

# Jupiter Merlin Funds

Société d'Investissement à Capital Variable (SICAV)

## Semi-Annual Review and Unaudited Financial Statements

For the six month period ended 31 March 2017





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Subscriptions cannot be received on the basis of this report. Subscriptions can only be accepted on the basis of the current prospectus accompanied by the key investor information document or (for Hong Kong investors) key fact statements of the respective funds, supplemented by the latest annual report and semi-annual report if published thereafter.

<sup>(\*)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

## Investment Objectives

<p><b>Jupiter Merlin Funds – Jupiter Managed European Portfolio <sup>(*)</sup> (‘Jupiter Managed European Portfolio’)</b></p>	<p>The investment objective of Jupiter Managed European Portfolio is to achieve long-term capital growth by investing predominantly in SICAVs, unit trusts, OEICs, Exchange Traded Funds and other collective investment schemes across several management groups. The Underlying Funds invest predominantly in international equities. The Fund may also invest in Underlying Funds investing in fixed interest stocks, and, to the extent permitted by the Investment Restrictions, in Underlying Funds investing in or seeking exposure to commodities and property.</p>
<p><b>Jupiter Merlin Funds – Jupiter Merlin International Balanced Portfolio (‘Jupiter Merlin International Balanced Portfolio’)</b></p>	<p>The investment objective of Jupiter Merlin International Balanced Portfolio is to achieve long-term capital growth with income by investing predominantly in SICAVs, unit trusts, OEICs, Exchange Traded Funds and other collective investment schemes across several management groups. The Underlying Funds invest predominantly in international equities and bonds. To the extent permitted by the Investment Restrictions, the Fund may also invest in Underlying Funds investing in or seeking exposure to commodities and property.</p>
<p><b>Jupiter Merlin Funds – Jupiter Merlin International Equities Portfolio (‘Jupiter Merlin International Equities Portfolio’)</b></p>	<p>The investment objective of Jupiter Merlin International Equities Portfolio is to achieve long-term capital growth by investing predominantly in SICAVs, unit trusts, OEICs, Exchange Traded Funds and other collective investment schemes across several management groups. The Underlying Funds invest predominantly in international equities. To the extent permitted by the Investment Restrictions, the Fund may also invest in Underlying Funds investing in or seeking exposure to commodities and property.</p>
<p><b>Jupiter Merlin Funds – Jupiter Merlin Real Return Portfolio (‘Jupiter Merlin Real Return Portfolio’)</b></p>	<p>The investment objective of the Jupiter Merlin Real Return Portfolio is to achieve real returns over a 3 year rolling period by investing predominantly in UCITS and other UCIs, Exchange Traded Funds and closed ended funds qualifying as transferable securities across several management groups. The Underlying Funds invest predominantly in international equities and bonds. To the extent permitted by the Investment Restrictions, the Fund may also invest in Underlying Funds investing in or seeking exposure to commodities and property.</p>

<sup>(\*)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

## Management, Administration and Independent Auditor

### Management, Administration and Independent Auditor

<b>Directors</b>	Adrian Creedy (Chairman) Garth Lorimer Turner* Jacques Elvinger* Patrick Zurstrassen* Paula Moore
<b>Registered Office</b>	6, route de Trèves Senningerberg L-2633 Luxembourg
<b>Depositary, Paying Agent and Administrator</b>	J.P. Morgan Bank Luxembourg S.A. 6, route de Trèves Senningerberg L-2633 Luxembourg
<b>Management Company</b>	Jupiter Unit Trust Managers Limited The Zig Zag Building 70 Victoria Street London SW1E 6SQ United Kingdom
<b>Independent Auditor</b>	Ernst & Young S.A. 35E avenue John F. Kennedy L-1855 Luxembourg
<b>Legal Adviser</b>	Elvinger Hoss Prussen, <i>société anonyme</i> 2, Place Winston Churchill L-1340 Luxembourg
<b>Investment Manager</b>	Jupiter Asset Management Limited The Zig Zag Building 70 Victoria Street London SW1E 6SQ United Kingdom  Authorised and regulated by the Financial Conduct Authority
<b>Distributor</b>	Jupiter Asset Management Limited The Zig Zag Building 70 Victoria Street London SW1E 6SQ United Kingdom
<b>Hong Kong Representative</b>	JPMorgan Chase Bank, N.A. Hong Kong Branch 21/F, JPMorgan Tower 138 Shatin Rural Committee Road Shatin, New Territories Hong Kong

\*Independent

## Board of Directors' Report

### Structure of the Company

The board of directors of the Company (the 'Board') has designated Jupiter Unit Trust Managers Limited ('JUTM') as Management Company of the Company to perform investment management, administration and marketing functions for the Company. JUTM is authorised as a management company managing UCITS governed by the UCITS Directive and is authorised and regulated by the Financial Conduct Authority of the United Kingdom.

As at 31 May 2017, the Company comprised 4 funds with multiple share classes.

### Corporate Governance and the ALFI Code of Conduct

The Board undertakes an annual review of ongoing compliance with the principles of the Code and considers that the Company has been in compliance with its principles in all material aspects throughout the financial year ended 30 September 2016.

### Board Composition

The Board is composed of five Board members, three of them being independent from JUTM and Jupiter Asset Management Limited ('JAM').

#### ADRIAN CREEDY Director and Chairman

Adrian Creedy (British) is the Company Secretary of Jupiter Fund Management plc and former Chief Operating Officer. He is a Solicitor of the Supreme Court of England and Wales.

#### GARTH LORIMER TURNER Director

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

#### JACQUES ELVINGER Director

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

#### PATRICK ZURSTRASSEN Director

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

#### PAULA MOORE Director

Paula Moore (British) is a Chartered Accountant and a member of the Institute of Chartered Accountants in England and Wales. She is a Director of JAM and a Director of JUTM.

### Chairman's Review

The dominating news event of the past six months was the election of Donald Trump as the 45th President of the United States. That surprise victory was a catalyst for the strengthening of a market rotation that was already favouring companies sensitive to the economic cycle, such as resources companies and financials. Trump's administration is thought to be more likely to conduct fiscal stimulus through tax cuts and spending on infrastructure and defence.

In Italy, the government suffered a heavy defeat in a referendum on constitutional reforms, leading to the resignation of Prime Minister Matteo Renzi. While the result did not come as a large surprise, the size of the government's defeat (59:41) certainly did. The vote threw the country into uncertainty at a time when its banking system was particularly vulnerable, and added to concerns over the rise of populism in Europe. Despite this, the market not only shrugged off the Italian referendum result, but seemed to take the view that there would now be greater certainty around how the country would deal with its struggling banking sector.

#### 2017 started with a bang

The New Year began with US and UK stock markets at all-time highs and that was a theme of the first quarter as share prices generally proved resilient to any uncertainty, at least until the end of the quarter when President Trump's struggles to enact his campaign promises saw some of that market optimism dissipate.

In late March, Theresa May signed a letter that formally notified the European Union of the UK's decision to leave the EU, starting a two year negotiating process to agree the terms of Brexit. The outcome of the German presidential election later this year, as well as the early general election in the UK scheduled for 8th June, will shape those discussions as the internal politics and power balances in those nations evolve. Emmanuel Macron's victory in the French presidential election removes the disruptive risk that would have been associated with a win for Marine Le Pen, but it remains to be seen what attitude Macron will take to Brexit in practice (he is notably far more pro-EU than Le Pen) and how this may influence the stance that France takes in the negotiations.

#### Inflation on the rise

Interest rates and inflation may not have gathered as many headlines as the seismic political events seen in recent months, but in investment terms they are probably no less impactful. The US Federal Reserve set the tone in December by raising interest rates from 0.5% to 0.75%: just the second rise since the start of the global financial crisis. It took this action partly because, after several years of deflationary pressures and the collapse in global commodity prices between mid-2014 and January 2016, inflation is becoming a factor again.

Central banks in developed economies are targeting 2% inflation. This level has already recently been exceeded in the Eurozone, the UK and the US. Despite this, it remains to be seen whether any major developed market central bank beyond the US will increase interest rates this year. If inflation rises faster than expected (and for longer) then central banks will be faced with the delicate task of trying to keep inflation under control while not raising interest rates so quickly that economic growth is strangled in the process.

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**Board of Directors' Report (continued)**

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**Chairman's Review (continued)**

All of the above means that the global economic and political backdrop remains complex and fluid. Life is rarely simple for investors, but it is at times of volatility and market uncertainty that active funds have the best opportunity to lay foundations upon which long-term outperformance can be built. It is therefore especially important that the Jupiter Independent Funds team continue to search for fund managers with the skills and experience to guide investors through this period while always remembering that investing is a long-term endeavour.

**Annual General Meeting**

The next annual general meeting of the Company will be held on 12 January 2018 at the registered office of the Company to consider matters relating to the year ended on 30 September 2017.

For and on behalf of the Board



**Adrian Creedy**  
Chairman

Luxembourg, 16 May 2017

## Unaudited Statement of Net Assets

## Unaudited Statement of Net Assets as at 31 March 2017

	Notes	Combined €	Jupiter Managed European Portfolio <sup>(1)</sup> €	Jupiter Merlin International Balanced Portfolio €	Jupiter Merlin International Equities Portfolio €	Jupiter Merlin Real Return Portfolio €
<b>Assets</b>						
Investments in securities at cost		319,233,323	29,351,140	68,181,135	87,298,970	134,402,078
Unrealised gain		62,539,159	4,707,357	10,675,174	35,771,388	11,385,240
<b>Investments in securities at market value</b>	2.d	<b>381,772,482</b>	<b>34,058,497</b>	<b>78,856,309</b>	<b>123,070,358</b>	<b>145,787,318</b>
Net unrealised gain on forward currency exchange contracts	2.e	991,186	–	–	896	990,290
<b>Other Assets</b>						
Cash and short-term deposits*		7,306,722	267,300	637,729	2,747,352	3,654,341
Dividends receivable		271,468	32,225	127,235	36,888	75,120
Management fee rebates	2.g	297,178	34,660	84,111	82,426	95,981
Subscriptions receivable		617,231	–	22,398	21,207	573,626
Accounts receivable and accrued income		876	15	101	–	760
<b>Other Assets</b>		<b>8,493,475</b>	<b>334,200</b>	<b>871,574</b>	<b>2,887,873</b>	<b>4,399,828</b>
<b>Total Assets</b>		<b>391,257,143</b>	<b>34,392,697</b>	<b>79,727,883</b>	<b>125,959,127</b>	<b>151,177,436</b>
<b>Liabilities</b>						
Net unrealised loss on forward currency exchange contracts	2.e	515	–	515	–	–
Due to shareholders		1,833,379	23,818	156,809	188,350	1,464,402
Bank overdraft**		12,764	–	–	–	12,764
Investment management fees payable	3	470,586	57,946	109,380	175,014	128,246
Accounts payable and accrued expenses		90,691	5,873	17,116	28,957	38,745
<b>Total Liabilities</b>		<b>2,407,935</b>	<b>87,637</b>	<b>283,820</b>	<b>392,321</b>	<b>1,644,157</b>
<b>Net Assets</b>		<b>388,849,208</b>	<b>34,305,060</b>	<b>79,444,063</b>	<b>125,566,806</b>	<b>149,533,279</b>

\*Cash held by depositary and other banks.

\*\*Includes negative cash at brokers.

<sup>(1)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

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



## Unaudited Statement of Net Assets

## Unaudited Statement of Net Assets as at 31 March 2017 (continued)

	Jupiter Managed European Portfolio <sup>(*)</sup>	Jupiter Merlin International Balanced Portfolio	Jupiter Merlin International Equities Portfolio	Jupiter Merlin Real Return Portfolio
<b>Number of shares outstanding:</b>				
<b>31 March 2017</b>				
Class D EUR Acc	–	110,283	81,128	16,503
Class D GBP A Inc	–	20,278	7,410	–
Class D GBP Acc HSC	–	–	–	465,684
Class D USD Acc	–	10,341	68,698	–
Class E EUR Acc	74,574	49,706	84,626	–
Class E GBP Acc	–	1,735	88	–
Class E USD Acc	–	1,524	–	–
Class I EUR Acc	–	–	–	4,402,423
Class I GBP Acc HSC	–	–	–	2,267,374
Class I USD Acc HSC	–	–	–	260,634
Class L EUR Acc	–	965,773	1,112,504	7,136
Class L GBP A Inc	–	1,138,675	643,258	–
Class L USD Acc	–	1,072,954	2,730,930	–
Class L GBP Acc HSC	–	–	–	265,392
Class L SGD Acc HSC	–	–	–	2,610,438
Class L USD Acc HSC	–	–	–	2,246,794
<b>Net Asset Value per Share:</b>				
<b>31 March 2017</b>				
Class D EUR Acc	–	€12.22*	€12.79*	€11.45*
Class D GBP A Inc	–	£12.87*	£13.46*	–
Class D GBP Acc HSC	–	–	–	£11.66*
Class D USD Acc	–	\$9.79*	\$10.47*	–
Class E EUR Acc	€460.01	€394.77*	€445.95*	–
Class E GBP Acc	–	£336.18*	£380.63*	–
Class E USD Acc	–	\$264.15*	–	–
Class I EUR Acc	–	–	–	€12.93*
Class I GBP Acc HSC	–	–	–	£13.06*
Class I USD Acc HSC	–	–	–	\$13.04*
Class L EUR Acc	–	€16.57*	€18.69*	€11.45*
Class L GBP A Inc	–	£18.17*	£24.01*	–
Class L USD Acc	–	\$16.86*	\$18.44*	–
Class L GBP Acc HSC	–	–	–	£11.35*
Class L SGD Acc HSC	–	–	–	SGD 11.85*
Class L USD Acc HSC	–	–	–	\$11.37*

\*Net Asset Values per Share include Swing Pricing Adjustments. Refer to Note 14 on page 27 for further details.

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## Unaudited Statement of Operations and Changes in Net Assets

### Unaudited Statement of Operations and Changes in Net Assets for the six month period ended 31 March 2017

	Notes	Combined €	Jupiter Managed European Portfolio <sup>(*)</sup> €	Jupiter Merlin International Balanced Portfolio €	Jupiter Merlin International Equities Portfolio €	Jupiter Merlin Real Return Portfolio €
<b>Income</b>						
Income from investments, net	2.f, 8	1,449,774	137,667	607,244	249,132	455,731
Management fee rebates	2.g	625,560	79,630	140,586	220,422	184,922
Deposit interest		283	–	283	–	–
<b>Total Income</b>		<b>2,075,617</b>	<b>217,297</b>	<b>748,113</b>	<b>469,554</b>	<b>640,653</b>
<b>Expenses</b>						
	2.h					
Bank charges and interest	12	18,483	1,438	3,071	4,194	9,780
Investment management fees		2,858,261	336,399	655,118	1,007,514	859,230
Aggregate operating fee	4	466,411	33,640	99,032	148,326	185,413
Other expenses		5,585	460	1,104	1,645	2,376
<b>Total Expenses</b>		<b>3,348,740</b>	<b>371,937</b>	<b>758,325</b>	<b>1,161,679</b>	<b>1,056,799</b>
<b>Net Operating Income/(Loss) for the Period</b>		<b>(1,273,123)</b>	<b>(154,640)</b>	<b>(10,212)</b>	<b>(692,125)</b>	<b>(416,146)</b>
<b>Net realised Gains/(Losses) on:</b>						
Investments in securities	2.d	22,497,850	4,158,001	7,307,008	7,630,055	3,402,786
Forward currency exchange contracts	2.e	2,318,505	–	(9,322)	(23,265)	2,351,092
Currency exchange transactions	2.c	(675,661)	(138,715)	(271,326)	(313,703)	48,083
<b>Total Net realised gains/(losses)</b>		<b>24,140,694</b>	<b>4,019,286</b>	<b>7,026,360</b>	<b>7,293,087</b>	<b>5,801,961</b>
<b>Net change in unrealised Gains/(Losses) on:</b>						
Investments in securities	2.d	(3,192,598)	(1,915,412)	(2,967,767)	3,525,202	(1,834,621)
Forward currency exchange contracts	2.e	190,120	–	(495)	1,089	189,526
<b>Total Change in Unrealised gains/(losses) on Investments and Derivatives</b>		<b>(3,002,478)</b>	<b>(1,915,412)</b>	<b>(2,968,262)</b>	<b>3,526,291</b>	<b>(1,645,095)</b>
<b>Net Increase/(Decrease) in Net Assets from Operations</b>		<b>19,865,093</b>	<b>1,949,234</b>	<b>4,047,886</b>	<b>10,127,253</b>	<b>3,740,720</b>
<b>Capital transactions</b>						
Received on issue of shares		17,433,682	162,846	3,249,043	4,527,770	9,494,023
Paid on redemptions of shares		(72,790,292)	(2,305,953)	(9,950,065)	(11,051,364)	(49,482,910)
Dividend distributions	11	–	–	–	–	–
<b>Total Increase/(Decrease) in Net Assets for the Period</b>		<b>(35,491,517)</b>	<b>(193,873)</b>	<b>(2,653,136)</b>	<b>3,603,659</b>	<b>(36,248,167)</b>
Beginning of the Period		424,340,725	34,498,933	82,097,199	121,963,147	185,781,446
<b>End of the Period</b>		<b>388,849,208</b>	<b>34,305,060</b>	<b>79,444,063</b>	<b>125,566,806</b>	<b>149,533,279</b>

<sup>(\*)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

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

## Unaudited Statement of Changes in Shares Issued

### Unaudited Statement of Changes in Shares Issued for the six month period ended 31 March 2017

	Shares outstanding at beginning of period	Shares issued	Shares redeemed	Shares outstanding at end of period
<b>Jupiter Managed European Portfolio<sup>(*)</sup></b>				
Class E EUR Acc	79,465	374	(5,265)	74,574
<b>Jupiter Merlin International Balanced Portfolio</b>				
Class D EUR Acc	29,213	81,096	(26)	110,283
Class D GBP A Inc	16,403	9,684	(5,809)	20,278
Class D USD Acc	10,341	–	–	10,341
Class E EUR Acc	54,098	410	(4,802)	49,706
Class E GBP Acc	1,794	–	(59)	1,735
Class E USD Acc	1,667	–	(143)	1,524
Class L EUR Acc	1,003,235	34,864	(72,326)	965,773
Class L GBP A Inc	1,332,814	41,569	(235,708)	1,138,675
Class L USD Acc	1,157,366	38,679	(123,091)	1,072,954
<b>Jupiter Merlin International Equities Portfolio</b>				
Class D EUR Acc	71,520	9,608	–	81,128
Class D GBP A Inc	5,129	4,603	(2,322)	7,410
Class D USD Acc	47,643	61,698	(40,643)	68,698
Class E EUR Acc	90,493	708	(6,575)	84,626
Class E GBP Acc	88	–	–	88
Class L EUR Acc	1,094,813	83,872	(66,181)	1,112,504
Class L GBP A Inc	696,485	45,686	(98,913)	643,258
Class L USD Acc	2,927,825	46,074	(242,969)	2,730,930
<b>Jupiter Merlin Real Return Portfolio</b>				
Class D EUR Acc	16,503	–	–	16,503
Class D GBP Acc HSC	635,941	175	(170,432)	465,684
Class I EUR Acc	4,403,301	10,759	(11,637)	4,402,423
Class I GBP Acc HSC	2,283,713	–	(16,339)	2,267,374
Class I USD Acc HSC	260,634	–	–	260,634
Class L EUR Acc	78,422	11,176	(82,462)	7,136
Class L GBP Acc HSC	1,859,787	56,602	(1,650,997)	265,392
Class L SGD Acc HSC	3,540,831	482,362	(1,412,755)	2,610,438
Class L USD Acc HSC	3,102,200	461,814	(1,317,220)	2,246,794

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

## Unaudited Statistical Information

## Unaudited Statistical Information as at 31 March 2017

	Number of Shares Outstanding:		
	As at 31 March 2017	As at 30 September 2016	As at 30 September 2015
<b>Jupiter Managed European Portfolio<sup>(*)</sup></b>			
Class E EUR Acc	74,574	79,465	95,429
<b>Jupiter Merlin International Balanced Portfolio</b>			
Class D EUR Acc	110,283	29,213	14,395
Class D GBP A Inc	20,278	16,403	26,872
Class D USD Acc	10,341	10,341	90,603
Class E EUR Acc	49,706	54,098	65,348
Class E GBP Acc	1,735	1,794	1,802
Class E USD Acc	1,524	1,667	3,672
Class L EUR Acc	965,773	1,003,235	1,065,678
Class L GBP A Inc	1,138,675	1,332,814	1,587,492
Class L USD Acc	1,072,954	1,157,366	1,259,130
<b>Jupiter Merlin International Equities Portfolio</b>			
Class D EUR Acc	81,128	71,520	82,775
Class D GBP A Inc	7,410	5,129	94
Class D USD Acc	68,698	47,643	47,643
Class E EUR Acc	84,626	90,493	112,886
Class E GBP Acc	88	88	307
Class L EUR Acc	1,112,504	1,094,813	1,093,142
Class L GBP A Inc	643,258	696,485	779,913
Class L USD Acc	2,730,930	2,927,825	3,261,033
<b>Jupiter Merlin Real Return Portfolio</b>			
Class D EUR Acc	16,503	16,503	22,768
Class D GBP Acc HSC	465,684	635,941	672,025
Class I EUR Acc	4,402,423	4,403,301	3,534,925
Class I GBP Acc HSC	2,267,374	2,283,713	2,821,218
Class I USD Acc HSC	260,634	260,634	275,758
Class L EUR Acc	7,136	78,422	109,316
Class L GBP Acc HSC	265,392	1,859,787	1,586,395
Class L SGD Acc HSC	2,610,438	3,540,831	2,829,227
Class L USD Acc HSC	2,246,794	3,102,200	1,674,902

<sup>(\*)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

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

## Unaudited Statistical Information

## Unaudited Statistical Information as at 31 March 2017 (continued)

	Total Net Assets:		
	As at 31 March 2017	As at 30 September 2016	As at 30 September 2015
<b>Jupiter Managed European Portfolio<sup>(*)</sup></b>			
Class E EUR Acc	€34,305,060	€34,498,933	€42,138,515
<b>Jupiter Merlin International Balanced Portfolio</b>			
Class D EUR Acc	€1,347,982	€338,147	€158,791
Class D GBP A Inc	£260,979	£200,827	£270,997
Class D USD Acc	\$101,226	\$100,219	\$840,994
Class E EUR Acc	€19,622,260	€20,349,325	€23,722,471
Class E GBP Acc	£583,380	£577,273	£479,397
Class E USD Acc	\$402,442	\$438,605	\$936,636
Class L EUR Acc	€16,002,958	€15,805,198	€16,127,358
Class L GBP A Inc	£20,690,048	£23,126,566	£22,694,283
Class L USD Acc	\$18,092,274	\$19,395,512	\$20,360,755
<b>Jupiter Merlin International Equities Portfolio</b>			
Class D EUR Acc	€1,037,328	€838,949	€906,998
Class D GBP A Inc	£99,741	£63,610	£932
Class D USD Acc	\$719,419	\$478,539	\$448,984
Class E EUR Acc	€37,738,650	€37,245,753	€43,935,200
Class E GBP Acc	£33,450	£31,008	£87,782
Class L EUR Acc	€20,787,680	€18,839,644	€17,704,942
Class L GBP A Inc	£15,446,054	£15,469,400	£13,966,526
Class L USD Acc	\$50,350,645	\$51,965,280	\$54,720,567
<b>Jupiter Merlin Real Return Portfolio</b>			
Class D EUR Acc	€189,019	€187,167	€249,262
Class D GBP Acc HSC	£5,431,911	£7,319,229	£7,427,254
Class I EUR Acc	€56,906,368	€56,348,835	€43,641,051
Class I GBP Acc HSC	£29,620,984	£29,437,978	£34,906,339
Class I USD Acc HSC	\$3,398,418	\$3,341,843	\$3,387,896
Class L EUR Acc	€81,675	€891,953	€1,209,205
Class L GBP Acc HSC	£3,011,936	£20,907,587	£17,255,321
Class L SGD Acc HSC	SGD 30,941,443	SGD 41,473,313	SGD 31,781,452
Class L USD Acc HSC	\$25,550,606	\$34,831,993	\$18,164,901

<sup>(\*)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

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

## Unaudited Statistical Information

## Unaudited Statistical Information as at 31 March 2017 (continued)

	Net asset value per share:		
	As at 31 March 2017	As at 30 September 2016	As at 30 September 2015
<b>Jupiter Managed European Portfolio<sup>(A)</sup></b>			
Class E EUR Acc	€460.01	€434.14	€441.35*
<b>Jupiter Merlin International Balanced Portfolio</b>			
Class D EUR Acc	€12.22*	€11.57*	€11.02*
Class D GBP A Inc	£12.87*	£12.24*	£10.08*
Class D USD Acc	\$9.79*	\$9.69*	\$9.28*
Class E EUR Acc	€394.77*	€375.93*	€362.80*
Class E GBP Acc	£336.18*	£321.54*	£265.82*
Class E USD Acc	\$264.15*	\$262.94*	\$254.89*
Class L EUR Acc	€16.57*	€15.74*	€15.12*
Class L GBP A Inc	£18.17*	£17.34*	£14.29*
Class L USD Acc	\$16.86*	\$16.75*	\$16.16*
<b>Jupiter Merlin International Equities Portfolio</b>			
Class D EUR Acc	€12.79*	€11.73*	€10.96*
Class D GBP A Inc	£13.46*	£12.40*	£9.92*
Class D USD Acc	\$10.47*	\$10.04*	\$9.42*
Class E EUR Acc	€445.95*	€411.50*	€389.12*
Class E GBP Acc	£380.63*	£352.77*	£285.77*
Class L EUR Acc	€18.69*	€17.20*	€16.19*
Class L GBP A Inc	£24.01*	£22.21*	£17.90*
Class L USD Acc	\$18.44*	\$17.75*	\$16.78*
<b>Jupiter Merlin Real Return Portfolio</b>			
Class D EUR Acc	€11.45*	€11.35*	€10.95*
Class D GBP Acc HSC	£11.66*	£11.52*	£11.06*
Class I EUR Acc	€12.93*	€12.81*	€12.35*
Class I GBP Acc HSC	£13.06*	£12.90*	£12.38*
Class I USD Acc HSC	\$13.04*	\$12.83*	\$12.29*
Class L EUR Acc	€11.45*	€11.38*	€11.07*
Class L GBP Acc HSC	£11.35*	£11.25*	£10.88*
Class L SGD Acc HSC	SGD 11.85*	SGD 11.72*	SGD 11.24*
Class L USD Acc HSC	\$11.37*	\$11.24*	\$10.85*

\* Net Asset Values per Share include Swing Pricing Adjustments. For the current period, refer to Note 14 on page 27 for further details.

<sup>(A)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

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

Jupiter Managed European Portfolio<sup>(A)</sup>
**Jupiter Managed European Portfolio<sup>(A)</sup> Schedule of Investments as at 31 March 2017**

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
<b>Units of authorised UCITS or other collective investment undertakings</b>				
<b>Collective Investment Schemes – UCITS</b>				
<b>Ireland</b>				
Odey European Focus Fund – A EUR	EUR	280,000	5,003,600	14.59
			<b>5,003,600</b>	<b>14.59</b>
<b>Luxembourg</b>				
Argos Argonaut Fund – Class A EUR	EUR	13,500	4,398,705	12.82
The Jupiter Global Fund Jupiter Europa – Class L EUR A Acc <sup>†</sup>	EUR	220,000	2,985,400	8.70
The Jupiter Global Fund Jupiter European Growth – Class L EUR Acc <sup>†</sup>	EUR	130,000	3,816,800	11.13
			<b>11,200,905</b>	<b>32.65</b>
<b>United Kingdom</b>				
FP CRUX European Special Situations Fund – Class I Income GBP	GBP	2,550,000	6,168,894	17.98
Jupiter UK Special Situations Fund – Class I Income Units <sup>†</sup>	GBP	1,200,000	2,723,482	7.94
Schroder European Alpha Income Fund – Class L Income GBP	GBP	7,378,839	6,151,526	17.93
TB Wise Evenlode Income Fund – C Income	GBP	1,200,000	2,810,090	8.19
			<b>17,853,992</b>	<b>52.04</b>
<b>Total Collective Investment Schemes – UCITS</b>			<b>34,058,497</b>	<b>99.28</b>
<b>Total Units of authorised UCITS or other collective investment undertakings</b>			<b>34,058,497</b>	<b>99.28</b>
<b>Total Investments</b>			<b>34,058,497</b>	<b>99.28</b>
<b>Cash</b>			<b>267,300</b>	<b>0.78</b>
<b>Other Assets/(Liabilities)</b>			<b>(20,737)</b>	<b>(0.06)</b>
<b>Total Net Assets</b>			<b>34,305,060</b>	<b>100.00</b>

<sup>(A)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

<sup>†</sup>Related Party Fund

Geographic Allocation of Portfolio	% of Net Assets
United Kingdom	52.04
Luxembourg	32.65
Ireland	14.59
<b>Total Investments</b>	<b>99.28</b>
Cash and Other Assets/(Liabilities)	0.72
<b>Total</b>	<b>100.00</b>

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

## Jupiter Merlin International Balanced Portfolio

**Jupiter Merlin International Balanced Portfolio** Schedule of Investments as at 31 March 2017

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
<b>Units of authorised UCITS or other collective investment undertakings</b>				
<b>Collective Investment Schemes – UCITS</b>				
<b>Ireland</b>				
Findlay Park American Fund – Dollar Shares	USD	90,000	7,829,458	9.85
			<b>7,829,458</b>	<b>9.85</b>
<b>Luxembourg</b>				
Argos Argonaut Fund – Class A EUR	EUR	16,221	5,285,441	6.65
The Jupiter Global Fund Jupiter Dynamic Bond – Class I EUR Q Inc†	EUR	1,355,000	15,203,100	19.14
The Jupiter Global Fund Jupiter Global Equities – Class I GBP Acc†	GBP	500,000	6,325,408	7.96
Vontobel TwentyFour Global Unconstrained Bond – AMH (hedged) EUR	EUR	150,000	15,139,500	19.06
			<b>41,953,449</b>	<b>52.81</b>
<b>United Kingdom</b>				
Capita CF Morant Wright Japan Fund – B Accumulation	GBP	500,000	2,329,383	2.93
First State Stewart Investors Asia Pacific Leaders Fund – Class B (Accumulation) GBP	GBP	250,000	1,970,263	2.48
FP CRUX European Special Situations Fund – Class I Income GBP	GBP	715,000	1,729,710	2.18
Fundsmith Equity Fund – I Class Income Shares	GBP	1,900,000	6,651,589	8.37
Jupiter Global Emerging Markets Fund – I–Class Accumulation Units†	GBP	2,400,000	1,996,054	2.51
Jupiter North American Income Fund – Income Units†	GBP	3,250,000	4,842,493	6.10
Old Mutual North American Equity Fund – R (GBP) Accumulation Shares	GBP	1,700,000	5,186,211	6.53
Schroder European Alpha Income Fund – Class L Income GBP	GBP	2,554,213	2,129,374	2.68
			<b>26,835,077</b>	<b>33.78</b>
<b>Total Collective Investment Schemes – UCITS</b>			<b>76,617,984</b>	<b>96.44</b>
<b>Exchange Traded Funds</b>				
<b>Jersey</b>				
ETFS Physical Gold Fund	USD	20,000	2,238,325	2.82
			<b>2,238,325</b>	<b>2.82</b>
<b>Total Exchange Traded Funds</b>			<b>2,238,325</b>	<b>2.82</b>
<b>Total Units of authorised UCITS or other collective investment undertakings</b>			<b>78,856,309</b>	<b>99.26</b>
<b>Total Investments</b>			<b>78,856,309</b>	<b>99.26</b>
<b>Cash</b>			<b>637,729</b>	<b>0.80</b>
<b>Other Assets/(Liabilities)</b>			<b>(49,975)</b>	<b>(0.06)</b>
<b>Total Net Assets</b>			<b>79,444,063</b>	<b>100.00</b>

†Related Party Fund

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



## Jupiter Merlin International Balanced Portfolio

**Jupiter Merlin International Balanced Portfolio**  
 Schedule of Investments as at 31 March 2017 (continued)

Geographic Allocation of Portfolio	% of Net Assets
Luxembourg	52.81
United Kingdom	33.78
Ireland	9.85
Jersey	2.82
<b>Total Investments</b>	<b>99.26</b>
Cash and Other Assets/(Liabilities)	0.74
<b>Total</b>	<b>100.00</b>

**Forward Currency Exchange Contracts**

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
GBP	75	EUR	87	04/04/2017	J.P. Morgan	–	–
USD	14,356	EUR	13,386	04/04/2017	J.P. Morgan	55	–
<b>Total Unrealised Gain on Forward Currency Exchange Contracts</b>						<b>55</b>	<b>–</b>
EUR	22,401	USD	24,319	03/04/2017	J.P. Morgan	(367)	–
GBP	1,747	EUR	2,045	05/04/2017	J.P. Morgan	(8)	–
USD	106,119	EUR	99,542	05/04/2017	J.P. Morgan	(195)	–
<b>Total Unrealised Loss on Forward Currency Exchange Contracts</b>						<b>(570)</b>	<b>–</b>
<b>Net Unrealised Loss on Forward Currency Exchange Contracts</b>						<b>(515)</b>	<b>–</b>

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

## Jupiter Merlin International Equities Portfolio

**Jupiter Merlin International Equities Portfolio** Schedule of Investments as at 31 March 2017

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
<b>Units of authorised UCITS or other collective investment undertakings</b>				
<b>Collective Investment Schemes – UCITS</b>				
<b>Ireland</b>				
Findlay Park American Fund – Dollar Shares	USD	279,000	24,271,328	19.33
			<b>24,271,328</b>	<b>19.33</b>
<b>Luxembourg</b>				
Argos Argonaut Fund – Class A EUR	EUR	29,292	9,544,278	7.60
The Jupiter Global Fund Jupiter Global Equities – Class I GBP Acc <sup>†</sup>	GBP	1,000,000	12,650,816	10.08
			<b>22,195,094</b>	<b>17.68</b>
<b>United Kingdom</b>				
First State Stewart Investors Asia Pacific Leaders Fund – Class B (Accumulation) GBP	GBP	750,000	5,910,788	4.71
FP CRUX European Special Situations Fund – Class I Income GBP	GBP	1,195,000	2,890,913	2.30
Fundsmith Equity Fund – I Class Income Shares	GBP	3,900,000	13,653,262	10.87
Jupiter Global Emerging Markets Fund – I–Class Accumulation Units <sup>†</sup>	GBP	7,000,000	5,821,824	4.64
Jupiter Japan Income Fund – Income Units <sup>†</sup>	GBP	8,000,000	7,476,691	5.95
Jupiter North American Income Fund – Income Units <sup>†</sup>	GBP	7,300,000	10,876,985	8.66
M&G North American Value Fund – Sterling Class A Income shares	GBP	5,000,000	7,405,683	5.90
Old Mutual North American Equity Fund – R (GBP) Accumulation Shares	GBP	5,250,000	16,016,240	12.76
Schroder European Alpha Income Fund – Class L Income GBP	GBP	3,831,320	3,194,062	2.54
			<b>73,246,448</b>	<b>58.33</b>
<b>Total Collective Investment Schemes – UCITS</b>			<b>119,712,870</b>	<b>95.34</b>
<b>Exchange Traded Funds</b>				
<b>Jersey</b>				
ETFS Physical Gold Fund	USD	30,000	3,357,488	2.67
			<b>3,357,488</b>	<b>2.67</b>
<b>Total Exchange Traded Funds</b>			<b>3,357,488</b>	<b>2.67</b>
<b>Total Units of authorised UCITS or other collective investment undertakings</b>			<b>123,070,358</b>	<b>98.01</b>
<b>Total Investments</b>			<b>123,070,358</b>	<b>98.01</b>
<b>Cash</b>			<b>2,747,352</b>	<b>2.19</b>
<b>Other Assets/(Liabilities)</b>			<b>(250,904)</b>	<b>(0.20)</b>
<b>Total Net Assets</b>			<b>125,566,806</b>	<b>100.00</b>

<sup>†</sup>Related Party Fund

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

## Jupiter Merlin International Equities Portfolio

**Jupiter Merlin International Equities Portfolio**  
 Schedule of Investments as at 31 March 2017 (continued)

Geographic Allocation of Portfolio	% of Net Assets
United Kingdom	58.33
Ireland	19.33
Luxembourg	17.68
Jersey	2.67
<b>Total Investments</b>	<b>98.01</b>
Cash and Other Assets/(Liabilities)	1.99
<b>Total</b>	<b>100.00</b>

**Forward Currency Exchange Contracts**

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
GBP	144,912	EUR	167,938	04/04/2017	J.P. Morgan	1,026	–
<b>Total Unrealised Gain on Forward Currency Exchange Contracts</b>						<b>1,026</b>	–
EUR	21,326	GBP	18,402	04/04/2017	J.P. Morgan	(130)	–
<b>Total Unrealised Loss on Forward Currency Exchange Contracts</b>						<b>(130)</b>	–
<b>Net Unrealised Gain on Forward Currency Exchange Contracts</b>						<b>896</b>	–

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

## Jupiter Merlin Real Return Portfolio

**Jupiter Merlin Real Return Portfolio** Schedule of Investments as at 31 March 2017

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
<b>Units of authorised UCITS or other collective investment undertakings</b>				
<b>Collective Investment Schemes – UCITS</b>				
<b>Ireland</b>				
Findlay Park American Fund – Dollar Shares	USD	140,000	12,179,156	8.15
Old Mutual UK Specialist Equity Fund – F (EUR) Hedged Accumulation Shares	EUR	2,450,000	27,595,575	18.45
Polar Capital UK Absolute Equity Fund – I Hedged Euro Share Class	EUR	820,000	15,506,200	10.37
Prusik Asian Equity Income Fund – Class ‘2X’ – US Dollar Distributing Shares	USD	68,703	10,875,066	7.27
			<b>66,155,997</b>	<b>44.24</b>
<b>Luxembourg</b>				
The Jupiter Global Fund Jupiter Dynamic Bond – Class I EUR Q Inc <sup>†</sup>	EUR	800,000	8,976,000	6.00
The Jupiter Global Fund Jupiter Europa – Class L EUR A Acc <sup>†</sup>	EUR	230,000	3,121,100	2.09
The Jupiter Global Fund Jupiter Global Equities – Class I GBP Acc <sup>†</sup>	GBP	900,000	11,385,735	7.61
			<b>23,482,835</b>	<b>15.70</b>
<b>United Kingdom</b>				
Artemis Strategic Assets Fund – Class I accumulation units	GBP	6,000,000	6,210,210	4.15
Capita CF Odey Absolute Return Fund – Euro Hedged Institutional Accumulation	EUR	5,000,000	7,540,500	5.04
Fundsmith Equity Fund – I Class Income Shares	GBP	3,500,000	12,252,928	8.20
Jupiter Absolute Return Fund – I-Class Accumulation Units <sup>†</sup>	GBP	38,000,000	25,556,281	17.09
			<b>51,559,919</b>	<b>34.48</b>
<b>Total Collective Investment Schemes – UCITS</b>			<b>141,198,751</b>	<b>94.42</b>
<b>Exchange Traded Funds</b>				
<b>Jersey</b>				
ETFS Physical Gold Fund	USD	41,000	4,588,567	3.07
			<b>4,588,567</b>	<b>3.07</b>
<b>Total Exchange Traded Funds</b>			<b>4,588,567</b>	<b>3.07</b>
<b>Total Units of authorised UCITS or other collective investment undertakings</b>			<b>145,787,318</b>	<b>97.49</b>
<b>Total Investments</b>			<b>145,787,318</b>	<b>97.49</b>
<b>Cash</b>			<b>3,641,577</b>	<b>2.44</b>
<b>Other Assets/(Liabilities)</b>			<b>104,384</b>	<b>0.07</b>
<b>Total Net Assets</b>			<b>149,533,279</b>	<b>100.00</b>

<sup>†</sup>Related Party Fund

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

## Jupiter Merlin Real Return Portfolio

## Jupiter Merlin Real Return Portfolio

Schedule of Investments as at 31 March 2017 (continued)

Geographic Allocation of Portfolio	% of Net Assets
Ireland	44.24
United Kingdom	34.48
Luxembourg	15.70
Jersey	3.07
<b>Total Investments</b>	<b>97.49</b>
Cash and Other Assets/(Liabilities)	2.51
<b>Total</b>	<b>100.00</b>

### Forward Currency Exchange Contracts

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
EUR	42,921	USD	45,655	13/04/2017	J.P. Morgan	194	–
GBP	503,105	EUR	582,089	03/04/2017	J.P. Morgan	4,519	–
GBP	132,852	EUR	153,081	04/04/2017	J.P. Morgan	1,821	–
GBP	38,942,016	EUR	44,389,809	13/04/2017	J.P. Morgan	1,007,464	0.67
SGD	29,909	EUR	19,881	04/04/2017	J.P. Morgan	163	–
SGD	34,007,728	EUR	22,516,843	13/04/2017	J.P. Morgan	267,459	0.18
USD	588,632	EUR	542,318	03/04/2017	J.P. Morgan	8,774	0.01
USD	77,454	EUR	72,120	05/04/2017	J.P. Morgan	391	–
USD	242,861	EUR	224,456	13/04/2017	J.P. Morgan	2,830	–
<b>Total Unrealised Gain on Forward Currency Exchange Contracts</b>						<b>1,293,615</b>	<b>0.86</b>
EUR	1,235,836	GBP	1,070,037	13/04/2017	J.P. Morgan	(11,577)	–
EUR	23,069,115	GBP	20,000,000	20/04/2017	J.P. Morgan	(242,736)	(0.16)
EUR	462,082	SGD	699,654	03/04/2017	J.P. Morgan	(6,810)	(0.01)
EUR	2,133,421	SGD	3,224,190	13/04/2017	J.P. Morgan	(26,703)	(0.02)
EUR	17,613	USD	19,000	04/04/2017	J.P. Morgan	(175)	–
EUR	1,148,599	USD	1,241,923	13/04/2017	J.P. Morgan	(13,676)	(0.01)
USD	29,853,382	EUR	27,940,448	13/04/2017	J.P. Morgan	(1,648)	–
<b>Total Unrealised Loss on Forward Currency Exchange Contracts</b>						<b>(303,325)</b>	<b>(0.20)</b>
<b>Net Unrealised Gain on Forward Currency Exchange Contracts</b>						<b>990,290</b>	<b>0.66</b>

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

## Notes to the Financial Statements

## Notes to the Financial Statements for the six month period ended 31 March 2017

### 1. General Information

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

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

As at 31 March 2017 the Company was comprised of the following Funds with the following share classes in issue:

	Class			
Jupiter Managed European Portfolio <sup>(*)</sup>	–	E	–	–
Jupiter Merlin International Balanced Portfolio	D	E	–	L
Jupiter Merlin International Equities Portfolio	D	E	–	L
Jupiter Merlin Real Return Portfolio	D	–	I	L

<sup>(\*)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

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

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

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

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

### 2. Summary of Significant Accounting Policies

#### a) Basis of preparation

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

#### b) Financial Statements

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

#### c) Foreign currency translation

Assets and liabilities denominated in currencies other than the Fund's base currency are translated into that base currency at exchange rates ruling at the date of these financial statements. Transactions occurring during the period in currencies other than the base currency are translated at rates of exchange ruling at the transaction dates. Differences arising on translation are included in the Statement of Operations and Changes in Net Assets. The exchange rates used for the financial statements as at 31 March 2017 are as follows:

- EUR/GBP: 0.85765
- EUR/USD: 1.06812
- EUR/SGD: 1.49214

## Notes to the Financial Statements

**Notes to the Financial Statements** for the six month period ended 31 March 2017 (continued)**2. Summary of Significant Accounting Policies** (continued)**d) Investments**

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

Securities, listed on an official stock exchange or dealt in on any regulated market are valued at the last available price.

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

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

Gains or losses arising on the disposal of investments are calculated by reference to the first-in-first-out (FIFO) methodology.

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

**e) Forward currency exchange contracts**

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

**f) Income recognition**

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

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

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

**g) Management fee rebates**

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

**h) Expense recognition**

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

**i) Dividend distributions payable**

Dividend distributions payable by the Company are recorded on the ex-date. Refer to Note 11 for details of dividends declared during the period ended 31 March 2017.

**j) Net Asset Value per Share**

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

**k) Use of Estimates**

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

## Notes to the Financial Statements

**Notes to the Financial Statements** for the six month period ended 31 March 2017 (continued)**3. Investment Management and Performance Fees**

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

The Investment Management Fee is calculated and accrued on the basis of the Net Asset Value of each Fund at each Valuation Point and is payable monthly in arrears. The fee per annum charged and applicable to each Class of Shares during the period ended 31 March 2017 is as follows:

	D	E	I	L
Jupiter Managed European Portfolio <sup>(*)</sup>	–	2.00%	–	–
Jupiter Merlin International Balanced Portfolio	0.75%	2.00%	–	1.50%
Jupiter Merlin International Equities Portfolio	0.75%	2.00%	–	1.50%
Jupiter Merlin Real Return Portfolio	0.75%	–	0.75%	1.50%

Where a Fund invests in other funds managed by the Investment Manager, the Fund will not be subject to additional management fees. These related management fee reimbursements are included in 'Management fee rebates' in the Statement of Operations and Change in Net Assets and amounted to €445,273 for the period ended 31 March 2017 as follows:

Fund	Amount in Fund Currency
Jupiter Managed European Portfolio <sup>(*)</sup>	€57,292
Jupiter Merlin International Balanced Portfolio	€67,300
Jupiter Merlin International Equities Portfolio	€144,663
Jupiter Merlin Real Return Portfolio	€176,018

<sup>(\*)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

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

**4. Aggregate Operating Fee**

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

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



## Notes to the Financial Statements

## Notes to the Financial Statements for the six month period ended 31 March 2017 (continued)

**4. Aggregate Operating Fee (continued)**

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

The Aggregate Operating fee will accrue on a daily basis. The Aggregate Operating Fee will, in the first instance, be applied against any income in the relevant Fund. The Aggregate Operating Fee is accrued at each calculation of the Net Asset Value and is disclosed in the relevant key investor information documents or (for Hong Kong investors) KFSs from time to time by comprising part of the ongoing charges of a Share Class.

The Aggregate Operating Fee is calculated and accrued per Fund on the basis of the daily Net Asset Value of each Fund at each Valuation Point and is payable monthly. The fee rates per annum charged and applicable to each Class of Shares during the period ended 31 March 2017 are as follows:

	D	E	I	L
Jupiter Managed European Portfolio <sup>(*)</sup>	–	0.20%	–	–
Jupiter Merlin International Balanced Portfolio	0.24%	0.20%	–	0.26%
Jupiter Merlin International Equities Portfolio	0.24%	0.20%	–	0.26%
Jupiter Merlin Real Return Portfolio	0.24%	–	0.20%	0.26%

<sup>(\*)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

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

**5. Management Company Fee**

Jupiter Unit Trust Managers Limited ('JUTM') is the appointed Management Company.

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

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

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

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

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

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

**6. Other Fees**

There are certain other fees that are payable in addition to the Aggregate Operating Fee, the Investment Manager fees and any performance fees.

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

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

For so long as the Company and any of the Funds remain authorised by the Securities & Futures Commission ('SFC'), in Hong Kong, the Company has undertaken that no marketing or advertising expenses will be paid by the Company. Any marketing and advertising expenses will instead be paid by the Investment Manager.

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## Notes to the Financial Statements

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### Notes to the Financial Statements for the six month period ended 31 March 2017 (continued)

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

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

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

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

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

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

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

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

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

Withholding tax reclaims accrued by the Company during the period ended 31 March 2017 amounted to nil.

#### 9. Transactions with Connected Parties

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

#### 10. Use of Dealing Commission

The Investment Manager may receive goods and services which are paid for out of broker commissions and which relate to execution and research services which meet the criteria laid down by the Hong Kong Securities and Futures Commission Code on Unit Trusts and Mutual Funds and adheres to the more prescriptive Rules of the UK's Financial Conduct Authority and which the Investment Manager has reasonable grounds to be satisfied enhance the quality of the Investment Manager's service to the Company. The commission available to pay for such services is based on a proportion of the commission rate applicable to investment transactions as agreed between the Investment Manager and its participating brokers.

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

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

There were no such benefits received or receivable by the Company or the Investment Manager during the period ended 31 March 2017.

#### 11. Dividend Distributions

During the period ended 31 March 2017 no dividends were declared by the Directors.

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## Notes to the Financial Statements

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### Notes to the Financial Statements for the six month period ended 31 March 2017 (continued)

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#### 12. Overdraft Credit

The Company (as 'Customer') and JPMorgan Chase Bank, N.A., acting through its London branch (as the 'Bank') have entered into global account terms dated on or about 20 February 2014 (the 'GAT') pursuant to which Accounts are opened and operated as Collection Accounts.

The Custody Accounts are held by the Custodian (J.P. Morgan Bank Luxembourg S.A.) pursuant to a global custody agreement entered into on 29 November 2013 (the 'Global Custody Agreement') effective 8 March 2014 (as amended from time to time).

Pursuant to the GAT and the Global Custody Agreement, the Bank may make available to the Funds amounts by way of overdrafts or other extensions of credit from 8 March 2014. Any such amounts and accrued interest thereon on any particular day shall immediately become a debt of such Fund towards the Bank, and any such Fund shall be liable to the repayment of any such amounts and accrued interest thereon on demand from the Bank. The overdraft balances bear interest at a rate of the Bank's offered Rate plus at least 1.5% per annum.

Pursuant to a Pledge Agreement effective from 3 March 2014, the Company (as 'Pledgor') has agreed, until satisfaction in full of all GAT Overdraft Liabilities attributable to each Fund, that each of its Funds, with full title guarantee and as security for the payment of all GAT Overdraft Liabilities attributable to such Fund, will grant in favour of the Bank as pledge over its Custody Accounts, which the Pledgor declares to be in its best corporate interest. The pledge granted under the Pledge Agreement (as amended from time to time) constitutes a second-ranking pledge (gage de second rang), ranking immediately after any prior (first-ranking pledge over the Custody Accounts and/or the Pledged Assets granted by the Pledgor to the Custodian pursuant to the Global Custody Agreement or otherwise (the 'Custodian Pledge'), if any. Pursuant to the amendment agreements related to the Pledge Agreement, Schedule A (Custody Accounts) of the second-ranking Account Pledge Agreement was amended.

On 30 January 2015 the Parties entered into a third ranking account pledge agreement (as amended from time to time), pursuant to which the Pledgor created a third ranking pledge (gage de troisième rang) over the Pledged Assets in favour of the Bank. Pursuant to the amendment agreements, Schedule 1 (list of Funds and Pledged Accounts) of the third-ranking Account Pledge Agreement was amended.

'Custody Accounts' means all the securities accounts opened in the name of the Pledgor with the Custodian for and on behalf of each of its Funds as identified under Schedule A of the Pledge Agreement (including in each case any such future accounts opened in the name of the Pledgor for and on behalf of each of its Funds with the Custodian (the 'Future Custody Accounts')).

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

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

#### 14. Swing Pricing

The Funds adopted a full swing pricing process.

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

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

The factor is calculated on a quarterly basis.

The dilution adjustment is recorded as the 'Net Realised Gains/ (Losses) on Investments in securities' in the Statement of Operations and Changes in Net Assets.

## Notes to the Financial Statements

**Notes to the Financial Statements** for the six month period ended 31 March 2017 (continued)

**14. Swing Pricing** (continued)

The following Funds applied swing pricing as at 31 March 2017:

NAV	Share class currency	Unswung NAV per share in share class currency	Swung NAV per share in share class currency	Dilution adjustment per share	Swing direction
<b>Jupiter Merlin International Balanced Portfolio</b>					
Class D EUR Acc	EUR	12.22	12.22	0.00	Offer
Class D GBP A Inc	GBP	12.86	12.87	(0.01)	Offer
Class D USD Acc	USD	9.78	9.79	(0.01)	Offer
Class E EUR Acc	EUR	394.53	394.77	(0.24)	Offer
Class E GBP Acc	GBP	335.97	336.18	(0.21)	Offer
Class E USD Acc	USD	263.99	264.15	(0.16)	Offer
Class L EUR Acc	EUR	16.56	16.57	(0.01)	Offer
Class L GBP A Inc	GBP	18.16	18.17	(0.01)	Offer
Class L USD Acc	USD	16.85	16.86	(0.01)	Offer
<b>Jupiter Merlin International Equities Portfolio</b>					
Class D EUR Acc	EUR	12.79	12.79	0.00	Bid
Class D GBP A Inc	GBP	13.46	13.46	0.00	Bid
Class D USD Acc	USD	10.47	10.47	0.00	Bid
Class E EUR Acc	EUR	446.04	445.95	0.09	Bid
Class E GBP Acc	GBP	380.71	380.63	0.08	Bid
Class L EUR Acc	EUR	18.69	18.69	0.00	Bid
Class L GBP A Inc	GBP	24.02	24.01	0.01	Bid
Class L USD Acc	USD	18.44	18.44	0.00	Bid
<b>Jupiter Merlin Real Return Portfolio</b>					
Class D EUR Acc	EUR	11.46	11.45	0.01	Bid
Class D GBP Acc HSC	GBP	11.67	11.66	0.01	Bid
Class I EUR Acc	EUR	12.94	12.93	0.01	Bid
Class I GBP Acc HSC	GBP	13.08	13.06	0.02	Bid
Class I USD Acc HSC	USD	13.05	13.04	0.01	Bid
Class L EUR Acc	EUR	11.46	11.45	0.01	Bid
Class L GBP Acc HSC	GBP	11.36	11.35	0.01	Bid
Class L SGD Acc HSC	SGD	11.86	11.85	0.01	Bid
Class L USD Acc HSC	USD	11.38	11.37	0.01	Bid

## Notes to the Financial Statements

## Notes to the Financial Statements for the six month period ended 31 March 2017 (continued)

### 15. Transaction Costs

For the period ended 31 March 2017 the Funds incurred transaction costs related to purchase or sale of securities as follows:

Fund	Amount in Fund Currency
Jupiter Managed European Portfolio <sup>(*)</sup>	€684
Jupiter Merlin International Balanced Portfolio	€4,255
Jupiter Merlin International Equities Portfolio	€38,202
Jupiter Merlin Real Return Portfolio	€12,518

<sup>(\*)</sup>Jupiter Managed European Portfolio is not authorised in Hong Kong and not available to Hong Kong residents.

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

The transaction costs consisting of brokers' fees, stamp duty fees, or security transaction taxes, where applicable are included in the Statement of Net Assets as 'Investment in securities at cost' and in the Statement of Operations and Change in Net Assets in 'Net Change in Unrealised Gains/(Losses) on Investments in securities'. For the sale of securities, they are netted from the 'Due to brokers' amount and from the 'Net Realised Gains/ (Losses) on Investments in securities' in the Statement of Operations and Change in Net Assets.

### 16. Measurement of Global Exposure Disclosure

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

### 17. Subsequent Events

There are no significant events after the reporting date.

**Remuneration Policy  
(not forming part of the Notes to the Financial Statements)**

Following the implementation of the UCITS V Directive Jupiter Unit Trust Managers Limited ('JUTM') is required to have a remuneration policy in place consistent with the principles outlined in SYSC 19E of the FCA Handbook (UCITS Remuneration Code). Details of the remuneration policy, including the applicable financial and nonfinancial criteria, are set out in the detailed remuneration policy disclosures available on the Jupiter website: <http://www.jupiteram.com/en/Jupiter-Fund – Management-plc/Governance/Risk-management>.

The quantitative remuneration disclosures required under the UCITS V Directive will be reported after the end of the 2017 performance year as prior to that date not all of the required information will be available.

**UK Tax Reporting Fund Regime  
(not forming part of the Notes to the Financial Statements)**

Jupiter Merlin International Balanced Portfolio, Jupiter Merlin International Equities Portfolio and Jupiter Merlin Real Return Portfolio are Reporting Funds for UK taxation purposes for the period ended 31 March 2017. Tax reporting information for the year end 30 September 2016 in respect of these Funds is available at [www.jupiteram.com](http://www.jupiteram.com).

**Securities Financing Transaction Regulation (SFTR)**

Disclosure requirements under the Securities Financing Transaction Regulation (SFTR) came into force on 1 January 2017. Currently, none of the Sub-Funds of the Jupiter Merlin Funds make use of the financial instruments to which this regulation pertains. Further details are published in the Company's prospectus which is available at [www.jupiteram.com](http://www.jupiteram.com).



