenses in Note 9.

### 12. Financial Instruments

#### Financial Instrument Risk

The sub-fund, in pursuing its investment objective, may hold a range of financial instruments in line with its investment policy.

The ACD has established a risk management policy and permanent risk management function to identify, measure, monitor and manage all risks relevant to the sub-fund. This is designed to meet the key requirements of investor protection and to ensure compliance with the FCA's regulatory requirements.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are market price, foreign currency, interest rate, liquidity, credit, and counterparty risk which are summarised below.

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

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

#### Market Risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate this risk and reduce cost.

#### Market Price Risk Sensitivity

A five percent market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £2,264,394 or 4.95% of NAV (31.07.2021: £2,179,181 or 5.00% of NAV).

#### Foreign Currency Risk

A proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Adviser does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 July were as follows:

Currency	31.07.22 £'000	31.07.21 £'000
Euro	–	33
US Dollar	–	10

#### Foreign Currency Risk Sensitivity

A five percent increase in the value of the sub-fund's foreign currency exposure won't have a material impact on increasing the return and net assets as at 31 July 2022 (31.07.2021: £2,160 or 0.00% of NAV). A five percent decrease would have an equal and opposite effect.

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

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

#### Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates. The interest rate risk profile of the sub-fund's financial assets and liabilities at the year end were as follows:

Currency	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Sterling	329	–	45,849	46,178
<b>Total</b>	<b>329</b>	<b>–</b>	<b>45,849</b>	<b>46,178</b>

<b>31.07.21</b>				
Euro	–	–	33	33
US Dollar	–	–	10	10
Sterling	170	–	43,715	43,885
<b>Total</b>	<b>170</b>	<b>–</b>	<b>43,758</b>	<b>43,928</b>

Currency	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Sterling	–	–	468	468
<b>Total</b>	<b>–</b>	<b>–</b>	<b>468</b>	<b>468</b>
<b>31.07.21</b>				
Sterling	–	–	339	339
<b>Total</b>	<b>–</b>	<b>–</b>	<b>339</b>	<b>339</b>

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

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

#### Liquidity Risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares.

Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

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

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

#### Credit Risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio Statement.

#### Counterparty Risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

#### Global Exposure

The Investment Adviser assesses the market risk of the Merian UK Equity Income Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund uses the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. As the sub-fund uses the commitment approach it must ensure that its global exposure does not exceed its total net asset value and sub-fund may not therefore be leveraged in excess of 100% of its net asset value. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative. Using the commitment approach, the global exposure is 0.00% (31.07.21: 0.00%).



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

### 13. Fair Value of Financial Assets and Liabilities

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

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.22</b>		
Level 1	45,288	–
Level 2	–	–
Level 3	–	–
<b>Total</b>	<b>45,288</b>	<b>–</b>

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.21</b>		
Level 1	43,584	–
Level 2	–	–
Level 3	–	–
<b>Total</b>	<b>43,584</b>	<b>–</b>

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

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

The majority of financial instruments are classified as level 1: Quoted prices.

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

- **Price of recent transactions** — Management determine the fair value based on the price of recent transactions made by management or a third party.
- **Milestone analysis** — Management assess the investment company's progress against milestones expected at the time of investment in order to determine whether an adjustment is required to the transaction price to determine fair value.
- **Multiples** — Earnings or Revenue multiples are selected from comparable public companies based on geographic location, industry, size, risk profile, earnings growth prospects, target markets and other factors that management consider reasonable. A discount for lack of liquidity may then be applied to represent the adjustment to comparable company multiples to reflect the illiquidity of the portfolio companies relative to the comparable peer group. Management determines the discount for lack of liquidity based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Among the most common forms of multiples used for cash generating companies are EV/EBITDA and EV/Revenue multiples, generally seen to represent a good proxy for free cash flow and company performance. These are applied where appropriate based on the development of underlying portfolio companies but other inputs such as comparable company share price movements may also be considered.
- **Net assets** — Management determine the fair value based on the net asset value of the underlying portfolio company.

In applying the above valuation techniques in arriving at the fair value the ACD has assessed any further information available from internal and external sources to arrive at an estimated fair value, which includes but is not limited to the following:

- Reference to listed securities of the same company.
- Consideration of seniority of the securities held and terms of repayment upon realisation.
- Consideration of any trading restrictions on the investment company's shares that would limit ACD's ability to realise its holding.
- Consideration of any outstanding payments to be made by ACD.
- Industry statistics or events (such as mergers and acquisitions).

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

### 14. Portfolio Transaction Costs

For the year ended 31 July 2022

	Equities £'000	%	Total £'000
<b>31.07.22</b>			
<b>Analysis of total purchases costs</b>			
Purchases in year before transaction costs	12,236		12,236
Commissions	5	0.04	5
Expenses and other charges	55	0.45	55
	<u>60</u>		<u>60</u>
Purchases including transaction costs	<u>12,296</u>		<u>12,296</u>
<b>Analysis of total sales costs</b>			
Sales in year before transaction costs	13,362		13,362
Commissions	(5)	0.04	(5)
	<u>(5)</u>		<u>(5)</u>
Sales net of transaction costs	<u>13,357</u>		<u>13,357</u>

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

Commissions	0.02%
Expenses and other charges	0.12%

The average portfolio dealing spread as at the balance sheet date was 0.14%.

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

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

For the year ended 31 July 2021

	Equities £'000	%	Corporate Actions £'000	Total £'000
<b>31.07.21</b>				
<b>Analysis of total purchases costs</b>				
Purchases in year before transaction costs	13,770		–	13,770
Commissions	4	0.03	–	4
Expenses and other charges	61	0.45	–	61
Purchases including transaction costs	<u>13,835</u>		–	<u>13,835</u>
<b>Analysis of total sales costs</b>				
Sales in year before transaction costs	37,198		290	37,488
Commissions	(8)	0.02	–	(8)
Sales net of transaction costs	<u>37,190</u>		<u>290</u>	<u>37,480</u>

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

Commissions	0.03%
Expenses and other charges	0.13%

The average portfolio dealing spread as at the balance sheet date was 0.15%.

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

### 15. Shareholders' Funds

The net asset value of each share class, net asset value per share and the number of shares in issue are given in the comparative tables for each sub-fund.

The share classes currently in issue and the Fixed Annual Charge of each share class are shown below.

Share Class	31.07.22	31.07.21
L (GBP) Income Shares	1.65%	1.65%
L (GBP) Accumulation Shares	1.65%	1.65%
I (GBP) Income Shares	0.90%	0.90%
I (GBP) Accumulation Shares	0.90%	0.90%
P (GBP) Income Shares	1.15%	1.15%
P (GBP) Accumulation Shares	1.15%	1.15%
U1 (GBP) Income Shares	0.825%	0.825%
U1 (GBP) Accumulation Shares	0.825%	0.825%
U2 (GBP) Income Shares	0.75%	0.75%
U2 (GBP) Accumulation Shares	0.75%	0.75%

Reconciliation of Shares	L (GBP) Income	L (GBP) Accumulation	I (GBP) Income	I (GBP) Accumulation
Opening number of shares at 1 August 2021	419,500	111,426	9,625,564	5,147,026
Shares issued in year	18,146	12,520	937,960	1,870,201
Shares cancelled in year	(50,468)	(11,957)	(1,393,377)	(1,029,699)
Shares converted in year	(1,194)	(663)	7,251	12,324
Closing number of shares at 31 July 2022	385,984	111,326	9,177,398	5,999,852

Reconciliation of Shares	P (GBP) Income	P (GBP) Accumulation	U1 (GBP) Income	U1 (GBP) Accumulation
Opening number of shares at 1 August 2021	3,491,464	289,080	2,387,125	4,726,248
Shares issued in year	1,552	13	113,155	907,360
Shares cancelled in year	(270,751)	(4,107)	(519,891)	(1,717,392)
Shares converted in year	(1)	–	–	–
Closing number of shares at 31 July 2022	3,222,264	284,986	1,980,389	3,916,216

Reconciliation of Shares	U2 (GBP) Income	U2 (GBP) Accumulation
Opening number of shares at 1 August 2021	200,956	66,715
Shares issued in year	17,409	8,213
Shares cancelled in year	(27,593)	(46,711)
Shares converted in year	–	–
Closing number of shares at 31 July 2022	190,772	28,217

## Distribution Tables

### For the quarter ended 31 October 2021

#### FIRST INTERIM

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 October 2021

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	10.4745	–	10.4745	4.4010
Group 2	1.2681	9.2064	10.4745	4.4010

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	45.1904	–	45.1904	18.3686
Group 2	–	45.1904	45.1904	18.3686

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.7186	–	1.7186	0.7169
Group 2	0.6458	1.0728	1.7186	0.7169

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.4270	–	2.4270	0.9790
Group 2	1.0999	1.3271	2.4270	0.9790

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.5435	–	1.5435	0.6452
Group 2	0.2365	1.3070	1.5435	0.6452

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.6790	–	2.6790	1.0834
Group 2	1.2471	1.4319	2.6790	1.0834

## Distribution Tables *(continued)*

For the quarter ended 31 October 2021

### FIRST INTERIM

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 October 2021

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.3639	–	1.3639	0.5686
Group 2	0.6039	0.7600	1.3639	0.5686

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.8261	–	1.8261	0.7360
Group 2	0.5759	1.2502	1.8261	0.7360

	Revenue	Equalisation	Distribution paid 31.12.21	Distribution paid 31.12.20
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.3488	–	1.3488	0.5653
Group 2	0.2068	1.1420	1.3488	0.5653

	Revenue	Equalisation	Distribution accumulated 31.12.21	Distribution accumulated 31.12.20
U2 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.8460	–	1.8460	0.7433
Group 2	1.8460	–	1.8460	0.7433

## Distribution Tables *(continued)*

For the quarter ended 31 January 2022

### SECOND INTERIM

Group 1: Shares purchased prior to 1 November 2021

Group 2: Shares purchased on or after 1 November 2021 to 31 January 2022

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	5.1004	–	5.1004	4.3328
Group 2	1.0784	4.0220	5.1004	4.3328

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	22.2786	–	22.2786	18.2171
Group 2	17.7918	4.4868	22.2786	18.2171

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.8384	–	0.8384	0.7073
Group 2	0.3658	0.4726	0.8384	0.7073

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.1987	–	1.1987	0.9730
Group 2	0.3091	0.8896	1.1987	0.9730

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.7525	–	0.7525	0.6360
Group 2	0.1371	0.6154	0.7525	0.6360

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.3224	–	1.3224	1.0760
Group 2	0.6647	0.6577	1.3224	1.0760



## Distribution Tables *(continued)*

For the quarter ended 31 January 2022

### SECOND INTERIM

Group 1: Shares purchased prior to 1 November 2021

Group 2: Shares purchased on or after 1 November 2021 to 31 January 2022

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6655	–	0.6655	0.5611
Group 2	0.1386	0.5269	0.6655	0.5611

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.9021	–	0.9021	0.7317
Group 2	0.4713	0.4308	0.9021	0.7317

	Revenue	Equalisation	Distribution paid 31.03.22	Distribution paid 31.03.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6582	–	0.6582	0.5584
Group 2	0.1200	0.5382	0.6582	0.5584

	Revenue	Equalisation	Distribution accumulated 31.03.22	Distribution accumulated 31.03.21
U2 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.9120	–	0.9120	0.7392
Group 2	0.9120	–	0.9120	0.7392

## Distribution Tables *(continued)*

For the quarter ended 30 April 2022

### THIRD INTERIM

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022 to 30 April 2022

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	14.7600	–	14.7600	10.8674
Group 2	5.5433	9.2167	14.7600	10.8674

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	64.8537	–	64.8537	45.9633
Group 2	57.8144	7.0393	64.8537	45.9633

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.4316	–	2.4316	1.7771
Group 2	1.5470	0.8846	2.4316	1.7771

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	3.4976	–	3.4976	2.4576
Group 2	2.0797	1.4179	3.4976	2.4576

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.1808	–	2.1808	1.5977
Group 2	0.6269	1.5539	2.1808	1.5977

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	3.8550	–	3.8550	2.7188
Group 2	3.0007	0.8543	3.8550	2.7188

## Distribution Tables *(continued)*

For the quarter ended 30 April 2022

### THIRD INTERIM

Group 1: Shares purchased prior to 1 February 2022

Group 2: Shares purchased on or after 1 February 2022 to 30 April 2022

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.9304	–	1.9304	1.4101
Group 2	0.4553	1.4751	1.9304	1.4101

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.6327	–	2.6327	1.8503
Group 2	2.0043	0.6284	2.6327	1.8503

	Revenue	Equalisation	Distribution paid 30.06.22	Distribution paid 30.06.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.9100	–	1.9100	1.3982
Group 2	0.5731	1.3369	1.9100	1.3982

	Revenue	Equalisation	Distribution accumulated 30.06.22	Distribution accumulated 30.06.21
U2 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.6390	–	2.6390	1.8679
Group 2	0.9507	1.6883	2.6390	1.8679

## Distribution Tables *(continued)*

### For the year ended 31 July 2022

#### FINAL

Group 1: Shares purchased prior to 1 May 2022

Group 2: Shares purchased on or after 1 May 2022 to 31 July 2022

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	8.2503	–	8.2503	5.3501
Group 2	2.4675	5.7828	8.2503	5.3501

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	36.8595	–	36.8595	22.9308
Group 2	19.3465	17.5130	36.8595	22.9308

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.3614	–	1.3614	0.8770
Group 2	0.6963	0.6651	1.3614	0.8770

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.9908	–	1.9908	1.2296
Group 2	0.7169	1.2739	1.9908	1.2296

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.2203	–	1.2203	0.7876
Group 2	0.3108	0.9095	1.2203	0.7876

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.1934	–	2.1934	1.3580
Group 2	0.2751	1.9183	2.1934	1.3580

## Distribution Tables *(continued)*

### For the year ended 31 July 2022

#### FINAL

Group 1: Shares purchased prior to 1 May 2022

Group 2: Shares purchased on or after 1 May 2022 to 31 July 2022

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.0811	–	1.0811	0.6961
Group 2	0.5732	0.5079	1.0811	0.6961

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.4988	–	1.4988	0.9250
Group 2	0.8262	0.6726	1.4988	0.9250

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.0696	–	1.0696	0.6930
Group 2	0.2081	0.8615	1.0696	0.6930

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
U2 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.5158	–	1.5158	0.9350
Group 2	0.7534	0.7624	1.5158	0.9350

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

## Jupiter UK Mid Cap Fund

### Performance

	1 year	3 years	5 years	10 years
Jupiter UK Mid Cap Fund*	(31.88)	(8.15)	(12.86)	150.86
FTSE 250 Ex-Investment Trust (Benchmark)	(11.31)	7.56	10.78	128.11
IA UK All Companies (Sector Average)	(4.50)	7.81	15.72	102.17
Quartile Ranking	4th	4th	4th	1st

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

### Investment Objective and Policy

To achieve capital growth. In seeking to achieve its investment objective the sub-fund will aim to deliver a return, net of fees, greater than that of the FTSE 250 ex Investment Trust Index over rolling 3 year periods.

The sub-fund invests a minimum of 60% of its Net Asset Value in a portfolio of medium sized UK companies.

UK companies are those that are domiciled or incorporated in the UK, or that conduct a significant part of their business in the UK. Medium sized companies are defined for this purpose as those companies that are members of the FTSE 250 Index and those UK listed companies that have a market capitalisation consistent with inclusion in the FTSE 250 Index but are not included in the FTSE 250 Index.

The sub-fund may also invest in other transferable securities, units in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives, and may hold cash.

The sub-fund may use derivatives for Efficient Portfolio Management purposes. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund. The sub-fund may use derivatives for purposes other than Efficient Portfolio Management, provided it has given shareholders 60 days' notice of such change. If the sub-fund did use derivatives for investment purposes this might, at times, increase the volatility of the sub-fund's NAV and change the risk profile of the sub-fund.

### Market Review

The year under review was challenging for global economies. Surging energy prices, wage inflation, and supply chain disruptions exerted upward pressure on prices as the economy recovered strongly from Covid-19. Central banks began raising rates while Russia's invasion of Ukraine introduced more uncertainty to the backdrop. The tighter monetary policy pushed bond yields higher in January leading to a sharp rotation in global equity markets out of growth stocks in favour of value.

Toward the end of February Russia invaded Ukraine. Oil, gas, industrial commodities and wheat all spiked higher on fears that supplies from both countries would be disrupted, adding further inflationary pressure and hitting global economic growth. The United States and Europe moved swiftly to impose sanctions, targeting the Central Bank of Russia and Putin's oligarchs. Europe refrained from imposing sanctions on Russian gas given its importance as a supplier to the region. There was stiff resistance to the invasion from the Ukrainians – aided by arms supplied by the West.

In the United States, Europe and the UK inflation hit rates not seen in decades, driven by rising energy, commodity and wages costs. Hopes that price pressures may have peaked were dashed in June 2022 when the US reported an inflation rate above market expectations leading the Federal Reserve to raise rates by 0.75% - the most aggressive hike in nearly 30 years – following a 0.5% hike in May. The Bank of England raised interest rates six times during the review year.

Economic data and surveys pointed to a decelerating growth outlook. In spite of record low unemployment rates, consumer confidence plunged in the developed world as inflation took its toll on spending power. Continued lockdowns in China and the war in Ukraine continued to put pressure on supply chains, particularly in Europe. Growth concerns and the tighter liquidity environment put downward pressure on commodity prices towards the end of the review year.

## Policy Review

Both sector allocation and stock selection detracted from the Fund's performance relative to the FTSE250 ex IT. At a sector level, the overweight to Banks and underweights to Mining and Automobiles & Parts added value, whilst the overweight to Media as well as underweights to Oil & Gas and Aerospace & Defence negatively impacted performance.

At a stock level, good relative performers were either more cheaply rated or more overtly defensive holdings, including Trainline, One Savings Bank and Wise plc. Starling Bank, an unlisted holding, performed strongly as its price reflected the valuation at which the company issued equity. Elsewhere, Blue Prism contributed positively. Not owning Genus, TUI and Carnival benefitted the Fund's relative performance.

Weaker performances came from THG, Chrysalis, boohoo, S4 Capital, Future and Ascential. Both THG and Chrysalis sold off as the market de-rated early-stage growth assets, albeit for THG this was exacerbated by a cut to consensus forecasts due to unfavourable exchange rate movements coupled with a sharp rise in input cost inflation. Boohoo and digital advertising consultancy S4 Capital both waned and were sold, whilst Future plc and Ascential plc suffered material deratings, even as both companies continued to deliver operationally. Not holding Meggitt (takeover) and Centrica (beneficiary of higher oil and gas prices) detracted from relative performance.

Sales activity was focused on reducing the Fund's weighting toward cyclical and toward consumer discretionary spending in particular. Accordingly, positions exited included Travis Perkins, Breedon, ASOS, boohoo, Marks & Spencer, Wizz Air, Easyjet and S4 Capital. Profits were taken in One Savings Bank, Ashtead and Starling Bank to control position sizes.

Purchase activity focused on taking advantage of share price falls where we felt they looked overdone and rebalancing the portfolio to take a more neutral position with respect to cyclical and the consumer. Accordingly new positions were opened in Wise plc, Auto Trader, Indivior, Melrose Industries and Rentokil. All at cheap entry points and are defensive, uncorrelated to macroeconomic events and inflation beneficiaries. We have reduced our underweights to the energy sector by opening new positions in Drax and Harbour Energy.

## Investment Outlook

There is some tentative evidence of inflationary pressures cooling – prices across the entire commodity complex have fallen materially from recent peaks, and nominal wage growth, while still strong in absolute terms, is currently decelerating in the US.

While it is exceptionally difficult to be definitive as to the precise path of economic growth, it would seem that the debate has already moved on from a binary 'recession coming or not' question to trying to gauge the likely length and depth of any economic downturn and the extent to which this has been discounted in valuations.

The Fund has moved to be underweight both domestic and international cyclical. Our weighting towards growth has increased as the Fund has taken advantage of the broader sell-off to rotate into stocks which have materially de-rated but for whom the growth thesis remains intact. We believe these stocks are defensive whereas other stereotypically defensive stocks in the index have a chequered track record in terms of delivery.

If evidence of a deep and long-lasting economic contraction builds further repositioning work would be required to augment the Fund's exposure towards more overtly defensive opportunities. Similarly signs of an improved global growth outlook, and particularly for the consumer, would warrant an increased weighting towards more cyclical stocks.

August 2022

## Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.



## Comparative Tables

Change in net asset per share						
	L (GBP) Income			I (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	506.39	357.51	380.84	306.20	214.83	228.11
Return before operating charges*	(166.38)	156.12	(17.36)	(100.98)	94.04	(10.46)
Operating charges	(6.84)	(7.24)	(5.97)	(2.23)	(2.31)	(1.91)
Return after operating charges*	(173.22)	148.88	(23.33)	(103.21)	91.73	(12.37)
Distributions on income shares	(0.58)	–	–	(2.29)	(0.36)	(0.91)
Closing net asset value per share	332.59	506.39	357.51	200.70	306.20	214.83
*after direct transaction costs of:	0.64	0.56	0.67	0.39	0.34	0.40
Performance						
Return after charges (%)	(34.21)	41.64	(6.13)	(33.71)	42.70	(5.42)
Other Information						
Closing net asset value (£'000)	86,687	148,886	115,642	135,404	280,357	230,120
Closing number of shares	26,063,810	29,401,319	32,346,225	67,465,526	91,561,514	107,116,171
Operating charges (%)	1.60	1.60	1.60	0.85	0.85	0.85
Direct transaction costs (%)	0.15	0.12	0.18	0.15	0.12	0.18
Prices						
Highest share price (p)	539.08	515.90	448.30	326.24	312.20	269.60
Lowest share price (p)	306.14	351.90	219.90	186.42	211.50	132.20

Change in net asset per share						
	P (GBP) Income			Z1 (GBP) Income*		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	303.26	213.04	226.19	204.96	143.79	152.70
Return before operating charges*	(99.87)	93.20	(10.35)	(67.56)	62.92	(7.02)
Operating charges	(2.84)	(2.98)	(2.45)	(1.42)	(1.37)	(1.16)
Return after operating charges*	(102.71)	90.22	(12.80)	(68.98)	61.55	(8.18)
Distributions on income shares	(1.63)	–	(0.35)	(1.66)	(0.38)	(0.73)
Closing net asset value per share	198.92	303.26	213.04	134.32	204.96	143.79
*after direct transaction costs of:	0.39	0.33	0.40	0.28	0.22	0.27
Performance						
Return after charges (%)	(33.87)	42.35	(5.66)	(33.66)	42.81	(5.36)
Other Information						
Closing net asset value (£'000)	2,112	4,171	2,849	90,237	408,727	625,228
Closing number of shares	1,061,817	1,375,328	1,337,438	67,181,857	199,419,360	434,810,196
Operating charges (%)	1.10	1.10	1.10	0.775	0.775	0.775
Direct transaction costs (%)	0.15	0.12	0.18	0.15	0.12	0.18
Prices						
Highest share price (p)	323.02	308.90	266.90	218.39	209.10	180.50
Lowest share price (p)	184.20	209.70	131.00	124.87	141.60	88.61

\*With effect from 01 July 2022, U1 Shares have been re-named as Z1 Shares.

## Comparative Tables *(continued)*

Change in net asset per share			
	Z2 (GBP) Income**		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	190.01	133.30	141.56
Return before operating charges*	(62.72)	58.42	(6.50)
Operating charges	(1.14)	(1.23)	(0.98)
Return after operating charges*	(63.86)	57.19	(7.48)
Distributions on income shares	(1.66)	(0.48)	(0.78)
Closing net asset value per share	124.49	190.01	133.30
*after direct transaction costs of:	0.25	0.22	0.25
Performance			
Return after charges (%)	(33.61)	42.90	(5.28)
Other Information			
Closing net asset value (£'000)	231,870	540,755	157,543
Closing number of shares	186,261,662	284,592,807	118,182,760
Operating charges (%)	0.70	0.70	0.70
Direct transaction costs (%)	0.15	0.12	0.18
Prices			
Highest share price (p)	202.48	194.00	167.40
Lowest share price (p)	115.84	131.20	82.19

Change in net asset per share						
	L (GBP) Accumulation			I (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	576.08	406.71	433.23	393.34	275.64	291.41
Return before operating charges*	(189.25)	177.61	(19.72)	(129.73)	120.68	(13.33)
Operating charges	(7.79)	(8.24)	(6.80)	(2.85)	(2.98)	(2.44)
Return after operating charges*	(197.04)	169.37	(26.52)	(132.58)	117.70	(15.77)
Distribution on accumulation share	(0.66)	–	–	(2.94)	(0.46)	(1.18)
Retained distributions on accumulation share	0.66	–	–	2.94	0.46	1.18
Closing net asset value per share	379.04	576.08	406.71	260.76	393.34	275.64
*after direct transaction costs of:	0.73	0.64	0.76	0.50	0.43	0.52
Performance						
Return after charges (%)	(34.20)	41.64	(6.12)	(33.71)	42.70	(5.41)
Other Information						
Closing net asset value (£'000)	250,514	440,084	333,719	477,024	924,262	695,914
Closing number of shares	66,092,374	76,393,226	82,053,870	182,934,345	234,976,697	252,471,712
Operating charges (%)	1.60	1.60	1.60	0.85	0.85	0.85
Direct transaction costs (%)	0.15	0.12	0.18	0.15	0.12	0.18
Prices						
Highest share price (p)	613.26	586.90	510.00	419.09	400.50	344.40
Lowest share price (p)	348.27	400.30	250.10	239.47	271.30	169.00

\*\*With effect from 01 July 2022, U2 Shares have been re-named as Z2 Shares.

## Comparative Tables *(continued)*

Change in net asset per share						
	P (GBP) Accumulation			Z1 (GBP) Accumulation*		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	501.07	351.99	373.07	218.32	152.87	161.50
Return before operating charges*	(165.04)	153.97	(17.05)	(72.03)	66.95	(7.40)
Operating charges	(4.68)	(4.89)	(4.03)	(1.45)	(1.50)	(1.23)
Return after operating charges*	(169.72)	149.08	(21.08)	(73.48)	65.45	(8.63)
Distribution on accumulation share	(2.69)	–	(0.58)	(1.77)	(0.40)	(0.77)
Retained distributions on accumulation share	2.69	–	0.58	1.77	0.40	0.77
Closing net asset value per share	331.35	501.07	351.99	144.84	218.32	152.87
*after direct transaction costs of:	0.64	0.55	0.66	0.28	0.24	0.29
Performance						
Return after charges (%)	(33.87)	42.35	(5.65)	(33.66)	42.81	(5.34)
Other Information						
Closing net asset value (£'000)	7,385	13,827	13,371	327,948	682,500	541,733
Closing number of shares	2,228,839	2,759,444	3,798,743	226,416,942	312,616,540	354,364,557
Operating charges (%)	1.10	1.10	1.10	0.775	0.775	0.775
Direct transaction costs (%)	0.15	0.12	0.18	0.15	0.12	0.18
Prices						
Highest share price (p)	533.72	510.30	440.30	232.63	222.30	190.90
Lowest share price (p)	304.34	346.50	216.10	133.01	150.50	93.73
Change in net asset per share						
	Z2 (GBP) Accumulation**					
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)			
Opening net asset value per share	223.37	156.30	165.00			
Return before operating charges*	(73.74)	68.54	(7.56)			
Operating charges	(1.33)	(1.47)	(1.14)			
Return after operating charges*	(75.07)	67.07	(8.70)			
Distribution on accumulation share	(1.95)	(0.57)	(0.91)			
Retained distributions on accumulation share	1.95	0.57	0.91			
Closing net asset value per share	148.30	223.37	156.30			
*after direct transaction costs of:	0.29	0.26	0.29			
Performance						
Return after charges (%)	(33.61)	42.91	(5.27)			
Other Information						
Closing net asset value (£'000)	41,508	80,447	13,333			
Closing number of shares	27,988,852	36,015,624	8,530,629			
Operating charges (%)	0.70	0.70	0.70			
Direct transaction costs (%)	0.15	0.12	0.18			
Prices						
Highest share price (p)	238.03	227.40	195.20			
Lowest share price (p)	136.18	153.90	95.80			

\*With effect from 01 July 2022, U1 Shares have been re-named as Z1 Shares.

\*\*With effect from 01 July 2022, U2 Shares have been re-named as Z2 Shares.

## Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
	<b>UNITED KINGDOM - 93.04% (95.51%)</b>		
	<b>Automobiles and Parts - 1.87% (0.00%)</b>		
4,894,619	Auto Trader Group	30,816,521	1.87
	<b>Banks - 5.06% (3.52%)</b>		
12,303,212	Starling Bank 'B'*	14,517,790	0.88
58,484,241	Starling Bank 'C'*	69,011,404	4.18
		83,529,194	5.06
	<b>Chemicals - 1.11% (2.02%)</b>		
7,861,562	Synthomer	18,333,163	1.11
	<b>Closed End Investments - 5.36% (5.55%)</b>		
84,063,528	Chrysalis Investments Limited	88,434,832	5.36
	<b>Construction and Materials - 0.00% (1.58%)</b>		
	<b>Electricity - 1.65% (0.00%)</b>		
3,464,665	Drax	27,162,974	1.65
	<b>Electronic and Electrical Equipment - 0.00% (2.31%)</b>		
	<b>Finance and Credit Services - 4.52% (4.40%)</b>		
14,178,514	OSB	74,649,876	4.52
	<b>General Industrials - 1.00% (0.00%)</b>		
10,290,009	Melrose Industries	16,515,464	1.00
	<b>Household Goods and Home Construction - 3.51% (5.70%)</b>		
4,327,092	Barratt Developments	21,678,731	1.31
1,491,260	Bellway	36,416,569	2.20
		58,095,300	3.51
	<b>Industrial Support Services - 10.28% (6.28%)</b>		
6,984,922	Electrocomponents	72,084,395	4.37
5,671,121	Pagegroup	25,962,392	1.57
13,220,711	Rentokil Initial	71,550,488	4.34
		169,597,275	10.28

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
1,554,412	<b>Industrial Transportation - 4.32% (4.23%)</b> Ashtead	71,331,967	4.32
	<b>Investment Banking and Brokerage Services - 0.00% (0.77%)</b>		
4,671,642	<b>Media - 5.17% (8.81%)</b> Future	85,397,616	5.17
4,105,309	<b>Oil, Gas and Coal - 0.91% (0.00%)</b> Harbour Energy	15,025,431	0.91
860,783 38,799,773	<b>Personal Care, Drug and Grocery Stores - 2.67% (8.07%)</b> Greggs THG	17,559,973 26,562,325	1.06 1.61
	<b>Personal Goods - 2.36% (1.01%)</b>		
6,812,280 2,397,049	Dr. Martens Watches of Switzerland	17,671,054 21,261,825	1.07 1.29
	<b>Pharmaceuticals and Biotechnology - 1.52% (0.00%)</b>		
7,786,291	Indivior	24,993,994	1.52
2,472,081	<b>Real Estate Investment and Services - 1.78% (1.94%)</b> Savills	29,417,764	1.78
4,446,428 4,272,086 4,186,540	<b>Real Estate Investment Trusts - 8.34% (7.41%)</b> Big Yellow Unite Workspace	63,361,599 49,769,802 24,554,057	3.84 3.01 1.49
	<b>Retailers - 4.25% (14.00%)</b>		
2,569,750 15,768,552 8,491,965	Dunelm JD Sports Fashion Pets at Home	21,842,875 20,412,390 27,836,661	1.32 1.24 1.69
	<b>Software and Computer Services - 16.69% (9.45%)</b>		
38,853,449 4,874,125	Ascential Auction Technology	113,452,071 48,400,061	6.87 2.93

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>Software and Computer Services (continued)</b>			
1,011,573	Computacenter	26,240,203	1.59
14,265,165	Funding Circle	5,278,111	0.32
17,456,931	Wise	82,239,602	4.98
		275,610,048	16.69
<b>Technology Hardware and Equipment - 0.00% (1.04%)</b>			
<b>Telecommunications Service Providers - 1.74% (1.85%)</b>			
2,589,212	Gamma Communications	28,636,685	1.74
<b>Travel and Leisure - 8.93% (5.57%)</b>			
3,747,710	JET2	34,351,510	2.08
117,275	Secret Escapes*	–	–
53,006	Secret Escapes (Series E Preference)*	5,794,086	0.35
27,068,632	Trainline	107,245,920	6.50
		147,391,516	8.93
<b>IRELAND - 0.00% (0.91%)</b>			
<b>Industrial Support Services - 0.00% (0.91%)</b>			
<b>SWITZERLAND - 0.00% (2.64%)</b>			
<b>Travel and Leisure - 0.00% (2.64%)</b>			
	Total value of investments	1,535,772,181	93.04
	Net other assets	114,916,547	6.96
	<b>Net assets</b>	1,650,688,728	100.00

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

The figures in brackets show allocations as at 31 July 2021.

\*Represents an unlisted and unquoted security.

Asset allocation	
Equities	93.04%
Net other assets	6.96%
<b>Total</b>	<b>100.00%</b>

Portfolio allocation	
Software and Computer Services	16.69%
Industrial Support Services	10.28%
Travel and Leisure	8.93%
Real Estate Investment Trusts	8.34%
Closed End Investments	5.36%
Media	5.17%
Banks	5.06%
Finance and Credit Services	4.52%
Industrial Transportation	4.32%
Retailers	4.25%
Household Goods and Home	
Construction	3.51%
Personal Care, Drug and Grocery Stores	2.67%
Personal Goods	2.36%
Automobiles and Parts	1.87%
Real Estate Investment and Services	1.78%
Telecommunications Service Providers	1.74%
Electricity	1.65%
Pharmaceuticals and Biotechnology	1.52%
Chemicals	1.11%
General Industrials	1.00%
Oil, Gas and Coal	0.91%
Net other assets	6.96%
<b>Total</b>	<b>100.00%</b>

Major holdings	Percentage of portfolio
Ascential	6.87%
Trainline	6.50%
Chrysalis Investments Limited	5.36%
Future	5.17%
Wise	4.98%
OSB	4.52%
Electrocomponents	4.37%
Rentokil Initial	4.34%
Ashtead	4.32%
Starling Bank 'C'	4.18%
<b>Number of holdings</b>	<b>38</b>

## Statement of Total Return

For the year ended 31 July 2022					
	Note	Year to 31.07.22		Year to 31.07.21	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(1,111,137)		1,114,822
Revenue	3	46,693		31,884	
Expenses	4	(25,661)		(30,291)	
Interest payable and similar charges		–		–	
Net revenue before taxation		21,032		1,593	
Taxation	5	–		–	
Net revenue after taxation			21,032		1,593
<b>Total return before distributions</b>			<b>(1,090,105)</b>		<b>1,116,415</b>
Distributions	6		(21,046)		(5,087)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(1,111,151)</b>		<b>1,111,328</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022				
	Year to 31.07.22		Year to 31.07.21	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		3,524,015		2,729,453
Amounts receivable on issue of shares	479,284		189,485	
Amounts payable on cancellation of shares	(1,251,894)		(508,796)	
		(772,610)		(319,311)
Change in net assets attributable to shareholders from investment activities		(1,111,151)		1,111,328
Retained distribution on accumulation shares		10,435		2,545
<b>Closing net assets attributable to shareholders</b>		<b>1,650,689</b>		<b>3,524,015</b>

The notes on pages 174 to 185 form an integral part of these financial statements.



## Balance Sheet

As at 31 July 2022			
	Note	31.07.22 £'000	31.07.21 £'000
<b>Assets</b>			
Fixed Assets:			
Investments		1,535,772	3,490,818
Current assets:			
Debtors	7	12,951	5,615
Cash and bank balances	8	134,061	35,745
Total assets		1,682,784	3,532,178
<b>Liabilities</b>			
Creditors:			
Distributions payable		(5,926)	(2,445)
Other creditors	9	(26,169)	(5,718)
Total liabilities		(32,095)	(8,163)
<b>Net assets attributable to shareholders</b>		<b>1,650,689</b>	<b>3,524,015</b>

The notes on pages 174 to 185 form an integral part of these financial statements.

## Notes to the Financial Statements

### 1. Significant Accounting Policies

The summary of applicable accounting policies adopted by the Jupiter UK Mid Cap Fund are included on pages 240 to 242.

### 2. Net Capital (Losses)/Gains

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

	31.07.22 £'000	31.07.21 £'000
Currency losses	–	(6)
Transaction charges	–	(6)
(Losses)/gains on non-derivative securities	(1,111,137)	1,114,834
<b>Net capital (losses)/gains</b>	<b>(1,111,137)</b>	<b>1,114,822</b>

### 3. Revenue

	31.07.22 £'000	31.07.21 £'000
UK dividends	40,081	25,621
Overseas dividends	469	678
Bank interest	35	1
Management fee rebates	790	605
Revenue from REITs	5,318	4,979
<b>Total revenue</b>	<b>46,693</b>	<b>31,884</b>

### 4. Expenses

	31.07.22 £'000	31.07.21 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Fixed Annual Charge*	1,224	–
Fixed Ongoing Charge**	24,437	30,291
<b>Total expenses</b>	<b>25,661</b>	<b>30,291</b>

\*This figure represent the Fixed Annual Charge, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Depositary (including associates etc.) and other expenses.

The audit fee for the year, excluding VAT, was £10,050 (31.07.21: £9,600).

\*\*With effect from 1 July 2022, the ACD has renamed the Fixed Ongoing Charge to the Fixed Annual Charge.

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

### 5. Taxation

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

	31.07.22 £'000	31.07.21 £'000
<b>Total tax charge for the year</b>	–	–

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

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:

	31.07.22 £'000	31.07.21 £'000
Net revenue before taxation	21,032	1,593
Corporation tax of 20% (2021: 20%)	4,206	318
<b>Effects of:</b>		
Current year expenses not utilised	3,767	4,942
Revenue not subject to taxation	(8,110)	(5,260)
Tax due to timing differences	137	–
<b>Total tax charge for the year</b>	–	–

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

#### (c) Provision for Deferred Tax

At 31 July 2022, there are surplus management expenses of £279,602,726 (31.07.21: £260,769,912). It is unlikely the sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore a Deferred Tax asset of £55,920,545 (31.07.21: £52,153,982) has not been recognised.

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

### 6. Distributions

The distributions take account of amounts received on the issue of shares and deducted on the cancellation of shares and comprise:

	31.07.22 £'000	31.07.21 £'000
Final distribution	16,361	4,990
	16,361	4,990
Amounts received on issue of shares	(1,544)	(98)
Amounts paid on cancellation of shares	6,229	195
<b>Net distributions for the year</b>	<b>21,046</b>	<b>5,087</b>
<b>Reconciliation of net revenue after taxation to distributions:</b>		
Net revenue after taxation	21,032	1,593
Equalisation on conversions	15	130
Transfer from capital for revenue deficit	–	3,364
Net movement in revenue account	(1)	–
<b>Net distributions for the year</b>	<b>21,046</b>	<b>5,087</b>

Details of the distributions in pence per share are shown in the Distribution Table on pages 186 and 187.

### 7. Debtors

	31.07.22 £'000	31.07.21 £'000
Accrued revenue	984	1,600
Amounts receivable for issue of shares	1,858	2,152
Overseas tax recoverable	54	–
Management fee rebates receivable	1,487	697
Sales awaiting settlement	8,488	1,166
PID tax recoverable	80	–
<b>Total debtors</b>	<b>12,951</b>	<b>5,615</b>

### 8. Cash and Bank Balances

	31.07.22 £'000	31.07.21 £'000
Cash and bank balances	134,061	35,745
<b>Total cash and bank balances</b>	<b>134,061</b>	<b>35,745</b>

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

### 9. Other Creditors

	31.07.22 £'000	31.07.21 £'000
Accrued expenses	315	2,550
Amounts payable for cancellation of shares	17,138	3,168
Purchases awaiting settlement	8,716	–
<b>Total other creditors</b>	<b>26,169</b>	<b>5,718</b>

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

The sub-fund had no contingent assets, liabilities or capital commitments at the balance sheet date (31.07.21: £nil).

### 11. Related Party Transactions

Jupiter Fund Managers Limited (JFML), as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 172. Any amounts due to or from JFML at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in Notes 7 (Debtors) and 9 (Other Creditors).

Amounts receivable/(payable) from JFML in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. At the year end, a net balance of £15,280,410 was payable to JFML (31.07.21: £1,015,723 payable to JFML). These amounts are included in amounts receivable for issue of shares in Note 7 and amounts payable for cancellation of shares in Note 9.

Any amounts due to or from JFML in respect of fund management is presented as Fixed Annual Charge in Note 4 (Expenses). At the year end, £315,212 (31.07.21: £2,549,590) was payable to JFML. This amount is included as part of accrued expenses in Note 9.

Where investments are held in other Jupiter products, a rebate could be paid into the sub-fund. Amounts received from other Jupiter products as management fee rebates are included in Note 2 (Net Capital (Losses)/Gains) and Note 3 (Revenue). At the year end, £1,486,762 (31.07.21: £697,000) was receivable from other Jupiter products. This amount is included as management fee rebates receivable in Note 7.

There were no holdings in other Jupiter products at the year end (31.07.21: £195,533,000). At the year end, there were no outstanding trades in other Jupiter products (31.07.21: £nil).

There were no dividends received during the year (31.07.21: £nil). There were no related accrued revenue due to the sub-fund at year end (31.07.21: £nil).

### 12. Financial Instruments

#### Financial Instrument Risk

The sub-fund, in pursuing its investment objective, may hold a range of financial instruments in line with its investment policy.

The ACD has established a risk management policy and permanent risk management function to identify, measure, monitor and manage all risks relevant to the sub-fund. This is designed to meet the key requirements of investor protection and to ensure compliance with the FCA's regulatory requirements.

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

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

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are market risk, foreign currency, interest rate, liquidity, credit, and counterparty risk which are summarised below.

#### Market Risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate this risk and reduce cost.

#### Market Price Risk Sensitivity

A five percent market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £76,788,609 or 4.65% of NAV (31.07.21: £174,540,877 or 4.95% of NAV).

#### Foreign Currency Risk

A proportion of the sub-fund's financial assets and liabilities may be invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Adviser does seek to reduce some of this risk by using forward currency contracts. At the year end, the fund had no foreign currency investments (31.07.21: nil).

#### Foreign Currency Risk Sensitivity

In the event of changes in exchange rates, there would be no material impact upon the assets of the sub-fund.

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

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

#### Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates. The interest rate risk profile of the sub-fund's financial assets and liabilities at the year end were as follows:

Currency	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Sterling	134,061	–	1,548,723	1,682,784
<b>Total</b>	<b>134,061</b>	<b>–</b>	<b>1,548,723</b>	<b>1,682,784</b>
<b>31.07.21</b>				
Sterling	35,745	–	3,496,433	3,532,178
<b>Total</b>	<b>35,745</b>	<b>–</b>	<b>3,496,433</b>	<b>3,532,178</b>

Currency	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Sterling	–	–	32,095	32,095
<b>Total</b>	<b>–</b>	<b>–</b>	<b>32,095</b>	<b>32,095</b>
<b>31.07.21</b>				
Sterling	–	–	8,163	8,163
<b>Total</b>	<b>–</b>	<b>–</b>	<b>8,163</b>	<b>8,163</b>

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

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

#### Liquidity Risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares.

Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

#### Credit Risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

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

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

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Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio Statement.

#### **Counterparty Risk**

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

#### **Global Exposure**

The Investment Adviser assesses the market risk of the Jupiter UK Mid Cap Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund uses the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. As the sub-fund will use the commitment approach it must ensure that its global exposure does not exceed its total net asset value and sub-fund may not therefore be leveraged in excess of 100% of its net asset value. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative. Using the commitment approach, the global exposure is 0.00% (31.07.21: 0.00%).



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

### 13. Fair Value of Financial Assets and Liabilities

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

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.22</b>		
Level 1	1,446,449	–
Level 2	–	–
Level 3	89,323	–
<b>Total</b>	<b>1,535,772</b>	<b>–</b>

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.21</b>		
Level 1	3,347,148	–
Level 2	–	–
Level 3	143,670	–
<b>Total</b>	<b>3,490,818</b>	<b>–</b>

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

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

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

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

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

The fair value of the sub-fund's investments in Secret Escape (Series E preference) and Starling Bank are determined using the outsourced provider S&P Global (formerly HIS Markit) with their market approach using comparable traded multiples and the price is assessed and agreed by the governance process in place by the Unlisted Asset Valuation Committee (UAVC).

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

### 14. Portfolio Transaction Costs

For the year ended 31 July 2022

	Equities £'000	%	Total £'000
<b>31.07.22</b>			
<b>Analysis of total purchases costs</b>			
Purchases in year before transaction costs	674,088		674,088
Commissions	271	0.04	271
Expenses and other charges	3,237	0.48	3,237
	<u>3,508</u>		<u>3,508</u>
Purchases including transaction costs	<u>677,596</u>		<u>677,596</u>
<b>Analysis of total sales costs</b>			
Sales in year before transaction costs	1,521,029		1,521,029
Commissions	(613)	0.04	(613)
Expenses and other charges	(1)	0.00	(1)
	<u>(614)</u>		<u>(614)</u>
Sales net of transaction costs	<u>1,520,415</u>		<u>1,520,415</u>

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

Commissions	0.03%
Expenses and other charges	0.12%

The average portfolio dealing spread as at the balance sheet date was 0.09%.

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

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

For the year ended 31 July 2021

	Equities £'000	%	Total £'000
<b>31.07.21</b>			
<b>Analysis of total purchases costs</b>			
Purchases in year before transaction costs	999,212		999,212
Commissions	315	0.03	315
Expenses and other charges	3,160	0.27	3,160
Purchases including transaction costs	<u>1,002,687</u>		<u>1,002,687</u>
<b>Analysis of total sales costs</b>			
Sales in year before transaction costs	1,334,663		1,334,663
Commissions	(550)	0.04	(550)
Expenses and other charges	(1)	0.00	(1)
Sales net of transaction costs	<u>1,334,112</u>		<u>1,334,112</u>

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

Commissions	0.03%
Expenses and other charges	0.10%

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

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

### 15. Shareholders' Funds

The net asset value of each share class, net asset value per share and the number of shares in issue are given in the comparative tables for each sub-fund.

The share classes currently in issue and the Fixed Annual Charge of each share class are shown below.

Share Class	31.07.22	31.07.21
L (GBP) Income Shares	1.60%	1.60%
L (GBP) Accumulation Shares	1.60%	1.60%
I (GBP) Income Shares	0.85%	0.85%
I (GBP) Accumulation Shares	0.85%	0.85%
P (GBP) Income Shares	1.10%	1.10%
P (GBP) Accumulation Shares	1.10%	1.10%
Z1 (GBP) Income Shares*	0.775%	0.775%
Z1 (GBP) Accumulation Shares*	0.775%	0.775%
Z2 (GBP) Income Shares**	0.70%	0.70%
Z2 (GBP) Accumulation Shares**	0.70%	0.70%

\*With effect from 01 July 2022, U1 Shares have been re-named as Z1 Shares.

\*\*With effect from 01 July 2022, U2 Shares have been re-named as Z2 Shares.

Reconciliation of Shares	L (GBP) Income	L (GBP) Accumulation	I (GBP) Income	I (GBP) Accumulation
Opening number of shares at 1 August 2021	29,401,319	76,393,226	91,561,514	234,976,697
Shares issued in year	1,185,254	7,449,968	16,850,386	54,286,585
Shares cancelled in year	(4,447,204)	(17,484,348)	(40,513,898)	(102,008,256)
Shares converted in year	(75,559)	(266,472)	(432,476)	(4,320,681)
Closing number of shares at 31 July 2022	26,063,810	66,092,374	67,465,526	182,934,345

Reconciliation of Shares	P (GBP) Income	P (GBP) Accumulation	Z1 (GBP) Income*	Z1 (GBP) Accumulation*
Opening number of shares at 1 August 2021	1,375,328	2,759,444	199,419,360	312,616,540
Shares issued in year	2,393	393,927	21,736,262	60,533,477
Shares cancelled in year	(320,605)	(847,188)	(154,518,754)	(155,752,994)
Shares converted in year	4,701	(77,344)	544,989	9,019,919
Closing number of shares at 31 July 2022	1,061,817	2,228,839	67,181,857	226,416,942

Reconciliation of Shares	Z2 (GBP) Income**	Z2 (GBP) Accumulation**
Opening number of shares at 1 August 2021	284,592,807	36,015,624
Shares issued in year	19,771,890	5,426,182
Shares cancelled in year	(117,862,954)	(13,560,806)
Shares converted in year	(240,081)	107,852
Closing number of shares at 31 July 2022	186,261,662	27,988,852

\*With effect from 01 July 2022, U1 Shares have been re-named as Z1 Shares.

\*\*With effect from 01 July 2022, U2 Shares have been re-named as Z2 Shares.

## Distribution Table

For the year ended 31 July 2022

### FINAL

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 July 2022

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.5830	–	0.5830	–
Group 2	0.5830	–	0.5830	–

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	0.6634	–	0.6634	–
Group 2	0.5346	0.1288	0.6634	–

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.2893	–	2.2893	0.3648
Group 2	1.1461	1.1432	2.2893	0.3648

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.9412	–	2.9412	0.4604
Group 2	1.5764	1.3648	2.9412	0.4604

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.6255	–	1.6255	–
Group 2	1.2126	0.4129	1.6255	–

## Distribution Table *(continued)*

### For the year ended 31 July 2022

#### FINAL

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 July 2022

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.6894	–	2.6894	–
Group 2	1.4233	1.2661	2.6894	–

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
Z1 (GBP) Income* Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.6622	–	1.6622	0.3777
Group 2	0.9079	0.7543	1.6622	0.3777

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
Z1 (GBP) Accumulation* Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.7707	–	1.7707	0.4029
Group 2	0.9687	0.8020	1.7707	0.4029

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
Z2 (GBP) Income** Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.6620	–	1.6620	0.4772
Group 2	–	1.6620	1.6620	0.4772

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
Z2 (GBP) Accumulation** Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.9539	–	1.9539	0.5654
Group 2	–	1.9539	1.9539	0.5654

\*With effect from 01 July 2022, U1 Shares have been re-named as Z1 Shares.

\*\*With effect from 01 July 2022, U2 Shares have been re-named as Z2 Shares.

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

## Jupiter UK Opportunities Fund

### Performance

	1 year	3 year	5 years	10 years
Jupiter UK Opportunities Fund*	(4.86)	(1.13)	(7.48)	4.41
Bank of England Base Rate (Benchmark)	0.51	1.12	2.35	4.71
IA Targeted Absolute Return (Sector Average)	(1.91)	11.71	12.61	46.50
Quartile Ranking	4th	4th	4th	4th

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

### Investment Objective and Policy

To deliver an absolute return (above zero performance, irrespective of market conditions) over rolling 3 year periods. In seeking to achieve its investment objective the sub-fund will aim to deliver a return, net of fees, in excess of the Bank of England Base Rate over rolling 3 years.

There is no guarantee that such return will be generated over that specific time period or any other period, and any capital invested is at risk.

The sub-fund will obtain exposure, either directly or through derivatives, primarily (at least 70%) to UK equities and convertible bonds. UK equities are equities of companies domiciled or incorporated in the UK, or that conduct a significant part of their business in the UK. Such investments will be across the market capitalisation spectrum, with the majority of these being companies included in the FTSE 100 and FTSE 250 indices. Up to 15% of the sub-fund's NAV may be exposed to non-UK equities and non-UK convertible bonds.

The sub-fund will use derivatives for investment purposes, principally by taking long and short positions in order to gain exposure to particular companies, industries or sectors. The use of derivatives for this purpose may affect the volatility or risk profile of the sub-fund although this is not the ACD's intention.

The sub-fund may also invest in transferable securities, units in collective investment schemes (including those managed or operated by the ACD), warrants, money market instruments and deposits. Where the sub-fund gains exposure through derivatives, its physical assets will consist of cash deposits or short term investment grade money market instruments to provide cover for this exposure.

### Market Review

The Fund fell 4.86% over the year under review, which is a disappointing outcome. Geopolitical and macroeconomic factors have been particularly important in the year, driving a significant change in both the levels and leadership of equity markets as well as other financial markets more broadly. The most important of these has been the sharp increase in inflation that has occurred across all economies and regions. Consumer price inflation in the US and UK has increased from almost zero 18 months ago to 10% and 8.5% respectively now – levels not seen for over 30 years. A key cause of this was rapid increases in energy prices with, for example, the price of oil, coal and natural gas increasing around 50%, 150% and 200% respectively. The dollar increased sharply, up 15% against both a weighted basket of currencies and sterling, further increasing inflationary pressures for many countries outside the US. As the world has started to move on from the Covid-19 restrictions of the past 2 years supply chains across all industries have struggled to get back to full operation as re-opening has occurred unevenly between various countries. Demand meanwhile has been robust as the economy has recovered from lockdowns and labour markets have remained strong. This supply and demand imbalance was further exacerbated by the Russian invasion of Ukraine which caused energy prices to continue to rise given Russia's role as a key supplier. Central banks started to act to try to control inflation, with the US Federal Reserve, the Bank of England and the European Central Bank increasing interest rates by 4% collectively across 10 separate increases.



## Market Review *(continued)*

Such a sudden and significant increase in inflation has caused real wages (adjusted for inflation) to decline, despite nominal (absolute) wages beginning to increase. This has pressured household and consumer finances and, with supply struggling to match demand, corporate profit margins are coming under pressure. Economic growth has slowed, with inflation high and persistent, meaning that the probability of stagflation or indeed recession has risen. All these macroeconomic and geopolitical factors combined have caused equity markets, and risk assets in general, to come under pressure. Over the year the US S&P500 and the MSCI Europe indexes fell 6% and 4% respectively but these moves hide a very large rotation in the underlying market dynamics. Rising inflation, interest rates and falling growth reduces the value of future earnings while relatively increasing the value of near term cashflows which has caused growth stocks to suffer. The tech focused NASDAQ fell 15% and the MSCI World Growth index fell 17% with mega cap growth stocks such as Meta (Facebook) and Netflix both halving. The UK mid cap index which is generally more domestic and growth-focused than UK large caps fell 15%. Conversely value stocks fared better and the FTSE100 rose 5% reflecting its large dollar, commodity and/or interest rate sensitive earnings. The FTSE All Share rose 1% despite two thirds of its constituents falling as the average size of those companies that rose was over twice that of the fallers.

## Policy Review

While the Fund does not aim to take significant bets on macroeconomic factors, the significant rotation in market dynamics has been a challenge. The Fund comprises long, short and index hedge books and disappointing performance was driven by the long book falling in value, and the index hedge book (which is short the FTSE100 index to maintain a broadly net neutral market position) rising in value. The main cause of underperformance in the long book were growth stocks with a domestic tilt such as Wizz Air, Entain, Boohoo and THG as well as international cyclical stocks such as Ashtead and CRH. The short book performed well with its aggregate share prices falling (and so adding value to the Fund) by 16%, but the relatively small size of the book limited its ability to offset the falling value of the long and hedge books.

## Investment Outlook

Looking forward the key macroeconomic call remains the inflation trajectory. There are signs that the intensity of inflationary pressures may have peaked with many commodity prices declining over the past few months. This has coincided with a recovery rally in risk assets, most notably growth stocks. For this to continue we would need to see a so-called 'soft landing' of the economy as interest rate increases slow demand enough to match supply without tipping the economy into a recession. This is possible and the strength of the labour market suggests that the economy could perhaps cope with higher interest rates to tame inflation. However, there are still pockets of intense inflation and energy costs going into winter in the northern hemisphere remain a key concern with Europe's reliance on Russia's natural gas a significant risk factor. The probability of a recession is not zero, highlighting the potential benefits of a balanced portfolio which can adjust its asset allocation to reflect market conditions.

August 2022

## Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 4 have in the past shown moderate volatility. With a sub-fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

## Comparative Tables

Change in net asset per share						
	L (GBP) Accumulation			I (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	108.76	109.40	106.25	116.65	116.45	112.25
Return before operating charges*	(4.27)	1.18	4.94	(4.60)	1.26	5.24
Operating charges	(1.74)	(1.82)	(1.79)	(1.02)	(1.06)	(1.04)
Return after operating charges*	(6.01)	(0.64)	3.15	(5.62)	0.20	4.20
Distribution on accumulation share	–	–	–	–	–	–
Retained distributions on accumulation share	–	–	–	–	–	–
Closing net asset value per share	102.75	108.76	109.40	111.03	116.65	116.45
*after direct transaction costs of:	0.04	0.06	0.06	0.05	0.07	0.07
Performance						
Return after charges (%)	(5.53)	(0.59)	2.96	(4.82)	0.17	3.74
Other Information						
Closing net asset value (£'000)	5,135	6,304	6,888	1,371	1,572	1,819
Closing number of shares	4,997,320	5,795,951	6,296,869	1,234,595	1,348,036	1,562,068
Operating charges (%)	1.65	1.65	1.65	0.90	0.90	0.90
Direct transaction costs (%)	0.04	0.06	0.06	0.04	0.06	0.06
Prices						
Highest share price (p)	111.39	112.10	111.80	119.60	119.60	118.90
Lowest share price (p)	101.46	107.80	105.50	109.58	115.10	112.00

Change in net asset per share			
	U1 (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	90.60	90.38	87.06
Return before operating charges*	(3.57)	0.98	4.06
Operating charges	(0.73)	(0.76)	(0.74)
Return after operating charges*	(4.30)	0.22	3.32
Distribution on accumulation share	–	–	–
Retained distributions on accumulation share	–	–	–
Closing net asset value per share	86.30	90.60	90.38
*after direct transaction costs of:	0.04	0.05	0.05
Performance			
Return after charges (%)	(4.75)	0.24	3.81
Other Information			
Closing net asset value (£'000)	1,264	1,853	1,092
Closing number of shares	1,464,696	2,045,428	1,208,500
Operating charges (%)	0.825	0.825	0.825
Direct transaction costs (%)	0.04	0.06	0.06
Prices			
Highest share price (p)	92.90	92.82	92.26
Lowest share price (p)	85.17	89.36	86.91

## Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>EQUITIES - 36.46% (42.74%)</b>			
<b>Australia - 1.33% (1.09%)</b>			
4,584	BHP (UK Listing)	103,071	1.33
<b>Ireland - 3.61% (4.18%)</b>			
5,865	CRH (UK Listing)	184,220	2.37
3,347	Experian	95,824	1.24
		280,044	3.61
<b>Switzerland - 2.47% (3.24%)</b>			
41,665	Glencore	192,076	2.47
<b>United Kingdom - 29.05% (34.23%)</b>			
5,053	Ashtead	231,882	2.98
10,320	Auto Trader Group	64,975	0.84
4,680	Burberry	84,029	1.08
125,132	Centrica	109,741	1.41
60,454	Chemring	209,171	2.69
11,479	Dunelm	97,572	1.25
9,026	Electrocomponents	93,148	1.20
12,404	Entain	149,158	1.92
72,598	JD Sports Fashion	93,978	1.21
5,822	JET2	53,364	0.69
179,942	Lloyds Banking	81,406	1.05
79,074	Melrose Industries	126,914	1.63
2,521	Next	171,579	2.21
40,083	OSB	211,037	2.72
28,756	Pets at Home	94,262	1.21
2,494	Reckitt Benckiser	165,751	2.13
4,695	SSE	83,008	1.07
52,559	Taylor Wimpey	66,776	0.86
–	Woodside Energy	6	–
7,884	WPP	69,679	0.90
		2,257,436	29.05
<b>DEBT SECURITIES - 51.25% (51.39%)</b>			
<b>United Kingdom - 51.25% (51.39%)</b>			
£500,000	United Kingdom Treasury Bill 0% 12/09/2022	499,065	6.42
£1,000,000	United Kingdom Treasury Bill 0% 26/09/2022	997,260	12.83
£1,000,000	United Kingdom Treasury Bill 0% 17/10/2022	995,983	12.82
£500,000	United Kingdom Treasury Bill 0% 14/11/2022	497,205	6.40
£500,000	United Kingdom Treasury Bill 0% 19/12/2022	496,408	6.39

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>United Kingdom (continued)</b>			
£500,000	United Kingdom Treasury Bill 0% 28/12/2022	496,177	6.39
		<b>3,982,098</b>	<b>51.25</b>
<b>DERIVATIVES - (1.82%) (0.43%)</b>			
<b>Contracts for Difference - (1.82%) (0.43%)</b>			
(12,785)	A.G. BARR Contract for difference Notional value - GBP (69,295)	1,023	0.01
5,055	AstraZeneca (UK Listing) Contract for difference Notional value - GBP 548,063	(15,771)	(0.20)
(1,946)	Aveva Contract for difference Notional value - GBP (45,877)	49	-
(8,980)	B&M European Value Retail Contract for difference Notional value - GBP (38,098)	(3,911)	(0.05)
42,506	Barclays Contract for difference Notional value - GBP 66,815	2,631	0.03
12,209	Barratt Developments Contract for difference Notional value - GBP 61,204	5,299	0.07
23,482	BP Contract for difference Notional value - GBP 93,922	3,610	0.05
5,248	British American Tobacco Contract for difference Notional value - GBP 169,025	(8,830)	(0.11)
(52,046)	BT Contract for difference Notional value - GBP (84,197)	16,043	0.21
(889)	Croda International Contract for difference Notional value - GBP (66,506)	(6,001)	(0.08)
2,030	Diageo Contract for difference Notional value - GBP 78,799	6,379	0.08
(12,718)	Dignity Contract for difference Notional value - GBP (56,245)	(2,194)	(0.03)
(622)	FTSE 100 Index Futures January 2100 Contract for difference Notional value - GBP (4,617,373)	(141,094)	(1.82)
12,324	GlaxoSmithKline Contract for difference Notional value - GBP 212,922	(7,982)	(0.10)
15,405	Haleon Contract for difference Notional value - GBP 44,944	(6,636)	(0.08)
(2,001)	Halma Contract for difference Notional value - GBP (45,993)	(3,091)	(0.04)
32,582	HSBC (UK Listing) Contract for difference Notional value - GBP 167,357	(4,578)	(0.06)
(29,946)	International Consolidated Airlines (UK Listing) Contract for difference Notional value - GBP (35,561)	(4,513)	(0.06)
(20,363)	ITM Power Contract for difference Notional value - GBP (43,383)	355	-
(13,454)	Kingfisher Contract for difference Notional value - GBP (34,819)	(1,547)	(0.02)
(25,697)	Naked Wines Contract for difference Notional value - GBP (38,417)	1,984	0.03

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>Contracts for Difference (continued)</b>			
(2,898)	Ocado Contract for difference Notional value - GBP (24,329)	(113)	–
3,340	Rio Tinto (UK Listing) Contract for difference Notional value - GBP 164,462	3,758	0.05
14,640	Shell Contract for difference Notional value - GBP 319,042	21,777	0.28
(424)	Spirax-Sarco Engineering Contract for difference Notional value - GBP (50,626)	(5,279)	(0.07)
24,158	Tesco Contract for difference Notional value - GBP 63,451	664	0.01
6,721	Unilever (UK Listing) Contract for difference Notional value - GBP 269,092	10,199	0.13
(4,320)	Victrix Contract for difference Notional value - GBP (83,311)	(5,206)	(0.07)
2,080	Whitbread Contract for difference Notional value - GBP 54,049	1,841	0.02
		(141,134)	(1.82)
	Total value of investments	6,673,591	85.89
	Net other assets	1,096,253	14.11
	<b>Net assets</b>	<b>7,769,844</b>	<b>100.00</b>

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

Notional value illustrates the face value of the exposure to the underlying instruments on which the derivative contracts are traded and indicates the exposure the sub-fund has to the underlying stock or index it relates to.

The figures in brackets show allocations as at 31 July 2021.

Asset allocation	
Debt Securities	51.25%
Equities	36.46%
Derivatives	(1.82)%
Net other assets	14.11%
<b>Total</b>	<b>100.00%</b>

Portfolio allocation	
United Kingdom	80.30%
Ireland	3.61%
Switzerland	2.47%
Australia	1.33%
Derivatives	(1.82)%
Net other assets	14.11%
<b>Total</b>	<b>100.00%</b>

Major holdings	Percentage of portfolio
United Kingdom Treasury Bill 0% 26/09/2022	12.83%
United Kingdom Treasury Bill 0% 17/10/2022	12.82%
United Kingdom Treasury Bill 0% 12/09/2022	6.42%
United Kingdom Treasury Bill 0% 14/11/2022	6.40%
United Kingdom Treasury Bill 0% 19/12/2022	6.39%
United Kingdom Treasury Bill 0% 28/12/2022	6.39%
Ashtead	2.99%
OSB	2.72%
Chemring	2.69%
Glencore	2.47%
<b>Number of holdings</b>	<b>59</b>

## Statement of Total Return

For the year ended 31 July 2022					
	Note	Year to 31.07.22		Year to 31.07.21	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(352)		110
Revenue	3	251		129	
Expenses	4	(118)		(137)	
Interest payable and similar charges	5	(220)		(148)	
Net expense before taxation		(87)		(156)	
Taxation	6	–		(1)	
Net expense after taxation			(87)		(157)
<b>Total return before distributions</b>			<b>(439)</b>		<b>(47)</b>
Distributions	7		5		–
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(434)</b>		<b>(47)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022				
	Year to 31.07.22		Year to 31.07.21	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>9,729</b>		<b>9,800</b>
Amounts receivable on issue of shares	407		1,851	
Amounts payable on cancellation of shares	(1,932)		(1,878)	
		(1,525)		(27)
Dilution levy		–		3
Change in net assets attributable to shareholders from investment activities		(434)		(47)
<b>Closing net assets attributable to shareholders</b>		<b>7,770</b>		<b>9,729</b>

The notes on pages 198 and 210 form an integral part of these financial statements.



## Balance Sheet

As at 31 July 2022			
	Note	31.07.22 £'000	31.07.21 £'000
<b>Assets</b>			
Fixed Assets:			
Investments		6,891	9,266
Current assets:			
Debtors	8	159	8
Cash and bank balances	9	1,009	578
Total assets		8,059	9,852
<b>Liabilities</b>			
Investment liabilities		(217)	(67)
Creditors:			
Bank overdrafts	10	–	(2)
Other creditors	11	(72)	(54)
Total liabilities		(289)	(123)
<b>Net assets attributable to shareholders</b>		<b>7,770</b>	<b>9,729</b>

The notes on pages 198 to 210 form an integral part of these financial statements.

## Notes to the Financial Statements

### 1. Significant Accounting Policies

The summary of applicable accounting policies adopted by the Jupiter UK Opportunities Fund are included on pages 240 to 242.

### 2. Net Capital (Losses)/Gains

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

	31.07.22 £'000	31.07.21 £'000
Currency losses	(1)	(1)
Transaction charges	–	(1)
(Losses)/gains on non-derivative securities	(500)	996
Gains/(losses) on derivative contracts (see Note 14)	149	(884)
<b>Net capital (losses)/gains</b>	<b>(352)</b>	<b>110</b>

### 3. Revenue

	31.07.22 £'000	31.07.21 £'000
UK dividends	102	60
Overseas dividends	11	13
Bank interest	4	–
Interest on debt securities	12	1
Revenue received on Contracts for Difference	122	54
Interest earned on short term investments	–	1
<b>Total revenue</b>	<b>251</b>	<b>129</b>

### 4. Expenses

	31.07.22 £'000	31.07.21 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Fixed Annual Charge*	8	–
Fixed Ongoing Charge**	110	137
<b>Total expenses</b>	<b>118</b>	<b>137</b>

\*This figure represent the Fixed Annual Charge, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Investment adviser, Depositary (including associates etc.) and other expenses.

The audit fee for the year, excluding VAT, was £7,450 (31.07.21: £7,100).

\*\*With effect from 1 July 2022, the ACD has renamed the Fixed Ongoing Charge to the Fixed Annual Charge.

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

### 5. Interest Payable and Similar Charges

	31.07.22 £'000	31.07.21 £'000
Dividends payable on Contract for differences	218	147
Interest on bank overdrafts	2	1
<b>Total Interest payable and similar charges</b>	<b>220</b>	<b>148</b>

### 6. Taxation

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

	31.07.22 £'000	31.07.21 £'000
Overseas tax suffered	–	1
<b>Total tax charge for the year</b>	<b>–</b>	<b>1</b>

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

The tax assessed for the year is higher (2021: higher) than the standard rate of Corporation Tax in the UK for an open-ended investment company. The differences are explained below:

	31.07.22 £'000	31.07.21 £'000
Net expense before taxation	(87)	(156)
Corporation tax of 20% (2021: 20%)	(17)	(31)
<b>Effects of:</b>		
Current year expenses not utilised	38	47
Revenue not subject to taxation	(20)	(14)
Non-taxable overseas dividends	(1)	(2)
Overseas tax suffered	–	1
<b>Total tax charge for the year</b>	<b>–</b>	<b>1</b>

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

#### (c) Provision for Deferred Tax

At 31 July 2022, there are surplus management expenses of £5,005,322 (31.07.21: £4,811,155). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore a Deferred Tax asset of £1,001,064 (31.07.21: £962,231) has not been recognised.

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

### 7. Distributions

The distributions take account of amounts received on the issue of shares and deducted on the cancellation of shares and comprise:

	31.07.22 £'000	31.07.21 £'000
Final distribution	–	–
	–	–
Amounts paid on issue of shares	1	–
Amounts received on cancellation of shares	(6)	–
<b>Net distributions for the year</b>	<b>(5)</b>	<b>–</b>
<b>Reconciliation of net revenue after taxation to distributions:</b>		
Net expense after taxation	(87)	(157)
Transfer from capital for revenue deficit*	82	157
<b>Net distributions for the year</b>	<b>(5)</b>	<b>–</b>

\*No distribution have been made in respect of all unit classes for the current year as there was an excess of expenses over revenue. The deficit has been covered by a transfer from the capital of the sub-fund.

Details of the distributions in pence per share are shown in the Distribution Table on page 211.

### 8. Debtors

	31.07.22 £'000	31.07.21 £'000
Accrued revenue	8	8
Amounts receivable for issue of shares	1	–
Amounts receivable on derivative contracts	5	–
Overseas tax recoverable	2	–
Sales awaiting settlement	143	–
<b>Total debtors</b>	<b>159</b>	<b>8</b>

### 9. Cash and Bank Balances

	31.07.22 £'000	31.07.21 £'000
Cash and bank balances	1,009	578
<b>Total cash and bank balances</b>	<b>1,009</b>	<b>578</b>

### 10. Bank Overdrafts

	31.07.22 £'000	31.07.21 £'000
Amounts due to brokers	–	2
<b>Total bank overdrafts</b>	<b>–</b>	<b>2</b>

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

### 11. Other Creditors

	31.07.22 £'000	31.07.21 £'000
Accrued expenses	2	9
Amounts payable for cancellation of shares	21	32
Amounts payable on derivative contracts	19	13
Purchases awaiting settlement	30	–
<b>Total other creditors</b>	<b>72</b>	<b>54</b>

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

The sub-fund had no contingent assets, liabilities or capital commitments at the balance sheet date (31.07.21: £nil).

### 13. Related Party Transactions

Jupiter Fund Managers Limited (JFML), as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 196. Any amounts due to or from JFML at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in Notes 8 (Debtors) and 11 (Other Creditors).

Amounts receivable/(payable) from JFML in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. At the year end, a net balance of £20,422 was payable to JFML (31.07.21: £31,957 payable to JFML). These amounts are included in amounts receivable for issue of shares in Note 8 and amounts payable for cancellation of shares in Note 11.

Amounts paid to JFML in respect of fund management are disclosed in Note 4 (Expenses). At the year end, £2,064 (31.07.21: £8,657) was payable to JFML. This amount is included as part of accrued expenses in Note 11.

### 14. Financial Instruments

#### Financial Instrument Risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Bonds and derivatives.

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives for investment purposes and the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

The Investment Adviser is responsible for monitoring the portfolio of the sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

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

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

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are market price, foreign currency, interest rate, liquidity, credit and counterparty risk which are summarised below.

#### Market Risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate this risk and reduce cost.

#### Market Price Risk Sensitivity

A five percent market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £333,680 or 4.29% of NAV (31.07.21: £459,936 or 4.73% of NAV).

#### Foreign Currency Risk

A proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Adviser does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 July were as follows:

Currency	31.07.22 £'000	31.07.21 £'000
Euro	–	16

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

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

#### Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates. The interest rate risk profile of the sub-fund's financial assets and liabilities at the year end were as follows:

Currency	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Sterling	1,009	3,982	3,068	8,059
<b>Total</b>	<b>1,009</b>	<b>3,982</b>	<b>3,068</b>	<b>8,059</b>
<b>31.07.21</b>				
Euro	13	–	3	16
Sterling	564	5,000	4,259	9,823
<b>Total</b>	<b>577</b>	<b>5,000</b>	<b>4,262</b>	<b>9,839</b>

Currency	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Sterling	–	–	289	289
<b>Total</b>	<b>–</b>	<b>–</b>	<b>289</b>	<b>289</b>
<b>31.07.21</b>				
Sterling	2	–	108	110
<b>Total</b>	<b>2</b>	<b>–</b>	<b>108</b>	<b>110</b>

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

#### Liquidity Risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares.

Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

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

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

#### Credit Risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio statement.

As at 31.07.22		
Portfolio split	Market value £'000	Total net assets %
Investment grade	3,982	51.25
Below investment grade	–	–
Unrated	–	–
	<b>3,982</b>	<b>51.25</b>

As at 31.07.21		
Portfolio split	Market value £'000	Total net assets %
Investment grade	5,000	51.39
Below investment grade	–	–
Unrated	–	–
	<b>5,000</b>	<b>51.39</b>

#### Counterparty Risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.



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

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

#### Use of Derivatives

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

#### Contracts for Difference

The ACD entered into Contracts for Difference during the year with the aim of gaining short term exposure to a company's stock at a lower cost than directly holding the shares. This allows the ACD to gain exposure to share price movements (whether up or down) without the need for ownership of the underlying shares. This resulted in realised and unrealised gains of £148,841 to the sub-fund during the year (31.07.21: realised and unrealised losses of £884,000). A net amount of £95,989 (31.07.21: £54,000) equivalent to the dividends paid by the underlying holdings, has been received in the year and has been recognised as expense. All contracts were undertaken with Citigroup as counterparties during the year.

The total exposure for Contracts for Difference outstanding at the year end by counterparty are as follows:

Counterparty	31.07.22 £'000	31.07.21 £'000
Citigroup	76	42
	<b>76</b>	<b>42</b>

In order to reduce this risk, collateral may be held by the sub-fund. The counterparties to these transactions and any collateral held by the sub-fund at the balance sheet date are £nil (31.07.21: £nil)

#### Sensitivity Analysis

The Gross Sum of Notionals (GSON) leverage figures are prepared with no hedging or netting of any asset class. Across the range of asset classes exposures are treated differently. For instance, currency forwards are treated by valuing both legs of the underlying and expressing them as a percentage of the NAV. Physical assets are excluded to get the incremental exposure resulting from derivatives. The sub-fund is limited to 200% gross leverage (2021: 200%), and this limit has not been exceeded over the year. Using the "gross sum of notionals" methodology, the average leverage for the year ended 31 July 2022 was 87.31% (31.07.21: 67.70%).

The Investment Adviser assesses the market risk of the Jupiter UK Opportunities Fund, including any derivative exposures, using an Absolute Value at Risk ("VaR") methodology. VaR is a process that provides the Investment Adviser with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. As the sub-fund adopts an absolute VaR Model to measure the global market risk, the daily VaR limit for the sub-fund cannot be greater than 20 percent of the Net Asset Value of the sub-fund. The VaR is calculated using a one-tailed 99 percent confidence level, a one month holding period and the historical period of one year (250 Business Days). Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Jupiter UK Opportunities Fund. The sub-fund uses absolute methodology to measure Value at Risk (VaR). The VaR for the fund at 31 July 2022 was 1.44% (31.07.21: 2.60%).

	31.07.22	31.07.21
Maximum	3.55%	5.20%
Minimum	1.32%	2.50%
Average	2.24%	3.90%

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

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

#### What is VaR?

It estimates the worst potential loss in the portfolio within a certain time period and with a certain amount of confidence, using the following criteria:

- Internal Guidelines: 20% absolute VaR (99% confidence) over 20 day timeframe measured each day
- Holding period: 1 month (20 days)
- Observation period: minimum 1 year (250 days)
- 99% confidence implies a breach of 1 out of every 100 twenty day periods

#### If VaR approaches its limit the ACD may:

- Diversify the portfolio
- Reduce the gross exposure
- Hedge part of the portfolio
- Reduce exposure to positions with high marginal VaR contribution

### 15. Fair Value of Financial Assets and Liabilities

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

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.22</b>		
Level 1	6,815	–
Level 2	76	(217)
Level 3	–	–
<b>Total</b>	<b>6,891</b>	<b>(217)</b>

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.21</b>		
Level 1	4,266	(67)
Level 2	5,000	–
Level 3	–	–
<b>Total</b>	<b>9,266</b>	<b>(67)</b>

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

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

The majority of financial instruments are classified as level 1: Quoted Prices. Instruments classified as level 2: Observable data mainly comprise derivative holdings.

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

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

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

### 16. Portfolio Transaction Costs

For the year ended 31 July 2022

	Equities £'000	%	Bonds £'000	%	Corporate Actions £'000	%	Total £'000
<b>31.07.22</b>							
<b>Analysis of total purchases costs</b>							
Purchases in year before transaction costs	655		10,975		–		11,630
Commissions	–	0.04	–	–	–	–	–
Expenses and other charges	3	0.41	–	–	–	–	3
	3		–		–		3
Purchases including transaction costs	658		10,975		–		11,633
<b>Analysis of total sales costs</b>							
Sales in year before transaction costs	1,486		12,000		2		13,488
Commissions	(1)	0.04	–	–	–	–	(1)
Expenses and other charges	–	–	–	–	–	–	–
	(1)		–		–		(1)
Sales net of transaction costs	1,485		12,000		2		13,487

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

Commissions	0.01%
Expenses and other charges	0.03%

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

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

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

For the year ended 31 July 2021

	Equities £'000	%	Bonds £'000	%	Corporate Actions £'000	%	Total £'000
<b>31.07.21</b>							
<b>Analysis of total purchases costs</b>							
Purchases in year before transaction costs	1,572		16,737		5		18,314
Commissions	–	0.03	–	–	–	–	–
Expenses and other charges	5	0.29	–	–	–	–	5
	5		–		–		5
Purchases including transaction costs	1,577		16,737		5		18,319
<b>Analysis of total sales costs</b>							
Sales in year before transaction costs	1,324		17,836		–		19,160
Commissions	(1)	0.04	–	–	–	–	(1)
Expenses and other charges	–	–	–	–	–	–	–
	(1)		–		–		(1)
Sales net of transaction costs	1,323		17,836		–		19,159

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

Commissions	0.01%
Expenses and other charges	0.05%

The average portfolio dealing spread as at the balance sheet date was 0.05%.

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

### 17. Shareholders' Funds

The net asset value of each share class, net asset value per share and the number of shares in issue are given in the comparative tables for each sub-fund.

The share classes currently in issue and the Fixed Annual Charge of each share class are shown below.

Share Class	31.07.22	31.07.21
L (GBP) Accumulation	1.65%	1.65%
I (GBP) Accumulation	0.90%	0.90%
U1 (GBP) Accumulation	0.825%	0.825%

Reconciliation of Shares	L (GBP) Accumulation	I (GBP) Accumulation	U1 (GBP) Accumulation
Opening number of shares at 1 August 2021	5,795,951	1,348,036	2,045,428
Shares issued in year	31,190	59,393	355,208
Shares cancelled in year	(790,676)	(209,188)	(935,940)
Shares converted in year	(39,145)	36,354	–
Closing number of shares at 31 July 2022	4,997,320	1,234,595	1,464,696

## Distribution Table

For the year ended 31 July 2022

### FINAL

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 July 2022

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	–	–	–	–
Group 2	–	–	–	–

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	–	–	–	–
Group 2	–	–	–	–

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	–	–	–	–
Group 2	–	–	–	–

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

## Jupiter UK Smaller Companies Fund

### Performance

	1 year	3 years	5 years	10 years
Jupiter UK Smaller Companies Fund*	(23.69)	5.73	8.27	195.26
Numis Smaller Companies Index Ex Investment Companies (Benchmark)	(13.04)	12.33	10.66	137.18
IA UK Smaller Companies (Sector Average)	(20.33)	14.35	21.64	170.85
Quartile Ranking	3rd	4th	4th	3rd

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

### Investment Objective and Policy

To achieve capital growth. In seeking to achieve its investment objective the fund will aim to deliver a return, net of fees, greater than that of the Numis Smaller Companies Index excluding Investment Companies over rolling 3 year periods.

The sub-fund primarily invests in a portfolio of UK smaller companies.

UK companies are those that are domiciled or incorporated in the UK, or that conduct a significant part of their business in the UK. Smaller companies are defined for this purpose as those companies which are quoted on a regulated market and which have market capitalisations no greater than the largest company in the Numis Smaller Companies Index at the time of the initial investment. Typically, at least 80% of the portfolio will be invested in smaller companies.

The sub-fund may also invest in other transferable securities, shares in collective investment schemes (including those managed or operated by the ACD or an associate of the ACD), warrants, money market instruments, deposits and derivatives, and may hold cash.

The sub-fund may use derivatives for Efficient Portfolio Management purposes. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund. The sub-fund may use derivatives for purposes other than Efficient Portfolio Management, provided it has given shareholders 60 days' notice of such change. If the sub-fund did use derivatives for investment purposes, it may therefore at times increase the volatility of the sub-fund's NAV and change the risk profile of the sub-fund.

### Market Review

The year under review was challenging, impacted by lingering pandemic effects, supply chain disruption, wage inflation, and rising and volatile commodity prices. Central banks on both sides of the Atlantic began raising rates, while Russia's invasion of Ukraine introduced more uncertainty to the backdrop. In the UK, as of the end of the review year, Conservative Party members are in the process of choosing a new prime minister.

Towards the end of November 2021, South Africa announced that a new Covid-19 variant, subsequently named Omicron, was spreading rapidly and becoming the dominant strain of the virus. The potential for the outbreak to cross borders, leading to further restrictions on travel and social interaction, resulted in sharp falls in the prices of travel and leisure stocks; the government reintroduced limited restrictions when the variant entered the UK.

Surging energy prices, wage inflation, component shortages and supply chain disruptions exerted upward pressure on prices. The persistence of the trend led the US Federal Reserve (Fed) to drop the word 'transitory' from its rhetoric on inflation, and to signal that interest rates would rise sooner and higher than previously expected. The minutes of its December 2021 meeting confirmed the Fed's hawkish mood given ongoing price and wage pressures as the economy recovered from Covid-19.

The prospect of tighter monetary policy pushed bond yields higher in January, leading to a sharp rotation in global equity markets out of growth stocks in favour of value. Though there were tentative signs that supply constraints were easing, price and wage inflation continued to come in ahead of expectations on both sides of the Atlantic. The Fed and the Bank of England raised interest rates, while the European Central Bank signalled tightening would be brought forward.



Towards the end of February 2022, Russia invaded Ukraine. Oil, gas, industrial commodities, and wheat all spiked higher on fears that supplies from both countries would be disrupted, adding further inflationary pressure and hitting global economic growth. The US and Europe moved swiftly to impose sanctions, targeting the Central Bank of Russia, Russian commercial banks and individuals linked to the Putin regime. Europe refrained from imposing sanctions on Russian gas given its importance as a supplier to the region but announced plans to seek alternative sources of energy in future years and to increase defence budgets.

The UK government announced measures to relieve the pressure on household incomes from rising energy prices, part funded by a tax on oil companies and potentially on electricity generators. Following the 'Partygate' scandals, prime minister Boris Johnson survived a vote of no confidence from his own party, though with a lower-than-expected majority; his position untenable, Johnson moved to a caretaker role the start of July, with 'continuity candidate' Liz Truss, viewed as his most likely successor at the time of writing.

## Policy Review

Against this backdrop, the Fund fell by 23.69% compared to a fall of 13.04% for the Numis Smaller Companies Index. Both sector allocation and stock selection detracted from the Fund's performance relative to the reference index. At a sector level, while the Fund's overweight exposure to telecom services added value, this impact was more than offset by the effect of overweight positions in software and housebuilders, as well as our underweight to oil and gas.

At a stock level, the best relative performers were either more cheaply rated or more overtly defensive holdings, including One Savings Bank, Serco, Smart Metering Systems, Spirent and Chemring. Starling Bank, an unlisted holding, performed well as its price reflected the valuation at which the company issued equity.

Holdings which performed less well included the Chrysalis Investment Trust (reflecting falls in the prices of early-stage assets); and growth stocks Gamma Communications and Future plc, which suffered material deratings, even as both companies continued to deliver operationally. Positions in online retailers THG and boohoo, as well as digital advertising consultancy S4 Capital, all waned and were sold, while not holding Energean (a Mediterranean gas producer) for much of the year also detracted in relative terms.

Towards the beginning of the review year, against a backdrop of ongoing economic recovery from the pandemic and the prospect of central banks starting the process of policy normalisation, the portfolio could be characterised as being broadly balanced between the themes of growth and value/economic sensitivity.

Given stickier-than-expected inflation, the impact of the war in Ukraine on commodity prices, and increasingly shrill rhetoric from central bankers around the need to act more aggressively to raise rates and constrain demand, we concluded from the end of calendar Quarter 1 2022 that – directionally – global growth was likely to be lower and inflation higher than we might previously have thought. For this reason, we took action to reduce exposure to some extent to cyclical and economic sensitivity (as we saw this grouping as likely to be more vulnerable to a deteriorating GDP<sup>1</sup> outlook).

Accordingly, UK domestic cyclical names including retailers Pets at Home and Watches of Switzerland, as well as housebuilder Vistry, were sold. Some internationally facing cyclicals were either sold (such as electronic components distributor RS Group) or reduced (the real estate services business Savills).

Through the review year and driven by stock-specific considerations, we also sold out of positions in businesses that warned or where our conviction in the investment case fell, including online retailers boohoo and THG, digital advertising business S4 Capital, and smaller holdings including Hotel Chocolat, Reach and Supreme. Positions in software business Ideagen and advertising business Ocean Outdoor were subject to offers from private equity firms and were sold.

Key additions during the review year include Energean and Tullow (as the degree to which the Fund is underweight oil and gas has been moderated); a material position was also built in multi-utility provider Telecom Plus.

<sup>1</sup>GDP: Gross Domestic Product

## Investment Outlook

There is some tentative evidence of inflationary pressures cooling: prices across the entire commodity complex have fallen materially from recent peaks, and nominal wage growth, while still strong in absolute terms, is currently decelerating in the US.

While it is exceptionally difficult to be definitive as to the precise path of economic growth, it would seem that the debate has already moved on from a binary 'recession coming or not' question, to trying to gauge the likely length and depth of any economic downturn and the extent to which this has been discounted in valuations.

Although we have taken some recent action to moderate the extent of the Fund's exposure to economically sensitive businesses, we have consciously retained a broad balance between cheaper cyclical and structural growth, precisely because the range of possible outcomes remains broad with respect to global growth.

In the absence of incremental evidence that a deep and long-lasting recession is looming, both the structural growth and economically sensitive components of the UK smaller companies' market could rerate, in our view, and we believe the Fund should be positioned to capture this effect.

In the event that evidence of a deep and long-lasting economic contraction builds (intuitively we would probably need to see a wholesale reversal of the positive labour market trends that are currently evident, and a clear rise in unemployment to support the view that this is a likely outcome), further repositioning work would be required to augment the Fund's exposure towards more overtly defensive opportunities.

August 2022

### Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

## Comparative Tables

Change in net asset per share						
	L (GBP) Income			I (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	663.77	464.79	487.87	341.08	237.28	247.54
Return before operating charges*	(154.00)	210.01	(13.94)	(79.59)	107.46	(7.14)
Operating charges	(11.45)	(11.03)	(9.14)	(3.18)	(2.96)	(2.51)
Return after operating charges*	(165.45)	198.98	(23.08)	(82.77)	104.50	(9.65)
Distributions on income shares	(1.15)	–	–	(3.30)	(0.70)	(0.61)
Closing net asset value per share	497.17	663.77	464.79	255.01	341.08	237.28
*after direct transaction costs of:	0.38	0.35	0.47	0.19	0.17	0.24
Performance						
Return after charges (%)	(24.93)	42.81	(4.73)	(24.27)	44.04	(3.90)
Other Information						
Closing net asset value (£'000)	12,438	18,644	14,241	52,108	79,595	121,334
Closing number of shares	2,501,753	2,808,736	3,063,937	20,433,536	23,335,875	51,135,924
Operating charges (%)	1.90	1.90	1.90	1.025	1.025	1.025
Direct transaction costs (%)	0.06	0.06	0.10	0.06	0.06	0.10
Prices						
Highest share price (p)	716.86	669.70	572.10	368.73	344.60	291.60
Lowest share price (p)	464.72	461.70	328.80	240.76	235.70	167.70

Change in net asset per share						
	P (GBP) Income			U1 (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	305.90	213.13	222.58	235.26	163.64	170.71
Return before operating charges*	(71.20)	96.52	(6.30)	(54.91)	74.27	(4.92)
Operating charges	(3.89)	(3.75)	(3.14)	(2.01)	(1.97)	(1.58)
Return after operating charges*	(75.09)	92.77	(9.44)	(56.92)	72.30	(6.50)
Distributions on income shares	(1.92)	–	(0.01)	(2.47)	(0.68)	(0.57)
Closing net asset value per share	228.89	305.90	213.13	175.87	235.26	163.64
*after direct transaction costs of:	0.17	0.16	0.22	0.13	0.13	0.17
Performance						
Return after charges (%)	(24.55)	43.53	(4.24)	(24.19)	44.18	(3.81)
Other Information						
Closing net asset value (£'000)	7,706	11,152	7,743	139,377	218,222	97,335
Closing number of shares	3,366,718	3,645,594	3,632,841	79,249,255	92,755,936	59,481,872
Operating charges (%)	1.40	1.40	1.40	0.9375	0.9375	0.9375
Direct transaction costs (%)	0.06	0.06	0.10	0.06	0.06	0.10
Prices						
Highest share price (p)	330.55	308.50	261.70	254.36	237.90	201.20
Lowest share price (p)	215.16	211.70	150.50	166.20	162.60	115.70

## Comparative Tables *(continued)*

Change in net asset per share			
	U2 (GBP) Income		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	223.37	155.35	162.06
Return before operating charges*	(52.16)	70.48	(4.67)
Operating charges	(1.74)	(1.65)	(1.36)
Return after operating charges*	(53.90)	68.83	(6.03)
Distributions on income shares	(2.52)	(0.81)	(0.68)
Closing net asset value per share	166.95	223.37	155.35
*after direct transaction costs of:	0.13	0.12	0.16
Performance			
Return after charges (%)	(24.13)	44.31	(3.72)
Other Information			
Closing net asset value (£'000)	8,940	18,643	18,774
Closing number of shares	5,354,764	8,346,098	12,085,184
Operating charges (%)	0.85	0.85	0.85
Direct transaction costs (%)	0.06	0.06	0.10
Prices			
Highest share price (p)	241.52	226.00	191.10
Lowest share price (p)	157.93	154.30	109.90

Change in net asset per share						
	L (GBP) Accumulation			I (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	692.77	485.09	509.16	377.77	262.23	272.84
Return before operating charges*	(160.76)	219.19	(14.54)	(88.10)	118.90	(7.85)
Operating charges	(11.92)	(11.51)	(9.53)	(3.55)	(3.36)	(2.76)
Return after operating charges*	(172.68)	207.68	(24.07)	(91.65)	115.54	(10.61)
Distribution on accumulation share	(1.20)	–	–	(3.66)	(0.78)	(0.68)
Retained distributions on accumulation share	1.20	–	–	3.66	0.78	0.68
Closing net asset value per share	520.09	692.77	485.09	286.12	377.77	262.23
*after direct transaction costs of:	0.39	0.36	0.49	0.22	0.20	0.27
Performance						
Return after charges (%)	(24.93)	42.81	(4.73)	(24.26)	44.06	(3.89)
Other Information						
Closing net asset value (£'000)	149,692	216,870	173,498	262,331	459,944	388,689
Closing number of shares	28,782,149	31,304,768	35,765,952	91,684,726	121,750,955	148,223,067
Operating charges (%)	1.90	1.90	1.90	1.025	1.025	1.025
Direct transaction costs (%)	0.06	0.06	0.10	0.06	0.06	0.10
Prices						
Highest share price (p)	748.17	698.90	597.00	408.39	380.90	321.50
Lowest share price (p)	485.02	481.90	343.10	266.66	260.50	184.90

## Comparative Tables *(continued)*

Change in net asset per share						
	P (GBP) Accumulation			U1 (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	527.57	367.58	383.85	238.48	165.40	171.94
Return before operating charges*	(122.81)	166.44	(10.93)	(55.64)	75.04	(4.95)
Operating charges	(6.70)	(6.45)	(5.34)	(2.06)	(1.96)	(1.59)
Return after operating charges*	(129.51)	159.99	(16.27)	(57.70)	73.08	(6.54)
Distribution on accumulation share	(3.31)	–	–	(2.50)	(0.68)	(0.58)
Retained distributions on accumulation share	3.31	–	–	2.50	0.68	0.58
Closing net asset value per share	398.06	527.57	367.58	180.78	238.48	165.40
*after direct transaction costs of:	0.30	0.28	0.38	0.14	0.12	0.17

Performance						
Return after charges (%)	(24.55)	43.53	(4.24)	(24.19)	44.18	(3.80)

Other Information						
Closing net asset value (£'000)	6,730	9,208	6,787	186,890	370,545	240,922
Closing number of shares	1,690,689	1,745,370	1,846,369	103,380,174	155,374,854	145,657,629
Operating charges (%)	1.40	1.40	1.40	0.9375	0.9375	0.9375
Direct transaction costs (%)	0.06	0.06	0.10	0.06	0.06	0.10

Prices						
Highest share price (p)	570.07	532.10	451.30	257.84	240.50	202.70
Lowest share price (p)	371.08	365.20	259.50	168.47	164.30	116.60

Change in net asset per share			
	U2 (GBP) Accumulation		
	31.07.22 (p)	31.07.21 (p)	31.07.20 (p)
Opening net asset value per share	238.05	164.96	171.33
Return before operating charges*	(55.58)	74.80	(4.93)
Operating charges	(1.86)	(1.71)	(1.44)
Return after operating charges*	(57.44)	73.09	(6.37)
Distribution on accumulation share	(2.69)	(0.86)	(0.72)
Retained distributions on accumulation share	2.69	0.86	0.72
Closing net asset value per share	180.61	238.05	164.96
*after direct transaction costs of:	0.14	0.12	0.17

Performance			
Return after charges (%)	(24.13)	44.31	(3.72)

Other Information			
Closing net asset value (£'000)	6,961	12,491	20,180
Closing number of shares	3,853,948	5,247,254	12,233,488
Operating charges (%)	0.85	0.85	0.85
Direct transaction costs (%)	0.06	0.06	0.10

Prices			
Highest share price (p)	257.39	240.00	202.10
Lowest share price (p)	168.31	163.90	116.20

## Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
	<b>UNITED KINGDOM - 95.00% (97.07%)</b>		
	<b>Aerospace and Defense - 2.64% (1.92%)</b>		
6,365,278	Chemring	22,023,862	2.64
	<b>Automobiles and Parts - 1.81% (1.12%)</b>		
8,626,842	TI Fluid Systems	15,079,720	1.81
	<b>Banks - 1.93% (1.32%)</b>		
13,631,000	Starling Bank*	16,084,580	1.93
	<b>Chemicals - 1.51% (1.58%)</b>		
5,416,103	Synthomer	12,630,352	1.51
	<b>Closed End Investments - 2.01% (2.86%)</b>		
15,958,557	Chrysalis Investments <sup>†</sup>	16,788,402	2.01
	<b>Construction and Materials - 5.18% (5.54%)</b>		
813,841	Keller	6,453,759	0.77
2,772,829	Marshalls	13,725,504	1.65
935,893	Morgan Sindall	18,951,833	2.28
6,938,576	Severfield	4,024,374	0.48
		43,155,470	5.18
	<b>Electronic and Electrical Equipment - 2.61% (2.23%)</b>		
954,426	Oxford Instruments	21,760,913	2.61
	<b>Finance and Credit Services - 5.23% (4.14%)</b>		
879,671	Mortgage Advice Bureau	7,917,039	0.95
6,769,830	OSB	35,643,155	4.28
		43,560,194	5.23
	<b>Food Producers - 0.12% (0.50%)</b>		
779,339	Hotel Chocolat	1,052,108	0.12
	<b>Household Goods and Home Construction - 2.81% (3.25%)</b>		
3,580,101	Crest Nicholson	9,866,758	1.18
6,168,053	Watkin Jones	13,569,717	1.63
		23,436,475	2.81
	<b>Industrial Engineering - 2.22% (1.68%)</b>		
5,136,036	Vesuvius	18,469,186	2.22

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>Industrial Support Services - 12.61% (12.23%)</b>			
714,687	De La Rue	645,362	0.08
2,981,444	Knights	4,010,042	0.48
1,746,780	Marlowe	13,799,562	1.66
3,168,624	Robert Walters	17,173,942	2.06
1,897,223	RWS	7,273,953	0.87
12,118,755	Serco	22,807,497	2.74
3,159,158	Smart Metering Systems	29,664,494	3.56
20,639,992	Speedy Hire	9,690,476	1.16
		105,065,328	12.61
<b>Investment Banking and Brokerage Services - 9.54% (7.59%)</b>			
1,147,122	Alpha	20,762,908	2.49
786,216	Alpha Financial Markets	3,302,107	0.40
3,138,448	Foresight	13,307,020	1.60
2,578,659	IntegraFin	7,050,054	0.85
2,731,613	JTC	20,268,568	2.43
883,566	Liontrust Asset Management	9,171,415	1.10
832,071	Mattioli Woods	5,574,876	0.67
		79,436,948	9.54
<b>Leisure Goods - 0.00% (0.47%)</b>			
<b>Media - 3.06% (8.47%)</b>			
913,058	Future	16,690,700	2.00
6,568,484	Hyve	4,565,097	0.55
4,734,800	Pebble	4,261,320	0.51
		25,517,117	3.06
<b>Oil, Gas and Coal - 3.28% (0.55%)</b>			
1,158,174	Energiean	13,284,256	1.60
426,600	Harbour Energy	1,561,356	0.19
24,123,905	Tullow Oil	12,387,625	1.49
		27,233,237	3.28
<b>Personal Care, Drug and Grocery Stores - 0.00% (3.78%)</b>			
<b>Personal Goods - 0.50% (0.96%)</b>			
8,019,342	Revolution Beauty	4,186,097	0.50



## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
	<b>Pharmaceuticals and Biotechnology - 1.67% (0.94%)</b>		
1,152,475	Ergomed	13,898,848	1.67
	<b>Precious Metals and Mining - 0.97% (0.76%)</b>		
58,864,263	Jubilee Metals	8,064,404	0.97
	<b>Real Estate Investment and Services - 3.42% (3.74%)</b>		
4,964,486	Helical	19,361,495	2.32
770,070	Savills	9,163,833	1.10
		28,525,328	3.42
	<b>Real Estate Investment Trusts - 1.66% (1.10%)</b>		
2,358,839	Workspace	13,834,591	1.66
	<b>Retailers - 4.07% (8.67%)</b>		
7,581,859	DFS Furniture	10,887,550	1.31
1,566,461	Dunelm	13,314,918	1.60
7,060,997	Wickes	9,624,139	1.16
		33,826,607	4.07
	<b>Software and Computer Services - 12.45% (12.21%)</b>		
2,521,649	Aptitude Software	10,086,596	1.21
6,067,045	Ascential	17,715,771	2.13
1,950,225	Auction Technology	19,365,734	2.32
1,463,307	Blancco Technology	2,809,549	0.34
3,805,332	Bytes Technology	17,169,658	2.06
363,605	FD Technologies	7,112,114	0.85
7,450,780	Kin & Carta	13,947,860	1.68
7,480,941	Learning Technologies	9,942,171	1.19
635,726	Tracsis	5,594,389	0.67
		103,743,842	12.45
	<b>Telecommunications Equipment - 5.51% (1.29%)</b>		
7,743,286	Spirent Communications	21,820,580	2.62
1,072,012	Telecom Plus	24,066,669	2.89
		45,887,249	5.51
	<b>Telecommunications Service Providers - 3.23% (3.15%)</b>		
2,433,544	Gamma Communications	26,914,997	3.23
	<b>Travel and Leisure - 4.96% (5.02%)</b>		
1,980,653	JET2	18,154,665	2.18

## Portfolio Statement *(continued)*

As at 31 July 2022

Holding	Investment	Market value £	Total net assets %
<b>Travel and Leisure (continued)</b>			
2,671,751	Loungers	5,396,937	0.65
1,403,001	Mitchells & Butlers	2,431,401	0.29
7,389,503	Restaurant	3,742,783	0.45
45,854	Secret Escapes*	–	–
20,725	Secret Escapes (Series E Preference)*	2,265,450	0.27
281,058	Young & Co's Brewery 'A'	3,473,877	0.42
822,441	Young & Co's Brewery 'A' (non-voting)	5,822,882	0.70
		<b>41,287,995</b>	<b>4.96</b>
<b>PERU - 0.00% (0.39%)</b>			
<b>Precious Metals and Mining - 0.00% (0.39%)</b>			
<b>SINGAPORE - 0.96% (0.91%)</b>			
<b>Electronic and Electrical Equipment - 0.96% (0.91%)</b>			
264,434	XP Power (UK Listing)	8,012,350	0.96
	Total value of investments	799,476,200	95.96
	Net other assets	33,697,047	4.04
	<b>Net assets</b>	<b>833,173,247</b>	<b>100.00</b>

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

The figures in brackets show allocations as at 31 July 2021.

\*Investment Adviser is Jupiter Investment Management Limited.

\*Represents an unlisted and unquoted security.

Asset allocation	
Equities	95.96%
Net other assets	4.04%
<b>Total</b>	<b>100.00%</b>

Portfolio allocation	
Industrial Support Services	12.61%
Software and Computer Services	12.45%
Investment Banking and Brokerage Services	9.54%
Telecommunications Equipment	5.51%
Finance and Credit Services	5.23%
Construction and Materials	5.18%
Travel and Leisure	4.96%
Retailers	4.07%
Electronic and Electrical Equipment	3.57%
Real Estate Investment and Services	3.42%
Oil, Gas and Coal	3.28%
Telecommunications Service Providers	3.23%
Media	3.06%
Household Goods and Home Construction	2.81%
Aerospace and Defense	2.64%
Industrial Engineering	2.22%
Closed End Investments	2.01%
Banks	1.93%
Automobiles and Parts	1.81%
Pharmaceuticals and Biotechnology	1.67%
Real Estate Investment Trusts	1.66%
Chemicals	1.51%
Precious Metals and Mining	0.97%
Personal Goods	0.50%
Food Producers	0.12%
Net other assets	4.04%
<b>Total</b>	<b>100.00%</b>

Major holdings	Percentage of portfolio
OSB	4.28%
Smart Metering Systems	3.56%
Gamma Communications	3.23%
Telecom Plus	2.89%
Serco	2.74%
Chemring	2.64%
Spirent Communications	2.62%
Oxford Instruments	2.61%
Alpha	2.49%
JTC	2.43%
<b>Number of holdings</b>	<b>67</b>

## Statement of Total Return

For the year ended 31 July 2022					
	Note	Year to 31.07.22		Year to 31.07.21	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(329,051)		453,222
Revenue	3	24,757		16,166	
Expenses	4	(13,821)		(14,677)	
Interest payable and similar charges		–		–	
Net revenue before taxation		10,936		1,489	
Taxation	5	–		–	
Net revenue after taxation			10,936		1,489
<b>Total return before distributions</b>			<b>(318,115)</b>		<b>454,711</b>
Distributions	6		(10,941)		(2,966)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(329,056)</b>		<b>451,745</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022				
	Year to 31.07.22		Year to 31.07.21	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,415,314</b>		<b>1,089,504</b>
Amounts receivable on issue of shares	135,217		56,202	
Amounts payable on cancellation of shares	(394,749)		(184,196)	
		(259,532)		(127,994)
Change in net assets attributable to shareholders from investment activities		(329,056)		451,745
Retained distribution on accumulation shares		6,447		2,059
<b>Closing net assets attributable to shareholders</b>		<b>833,173</b>		<b>1,415,314</b>

The notes on pages 226 to 237 form an integral part of these financial statements.

## Balance Sheet

As at 31 July 2022			
	Note	31.07.22 £'000	31.07.21 £'000
<b>Assets</b>			
Fixed Assets:			
Investments		799,476	1,392,278
Current assets:			
Debtors	7	4,250	6,170
Cash and bank balances	8	38,274	24,050
Total assets		842,000	1,422,498
<b>Liabilities</b>			
Creditors:			
Distributions payable		(2,859)	(859)
Other creditors	9	(5,968)	(6,325)
Total liabilities		(8,827)	(7,184)
<b>Net assets attributable to shareholders</b>		<b>833,173</b>	<b>1,415,314</b>

The notes on pages 226 to 237 form an integral part of these financial statements.

## Notes to the Financial Statements

### 1. Significant Accounting Policies

The summary of applicable accounting policies adopted by the Jupiter UK Smaller Companies Fund are included on pages 240 to 242.

### 2. Net Capital (Losses)/Gains

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

	31.07.22 £'000	31.07.21 £'000
Currency gains	27	1
Transaction charges	–	(5)
(Losses)/gains on non-derivative securities	(329,078)	453,226
<b>Net capital (losses)/gains</b>	<b>(329,051)</b>	<b>453,222</b>

### 3. Revenue

	31.07.22 £'000	31.07.21 £'000
UK dividends	23,384	14,280
Overseas dividends	730	1,162
Bank interest	17	–
Management fee rebates	156	141
Revenue from REITs	470	583
<b>Total revenue</b>	<b>24,757</b>	<b>16,166</b>

### 4. Expenses

	31.07.22 £'000	31.07.21 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Fixed Annual Charge*	730	–
Fixed Ongoing Charge**	13,091	14,677
<b>Total expenses</b>	<b>13,821</b>	<b>14,677</b>

\*This figure represent the Fixed Annual Charge, which covers all fees payable by the sub-fund to the Authorised Corporate Director, Investment adviser, Depositary (including associates etc.) and other expenses.

The audit fee for the year, excluding VAT, was £10,050 (31.07.21: £9,600).

\*\*With effect from 1 July 2022, the ACD has renamed the Fixed Ongoing Charge to the Fixed Annual Charge.

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

### 5. Taxation

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

	31.07.22 £'000	31.07.21 £'000
<b>Total tax charge for the year</b>	-	-

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

The tax assessed for the year is lower (2021: lower) than the standard rate of Corporation Tax in the UK for an open-ended investment company. The differences are explained below:

	31.07.22 £'000	31.07.21 £'000
Net revenue before taxation	10,936	1,489
Corporation tax of 20% (2021: 20%)	2,187	298
<b>Effects of:</b>		
Current year expenses not utilised	2,639	2,790
Revenue not subject to taxation	(4,677)	(2,856)
Irrecoverable overseas tax	(149)	(232)
<b>Total tax charge for the year</b>	-	-

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

#### (c) Provision for Deferred Tax

At 31 July 2022, there are surplus management expenses of £174,762,713 (31.07.21: £161,567,743). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore a Deferred Tax asset of £34,952,543 (31.07.21: £32,313,549) has not been recognised.

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

### 6. Distributions

The distributions take account of amounts received on the issue of shares and deducted on the cancellation of shares and comprise:

	31.07.22 £'000	31.07.21 £'000
Final distribution	9,306	2,918
	9,306	2,918
Amounts received on issue of shares	(337)	(52)
Amounts paid on cancellation of shares	1,972	100
<b>Net distributions for the year</b>	<b>10,941</b>	<b>2,966</b>
<b>Reconciliation of net revenue after taxation to distributions:</b>		
Net revenue after taxation	10,936	1,489
Equalisation on conversions	5	43
Transfer from capital for revenue deficit	–	1,434
<b>Net distributions for the year</b>	<b>10,941</b>	<b>2,966</b>

Details of the distributions in pence per share are shown in the Distribution Table on pages 238 and 239.

### 7. Debtors

	31.07.22 £'000	31.07.21 £'000
Accrued revenue	1,835	877
Amounts receivable for issue of shares	1,083	553
Overseas tax recoverable	–	1
Management fee rebates receivable	323	167
Sales awaiting settlement	1,009	4,572
<b>Total debtors</b>	<b>4,250</b>	<b>6,170</b>

### 8. Cash and Bank Balances

	31.07.22 £'000	31.07.21 £'000
Cash and bank balances	38,274	24,050
<b>Total cash and bank balances</b>	<b>38,274</b>	<b>24,050</b>

### 9. Other Creditors

	31.07.22 £'000	31.07.21 £'000
Accrued expenses	242	1,266
Amounts payable for cancellation of shares	5,726	5,059
<b>Total other creditors</b>	<b>5,968</b>	<b>6,325</b>



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

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

The sub-fund had no contingent assets, liabilities or capital commitments at the balance sheet date (31.07.21: £nil).

### 11. Related Party Transactions

Jupiter Fund Managers Limited (JFML), as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 224. Any amounts due to or from JFML at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in Notes 7 (Debtors) and 9 (Other Creditors).

Amounts receivable/(payable) from JFML in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. At the year end, a net balance of £4,642,724 was payable to JFML (31.07.21: £4,506,248 payable to JFML). These amounts are included in amounts receivable for issue of shares in Note 7 and amounts payable for cancellation of shares in Note 9.

Amounts paid to JFML in respect of fund management are disclosed in Note 4 (Expenses). At the year end, £241,974 (31.07.21: £1,265,639) was payable to JFML. This amount is included as part of accrued expenses in Note 9.

Where investments are held in other Jupiter products, a rebate could be paid into the sub-fund. Amounts received from other Jupiter products as management fee rebates are included in Note 2 (Net Capital (Losses)/Gains) and Note 3 (Revenue). At the year end, £322,964 (31.07.21: £167,278) was receivable from other Jupiter products. This amount is included as management fee rebates receivable in Note 7.

Holdings in other products where Jupiter are the Investment Manager at the year-end, which are shown in the portfolio statement on pages 219 to 222 are valued at £16,788,402 (31.07.21: £40,498,000). There were no outstanding trade transaction at year end (31.07.21: £nil).

There were no dividends received during the year (31.07.21: £nil). There were no related accrued revenue due to sub-fund at year end (31.07.21: £nil).

### 12. Financial Instruments

#### Financial Instrument Risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives for the purpose of efficient portfolio management in accordance with the COLL Sourcebook. The financial instruments are held in line with the sub-fund's investment policy.

The Investment Adviser is responsible for monitoring the portfolio of the sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio statement of each sub-fund.

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

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

The main risks arising from financial instruments are market price, foreign currency, interest rate, liquidity, credit and counterparty risk which are summarised below.

#### Market Price Risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate this risk and reduce cost.

#### Market Price Risk Sensitivity

A five percent market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £39,973,810 or 4.80% of NAV (31.07.21: £69,613,906 or 4.92% of NAV).

#### Foreign Currency Risk

A proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Adviser does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 July were as follows:

Currency	31.07.22 £'000	31.07.21 £'000
Euro	–	1
US Dollar	–	8,318

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

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

#### Interest Rate Risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates. The interest rate risk profile of the sub-fund's financial assets and liabilities at the year end were as follows:

Currency	Floating Rate financial assets £'000	Fixed Rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Sterling	38,274	–	803,726	842,000
<b>Total</b>	<b>38,274</b>	<b>–</b>	<b>803,726</b>	<b>842,000</b>

<b>31.07.21</b>				
Euro	–	–	1	1
US Dollar	2	–	8,316	8,318
Sterling	24,048	–	1,390,131	1,414,179
<b>Total</b>	<b>24,050</b>	<b>–</b>	<b>1,398,448</b>	<b>1,422,498</b>

Currency	Floating Rate financial liabilities £'000	Fixed Rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>31.07.22</b>				
Sterling	–	–	8,827	8,827
<b>Total</b>	<b>–</b>	<b>–</b>	<b>8,827</b>	<b>8,827</b>
<b>31.07.21</b>				
Sterling	–	–	7,184	7,184
<b>Total</b>	<b>–</b>	<b>–</b>	<b>7,184</b>	<b>7,184</b>

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

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

#### Liquidity Risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares.

Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

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

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

#### Credit Risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Adviser's review and the Portfolio statement.

#### Counterparty Risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

#### Global Exposure

The Investment Adviser assesses the market risk of the Jupiter UK Smaller Companies Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. As the sub-fund uses the commitment approach, it must ensure that its global exposure does not exceed its total net asset value and the sub-fund may not therefore be leveraged in excess of 100% of its net asset value. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative. Using the commitment approach, the global exposure is 0.00% (31.07.21: 0.00%).

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

### 13. Fair Value of Financial Assets and Liabilities

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

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.22</b>		
Level 1	781,126	–
Level 2	–	–
Level 3	18,350	–
<b>Total</b>	<b>799,476</b>	<b>–</b>

Basis of valuation	Assets £'000	Liabilities £'000
<b>31.07.21</b>		
Level 1	1,365,936	–
Level 2	–	–
Level 3	26,342	–
<b>Total</b>	<b>1,392,278</b>	<b>–</b>

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

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

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

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

- **Price of recent transactions** — Management determine the fair value based on the price of recent transactions made by management or a third party.
- **Milestone analysis** — Management assess the investment company's progress against milestones expected at the time of investment in order to determine whether an adjustment is required to the transaction price to determine fair value.
- **Multiples** — Earnings or Revenue multiples are selected from comparable public companies based on geographic location, industry, size, risk profile, earnings growth prospects, target markets and other factors that management consider reasonable. A discount for lack of liquidity may then be applied to represent the adjustment to comparable company multiples to reflect the illiquidity of the portfolio companies relative to the comparable peer group. Management determines the discount for lack of liquidity based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Among the most common forms of multiples used for cash generating companies are EV/EBITDA and EV/Revenue multiples, generally seen to represent a good proxy for free cash flow and company performance. These are applied where appropriate based on the development of underlying portfolio companies but other inputs such as comparable company share price movements may also be considered.

■ **Net assets** — Management determine the fair value based on the net asset value of the underlying portfolio company. In applying the above valuation techniques in arriving at the fair value the ACD has assessed any further information available from internal and external sources to arrive at an estimated fair value, which includes but is not limited to the following:

- Reference to listed securities of the same company.
- Consideration of seniority of the securities held and terms of repayment upon realisation.
- Consideration of any trading restrictions on the investment company's shares that would limit ACD's ability to realise its holding.
- Consideration of any outstanding payments to be made by ACD.
- Industry statistics or events (such as mergers and acquisitions).

The fair value of the sub-fund's investments in Secret Escape (Series E preference) and Starling Bank are determined using the outsourced provider S&P Global (formerly HIS Markit) with their market approach using comparable traded multiples and the price is assessed and agreed by the governance process in place by the Unlisted Asset Valuation Committee (UAVC).

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

### 14. Portfolio Transaction Costs

For the year ended 31 July 2022

	Equities £'000	%	Corporate Actions £'000	%	Total £'000
<b>31.07.22</b>					
<b>Analysis of total purchases costs</b>					
Purchases in year before transaction costs	134,721		1,260		135,981
Commissions	63	0.05	–	–	63
Expenses and other charges	518	0.38	–	–	518
	581		–		581
Purchases including transaction costs	135,302		1,260		136,562
<b>Analysis of total sales costs</b>					
Sales in year before transaction costs	400,457		–		400,457
Commissions	(171)	0.04	–	–	(171)
Expenses and other charges	(1)	0.00	–	–	(1)
	(172)		–		(172)
Sales net of transaction costs	400,285		–		400,285

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

Commissions	0.02%
Expenses and other charges	0.04%

The average portfolio dealing spread as at the balance sheet date was 0.56%.

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

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

For the year ended 31 July 2021

	Equities £'000	%	Corporate Actions £'000	%	Total £'000
<b>31.07.21</b>					
<b>Analysis of total purchases costs</b>					
Purchases in year before transaction costs	254,474		4,764		259,238
Commissions	84	0.03	–	–	84
Expenses and other charges	515	0.20	–	–	515
	599		–		599
Purchases including transaction costs	255,073		4,764		259,837
<b>Analysis of total sales costs</b>					
Sales in year before transaction costs	389,903		–		389,903
Commissions	(169)	0.04	–	–	(169)
Expenses and other charges	(1)	–	–	–	(1)
	(170)		–		(170)
Sales net of transaction costs	389,733		–		389,733

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

Commissions	0.02%
Expenses and other charges	0.04%

The average portfolio dealing spread as at the balance sheet date was 0.66%.



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

### 15. Shareholders' Funds

The net asset value of each share class, net asset value per share and the number of shares in issue are given in the comparative tables for each sub-fund.

The share classes currently in issue and the Fixed Annual Charge of each share class are shown below.

Share Class	31.07.22	31.07.21
L (GBP) Income	1.90%	1.90%
L (GBP) Accumulation	1.90%	1.90%
I (GBP) Income	1.025%	1.025%
I (GBP) Accumulation	1.025%	1.025%
P (GBP) Income	1.40%	1.40%
P (GBP) Accumulation	1.40%	1.40%
U1 (GBP) Income	0.9375%	0.9375%
U1 (GBP) Accumulation	0.9375%	0.9375%
U2 (GBP) Income	0.85%	0.85%
U2 (GBP) Accumulation	0.85%	0.85%

Reconciliation of Shares	L (GBP) Income	L (GBP) Accumulation	I (GBP) Income	I (GBP) Accumulation
Opening number of shares at 1 August 2021	2,808,736	31,304,768	23,335,875	121,750,955
Shares issued in year	42,949	2,776,300	988,967	13,946,711
Shares cancelled in year	(322,788)	(5,145,919)	(3,969,619)	(43,832,364)
Shares converted in year	(27,144)	(153,000)	78,313	(180,576)
Closing number of shares at 31 July 2022	2,501,753	28,782,149	20,433,536	91,684,726

Reconciliation of Shares	P (GBP) Income	P (GBP) Accumulation	U1 (GBP) Income	U1 (GBP) Accumulation
Opening number of shares at 1 August 2021	3,645,594	1,745,370	92,755,936	155,374,854
Shares issued in year	5,552	20,994	11,920,975	17,534,209
Shares cancelled in year	(282,705)	(68,495)	(25,581,172)	(69,921,300)
Shares converted in year	(1,723)	(7,180)	153,516	392,411
Closing number of shares at 31 July 2022	3,366,718	1,690,689	79,249,255	103,380,174

Reconciliation of Shares	U2 (GBP) Income	U2 (GBP) Accumulation
Opening number of shares at 1 August 2021	8,346,098	5,247,254
Shares issued in year	17,299	870,355
Shares cancelled in year	(3,036,736)	(2,403,591)
Shares converted in year	28,103	139,930
Closing number of shares at 31 July 2022	5,354,764	3,853,948

## Distribution Table

For the year ended 31 July 2022

### FINAL

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 July 2022

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
L (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.1528	–	1.1528	–
Group 2	1.1528	–	1.1528	–

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
L (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.2032	–	1.2032	–
Group 2	1.2032	–	1.2032	–

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
I (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	3.3044	–	3.3044	0.7041
Group 2	1.6372	1.6672	3.3044	0.7041

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
I (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	3.6599	–	3.6599	0.7826
Group 2	2.7885	0.8714	3.6599	0.7826

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
P (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	1.9171	–	1.9171	–
Group 2	1.9171	–	1.9171	–

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
P (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	3.3071	–	3.3071	–
Group 2	2.8225	0.4846	3.3071	–

## Distribution Table *(continued)*

For the year ended 31 July 2022

### FINAL

Group 1: Shares purchased prior to 1 August 2021

Group 2: Shares purchased on or after 1 August 2021 to 31 July 2022

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
U1 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.4671	–	2.4671	0.6759
Group 2	–	2.4671	2.4671	0.6759

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
U1 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.5009	–	2.5009	0.6827
Group 2	0.7804	1.7205	2.5009	0.6827

	Revenue	Equalisation	Distribution paid 30.09.22	Distribution paid 30.09.21
U2 (GBP) Income Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.5212	–	2.5212	0.8098
Group 2	1.9709	0.5503	2.5212	0.8098

	Revenue	Equalisation	Distribution accumulated 30.09.22	Distribution accumulated 30.09.21
U2 (GBP) Accumulation Shares	pence per share	pence per share	pence per share	pence per share
Group 1	2.6869	–	2.6869	0.8592
Group 2	1.6902	0.9967	2.6869	0.8592

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

## Significant Accounting Policies

### (a) Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014 and amended in June 2017.

### Going Concern

The ACD has undertaken a detailed assessment of each sub-fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the sub-funds continue to be open for trading and the ACD is satisfied the sub-funds have adequate financial resources to continue in operation for at least 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

### (b) Recognition of revenue

Dividends on quoted ordinary shares, preference shares and distributions on holdings in Collective Investment Schemes are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when they are declared. Nominal interest on interest bearing securities and bank interest are recognised on an accruals basis. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the sub-fund. Revenue arising on debt securities that are purchased at a discount/premium to the maturity value is amortised or accumulated over the life of such securities and recognised at a consistent rate over the life of the instrument (effective yield basis). This basis uses the effective interest rate of the security to discount exactly the expected stream of future cash flows to the current net carrying value of the security. All distributions from accumulation holdings in Collective Investment Schemes are treated as revenue. The equalisation component of collective investment scheme distributions has been recognised as capital.

### (c) Treatment of stock dividends

Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the dates they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital. The ordinary element of stock dividends is treated as revenue but does not form part of the distribution.

### (d) Special dividends and share buy backs

The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue will form part of the distribution. The tax treatment will follow the accounting treatment of the principal amount.

### (e) Underwriting commissions

Underwriting commission is wholly recognised as revenue when the issue takes place, except where the sub-fund is required to take up some or all of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares.

### (f) Treatment of expenses

All expenses, except those relating to the purchase and sale of investments, are included in expenses, in the Statement of Total Return. Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

With effect from 1 July 2022, the fees charged to the sub-funds by the ACD have changed. Under the new simplified fee structure, the ACD has renamed the Fixed Ongoing Charge to the Fixed Annual Charge.

### (g) Revenue allocation to share classes

Revenue is allocated to the share classes of each sub-fund based on the proportion of assets held within each share class.

## Significant Accounting Policies *(continued)*

### (h) Rebate of Authorised Corporate Director's fees from underlying instruments

The sub-funds may be entitled to a rebate of Authorised Corporate Director's charge, or is sometimes paid as renewal commission, when it holds underlying investments in Collective Investment Schemes. This is accrued daily and treated as revenue or capital depending on the treatment of the ACD charge in the underlying investment.

### (i) Taxation and deferred tax

Provision is made for corporation tax at the current rate on the excess of taxable revenue over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. Tax is calculated using the marginal basis i.e. the tax effect of income and expenditure is allocated between capital and revenue on the same basis as the particular item to which it relates. A deferred tax asset is recognised only to the extent that there will be taxable profits in the future against which the asset can be offset.

### (j) Distribution policy

All of the net revenue available for distribution at the end of interim and final distribution periods will be distributed to shareholders. Should taxation and expenses taken together exceed revenue, there will be no distribution and the shortfall will be met from capital. The sub-funds distribute revenue on debt securities on an effective yield basis. Equalisation received on collective investment scheme distributions will be distributed.

For all sub-funds, some or all of any charges and expenses (including the charges of the ACD, the Depositary and the Administrator) may be treated as a capital expense in accordance with the COLL Sourcebook, which may have the effect of constraining capital growth, as the Company may treat the generation of income as a higher priority than capital growth or (as the case may be) place equal emphasis on the generation of income and on capital growth. In respect of the Jupiter Investment Grade Bond Fund, Jupiter Monthly Income Bond, Jupiter UK Alpha Fund, and Merian UK Equity Income Fund the policy is to charge all expenses to capital. While in respect of Jupiter UK Opportunities, Jupiter UK Smaller Companies and Jupiter UK Mid Cap, expenses are charged to income.

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

### (k) Basis of valuation of investments

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at Close of Business on 29 July 2022, being the last valuation point of the year. Market value is defined by the SORP as fair value which is generally the bid value of each security.

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

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

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

### (l) Exchange rates

Assets and liabilities in foreign currencies are translated into sterling at the exchange rates ruling at noon on the last business day of the accounting year. Revenue items in foreign currencies are translated into sterling at the exchange rates ruling when the revenue is received.

## Significant Accounting Policies *(continued)*

### **(m) Financial instruments**

Where appropriate, certain permitted financial instruments such as derivatives or forward currency contracts are used for efficient portfolio management and / or investment purposes. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in "revenue" or "expenses" in the statement of total return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in "Net capital gains/(losses)" in the statement of total return. Any positions on such financial instruments open at the year-end are reflected in the Balance sheet at their market value at the close of business on the last business day of the accounting year. Assets and liabilities in foreign currencies are translated into sterling at the exchange rates ruling at close of business on the last business day of the accounting year.

Jupiter Investment Grade Bond Fund, Jupiter Monthly Income Bond Fund, Merian UK Equity Income Fund and Jupiter UK Opportunities Fund can use derivatives for investment purposes and for efficient portfolio management. For all other sub-funds use of derivatives is for efficient portfolio management.

### **(n) Dilution policy**

The ACD has discretion to require a dilution adjustment to the price of a share on the purchase or redemption of shares in the sub-fund. The ACD's policy is to make a dilution adjustment when the ACD believes it is in the interest of the shareholders to do so.

## Remuneration Policy

### UCITS V Remuneration Qualitative Disclosures

#### Decision-making process to determine remuneration policies

Under the Jupiter's Group's framework ultimate responsibility in remuneration matters is held by the Board of Directors of Jupiter Fund Management Plc. The Board is supported in remunerated-related issues by the Remuneration Committee ("RemCo").

The Board is responsible for establishing the Group Remuneration Policy, and with support of the RemCo regularly reviewing the Group Remuneration Policy to meet any important regulatory developments and the objectives of the Group.

The RemCo is delegated with the role of supporting the Board in setting remuneration guidelines, establishing share-based remuneration plans, and approving the aggregate variable remuneration expenditure of the Group as well as determining and proposing to the Board the individual total remuneration payable to the members of the Board (other than its chairman) for approval. The RemCo ensures that the Remuneration Policy and practices across the Group operate in line with EU regulations that apply to its regulated entities and delegates.

The RemCo regularly reports to the Board on the status of its activities, the development of the remuneration architecture within the Group as well as on the operational implementation of this Policy. The RemCo consists of at least three members of the Board all of whom are Non-Executive Directors.

Jupiter's remuneration philosophy is aligned with the Group's pre-incentive operating profit as well as its tolerance for risk. The Group's approach provides for remuneration that attracts and retains employees in each local market and motivates them to contribute to the development and growth of its business. The policy promotes sound and effective risk management and does not encourage inappropriate risk taking.

#### Link between pay and performance

As described above, Jupiter operates a Group-wide remuneration policy, which applies to all employees across the Group.

Jupiter ensures that any measurement of performance used to evaluate the quantum of variable remuneration elements or pools of variable remuneration elements:

- includes adjustments for current and future risks, taking into account the cost and quantity of the capital and the liquidity required;
- takes into account the need for consistency with the timing and likelihood of the firm receiving potential future revenues incorporated into current earnings;
- is based on the performance of the Group, the individual and the relevant function / business unit or in the case of a fund manager, the fund(s), where financial and non-financial criteria are considered when assessing individual performance; and
- is set within a multi-year framework to ensure that the assessment process is based on longer term performance and associated risks, and to ensure that payment is spread over an appropriate period.

## Remuneration Policy *(continued)*

### Material Risk Takers

The categories of staff for inclusion as Material Risk Takers for JFML include:

- Executive and non-executive members of the Board
- Other members of senior management
- Staff responsible for control functions

The Material Risk Takers are identified and reviewed on an annual basis by the relevant entities and the RemCo in line with the criteria set out under EU regulations, namely:

If, in the performance of their professional activities certain staff of a delegate portfolio manager can have a material impact on the risk profiles of the funds they manage, these employees are considered as "Identified Staff". For this purpose, the Group considers the respective delegate portfolio manager as subject to equally effective regulation if they are required by law and regulations or in accordance with internal standards to put in place a remuneration policy, which in accordance to the ESMA Remuneration Guidelines is considered equivalent in its objectives. The Group's regulated entities will only delegate its portfolio management to firms, whose remuneration policy complies with the 'equivalence standard' as described.

In line with ESMA Guidelines, proportionality is considered taking into account the following factors:

- The percentage of assets under management;
- Total assets under management; and
- The average ratio between its fixed and variable remuneration paid to staff.

It should be noted that despite use of proportionality, the Group's compensation arrangements involve high levels of deferral, payment in shares and performance adjustment provisions on commercial and risk management grounds.

Further details in relation to the Qualitative disclosures are included in the attached Appendix – Jupiter Fund Management Plc Remuneration Framework.



## Remuneration Policy *(continued)*

### Quantitative disclosures

The remuneration data provided below reflects amounts paid in respect of the performance year 2021 in relation to the funds managed by JFML.

As at 31 December 2021, JFML had GBP 8.9 billion assets under management consisting of 12 sub funds.

Total annual remuneration paid to all Management Company employees:	
Of which fixed:	
Of which variable:	
Number of Management Company employees:	
Total remuneration paid to Identified Staff of the Management Company:	£13,135,399
Of which paid to Senior Management:	£8,871,577
Of which paid to other Identified Staff:	£4,263,822
Number of Identified Staff:	26
Total annual remuneration paid to employees in delegate(s):	£38,536,397
Of which fixed:	£2,701,524
Of which variable:	£35,834,873
Number of beneficiaries:	14

### Notes

Remuneration for Material Risk Takers includes remuneration paid to employees of other group companies performing senior management functions for the Management Company.

Remuneration for Material Risk Takers includes remuneration paid to employees of other group companies who perform fund management activities on behalf of the Management Company under the terms of a delegation agreement between the Management Company and their employer. The remuneration disclosed for these employees is the proportion of their total remuneration for the fund management activities they perform under a delegation agreement.

In the figures above, fixed remuneration relates to salary and pension benefits and variable remuneration includes the annual bonus including any long-term incentive awards.

These disclosures are in line with Jupiter's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops Jupiter may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other Jupiter fund disclosures in that same year.

Due to the increasing complexity of the business (i.e., Merian transaction), the information that is needed to provide a further breakdown of remuneration is not readily available and would not be relevant or reliable.

Implementation of the remuneration policy for the Group is subject to an annual independent review. No material outcomes or irregularities were identified as a result of the most recent independent review, which took place in 2021.

## Remuneration Policy *(continued)*

### Appendix – Jupiter Fund Management Plc Remuneration Framework

Jupiter Fund Management (JFM) Plc operates a Group-wide remuneration policy, which applies to all employees across the Group. This document provides details of this remuneration policy.

#### Decision-making process to determine remuneration policies

Under the Jupiter's Group's framework ultimate responsibility in remuneration matters is held by the Board of Directors of Jupiter Fund Management Plc. The Board is supported in remunerated-related issues by the Remuneration Committee ("RemCo").

The RemCo meets on a regular basis to consider remuneration matters across the Group. It operates under formal terms of reference, which are reviewed annually and are available on the Jupiter website. The RemCo is responsible for the determination, regular review of, and implementation of the overarching policy for remuneration that applies to the Group. It is also responsible for determining and reviewing annually individuals who have a material impact on the risk profile of Jupiter and/or its funds (Material Risk Takers ("MRTs")) and determining total remuneration packages for these individuals. In considering the remuneration policy, the RemCo seeks to ensure remuneration is structured in a way that attracts, motivates and retains high calibre staff, rewards individual and corporate performance and is aligned with appropriate risk and compliance standards and the long-term interests of shareholders, investors, clients and other stakeholders.

The RemCo takes full account of Jupiter's strategic objectives and stakeholder views in considering remuneration policy decisions. This includes careful consideration of any feedback from shareholders, investors, employees, the regulator and our clients, as well as specific input from subject matter experts, where requested (for example, the Chief Financial Officer, Chief Risk Officer, HR Director and Head of Reward). To avoid any conflicts of interest, the Committee comprises independent Non-Executive Directors and the Company Chairman, and no individual is involved in any decisions regarding their own remuneration.

The Committee has appointed Deloitte LLP as independent advisers to the Committee.

#### Remuneration policy

As described above, Jupiter operates a Group-wide remuneration policy. The Group has a pay for performance culture and flexible individual incentives are an important part of this performance culture. All employees are incentivised in a similar way and are rewarded according to personal performance and Jupiter's success.

A description of the different remuneration elements, how they are determined and the link between pay and performance are set out below.

## Remuneration Policy *(continued)*

### Remuneration elements

<b>Base salary</b>	Base salaries are generally reviewed annually. Base salary levels are set considering the individual's skills, the size and scope of their role, and the market rate for the role at comparator companies.
<b>Benefits</b>	Benefits provided deliver a package based on what is important to the Group's employees, and Jupiter is committed to offering a market-leading benefits package with a core focus on health and wellbeing. The Group will ensure that its pension policy is in line with its business strategy, objectives, values and long-term interests and, where required under local regulation, will not deliver discretionary benefits in excess of accrued pension benefits.
<b>Annual bonus (including Deferred Bonus Plan)</b>	<p>The annual bonus rewards individual and corporate performance and the achievement of strategic and personal objectives. The variable compensation pool (from which annual bonuses are paid) is based on Jupiter's profits, ensuring that any bonuses are affordable. The variable compensation pool may be adjusted based on the RemCo's assessment of a range of financial and non-financial considerations, including risk and compliance, as described later in this document. Individual bonuses are determined based on a number of factors relating to the individual's role and performance. This includes a balanced assessment of financial and non-financial factors, including:</p> <ul style="list-style-type: none"> <li>- Risk, compliance and conduct behaviour.</li> <li>- Metrics specific to the relevant business unit (e.g. sales performance for sales staff, investment performance and other factors such as profitability, assets managed and net sales for investment staff) and other specific departmental and corporate performance objectives and strategic goals.</li> <li>- Assessment of how the above performance is achieved in terms of risk and repeatability.</li> <li>- Performance in accordance with Jupiter's values and wider contribution to Jupiter and its growth strategy.</li> <li>- People related objectives, for example succession planning and people development.</li> </ul> <p>For any bonus amount in excess of £50,000 or local currency equivalent, a portion is deferred in the form of a Deferred Bonus Plan ("DBP") award, ensuring long term alignment to Jupiter's performance (subject to a de minimis £5,000 deferral amount, or local currency equivalent). Awards under the DBP can take the form of options over JFM plc shares and fund units. For individuals who are MRTs under AIFMD and/or UCITS V at least 40% of variable remuneration will be deferred, increasing to at least 60% where variable remuneration exceeds £500,000 for Jupiter's UK regulated entities or €500,000 in the case of JAMI or MGIE.</p> <p>Awards normally vest in equal annual tranches over the three years from the date of grant. DBP awards for MRTs are also subject to a six-month post vesting holding period. For certain individuals, including all MRTs, malus and/or clawback provisions apply.</p> <p>In addition to the above, for MRTs, half of any non-deferred bonus may be delivered in the form of options over Jupiter shares, or, where elected, options over units in a single specified fund, the asset base for which is considered to be a representative of the overall asset base managed by the Company. Portfolio managers may elect to receive half of their non-deferred bonus as options over units in a fund that they manage. Options over the non-deferred bonus vest immediately but are subject to a six-month post-vesting holding period.</p>
<b>Performance fees</b>	For certain portfolio managers, performance fee sharing arrangements are in place, which help align the interests of senior fund managers with the long-term performance of the funds they manage. Under these arrangements, fund managers are entitled to receive a pre-determined proportion of the total performance fee earned by Jupiter. In all instances, the performance fee is considered variable remuneration and is subject to the relevant deferral requirements, as well as malus and clawback provisions.
<b>Long-term incentives</b>	<p>Long-Term Incentive Plan ("LTIP") awards to senior individuals incentivise and reward for the long-term performance of the Company and aid retention of these employees. The grant of LTIP awards is based on an assessment of individual and corporate performance, including the consideration of risk and compliance.</p> <p>LTIP awards take the form of options over shares in the Company, providing alignment to overall Jupiter performance, and vest a minimum of three years from the date of grant subject to continued employment, and the satisfaction of performance conditions and malus and/or clawback provisions. The performance conditions are set by the RemCo at the start of the performance measurement period. Awards are also subject to maintenance of an appropriate risk and compliance environment throughout the performance period as well as an underlying business performance underpin. The RemCo will compare the vesting outcome for LTIP awards against shareholder and client experience over the same performance period.</p>

## Remuneration Policy *(continued)*

<b>Deferred Earn Out</b>	As part of the Company's acquisition of Merian Global Investors during the 2020 performance year, a Deferred Earn-Out ("DEO") scheme was established for the benefit of five key Merian management shareholders and their respective teams. The DEO will allow participants to benefit from a deferred earn-out plan of up to £30 million, structured as a combination of cash (£10m) and JFM plc shares (£20m), vesting over the third, fourth and fifth anniversaries of legal completion of the acquisition date (1 July 2020). Awards over shares are conditional on for growing and retaining revenues in the participant's respective investment strategy.  All awards are subject to continued employment, as well as malus and clawback provisions.
<b>All-employee share plans</b>	Jupiter operates a Sharesave Plan and Share Incentive Plan, for all UK employees and an International Share Award for all non-UK employees.

### Risk and reward at Jupiter

The RemCo gives careful consideration to the linkage between risk and reward to ensure that desired behaviours and culture are rewarded. This includes ensuring the reward structures are consistent with and promote sound and effective risk management and ensuring that the remuneration out-turns appropriately reflect the risk profile and behaviours of the Company and individual. This is demonstrated through a variety of reward features and processes in place which ensure alignment to risk considerations throughout the organisation. For example:

- When assessing the overall variable compensation pool, the RemCo considers a number of "checkpoints", as described overleaf.
- Assessment of individual performance includes consideration of a scorecard of financial and non financial metrics. This ensures that how performance has been achieved is taken into account, for example in terms of risk and repeatability. For all employees there is consideration of performance against risk and compliance criteria, thereby ensuring that there is risk adjustment at an individual level.
- All employees with bonuses of over £50,000 or local currency equivalent will have a portion of bonus deferred into options over Jupiter Fund Management plc shares and/or Jupiter fund units. When considered in conjunction with LTIP awards, this means that around 25% of employees are subject to some kind of deferral, ensuring their interests are aligned to Jupiter's long-term success.
- Minimum shareholding requirements apply to executive directors of Jupiter Fund Management plc, further enhancing the link to the Company's long-term success.
- For MRTs (including senior management), all variable remuneration is subject to malus and clawback provisions, whereby incentive awards may be reduced, withheld or reclaimed in certain circumstances, including where there has been a material failure of risk management.
- For staff engaged in control function roles (e.g. risk and compliance), variable remuneration is principally determined by reference to performance against departmental and individual objectives which relate specifically to their functions. The Remuneration Committee signs off all remuneration for senior control staff, ensuring independent review of achievements.
- For fund management staff, various quantitative and qualitative factors are applied when assessing individual performance so that remuneration is aligned to client outcomes. Fund Managers are subject to regular performance appraisals and oversight by the CIO Office. This review process includes amongst other factors, an assessment of activities concerning the integration of sustainability risks and may focus on areas such as voting, engagement and the selection of securities. The ESG evaluation is one part of the overall performance assessment and should be viewed in that wider context.

In addition, as well as the Audit and Risk Committee feeding into the process, the Chief Risk Officer presents a report to the Committee, setting out thoughts and assurances around how the current remuneration structures and processes support sound and effective risk management.

## Remuneration Policy *(continued)*

Checkpoints – determining the variable compensation spend

### Capital base and liquidity

#### Can Jupiter afford the proposed variable compensation pool?

Sufficient liquidity to make payments?

Consider impact on Jupiter’s capital base.

*Request and consider input from the Chief Financial Officer.*



### Underlying financial performance

#### Does Jupiter’s underlying financial performance support the proposed variable compensation pool funding?

Consider performance against financial KPIs listed in the Annual Report.

Is there any reason to believe the financial results are not a fair reflection of underlying performance?

*Request and consider input from the Audit and Risk Committee.*



### Risk

#### Does Jupiter’s risk profile and risk management support the variable compensation pool? Are any adjustments required?

Consideration of the Enterprise Risk Management report.

Are all risks being suitably monitored and managed? Have there been any material failures of risk management (or any “near misses”) in the year?

Consider whether profit reflects current and future risks and timing and likelihood of future revenues.

*Request and consider input from the Chief Risk Officer and the Audit and Risk Committee.*



### Compliance

#### Have there been any material compliance breaches in the year?

Is any adjustment required?

Consideration of any significant compliance breaches and/or “near misses”

Consideration of any fines received in the year and any ongoing regulatory investigations.

*Request and consider input from the Compliance Director.*



## Remuneration Policy *(continued)*

### Commercial

#### **Are there any commercial drivers to support adjustments to the variable compensation pool?**

Consider the market for talent and whether the pool would likely result in any significant over/underpayment against the market



### Reputational

#### **Are there any reputational drivers to support adjustments to the variable compensation pool?**

Has there been any reputational damage to the Group in the year?

Will the proposed variable compensation pool quantum have any adverse reputational impact on the Group?



**Variable compensation spend, total compensation ratio approval**

## Value Assessment

The Assessment of Value report for Jupiter Investment Management Series I, contained within a Composite Report on each of Jupiter's UK authorised funds is published annually on the Document Library at [www.jupiteram.com](http://www.jupiteram.com) within 4 months of the reference date 31 March.

## Appendix

### Cross Holdings

There were no cross holdings held by the sub-funds throughout the period to 31 July 2022 (31 July 2021: No cross holdings).

### Securities Financing Transactions Regulation Disclosure

The ACD is subject to the provisions of the European Regulation 2015/2365 on Reporting and Transparency of Securities Financing Transactions (the "SFTR"). The SFTR sets out certain disclosure requirements regarding the use of securities financing transactions ("SFTs") and total return swaps ("TRSs"). At present, the only fund which may use SFTs or TRSs is Jupiter UK Opportunities Fund. As at 31 July 2022 Jupiter UK Opportunities Fund did not hold any SFTs or TRSs.

## General Information

### Tax Information Reporting

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

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

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

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

## General Information *(continued)*

### Advice to Shareholders

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

Fraudsters will often:

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

You can avoid investment scams by:

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

If you are suspicious, report it:

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

For further helpful information about investment scams and how to avoid them please visit **www.fca.org.uk/scamsmart**

### Responsible Stewardship

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









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