

Jupiter European Fund

For the year ended 30 June 2019

ANNUAL

Report & Accounts



ON THE PLANET TO PERFORM


JUPITER

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*These collectively comprise the Authorised Fund Manager's Report

Fund Information

Manager, Registrar and Administrator

Jupiter Unit Trust Managers Limited
 PO Box 10666
 Chelmsford
 CM99 2BG
 Tel: 0800 561 4000
 Fax: 0800 561 4001
www.jupiteram.com

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

Authorised and regulated by the Financial Conduct Authority.

Trustee

National Westminster Bank plc (Prior to 1 June 2019)
 Trustee and Depositary Services
 Floor 1
 280 Bishopsgate
 London EC2M 4RB

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority.

Northern Trust Global Services SE (UK branch)
 (From 1 June 2019)
 50 Bank Street
 Canary Wharf
 London E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority.

Investment Adviser

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

Authorised and regulated by the Financial Conduct Authority.

Independent Auditors

PricewaterhouseCoopers LLP
 Atria One
 144 Morrison Street
 Edinburgh
 EH3 8EX

Directors

The Directors of Jupiter Unit Trust Managers Limited are:

R Corfield
 P M Moore
 J Singh
 N Ring*
 K Baillie**
 T Scholefield**
 P Wagstaff***

*Resigned 31 May 2019

**Independent. Appointed 1 May 2019

***Appointed 31 July 2019

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

Fund Information (continued)

Investment Objective

To achieve long-term capital growth.

Investment Policy

To invest in companies quoted on a European Stock Exchange.

The Manager has the power to use derivatives but it is intended that these will only be used for efficient portfolio management and not for investment purposes.

Status

The Fund operates under the Investment Funds Sourcebook (FUND) where applicable and the Collective Investment Schemes Sourcebook (COLL) of the Financial Conduct Authority. The Fund is an authorised unit trust scheme under section 237 of the Financial Services and Markets Act 2000 and is a UCITS scheme as defined by the COLL rules. It is in the 'Europe excluding UK' Investment Association sector.

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

Unit Classes

In addition to the basic class of units which are available to all types of investors, the Fund also offers I-Class units which are available to investors who invest a minimum of £5,000,000 and Z-Class Units which are available to investors who invest a minimum of £125,000,000. Further details are available from the Manager on request. Please note that in order to distinguish between the unit classes within the Fund they are defined in this report as either Retail Units (non I-Class and non Z-Class) or I-Class Units or Z-Class Units. The ZM-Classes are only available for investment by the Jupiter European Feeder Fund. The unit types associated with each unit class are disclosed in the Comparative Tables on pages 6 to 8.

Cumulative Performance (% change to 30 June 2019)

	1 year	3 years	5 years	10 years	Since launch*
Percentage growth	8.6	58.4	105.9	360.2	5,726.8
Sector position	17/117	2/107	2/96	1/75	1/7
Quartile ranking	1st	1st	1st	1st	1st

Source: FE, I-Class Units, NAV to NAV or bid to NAV dependent on the period of reporting, all performance is net of fees with net income reinvested. Past performance is no guide to the future. *Launch date 3 August 1987.

This document is for informational purposes only and is not investment advice. Market and exchange rate movements can cause the value of an investment to fall as well as rise, and you may get back less than originally invested. We recommend you discuss any investment decisions with a financial adviser, particularly if you are unsure whether an investment is suitable. Jupiter is unable to provide investment advice. Current tax levels and reliefs will depend on your individual circumstances and are subject to change in the future. **The Fund invests in a small number of holdings and as such carries more risk than funds which invest across a larger number of holdings. This Fund invests mainly in shares and it is likely to experience fluctuations in price which are larger than funds that invest only in bonds and/or cash.** For definitions please see the glossary at jupiteram.com. Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Company examples are for illustrative purposes only and are not a recommendation to buy or sell. Quoted yields are not guaranteed and may change in the future. Jupiter Unit Trust Managers Limited is authorised and regulated by the Financial Conduct Authority and their registered address is The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ.

ANNUAL REPORT

Jupiter European Fund

For the year ended 30 June 2019

Investment Report

Performance Review

The value of the units rose 8.6%* during the year to 30 June 2019. This compares with a 7.9%* rise, in sterling, of the FTSE World Europe ex UK index. Over the period the fund was ranked 17th out of 117 funds, over five years 2nd out of 96 funds and 1st out of 7 funds since launch in the IA Europe excluding UK sector.

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

Market Review

The FTSE World (total return) index was up 11.0%** in sterling during the 12 months under review. The S&P500 posted 14.8%** in sterling terms; the MSCI Latin America index was 23.6%** higher reflecting the rebound in the Brazilian index (+45.3%**). Returns in the East were less dynamic: Asian markets (excluding Japan) rose 3.7%**; the Hang Seng index returned 7.0%**; and Japan's Nikkei-225 rose 4.0%**.

There has been a slight deterioration in forecasts for economic growth. The International Monetary Fund has reduced its world forecasts for 2019 over the last eighteen months and now expects a figure of 3.3% having earlier forecast growth of 3.9%. Most regions of the world are forecast to deliver slightly lower growth rates than previously expected: The Euro Area 1.3% (2.0% previously); the US 2.3% (2.7%); and the UK 1.2% (1.5% previously). Forecasts for Brazil, an important market for many of our companies, point to an improving trend with growth in 2019 building on 2018 and 2020 expected to see a further acceleration in growth. The salient reason for the softness in global growth is weaker world trade, this principally the result of tensions between the US and China. The sharp fall in the oil price- the WTI was down by 21.1% to \$58.47 over the period under review-would normally give a strong fillip to economic activity. However, the energy market is greatly distorted by incentives to encourage the move to a low carbon economy. In Europe especially, this has the effect of increasing costs. Two other big constituents of corporate costs, labour and

interest rates, are still 'positive' for corporate earnings in as much as new digital technologies continue to improve efficiency, and interest rates remain low. The European Central Bank's main refinancing rate remains 0% as it has been for the last three years; and 3 month Euribor (a measure of lending between European banks) was -0.35% at the end of June 2019, marginally lower than a year earlier. The policy of Quantitative Easing (Q.E.) has inflated asset prices (as reflected in rising stock markets) but not had the desired effect of boosting capital expenditure. European corporate earnings have continued to improve, but at a lower rate than previously forecast. Consensus estimates for the constituents of the MSCI Europe index are that European companies' earnings increased their earnings by 6% in 2018 and forecast only 4.3% progress in 2019. Our companies deliver higher growth rates partly because they are engaged in higher growth businesses and partly because, typically, they have a global coverage thereby tapping into some of the more vibrant economies.

Policy Review

The relative success of the portfolio was due to a coincidence of good performance from an eclectic group of stocks. The same can be said when the outcome is bad: individual stock performance is the key to understanding the portfolio's progress. Yet it is instructive to compare the lists of our winners and losers. Although both lists have diverse business activities there is a key difference between the two which might be described as 'capacity discipline'. The 'winners' have not made any significant acquisitions; the industries in which they operate enjoy structures which are conducive to pricing discipline; they are 'capital light' business models and have not raised fresh capital. In terms of attribution, the best performers, Experian (the credit bureau and data analytics company), RELX (the leading provider of information and analytics for professionals and businesses) and Edenred (prepaid vouchers for benefits, rewards and expense management) are good examples of companies which

Investment Report (continued)

have these characteristics. Further, these companies are beneficiaries of two other developments. The first is the exploitation of digital technologies which can reduce cost, increase flexibility and further the reach of the services offered by Experian, RELX and Edenred. The second is ever tougher regulatory requirements which is in turn driving greater demand for these services. Other successful investments include adidas which has continued to deliver good results. Its success owes much to the hugely improved management performance, successfully addressing marketing, strategic and logistical challenges. Other notable performers include Mowi, the world's leading salmon farming and processing company; ALK-Abello, the Danish immunotherapy company, and Wolters Kluwer, the Dutch provider of tax, accounting, legal and healthcare information services. Our largest investment is Wirecard, the German listed internet payment and processing company. It has reported remarkably strong profits growth. Yet the shares have been exceptionally volatile whilst making modest progress over the reporting period. We retain great confidence in the management of the company to capitalise on the considerable opportunities that present themselves.

Whereas the 'winners' all demonstrated good 'capacity discipline', the same cannot be said of the 'losers'. In some instances, this is a lack of industry discipline. Ryanair, for example, operates in an industry where short haul airline capacity has increased. This has caused pressure on ticket prices, squeezing revenues. Likewise, Carnival, which controls the world's largest fleet of cruise ships, operates in an industry where growing capacity has hurt pricing. Both Ryanair and Carnival have played a part in building excess supply. This is also true of Umicore, the Belgian precious metals refining and recycling company and Infineon (power semiconductors); their own capacity overreach has played a part in the deterioration of pricing conditions. This problem is compounded by companies where new capital has been raised to pay for big acquisitions. The most notable of these is Bayer, the German pharmaceutical, healthcare and agriculture technology company, which completed the \$63 billion acquisition of Monsanto in June 2018. Another large German company, Infineon, is in the process of acquiring its rival, Cypress Semiconductor, for EUR 9 billion. Both stocks have been significant detractors to performance.

Although portfolio turnover was in line with previous years, at 26%, there was the usual run of mistakes. Investments in Bayer and Infineon have proved to be costly errors. However, we have decided to retain these investments. Bayer's share price has suffered unduly we believe, in the face of litigation in the U.S., involving one of the company's crop protection chemicals. Infineon's shares have suffered for cyclical demand reasons and because of the risks associated with their major acquisition. Notwithstanding these understandable concerns, we believe that the companies undoubted strengths should assert themselves and be recognised in due course. There were two significant disposals, those of Fresenius and Ryanair. Fresenius, the German healthcare company, was sold following disappointing results in its US dialysis care and German hospitals business. This has been a good investment over the past eleven years. Ryanair has also been a good investment over the past six years. It is Europe's leading short haul, low cost airline. However, we decided to sell our holding as revenues are under pressure and costs, following the company's decision to recognise unions, have increased markedly. We also reduced our stake in Umicore. Its strategy is predicated on a swift and solid uptake of electric vehicles. However, demand for electric vehicles has stalled leaving Umicore with overcapacity and pricing pressure.

There were only two new purchases of any note, Ubisoft and Barry Callebaut. French based Ubisoft is a leading video gaming company. New technology, notably 'cloud' based technology, enables innovations which should improve user experiences. We believe that these better experiences will drive new demand. The other significant new investment was that of Barry Callebaut, the world's largest chocolate manufacturer. Its expertise is reflected in its growing market share and manifest in innovations such as ruby chocolate, the new 'fourth' chocolate.

Investment Outlook

We identify a few elements in the economic backdrop which give cause for concern: anaemic economic growth rates, high debt levels and protectionism. Moreover, quoted companies are assailed by wider 'stakeholder' interests that challenge business orthodoxy and explain the continuing shift in capital from public to private equity. The value of Initial Public Offerings declined in 2018 whereas Private

Investment Report (continued)

equity fund raising increased. Notwithstanding these multifarious concerns, it is undoubtedly the case that some businesses will prosper. We attempt to find companies which are secular, as opposed to cyclical, winners. Typically, these companies have successful digital strategies, have products and services that are well adapted to demand trends, and have business models that escape the attention of protectionist minded politicians. Capital light enterprises which can succeed without recourse to major acquisitions fit our ideal investment criteria. Such businesses exist and are flourishing. We remain confident that our investment process is an appropriate one to find these winning companies.

Alexander Darwall **Fund Manager**

Mark Nichols joined Jupiter on 1 July 2019 as a member of the European Growth investment team. He will succeed Alexander Darwall as fund manager on the Jupiter European Fund.

***Source: Bloomberg*

Comparative Tables

Change in net assets per unit

	Retail Income			I-Class Income		
	30.06.19	30.06.18	30.06.17	30.06.19	30.06.18	30.06.17
Opening net asset value per unit	2,311.60p	1,966.22p	1,619.55p	2,330.86p	1,974.36p	1,621.39p
Return before operating charges*	224.13p	382.68p	377.71p	227.61p	390.47p	380.32p
Operating charges	(40.72p)	(37.30p)	(31.04p)	(23.73p)	(21.98p)	(18.03p)
Return after operating charges*	183.41p	345.38p	346.67p	203.88p	368.49p	362.29p
Distributions on income unit	0.00p	0.00p	0.00p	(13.07p)	(11.99p)	(9.32p)
Closing net asset value per unit	2,495.01p	2,311.60p	1,966.22p	2,521.67p	2,330.86p	1,974.36p
*after direct transaction costs of:	0.82p	0.81p	0.86p	0.83p	0.83p	0.87p

Performance

Return after charges	7.93%	17.57%	21.41%	8.75%	18.66%	22.34%
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Other information

Closing net asset value (£'000)	570,208	609,846	1,429,296	1,419,479	1,467,570	1,317,305
Closing number of units	22,853,954	26,382,001	72,692,405	56,291,205	62,962,586	66,720,685
Operating charges	1.77%	1.77%	1.78%	1.02%	1.02%	1.03%
Direct transaction costs	0.04%	0.04%	0.05%	0.04%	0.04%	0.05%

Prices

Highest unit price	2,571.29p	2,385.21p	2,159.34p	2,595.84p	2,416.61p	2,078.05p
Lowest unit price	2,081.49p	1,950.19p	1,553.18p	2,106.61p	1,960.57p	1,563.16p

Change in net assets per unit

	Z-Class Income		
	30.06.19	30.06.18	30.06.17
Opening net asset value per unit	2,331.26p	1,974.17p	1,621.48p
Return before operating charges*	227.80p	391.33p	380.24p
Operating charges	(21.35p)	(20.08p)	(16.46p)
Return after operating charges*	206.45p	371.25p	363.78p
Distributions on income unit	(15.42p)	(14.16p)	(11.09p)
Closing net asset value per unit	2,522.29p	2,331.26p	1,974.17p
*after direct transaction costs of:	0.83p	0.84p	0.87p

Performance

Return after charges	8.86%	18.81%	22.44%
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Other information

Closing net asset value (£'000)	115,662	147,335	75,729
Closing number of units	4,585,613	6,319,963	3,835,993
Operating charges	0.92%	0.92%	0.93%
Direct transaction costs	0.04%	0.04%	0.05%

Prices

Highest unit price	2,596.70p	2,419.14p	2,080.05p
Lowest unit price	2,108.01p	1,960.76p	1,563.80p

Comparative Tables continued

Change in net assets per unit

	Retail Accumulation**		I-Class Accumulation		
	30.06.19	30.06.18	30.06.19	30.06.18	30.06.17
Opening net asset value per unit	2,311.60p	2,058.32p	2,466.65p	2,078.43p	1,698.93p
Return before operating charges*	224.17p	268.26p	240.90p	411.43p	398.46p
Operating charges	(40.75p)	(14.98p)	(25.14p)	(23.21p)	(18.96p)
Return after operating charges*	183.42p	253.28p	215.76p	388.22p	379.50p
Distributions on accumulation unit	0.00p	0.00p	(13.83p)	(12.63p)	(9.76p)
Retained distributions on accumulation unit	0.00p	0.00p	13.83p	12.63p	9.76p
Closing net asset value per unit	2,495.02p	2,311.60p	2,682.41p	2,466.65p	2,078.43p
*after direct transaction costs of:	0.82p	0.84p	0.88p	0.87p	0.91p

Performance

Return after charges	7.93%	12.31%	8.75%	18.68%	22.34%
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Other information

Closing net asset value (£'000)	983,849	961,477	2,442,760	2,048,395	1,447,441
Closing number of units	39,432,474	41,593,592	91,065,995	83,043,705	69,641,067
Operating charges	1.77%	1.77%	1.02%	1.02%	1.03%
Direct transaction costs	0.04%	0.04%	0.04%	0.04%	0.05%

Prices

Highest unit price	2,571.30p	2,385.21p	2,747.09p	2,544.30p	2,177.37p
Lowest unit price	2,081.50p	2,048.79p	2,229.34p	2,065.74p	1,638.06p

** The Retail Accumulation class was launched on 9 February 2018.

Comparative Tables continued
Change in net assets per unit

	ZM-Class (GBP) Accumulation			ZM-Class (EUR) Accumulation		
	30.06.19	30.06.18	30.06.17	30.06.19	30.06.18	30.06.17
Opening net asset value per unit	1,604.25p	1,338.01p	1,082.77p	1,134.95p	946.57p	766.05p
Return before operating charges*	158.15p	266.55p	255.54p	111.89p	188.59p	180.74p
Operating charges	(0.30p)	(0.31p)	(0.30p)	(0.22p)	(0.21p)	(0.22p)
Return after operating charges*	157.85p	266.24p	255.24p	111.67p	188.38p	180.52p
Distributions on accumulation unit	(25.22p)	(22.90p)	(18.12p)	(17.84p)	(16.20p)	(12.81p)
Retained distributions on accumulation unit	25.22p	22.90p	18.12p	17.84p	16.20p	12.81p
Closing net asset value per unit	1,762.10p	1,604.25p	1,338.01p	1,246.62p	1,134.95p	946.57p
*after direct transaction costs of:	0.58p	0.56p	0.58p	0.41p	0.40p	0.41p

Performance

Return after charges	9.84%	19.90%	23.57%	9.84%	19.90%	23.57%
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Other information

Closing net asset value (£'000)	4,497	2,887	6,851	21,797	23,927	14,865
Closing number of units	255,179	179,981	511,998	1,748,511	2,108,208	1,570,400
Operating charges	0.02%	0.02%	0.03%	0.02%	0.02%	0.03%
Direct transaction costs	0.04%	0.04%	0.05%	0.04%	0.04%	0.05%

Prices

Highest unit price	1,789.52p	1,653.98p	1,401.62p	1,403.96p	1,340.11p	1,126.47p
Lowest unit price	1,457.08p	1,330.16p	1,048.63p	1,143.00p	1,070.15p	773.32p

Change in net assets per unit

	Z-Class Accumulation		
	30.06.19	30.06.18	30.06.17
Opening net asset value per unit	2,475.00p	2,082.67p	1,701.25p
Return before operating charges*	241.89p	413.76p	399.21p
Operating charges	(22.71p)	(21.43p)	(17.79p)
Return after operating charges*	219.18p	392.33p	381.42p
Distributions on accumulation unit	(16.37p)	(14.95p)	(11.64p)
Retained distributions on accumulation unit	16.37p	14.95p	11.64p
Closing net asset value per unit	2,694.18p	2,475.00p	2,082.67p
*after direct transaction costs of:	0.88p	0.89p	0.96p

Performance

Return after charges	8.86%	18.84%	22.42%
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Other information

Closing net asset value (£'000)	249,871	270,004	3,522
Closing number of units	9,274,486	10,909,269	169,148
Operating charges	0.92%	0.92%	0.93%
Direct transaction costs	0.04%	0.04%	0.05%

Prices

Highest unit price	2,756.83p	2,552.80p	2,181.97p
Lowest unit price	2,237.99p	2,070.21p	1,640.64p

Comparative Tables (continued)

Portfolio Turnover Rate

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

	Year to 30.06.19	Year to 30.06.18
Portfolio Turnover Rate	26.02%	22.03%

The PTR provides an indication of the rate the Manager has bought and sold the underlying assets of the Fund during the period as indicated above. In general, the higher the PTR of a fund, the greater level of portfolio transaction costs will be incurred.

Risk and reward indicator

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

Retail Units

1	2	3	4	5	6	7
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I-Class Units

1	2	3	4	5	6	7
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Z-Class Units

1	2	3	4	5	6	7
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ZM-Class Units

1	2	3	4	5	6	7
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- The lowest category does not mean 'no risk'. Some risk will still be present in funds with a risk and reward rating of 1.
- The Fund is in this category due to the nature of its investments and previous levels of volatility (how much the value of the Fund rises and falls).

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

Charges taken from the Fund over the year to:	30.06.19	30.06.18
Ongoing charges for Retail Units	1.77%	1.77%
Ongoing charges for I-Class Units	1.02%	1.02%
Ongoing charges for Z-Class Units	0.92%	0.92%
Ongoing charges for ZM-Class Units	0.02%	0.02%

Portfolio Statement

As at 30 June 2019

Holding	Investment	Market value £	Total net assets %
	Austria – 0.05% (0.00%)		
200,000	AT&S Austria Technologie and Systemtechnik	2,850,803	0.05
	Belgium – 1.48% (3.26%)		
3,398,590	Umicore	85,665,707	1.48
	Denmark – 12.19% (11.39%)		
371,856	ALK Abello	68,074,011	1.17
845,240	Chr. Hansen	62,481,446	1.08
1,438,196	Coloplast 'B'	127,659,164	2.20
11,221,014	Novo Nordisk 'B'	449,579,043	7.74
		707,793,664	12.19
	Eire – 0.00% (4.59%)		
	Finland – 0.00% (1.70%)		
	France – 15.31% (11.27%)		
3,334,867	BioMérieux	217,086,539	3.74
6,000,000	CGG	8,869,164	0.15
2,190,157	Dassault Systemes	274,852,377	4.73
6,995,613	Edenred SA	280,806,027	4.84
244,841	Essilor International	25,139,592	0.43
1,341,000	Ubisoft	82,578,088	1.42
		889,331,787	15.31
	Germany – 34.53% (32.64%)		
1,971,332	adidas	478,377,600	8.24
4,495,869	Bayer	246,038,179	4.23
390,000	Carl Zeiss Meditec	30,273,001	0.52
2,453,627	Deutsche Boerse	273,557,082	4.71
2,752,709	Grenkeleasing	232,146,981	4.00
11,712,423	Infineon Technologies	163,029,449	2.81
346,190	Knorr Bremse	30,403,683	0.52
610,145	KWS SAAT	34,722,545	0.60
3,904,455	Wirecard	517,237,748	8.90
		2,005,786,268	34.53
	Iceland – 0.06% (0.05%)		
794,868	Ossur	3,644,970	0.06
	Italy – 0.85% (3.43%)		
4,742,864	doBank	49,483,522	0.85

Portfolio Statement (continued)

Holding	Investment	Market value £	Total net assets %
Netherlands – 2.13% (7.17%)			
1,725,909	Intertrust	28,029,536	0.48
1,675,000	Wolters Kluwer Certificates	95,921,545	1.65
		123,951,081	2.13
Norway – 3.10% (3.17%)			
9,795,670	Marine Harvest	180,005,334	3.10
Spain – 10.69% (12.31%)			
5,725,379	Amadeus	356,869,218	6.15
11,373,097	Grifols	263,775,903	4.54
		620,645,121	10.69
Sweden – 2.00% (1.21%)			
2,214,000	Hexagon	96,184,527	1.65
1,000,940	Intrum Justitia	20,157,196	0.35
		116,341,723	2.00
Switzerland – 1.84% (0.00%)			
53,783	Barry Callebaut	84,734,632	1.46
107,500	Tecan	21,900,534	0.38
		106,635,166	1.84
United Kingdom – 12.55% (4.36%)			
1,453,918	Carnival	50,567,268	0.87
9,672,936	Experian	230,409,335	3.97
487,535	Intermediate Capital	6,732,858	0.12
50,000	London Stock Exchange Group	2,743,000	0.05
23,017,118	RELX	438,272,223	7.54
		728,724,684	12.55
	Total value of investments	5,620,859,830	96.78
	Net other assets	187,263,535	3.22
	Net assets	5,808,123,365	100.00

All holdings are ordinary shares or stock units unless otherwise stated.
The figures in brackets show allocations as at 30 June 2018.

Summary of Material Portfolio Changes

Significant purchases and sales for the year ended 30 June 2019

Purchases	Cost £	Sales	Proceeds £
Infineon Technologies	159,740,161	Wirecard	221,492,546
Wirecard	132,226,771	Ryanair	188,101,252
Bayer	131,225,977	adidas	131,048,011
adidas	95,496,118	Fresenius SE	112,494,692
Ubisoft	88,904,957	Essilor International	97,359,165
Hexagon	87,996,796	Amadeus	89,862,023
Wolters Kluwer Certificates	76,976,983	Wärtsilä	76,497,783
Barry Callebaut	76,517,604	Dassault Systemes	71,129,147
Edenred SA	50,327,894	Deutsche Boerse	44,761,060
Novo Nordisk 'B'	31,237,785	Marine Harvest	35,284,226
Subtotal	<u>930,651,046</u>	Subtotal	<u>1,068,029,905</u>
Total cost of purchases, including the above, for the year	<u>1,167,929,577</u>	Total cost of sales, including the above, for the year	<u>1,319,666,752</u>

Statement of Authorised Fund Manager's responsibilities in relation to the financial statements of the Scheme

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- prepare the accounts on a going concern basis, unless it is inappropriate to do so;
- comply with the requirements of the Statement of Recommended Practice for Authorised Funds;
- follow applicable accounting standards; and
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

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

Statement of Trustee's responsibilities in relation to the financial statements of the Scheme

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

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

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

The Trustee must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;

- the value of units of the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Schemes 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 Trustee also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

A copy of the Report of Trustee is set out below.

Report of the Trustee

Jupiter European Fund

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

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's

revenue in accordance with the Regulations and the Scheme Documents; and

- has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Northern Trust Global Services SE (UK branch)

Trustee & Depositary Services

London

21 August 2019

Independent Auditors' Report to the Unitholders of the Jupiter European Fund

Report on the audit of the financial statements

Opinion

In our opinion, the Jupiter European Fund's financial statements:

- give a true and fair view of the financial position of the Fund as at 30 June 2019 and of the net revenue and the net capital gains of its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Accounts ('the Annual Report'), which comprise: the Balance Sheet as at 30 June 2019; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Fund's business and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Unitholders of the Jupiter European Fund (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of Authorised Fund Manager's responsibilities in relation to the financial statements of the Scheme set out on page 13, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Fund, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes Sourcebook we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Edinburgh
21 August 2019

Statement of Total Return

For the year ended 30 June 2019

	Note	Year to 30.06.19		Year to 30.06.18	
		£	£	£	£
Income					
Net capital gains	3		431,898,527		813,992,687
Revenue	4	95,631,267		86,519,845	
Expenses	5	(66,613,692)		(61,094,998)	
Interest payable and similar charges		(558,948)		(501,496)	
Net revenue before taxation		28,458,627		24,923,351	
Taxation	6	(9,517,143)		(6,824,906)	
Net revenue after taxation			18,941,484		18,098,445
Total return before distributions			450,840,011		832,091,132
Distributions	7		(21,814,356)		(20,971,388)
Change in net assets attributable to unitholders from investment activities			429,025,655		811,119,744

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 30 June 2019

		Year to 30.06.19		Year to 30.06.18	
		£	£	£	£
Opening net assets attributable to unitholders			5,531,441,354		4,295,009,017
Amounts receivable on issue of units	444,454,924			714,864,901	
Amounts payable on cancellation of units	(611,294,879)			(302,068,180)	
			(166,839,955)		412,796,721
Change in net assets attributable to unitholders from investment activities			429,025,655		811,119,744
Retained distribution on accumulation units			14,491,550		12,498,261
Unclaimed distributions			4,761		17,611
Closing net assets attributable to unitholders			5,808,123,365		5,531,441,354

Balance Sheet

As at 30 June 2019

	Note	30.06.19 £	30.06.18 £
Assets			
Investments		5,620,859,830	5,340,650,230
Current Assets:			
Debtors	8	76,764,549	19,943,581
Cash and bank balances		140,711,311	183,347,753
Total assets		5,838,335,690	5,543,941,564
Liabilities			
Creditors:			
Distribution payable		(8,064,333)	(8,445,242)
Other creditors	9	(22,147,992)	(4,054,968)
Total liabilities		(30,212,325)	(12,500,210)
Net assets attributable to unitholders		5,808,123,365	5,531,441,354

Directors' Statement

Jupiter European Fund

This report has been prepared in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook and Investment Funds Sourcebook where applicable and the Statement of Recommended Practice issued by the Investment Association.

Directors: Paula Moore, Rupert Corfield

Jupiter Unit Trust Managers Limited

London

21 August 2019

Notes to the Financial Statements

For the year ended 30 June 2019

1. Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook. They have been prepared in accordance with FRS102 and the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by The Investment Management Association (now referred to as the Investment Association) in May 2014 (the 2014 SORP).

As stated in the Statement of Authorised Fund Managers' Responsibilities in relation to the financial statements of the Scheme on page 13, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

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

(b) Revenue

All dividends from companies declared ex-dividend during the year ended 30 June 2019 are included in revenue, net of any attributable tax.

UK dividends are shown net of any associated tax credits attached to the income.

Overseas revenue received after the deduction of withholding tax is shown gross of tax, with the tax consequences shown within the tax charge.

Bank interest and interest on short-term deposits are accrued up to the year end date.

Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. The tax treatment follows the accounting treatment of the principal amount.

(c) Expenses

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

(d) Valuation of Investments

The investments of the Fund have been valued using bid market values ruling on international stock exchanges at Close of Business on 28 June 2019, 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.

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

Notes to the Financial Statements (continued)

1. Accounting Policies – continued

(e) Foreign Exchange

Transactions in foreign currencies are translated into Sterling at the rates ruling at the dates of the transactions. Assets and liabilities expressed in foreign currencies are translated at the rates ruling at close of business on 28 June 2019, being the last valuation point of the year.

(f) Taxation

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

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

2. Distribution Policies

(a) Basis of Distribution

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

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

(b) Distributions Dates

Net revenue, if any, will be distributed or accumulated to unitholders as a dividend distribution, annually on 31 August in respect of the accounting year ending 30 June.

Notes to the Financial Statements (continued)

3. Net capital gains

The net gains on investments during the year comprise:

	30.06.19 £	30.06.18 £
Currency losses	(31,103)	(5,571,405)
Transaction charges	(17,145)	(8,526)
Gains on non-derivative securities	431,946,775	819,572,618
Net capital gains	431,898,527	813,992,687

4. Revenue

	30.06.19 £	30.06.18 £
UK dividends	9,517,544	2,697,488
Overseas dividends	86,037,286	83,538,823
Bank interest	65,509	263,043
Interest earned on overseas tax reclaims	10,928	20,491
Total revenue	95,631,267	86,519,845

5. Expenses

	30.06.19 £	30.06.18 £
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	51,919,763	47,803,839
Registration fees	13,675,383	12,280,528
	65,595,146	60,084,367
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fee	373,357	347,594
Safe custody fees	593,658	619,453
	967,015	967,047
Other expenses:		
Audit fee*	10,506	10,200
Professional fees on withholding tax reclaims	40,897	33,240
Financial Conduct Authority fee	128	144
	51,531	43,584
Total expenses	66,613,692	61,094,998

*The audit fee (excluding VAT) incurred during the year was £8,755 (30.06.18: £8,500).

Notes to the Financial Statements (continued)

6. Taxation

(a) Analysis of charge in the year:

	30.06.19 £	30.06.18 £
Irrecoverable overseas tax	7,442,334	6,824,906
Swiss tax reclaims written off	2,074,809	–
Total tax charge for the year	9,517,143	6,824,906

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

The tax assessed for the year is higher (2018: higher) than the standard rate of Corporation Tax in the UK for an authorised unit trust. The differences are explained below:

	30.06.19 £	30.06.18 £
Net revenue before taxation	28,458,627	24,923,351
Corporation Tax at 20%	5,691,725	4,984,670
Effects of:		
Current year expenses not utilised	13,419,241	12,262,592
Revenue not subject to taxation	(19,110,966)	(17,247,262)
Irrecoverable overseas tax	7,442,334	6,824,906
Swiss tax reclaims written off	2,074,809	–
Current tax charge for the year	9,517,143	6,824,906

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

(c) Provision for Deferred Tax

At 30 June 2019 there are surplus management expenses of £406,672,458 (30.06.18: £339,576,255). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore a Deferred Tax asset of £81,334,492 (30.06.18: £67,915,251) has not been recognised.

Notes to the Financial Statements (continued)

7. Distributions

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

	30.06.19 £	30.06.18 £
Final distribution	22,555,883	20,943,503
	22,555,883	20,943,503
Amounts (received)/paid on issue of units	(459,958)	182,088
Amounts received on cancellation of units	(281,569)	(154,203)
Net distributions for the year	21,814,356	20,971,388
Reconciliation of net revenue after taxation to Distributions:		
Net revenue after taxation for the year	18,941,484	18,098,445
Net movement in revenue account	(59)	(7)
Transfer from capital for revenue deficit*	2,756,556	2,845,328
Equalisation on conversions	116,375	27,622
Net distributions for the year	21,814,356	20,971,388

*No final distribution will be paid to holders of Retail unit classes as there was an excess of expenses over revenue in respect of this unit class for the current and prior year. The deficit has been covered by a transfer from the capital of the Fund.

Details of the distributions in pence per unit are shown in the Distribution Tables on pages 30 and 31.

8. Debtors

	30.06.19 £	30.06.18 £
Accrued revenue	2,657,187	2,403,102
Amounts receivable for issue of units	164,419	2,378,009
Currency sales awaiting settlement	5,240,899	134,724
Overseas tax recoverable	12,981,899	15,027,746
Sales awaiting settlement	55,720,145	–
Total debtors	76,764,549	19,943,581

9. Other creditors

	30.06.19 £	30.06.18 £
Accrued expenses	7,252,300	1,736,304
Amounts payable for cancellation of units	9,673,204	2,184,364
Currency purchases awaiting settlement	5,222,488	134,300
Total other creditors	22,147,992	4,054,968

Notes to the Financial Statements (continued)

10. Contingent Liabilities and Capital Commitments

The Fund had no contingent liabilities or capital commitments at the balance sheet date (30.06.18: £nil).

11. Contingent Asset

Following the ruling on the Denkavit case with the European Court of Justice regarding taxation withheld on overseas dividends, the Manager has taken steps to make claims with certain European Tax Authorities for repayment of taxation suffered by the Fund on dividend revenue.

Due to uncertainty regarding the likely success of the open claims, it is not possible to estimate the potential amount of overseas tax that may be received by the Fund, if any. Therefore, the financial statements presented for the year ended 30 June 2019 do not reflect any further amounts that may still be received.

12. Related Party Transactions

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

Amounts receivable/(payable) to/from JUTM in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders. At the year end a net balance of £9,508,785 was payable to JUTM (30.06.18: £193,645 due from JUTM). These amounts are included in Amounts receivable for issues of units in Note 8 and Amounts payable for cancellation of units in Note 9.

Any amounts due to or from JUTM at the end of the accounting year are disclosed in Notes 8 (debtors) and 9 (other creditors). Amounts payable to JUTM in respect of fund management are disclosed in Note 5 (expenses). At the year end £5,564,783 (30.06.18: £1,163,379) was due to JUTM. These amounts are included in accrued expenses in Note 9.

13. Financial Instruments

In pursuing its investment objectives the Fund holds a number of financial instruments. These comprise securities and other investments, cash balances, bank overdrafts, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable from issues and payable for cancellations and debtors for accrued revenue.

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

The Fund has little exposure to credit, counterparty and cash flow risk, these risks are not significant at current levels. The main risks it faces from its financial instruments are liquidity, market price, foreign currency and interest rate risk. The Manager reviews policies for managing these risks in pursuance of the Investment Objective and Policy as set out on page 2 and they are summarised later. These risks remain unchanged from the prior year.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, Scheme Particulars and in the rules of the Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Review and Portfolio Statement.

Notes to the Financial Statements (continued)

13. Financial Instruments – continued

Liquidity Risk

With any financial instrument held, there is the risk that the Fund may not be able to sell the full amount it wishes to at any given point of time, at the price at which the holding is valued within the portfolio. This risk is most pronounced for instruments in smaller companies listed on emerging market exchanges and for unlisted or unquoted securities. It is possible therefore, that if the Fund was forced to raise money quickly in order to meet significant redemption requests, the price achieved for some of the less liquid instruments would be lower than that at which they are valued. The Fund aims to reduce this liquidity risk by holding a well diversified range of securities.

Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held by the Fund. It represents the potential loss the Fund might suffer through holding market positions which are affected by adverse price movements.

The Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular markets or industry sectors whilst continuing to follow the Investment Objective and Policy (as set out on page 2).

Price Risk Sensitivity

A ten per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £562,085,983 (30.06.18: £534,065,023). A ten per cent decrease would have an equal and opposite effect.

Foreign Currency Risk

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

	30.06.19	30.06.18
Currency	Total £	Total £
Danish Krone	726,721,315	637,747,558
Euro	4,286,676,212	4,303,253,959
Norwegian Kroner	193,142,955	176,983,591
Swedish Krona	130,730,139	66,990,119
Swiss Franc	108,672,813	1,797,750
US Dollar	2,470,106	1,937,659

Foreign Currency Risk Sensitivity

A ten per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £544,841,354 (30.06.18: £518,871,064). A ten per cent decrease would have an equal and opposite effect.

Interest Rate Risk

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

Notes to the Financial Statements (continued)

13. Financial Instruments – continued

Interest Rate Risk Profile of Financial Assets and Financial Liabilities

The interest rate risk profile of the Fund's financial assets and liabilities at 30.06.19 was:

Currency	Floating Rate financial assets £	Financial assets not carrying interest £	Total £
30.06.19			
Danish Krone	45,174	726,676,141	726,721,315
Euro	23,658,786	4,263,017,512	4,286,676,298
Norwegian Kroner	5,655,795	187,487,160	193,142,955
Swedish Krona	12,165,255	118,564,884	130,730,139
Swiss Franc	–	108,672,813	108,672,813
US Dollar	–	2,470,106	2,470,106
Sterling	99,186,301	290,735,763	389,922,064
Total	140,711,311	5,697,624,379	5,838,335,690
30.06.18			
Danish Krone	–	637,747,558	637,747,558
Euro	71,702,914	4,231,569,494	4,303,272,408
Norwegian Kroner	–	176,983,591	176,983,591
Swedish Krona	–	66,990,119	66,990,119
Swiss Franc	–	1,797,750	1,797,750
US Dollar	–	1,937,659	1,937,659
Sterling	111,644,839	243,567,640	355,212,479
Total	183,347,753	5,360,593,811	5,543,941,564
Currency	Floating Rate financial liabilities £	Financial liabilities not carrying interest £	Total £
30.06.19			
Euro	–	86	86
Sterling	–	30,212,239	30,212,239
Total	–	30,212,325	30,212,325
30.06.18			
Euro	–	18,449	18,449
Sterling	–	12,481,761	12,481,761
Total	–	12,500,210	12,500,210

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%.

Notes to the Financial Statements (continued)

13. Financial Instruments – continued

Fair Value of Financial Assets and Financial Liabilities

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

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

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

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

Level 3: Valuation techniques using unobservable inputs.

Basis of valuation	Assets	Liabilities
30.06.19	£	£
Level 1	5,620,859,830	–
Level 2	–	–
Level 3	–	–
	<u>5,620,859,830</u>	<u>–</u>
30.06.18	£	£
Level 1	5,340,650,230	–
Level 2	–	–
Level 3	–	–
	<u>5,340,650,230</u>	<u>–</u>

Notes to the Financial Statements (continued)

14. Portfolio Transaction Costs

For the year ended 30 June 2019

	Equities		Corporate Actions		Total
	£	%	£	%	£
Analysis of total purchases costs					
Purchases in year before transaction costs	1,159,021,494		7,709,348		1,166,730,842
Commissions	659,033	0.06%	–	–	659,033
Taxes	539,700	0.05%	–	–	539,700
Expenses and other charges	2	0.00%	–	–	2
	<u>1,198,735</u>		<u>–</u>		<u>1,198,735</u>
Gross purchases total	<u>1,160,220,229</u>		<u>7,709,348</u>		<u>1,167,929,577</u>
Analysis of total sales costs					
Sales in year before transaction costs	1,320,432,126		25		1,320,432,151
Commissions	(765,326)	0.06%	–	–	(765,326)
Taxes	(34)	0.00%	–	–	(34)
Expenses and other charges	(39)	0.00%	–	–	(39)
	<u>(765,399)</u>		<u>–</u>		<u>(765,399)</u>
Sales net of transaction costs	<u>1,319,666,727</u>		<u>25</u>		<u>1,319,666,752</u>

Commission, taxes and expenses as % of average net assets

Commission	0.03%
Taxes	0.01%
Expenses	0.00%

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 30 June 2018

	Equities		Corporate Actions		Total
	£	%	£	%	£
Analysis of total purchases costs					
Purchases in year before transaction costs	1,332,553,759		19,649,544		1,352,203,303
Commissions	761,385	0.06%	–	–	761,385
Taxes	845,586	0.06%	–	–	845,586
Expenses and other charges	5,154	0.00%	–	–	5,154
	<u>1,612,125</u>		<u>–</u>		<u>1,612,125</u>
Gross purchases total	<u>1,334,165,884</u>		<u>19,649,544</u>		<u>1,353,815,428</u>
Analysis of total sales costs					
Sales in year before transaction costs	874,681,945		3,009,171		877,691,116
Commissions	(505,805)	0.06%	–	–	(505,805)
Taxes	(15)	0.00%	–	–	(15)
Expenses and other charges	–	–	–	–	–
	<u>(505,820)</u>		<u>–</u>		<u>(505,820)</u>
Sales net of transaction costs	<u>874,176,125</u>		<u>3,009,171</u>		<u>877,185,296</u>

Commission, taxes and expenses as % of average net assets

Commission	0.02%
Taxes	0.02%
Expenses	0.00%

The average portfolio dealing spread as at the balance sheet date was 0.41%

Notes to the Financial Statements (continued)

15. Unitholders' Funds

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

Unit Class	Initial Charge	Manager's periodic charge	Minimum initial investment
Retail Units	0.00%	1.50%	£500
I-Class Units	0.00%	0.75%	£5,000,000
Z-Class Units	0.00%	0.65%	£125,000,000
ZM-Class Units	0.00%	0.00%	N/A

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

The Net Asset Value per unit and the number of units in each class are given in the Comparative Tables on pages 6 to 8. All unit classes have the same rights on winding up.

Reconciliation of Units	Retail Income	Retail Accumulation	I-Class Accumulation	I-Class Income
Opening units at 1 July 2018	26,382,001	41,593,592	83,043,705	62,962,586
Units issued in year	138,793	46,951	13,702,545	882,892
Units cancelled in year	(2,691,329)	(2,160,835)	(5,719,750)	(8,415,420)
Units converted in year	(975,511)	(47,234)	39,495	861,147
Closing units at 30 June 2019	22,853,954	39,432,474	91,065,995	56,291,205

Reconciliation of Units	Z-Class Accumulation	Z-Class Income	ZM-Class GBP Accumulation	ZM-Class EUR Accumulation
Opening units at 1 July 2018	10,909,269	6,319,963	179,981	2,108,208
Units issued in year	1,706,521	1,010,698	205,649	466,249
Units cancelled in year	(3,355,412)	(2,836,392)	(130,451)	(825,946)
Units converted in year	14,108	91,344	–	–
Closing units at 30 June 2019	9,274,486	4,585,613	255,179	1,748,511

Distribution Table

For the year ended 30 June 2019

Distribution in pence per unit

FINAL

Group 1: units purchased prior to 1 July 2018

Group 2: units purchased on or after 1 July 2018 to 30 June 2019

	Income	Equalisation	Distribution payable 30.08.19	Distribution paid 31.08.18
Retail Income Units				
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

	Income	Equalisation	Distribution to be accumulated 30.08.19	Distribution accumulated 31.08.18
Retail Accumulation Units				
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

	Income	Equalisation	Distribution payable 30.08.19	Distribution paid 31.08.18
I-Class Income Units				
Group 1	13.0699	–	13.0699	11.9916
Group 2	13.0699	0.0000	13.0699	11.9916

	Income	Equalisation	Distribution to be accumulated 30.08.19	Distribution accumulated 31.08.18
I-Class Accumulation Units				
Group 1	13.8326	–	13.8326	12.6259
Group 2	12.9979	0.8347	13.8326	12.6259

	Income	Equalisation	Distribution payable 30.08.19	Distribution paid 31.08.18
Z-Class Income Units				
Group 1	15.4206	–	15.4206	14.1618
Group 2	15.4206	0.0000	15.4206	14.1618

	Income	Equalisation	Distribution to be accumulated 30.08.19	Distribution accumulated 31.08.18
Z-Class Accumulation Units				
Group 1	16.3715	–	16.3715	14.9453
Group 2	16.3715	0.0000	16.3715	14.9453

Distribution Table (continued)

For the year ended 30 June 2019

Distribution in pence per unit

FINAL

Group 1: units purchased prior to 1 July 2018

Group 2: units purchased on or after 1 July 2018 to 30 June 2019

	Income	Equalisation	Distribution to be accumulated 30.08.19	Distribution accumulated 31.08.18
ZM-Class-GBP Accumulation Units				
Group 1	25.2244	–	25.2244	22.9042
Group 2	16.1723	9.0521	25.2244	22.9042

	Income	Equalisation	Distribution to be accumulated 30.08.19	Distribution accumulated 31.08.18
ZM-Class-EUR Accumulation Units				
Group 1	17.8446	–	17.8446	16.2033
Group 2	15.5485	2.2961	17.8446	16.2033

All Unit Types

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

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

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

General Information (unaudited)

Remuneration

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

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

<https://www.jupiteram.com/corporate/Governance/Risk-management>

Remuneration decisions are governed by Jupiter's Remuneration Committee (the 'Committee'), which meets on a regular basis to consider remuneration matters across the Group. In order to avoid conflicts of interest, the Committee comprises independent non-executive directors, and no individual is involved in any decisions regarding their own remuneration. Implementation of the remuneration policy for the Group is subject to an annual independent review by Jupiter's internal audit department. No material outcomes or irregularities were identified as a result of the most recent independent review, which took place in 2019.

JUTM's Board includes two independent Non Executive Directors who are remunerated directly by the company. No other members of the Board receive remuneration from JUTM and are instead remunerated directly by their employing entity in the Jupiter Group. JUTM does not employ any other staff. In the interests of transparency, Jupiter has apportioned the total employee remuneration paid to all its 562 staff in respect of JUTM's UCITS V duties performed for the UCITS schemes on a 'number of funds' basis. It has estimated that the total amount of employee remuneration paid in respect of duties for the Fund is £2,403,620 of which £425,717 is fixed remuneration and £1,977,903 is variable remuneration.

The aggregate total remuneration paid to UCITS V Identified Staff that is attributable to duties for the Fund is £2,242,785 of which £107,183 is paid to Senior Management and £2,135,602 is paid to other staff. It should be noted that the aforementioned Identified Staff also provide services to other companies within Jupiter and its clients. They are included because their professional activities are considered to have a material impact on the risk profile of the Fund.

Tax Information Reporting

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

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

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

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

General Information (unaudited) (continued)

Advice to unitholders

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

Fraudsters will often:

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

You can avoid investment scams by:

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

If you are suspicious, report it

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

For further helpful information about investment scams and how to avoid them please visit **www.fca.org.uk/scamsmart**

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

Responsible Stewardship

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

Other Information

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