

# 木星新興歐洲機會基金 Jupiter Emerging European Opportunities Fund

# 基金年度報表

# 木星新興歐洲機會基金(Jupiter Emerging European Opportunities Fund)

## 投資目標

主要藉由投資中歐與東歐的股市來達成長期資本增長。

## 基金狀態

基金績效變化與基金指標比較(自成立日至 2018/6/30)						
<b>1</b> 年 <b>3</b> 年 <b>5</b> 年 <b>10</b> 年 成立至今*						
績效成長%	4.0	53.5	12.9	-19.9	348.5	
MSCI 新興歐 洲 10/40 指數	5.0	35.4	6.0	0.6	434.7	

資料來源:Financial Express, NAV to NAV or bid to NAV dependent on the period of reporting, all performance is net of fees with net income reinvested.

\*基金發行日: 2002年9月16日

## 董事

木星單位信託管理有限公司之董事如下:

R Corfield

P M Moore

R V Parker

N Ring

A Sargent

## 比較表

## 每單位淨資產變動

日期	2018/6/30	2017/6/30	2016/6/30
期初每單位資產淨值	196.43p	154.10p	135.01p
營業費用前收益*	9.39p	46.02p	21.74p
營業費用	(4.14p)	(3.69p)	(2.65p)
營業費用後收益*	5.25p	42.33p	19.09p
單位資本累積分配	(4.64p)	(3.09p)	(2.60p)
單位資本未累積分配	4.64p	3.09p	2.60p
期末每單位資產淨值	201.68p	196.43p	154.10p
*之後的直接交易成本	0.28p	0.38p	0.37p
<u>績效</u>			
扣除費用後報酬率	2.67%	27.47%	14.14%
<u>其他資訊</u>			
期末淨資產價值(單位:仟元)	€45,888	£51,483	<b>£47,595</b>
期末單位數	22,752,389	26,210,090	30,885,404
營業費用	1.96%	2.00%	2.01%
直接交易成本	0.13%	0.20%	0.28%
<u>價格</u>			
最高單位價格	241.57p	214.03p	162.90p
最低單位價格	193.23p	155.32p	110.95p

## 總費用比率

此費用指的是基金營運與操作時的成本,包括行銷與分銷成本。費用將會降低潛在的投資成 長幅度。

期間	2017/7/1~ 2018/6/30	2016/7/1~ 2017/6/30
費用比率	1.96%	2.00%

## 投資組合周轉率

	2017/7/1 ~ 2018/6/30	2016/7/1 ~ 2017/6/30
基金投資組合週轉率	112.70%	96.78%

## 投資組合明細表 (至 2018/6/30)

持股數	投資標的#	市值(英鎊)	佔總資產比率
Channel Islands – O	.00% (1.41%)		
Cyprus – 0.00% (1	.18%)		
Czech Republic – 5	.02% (2.51%)		
45,000	Komercni Banka	1,424,156	1.50
932,000	Moneta Money Bank	2,412,578	2.54
108,000	O2 Czech Republic	932,509	0.98
Greece – 5.22% (5.	79%)		
1,444,000	Alpha Bank	2,426,275	2.56
156,000	Greek Organisation of Football Prognostics	1,332,665	1.40
97,000	Jumbo	1,197,502	1.26
Hungary – 3.39% (4	1.23%)		
147,000	MOL Hungarian Oil	1,074,347	1.13
78,600	OTP Bank	2,141,504	2.26
Luxembourg – 1.73°	% (0.00%)		
318,000	Play Communications	1,646,952	1.73
Poland – 15.53% (	16.47%)		
139,408	Alior Bank	1,869,885	1.97
162,000	Bank Pekao	3,701,818	3.90
30,500	CCC	1,277,274	1.34
47,000	Dino Polska	985,080	1.04
59,000	KGHM	1,047,043	1.10
345,000	PKO Bank Polski	2,578,976	2.72
71,000	PKN Orlen	1,201,396	1.26
265,000	PZU	2,086,032	2.20
Romania – 3.15% (	3.65%)	, ,	
27,650,372		1,677,812	1.77
185,000	Societatea Nationala	1,310,251	1.38
		, ,	
2,783,362	Gazprom	4,725,628	4.98
172,000	Lukoil ADR	8,908,434	9.38
27,200	MMC Norilsk Nickel	3,731,241	3.93
580,000	Mobile Telesystems	1,952,998	2.06
965,000	Moscow Exchange Micex	1,270,145	1.34
449,000	Novatek OAO	4,610,247	4.85
192,000	PhosAgro OAO GDR	1,867,283	1.96
719,000	Rosneft Oil GDR	3,387,374	3.57
3,785,000	Sberbank of Russia preference shares	8,528,060	8.98
97,000	Severstal	1,087,256	1.14
3,495,000	Surgutneftegaz preference shares	1,323,771	1.39
440,000	Tatneft preference shares	2,457,703	2.59
44,000	Tatneft ADR	2,108,267	2.22
95,000	X5 Retail	1,905,397	2.01

## 投資組合明細表 (至 2018/6/30)

持股數	投資標的#	市值(英鎊)	佔總資產比率
Turkey – 13.31% (	17.22%)		
1,201,000	Akbank	1,493,226	1.57
386,000	AvivaSA Emeklilik Ve Hayat	940,696	0.99
100,000	Bim Birlesik Magazalar	1,110,224	1.17
580,000	Eregli Demir Ve Celik Fabrik	978,121	1.03
980,000	Garanti Bankasi	1,357,796	1.43
685,000	KOC	1,610,478	1.70
658,000	Turkcell Iletism Hizmetleri	1,323,979	1.39
1,330,000	Turkiye Vakiflar Bankasi	1,079,687	1.14
411,000	Tofas Turk Otomobil Fabrikasi	1,634,941	1.72
372,385	Ulker Biskuvi Sanayi	1,110,075	1.17
United Kingdom –	1.29% (0.00%)		
70,000	TBC Bank	1,220,800	1.29
	投資組合資產總值	94,047,882	99.04
	其他資產價值	911,213	0.96
	淨資產價值	94,959,095	100.00

註:所持股份除非特別敘明,原則上為普通股或股票單位。

#:括弧內數字為前一會計年度結束於2017年6月30日時之投資比重。

# 前 10 大買進與賣出持股一覽 (期間自 2017/7/1 至 2018/6/30)

買進	買進成本(英鎊)	賣出	賣出金額(英鎊)
Rosneft Oil GDR	3,204,566	Sberbank of Russia preference shares	5,083,983
MMC Norilsk Nickel	3,119,411	Lukoil ADR	3,805,041
PKN Orlen	2,893,598	MMC Norilsk Nickel ADR	3,685,437
Gazprom	2,718,642	Garanti Bankasi	3,343,879
Surgutneftegaz preference shares	2,699,869	Rosneft Oil GDR	3,341,860
Play Communications	2,447,522	Gazprom	2,934,910
Severstal GDR	2,418,539	Dino Polska	2,361,752
Akbank	2,385,990	PKN Orlen	2,311,998
Alpha Bank	2,329,902	Severstal GDR	2,218,544
Mobile Telesystems	2,250,180	Alrosa	2,079,789
前十名買進標的金額	26,468,219	前十名賣出標的金額	31,167,193
其他買進標的金額	37,331,436	其他賣出標的金額	39,867,667
買進總金額	63,799,655	賣出總金額	71,034,860

## 總收益報表 (至 2018/6/30)

	2017/7/1 ~ 2018/6/30		2016/7/1 ~	2017/6/30
	£(英鎊)	£ (英鎊)	£(英鎊)	£ (英鎊)
收益				
淨資本利得		982,722		22,654,604
收入	4,872,108		4,209,593	
費用	(1,586,657)		(1,595,975)	
應付利息和費用	(7,885)		(1,094)	
稅前淨費用	3,277,566		2,612,524	
所得稅	(586,609)		(513,202)	
稅後淨收入		2,690,957		2,099,322
資本增值前總收益		3,673,679		24,753,926
資本增值		(2,692,028)		(2,101,293)
基金受益人之資產變動額		981,651		22,652,633

## 基金受益人淨資產變動表(至2018/6/30)

	2017/7/1 ~ 2018/6/30		2016/7/1 ~	- 2017/6/30
	£ (英鎊)	£ (英鎊)	£ (英鎊)	£ (英鎊)
年初淨資產總值		101,476,151		92,890,782
新增申購基金單位總金額	3,377,722		1,963,409	
贖回基金單位總金額	(13,444,470)		(17,981,658)	
		(10,066,748)		(16,018,249)
基金受益人之資產變動額(詳上表)		981,651		22,652,633
資本增值單位之保留收益	_	2,568,041		1,950,985
年末淨資產總值		94,959,095		101,476,151

## 資產負債表 (至 2018/6/30)

	至 2018/6/30	至 2017/6/30	
	£ (英鎊)	£(英鎊)	
資產			
投資部位	94,047,882	100,148,724	
流動資產:			
應收帳款	2,373,766	2,817,701	
現金及銀行餘額	1,675,494	2,799,335	
資產總計	98,097,142	105,765,760	
負債			
應付債款:			
銀行超支金額	(1,333,275)	(795,716)	
其他應付債款	(1,804,772)	(3,493,893)	
負債總計	(3,138,047)	(4,289,609)	
基金受益人淨資產價值	94,959,095	101,476,151	

## 基金查核機構出示意見

- 本財務報告已依據授權基金建議實務說明、金融行為監管局之集合投資計畫資料手冊規則 及信託契約妥善編製;
- 管理機構報告與本財務報告一致;
- 沒有任何跡象顯示適當之會計紀錄未被保存或該財務報告與前開紀錄不一致;及
- 就我們最佳之認知及相信,我們已獲悉所有本稽核所需之資訊及解釋。

## PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors Edinburgh 13 August 2018

## 木星新興歐洲機會基金相關機構

基金之經理、註冊、與管理機構
Jupiter Unit Trust Managers Limited
PO Box 10666
Chelmsford
CM99 2BG

Tel: 0800 561 4000 Fax: 0800 561 4001

www.jupiteram.com

登記地址

The Zig Zag Building 70 Victoria Street London SW1E 6SQ

受英國金融行為監管局規管

## 受託機構

National Westminster Bank plc
Trustee and Depositary Services
Floor 1
280 Bishopsgate
London EC2M 4RB

受英國審慎監管局核准並受金融行為監管局與審慎監管局規管

## 投資顧問

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

受英國金融行為監管局規管

## 查核機構

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX



Jupiter Unit Trust Managers Limited, PO Box 10666, Chelmsford CM99 2BG Tel: 0800 561 4000 Fax: 0800 561 4001

www.jupiteram.com

Authorised and regulated by the Financial Conduct Authority whose address is 12 Endeavour Square, London E20 IJN

## Jupiter Emerging European Opportunities Fund

For the year ended 30 June 2018

# ANNUAL

Report & Accounts





## Jupiter Emerging European Opportunities Fund

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<sup>\*</sup>These collectively comprise the Authorised Fund Manager's Report

# **ANNUAL REPORT**

## Jupiter Emerging European Opportunities Fund

For the year ended 30 June 2018

## Fund Information

#### **Investment Objective**

To achieve long-term capital growth through investment primarily in Central and Eastern Europe.

#### **Investment Policy**

The scheme will invest primarily in companies which operate or reside in Central or Eastern Europe including Russia, the Baltic States, all other member states of the former USSR and Turkey. The scheme may also invest in shares in investment trusts and other closed or (to the extent permitted by the Regulations) open ended funds which are themselves dedicated to investments in the markets and countries listed above. The scheme shall be free to invest in companies which are established in countries outside those identified above which, in the Manager's opinion, conduct a material proportion of their business(es) in one or more of those countries and. in any event, the scheme shall be permitted to invest an aggregate of up to 10 per cent of its total assets at the time of investment in companies which do not necessarily conduct a material proportion of their business(es) in one or more of those countries but which reside in Israel, Uzbekistan, Turkmenistan, Tajikistan and Kyrgyzstan.

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 'Specialist' 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. 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) or I-Class Units. The unit types associated with each unit class are disclosed in the Comparative Tables on page 5.

#### Change of Auditor

With effect from 24 November 2017 the Fund's Auditor changed from Ernst & Young LLP to PricewaterhouseCoopers LLP.

#### **Pricing Basis**

With effect from 22 January 2018, the Fund's pricing basis moved from dual priced to a single swing priced basis.

## Fund Information continued

#### Cumulative Performance (% change to 30 June 2018)

	1 year	3 years	5 years	10 years	Since launch*
Percentage growth	4.0	53.5	12.9	-19.9	348.5
MSCI Emerging Markets Europe 10/40 Index	5.0	35.4	6.0	0.6	434.7

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. \*Launch date 16 September 2002. Due to the diverse nature of the funds in the Specialist sector, sector rankings will not be shown.

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. Past performance is no guide to the future. The Fund invests in developing geographical areas and there is a greater risk of volatility due to political and economic change, fees and expenses tend to be higher than in western markets. These markets are typically less liquid, with trading and settlements systems that are generally less reliable than in developed markets, which may result in large price movements or losses to the Fund. 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. This Fund can invest more than 35% of its value in securities issued or guaranteed by an EEA state. For definitions please see the glossary at jupiteram.com. 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, SWIE 65Q.

## Investment Review

#### **Performance Review**

For the year to 30 June 2018, the Fund returned 4.0%\*, while the benchmark MSCI Emerging Markets Europe 10/40 Index returned 5.0%\*. Over five years the Fund returned 12.9%\* compared to its benchmark of 6.0%\* and from launch the Fund returned 348.5%\* compared to the benchmark return of 434.7%\*. Since the current Manager took over (on 31 March 2014) the Fund has strongly outperformed its benchmark; the Fund return of 28.8%\* outperforming the benchmark return of 15.6%\*.

\*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**

In aggregate, regional markets delivered a positive return during the 12 months to end June 2018, as positive returns of +25% in Russia (accounting for around half the regional benchmark) more than offset declines in other markets such as Turkey and Poland.

The Russian market gains were driven to a large extent by a significant recovery in the price of Russia's key export commodity - crude oil - from less than \$50/barrel in June 2017 to over \$75/barrel by the end of June 2018. The Russian economy grew 1.3% in the first quarter of 2018, continuing the expansion that has been in place since late 2016.

Czech equities also made healthy gains, with the market up around 20% and dividends accounting for around a third of these returns. The Czech economy grew 3.4% in the first quarter of 2018, benefiting from similar positive trends as other East European countries such as Poland (+5.2%), and Hungary (+4.4%). However, stock markets in these two countries did not perform as well, with Poland falling -7% and Hungary falling by -2%; in both cases, markets became cheaper as share prices lagged rising earnings expectations. A similar effect has also been observed in the stock markets of developed economies, as the prospect of tighter monetary policy in the US & EU combined with disagreements over tariffs to suppress investor risk appetite, despite the healthy economic expansion and rising earnings.

The Turkish market fell by almost -28% in sterling terms, with currency depreciation accounting for the majority of this decline. A year ago, the Turkish Lira was worth around £0.22, but this fell to £0.16 by the end of June 2018. Turkey depends on external sources of debt financing due to its low savings rate, and this left the

country vulnerable to the rising cost of global funds, particularly given political uncertainty surrounding Turkey's June 2018 elections, and concerns that the Turkish Central bank was not tightening fast enough to tame inflation that exceeded 15% in June 2018.

#### **Policy Review**

Stock selection in Russia made a positive contribution to relative performance. The fund's >9% holding in Sberbank preference shares returned +53%, exceeding the +46% return delivered by the Sberbank ordinary shares that form part of the benchmark. The discount of preference shares to ordinaries continued to narrow as the bank's management announced plans to increase the dividend pay-out ratio; since both classes of shares receive the same dividends, income-seeking investors were drawn more to the cheaper and thus higheryielding preference shares. At the same time, the fund benefited from cutting exposure to those Russian stocks which performed poorly during the period - in particular, food retailer Magnit, whose results disappointed amid vigorous competition from rival X5 and price-sensitive consumers whose spending habits remained frugal in the wake of the 2015-16 recession. Unfortunately, these positives were offset by the unexpectedly weak performance of Turkish stocks such as insurer AvivaSA (-44%) and automaker TOFAS (-34%) - stocks with defensive qualities (such as take-or-pay export contracts in the case of TOFAS) that did not prove as resilient as they had done in previous Turkish market corrections. The Manager believes that share price falls for these companies have been excessive compared to the change in earnings expectations.

Several new ideas entered the portfolio: for example, Russian fertiliser producer Phosagro was added in June on the view that its share price did not reflect recent price rises of its main products. Romanian oil producer OMV Petrom was added because the Manager believed that the share price did not fully reflect the earnings increases from higher oil price increases and the potential transformation into a growth story as it moves towards the final investment decision on a giant offshore project. The existing position in Russian energy company Novatek was topped up as the successful ramp up of its first liquefied natural gas projects in the Arctic (Yamal-LNG) indicated the potential value that could be created from monetising its vast reserves in nearby fields. Stocks were disposed where the earnings outlook deteriorated (e.g. Magnit, Bank of Cyprus), or

## Investment Review continued

where better opportunities emerged (for example in Turkey, Halkbank was disposed due to perceived risks from its legal case, and AkBank was added on the view that it was undervalued).

#### **Investment Outlook**

Most Emerging European economies, such as Poland, Hungary and Czech Republic, remain in good shape, with GDP growing in the tune of 3.5-4.5%. Russia and Greece are seeing GDP growth in the tune of 1.5-2%. Expectations for corporate earnings have increased over the past year, even as several regional stock markets have either declined, or lagged the increase in earnings. As a result, valuations have become more attractive. While Turkey faces headwinds from higher funding costs and appears more susceptible to external risks, its stock market is now back down to levels last seen during the 2008-09 global financial crisis - suggesting that a great deal of pessimism is already in the price. Markets have been driven down by fears of global trade wars, monetary tightening and, in the case of Turkey, concerns over policy direction. If these worries abate – perhaps due to a deal on trade, or a turn towards more market-friendly policy – then valuations could have scope to increase.

## Colin Croft Fund Manager

## Directors

The Directors of Jupiter Unit Trust Managers Limited are:

**R** Corfield

P M Moore

**R V Parker** 

**N** Ring

**A Sargent** 

## 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

This document contains information based on the MSCI Emerging Markets Europe 10/40 Index. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

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Customers of financial institutions can be prone to attempts by fraudsters to obtain personal information or money. There are many ways they can initiate contact, such as emails, letters and cold calls, but methods are constantly evolving so it is important that you are aware of the types of scams so that you are better able to protect yourself. Please visit our website www.jupiteram.com or call 0800 561 4000 for further information.

## Remuneration (unaudited)

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 Emerging European Opportunities 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/Global/en/Investor-Relations/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 nonexecutive 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 2017.

JUTM does not directly employ any individuals and therefore the total amount of remuneration paid by it is nil. All staff are employed and paid by other entities of Jupiter. In the interests of transparency, Jupiter has apportioned the total employee remuneration paid to all 499 Jupiter 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 £845,589, of which £413,188 is fixed remuneration and £432,401 is variable remuneration.

The aggregate total remuneration paid to UCITS V Identified Staff that is attributable to duties for the Fund is £303,746 of which £109,049 is paid to Senior Management and £194,697 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.

## Comparative Tables

## Change in net assets per unit

	Retail Accumulation		I-Class Accumulation		tion	
	30.06.18	30.06.17	30.06.16	30.06.18	30.06.17	30.06.16
Opening net asset value per unit	196.43p	154.10p	135.01p	204.22p	158.97p	138.28p
Return before operating charges*	9.39p	46.02p	21.74p	10.65p	47.65p	22.44p
Operating charges	(4.14p)	(3.69p)	(2.65p)	(2.68p)	(2.40p)	(1.75p)
Return after operating charges*	5.25p	42.33p	19.09p	7.97p	45.25p	20.69p
Distributions on accumulation unit	(4.64p)	(3.09p)	(2.60p)	(6.54p)	(4.66p)	(3.72p)
Retained distributions on accumulation unit	4.64p	3.09p	2.60p	6.54p	4.66p	3.72p
Closing net asset value per unit	201.68p	196.43p	154.10p	212.19p	204.22p	158.97p
*after direct transaction costs of:	0.28p	0.38p	0.37p	0.29p	0.39p	0.39p
Performance						
Return after charges	2.67%	27.47%	14.14%	3.90%	28.46%	14.96%
Other information						
Closing net asset value (£'000)	45,888	51,483	47,595	49,071	49,993	45,296
Closing number of units	22,752,389	26,210,090	30,885,404	23,126,335	24,479,370	28,493,303
Operating charges	1.96%	2.00%	2.01%	1.21%	1.25%	1.26%
Direct transaction costs	0.13%	0.20%	0.28%	0.13%	0.20%	0.28%
Prices						
Highest unit price	241.57p	214.03p	162.90p	241.84p	211.61p	159.99p
Lowest unit price	193.23p	155.32p	110.95p	203.25p	161.13p	114.66p

## Comparative Tables continued

#### Portfolio Turnover Rate

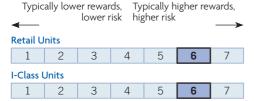
The Portfolio Turnover Rate (PTR) of the Fund, based on the figures included within the financial statements for the year as indicated below, is as follows:

	Year to 30.06.18	Year to 30.06.17
Portfolio Turnover Rate	112.70%	96.78%

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.



- 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 as it invests in a wide range of company shares, which carry a degree of risk.

#### 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:	30.06.18	30.06.17
Ongoing charges for Retail Units	1.96%	2.00%
Ongoing charges for I-Class Units	1.21%	1.25%

## Portfolio Statement

as at 30 June 2018

Holding	Portfolio of investments#	Market value £	% of Total net assets
Channel Islands – (			
Cyprus – 0.00% (1			
Czech Republic – 5	.02% (2.51%)		
45,000	Komercni Banka	1,424,156	1.50
932,000	Moneta Money Bank	2,412,578	2.54
108,000	O2 Czech Republic	932,509	0.98
Greece – 5.22% (5	.79%)		
1,444,000	Alpha Bank	2,426,275	2.56
156,000	Greek Organisation of Football Prognostics	1,332,665	1.40
97,000	Jumbo	1,197,502	1.26
Hungary – 3.39% (	4.23%)		
147,000	MOL Hungarian Oil	1,074,347	1.13
78,600	OTP Bank	2,141,504	2.26
Luxembourg – 1.73	% (0.00%)		
318,000	Play Communications	1,646,952	1.73
Poland – 15.53% (	16.47%)		
139,408	Alior Bank	1,869,885	1.97
162,000	Bank Pekao	3,701,818	3.90
30,500	CCC	1,277,274	1.34
47,000	Dino Polska	985,080	1.04
59,000	KGHM	1,047,043	1.10
345,000	PKO Bank Polski	2,578,976	2.72
71,000	PKN Orlen	1,201,396	1.26
265,000	PZU	2,086,032	2.20
Romania – 3.15% (	(3.65%)		
27,650,372	OMV Petrom	1,677,812	1.77
185,000	Societatea Nationala	1,310,251	1.38
Russia – 50.40% (	46.23%)		
2,783,362	Gazprom	4,725,628	4.98
172,000	Lukoil ADR	8,908,434	9.38
27,200	MMC Norilsk Nickel	3,731,241	3.93
580,000	Mobile Telesystems	1,952,998	2.06
965,000	Moscow Exchange Micex	1,270,145	1.34
449,000	Novatek OAO	4,610,247	4.85
192,000	PhosAgro OAO GDR	1,867,283	1.96
719,000	Rosneft Oil GDR	3,387,374	3.57
3,785,000	Sberbank of Russia preference shares	8,528,060	8.98
97,000	Severstal	1,087,256	1.14
3,495,000	Surgutneftegaz preference shares	1,323,771	1.39
440,000	Tatneft preference shares	2,457,703	2.59
44,000	Tatnett ADR	2,108,267	2.22
95,000	X5 Retail	1,905,397	2.01

## Jupiter Emerging European Opportunities Func

## Portfolio Statement continued

Holding	Portfolio of investments#	Market value £	% of Total net assets
Turkey – 13.31% (	17.22%)		
1,201,000	Akbank	1,493,226	1.57
386,000	AvivaSA Emeklilik Ve Hayat	940,696	0.99
100,000	Bim Birlesik Magazalar	1,110,224	1.17
580,000	Eregli Demir Ve Celik Fabrik	978,121	1.03
980,000	Garanti Bankasi	1,357,796	1.43
685,000	KOC	1,610,478	1.70
658,000	Turkcell Iletism Hizmetleri	1,323,979	1.39
1,330,000	Turkiye Vakiflar Bankasi	1,079,687	1.14
411,000	Tofas Turk Otomobil Fabrikasi	1,634,941	1.72
372,385	Ulker Biskuvi Sanayi	1,110,075	1.17
United Kingdom – 1	.29% (0.00%)		
70,000	TBC Bank	1,220,800	1.29
	Portfolio of investments	94,047,882	99.04
	Net other assets	911,213	0.96
	Net assets	94,959,095	100.00

All holdings are ordinary shares or stock units unless otherwise stated. #The figures in brackets show allocations as at 30 June 2017.

## Top 10 Purchases and Sales

The top 10 purchases and sales for the year ended 30 June 2018

Purchases	Cost £	Sales	Proceeds £
Rosneft Oil GDR	3,204,566	Sberbank of Russia preference shares	5,083,983
MMC Norilsk Nickel	3,119,411	Lukoil ADR	3,805,041
PKN Orlen	2,893,598	MMC Norilsk Nickel ADR	3,685,437
Gazprom	2,718,642	Garanti Bankasi	3,343,879
Surgutneftegaz preference shares	2,699,869	Rosneft Oil GDR	3,341,860
Play Communications	2,447,522	Gazprom	2,934,910
Severstal GDR	2,418,539	Dino Polska	2,361,752
Akbank	2,385,990	PKN Orlen	2,311,998
Alpha Bank	2,329,902	Severstal GDR	2,218,544
Mobile Telesystems	2,250,180	Alrosa	2,079,789
Total top 10 purchases	26,468,219	Total top 10 sales	31,167,193
Remaining purchases	37,331,436	Remaining sales	39,867,667
Total purchases	63,799,655	Total sales	71,034,860

## 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 Emerging European Opportunities 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.

#### National Westminster Bank plc

Trustee & Depositary Services London

13 August 2018

## Independent Auditors' Report to the Unitholders of the Jupiter Emerging European Opportunities Fund

#### Report on the audit of the financial statements

#### Opinion

In our opinion, the Jupiter Emerging European Opportunities Fund's financial statements (the 'financial statements'):

- give a true and fair view of the financial position of the Fund as at 30 June 2018 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 2018; 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

We have nothing to report in respect of the following matters in relation to which 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.

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.

#### 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 Auditor's Report to the Unitholders of the Jupiter Emerging European Opportunities 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 11, 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 liquidate the Fund or to cease operations, 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

13 August 2018

## Statement of Total Return

for the year ended 30 June 2018

	Year to 3	30.06.18	Year to	30.06.17
Notes	£	£	£	£
3		982,722		22,654,604
4	4,872,108		4,209,593	
5	(1,586,657)		(1,595,975)	
	(7,885)		(1,094)	
	3,277,566		2,612,524	_
6	(586,609)		(513,202)	
_		2,690,957		2,099,322
		3,673,679		24,753,926
7		(2,692,028)		(2,101,293
		981,651		22,652,633
	3 4 5	Notes £  3 4 4,872,108 5 (1,586,657)	3 982,722 4 4,872,108 5 (1,586,657)	Notes         £         £         £           3         982,722         4           4         4,872,108         4,209,593           5         (1,586,657)         (1,595,975)           (7,885)         (1,094)           3,277,566         2,612,524           6         (586,609)         (513,202)           2,690,957         3,673,679           7         (2,692,028)

## ■ Statement of Change in Net Assets Attributable to Unitholders

for the year ended 30 June 2018

	Year to 30.06.18		Year to 30.06.17	
	£	£	£	£
Opening net assets attributable to unitholders		101,476,151		92,890,782
Amounts receivable on issue of units	3,377,722		1,963,409	
Amounts payable on cancellation of units	(13,444,470)		(17,981,658)	
		(10,066,748)		(16,018,249
Change in net assets attributable to unitholders from investment activities (see statement of total return above)		981,651		22,652,633
Retained distribution on accumulation units		2,568,041		1,950,985
Closing net assets attributable to unitholders		94,959,095		101,476,151

## Balance Sheet

as at 30 June 2018

	Notes	30.06.18 £	30.06.17 £
Assets	Hotos	~	~
Investments		94,047,882	100,148,724
Current Assets:			
Debtors	8	2,373,766	2,817,701
Cash and bank balances		1,675,494	2,799,335
Total assets		98,097,142	105,765,760
Liabilities			
Creditors:			
Bank overdrafts		(1,333,275)	(795,716)
Other creditors	9	(1,804,772)	(3,493,893)
Total liabilities		(3,138,047)	(4,289,609)
Net assets attributable to unitholders		94,959,095	101,476,151

## Directors' Statement

### **Jupiter Emerging European Opportunities 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, Nick Ring**

Jupiter Unit Trust Managers Limited London

13 August 2018

## Notes to the Financial Statements

For the year ended 30 June 2018

#### 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 Authorised Funds (SORP) for Financial Statements of 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 Managers' Responsibilities in relation to the financial statements of the Scheme on page 11, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

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

#### (b) Revenue

All dividends from companies declared ex-dividend during the year ended 30 June 2018 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.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the Fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of the shares.

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 29 June 2018, being the last valuation point of the year. Market value is defined by the SORP as fair value which is generally the bid value of each security.

The prior year valuation of investments were valued at 12pm.

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.

#### 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 29 June 2018, being the last valuation point of the year.

#### (f) Taxation

Corporation Tax is provided at 20% on revenue, other than franked 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. The distribution dates in respect of this Fund are summarised in Note 2(b). Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

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

#### (b) Distribution Dates

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

## 3. Net capital gains

The net gains on investments during the year comprise:

	30.06.18 £	30.06.17 £
Currency losses	(186,305)	(22,934)
Transaction charges	(62,617)	(84,503)
Gains on non-derivative securities	1,172,373	22,664,337
Special dividends	59,271	97,704
Net capital gains	982,722	22,654,604

#### 4. Revenue

	30.06.18 £	30.06.17 £
UK dividends	35,096	-
Overseas dividends	4,834,182	4,207,702
Bank interest	2,830	1,891
Total revenue	4,872,108	4,209,593

## 5. Expenses

	30.06.18 £	30.06.17 £
Payable to the Manager, associates of the Manager and agents of either of the	hem:	
Manager's periodic charge	1,169,992	1,164,027
Registration fees	251,172	246,870
	1,421,164	1,410,897
Payable to the Trustee, associates of the Trustee and agents of either of them	n:	
Trustee's fee	14,673	18,515
Safe custody fees	87,864	107,813
	102,537	126,328
Other expenses:		
Audit fee*	10,200	10,800
Financial Conduct Authority fee	144	174
Legal fees	3,620	6,406
Charges on ADR dividend receipts	42,856	32,804
Professional fees	6,136	8,566
	62,956	58,750
Total expenses	1,586,657	1,595,975

<sup>\*</sup>The audit fee (excluding VAT) incurred during the year was £8,500 (30.06.17: £9,000).

#### 6. Taxation

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

	30.06.18 £	30.06.17 £
Irrecoverable overseas tax	586,609	513,202
Total tax (Note 6.(b))	586,609	513,202

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

The tax assessed for the year is lower (2017 lower) than the standard rate of Corporation Tax in the UK for an authorised unit trust. The differences are explained below:

Corporation Tax at 20%  Effects of:  Revenue not subject to taxation	3,277,566 655,513	2,612,524 522,505
Effects of: Revenue not subject to taxation	655,513	522,505
Revenue not subject to taxation		
	(349,407)	(351,812)
Tax relief on overseas tax suffered	(62,445)	(48,973)
Irrecoverable overseas tax	586,609	513,202
Utilisation of excess management expenses	(243,661)	(121,720)
Total tax charge for the year (Note 6.(a))		513,202

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 2018 there are surplus management expenses of £27,127,036 (30.06.17: £28,345,340). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore a Deferred Tax asset of £5,425,407 (30.06.17: £5,669,068) has not been recognised.

#### 7. Distributions

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

	30.06.18 £	30.06.17 £
Final distribution	2,568,041	1,950,985
	2,568,041	1,950,985
Amounts received on issue of units	(43,723)	(18,558)
Amounts paid on cancellation of units	167,710	168,866
Net distribution for the year	2,692,028	2,101,293
Reconciliation of net revenue after taxation to Distributions:		
Net revenue after taxation for the year	2,690,957	2,099,322
Net movement in revenue account	16	_
Equalisation on conversions	1,055	1,971
Net distribution for the year	2,692,028	2,101,293

Details of the distributions in pence per unit are shown in the Distribution Table on page 27.

#### 8. Debtors

	30.06.18 £	30.06.17 £
Accrued revenue	942,920	958,166
Amounts receivable for issue of units	_	373
Currency sales awaiting settlement	1,026,158	_
Overseas tax recoverable	32,341	129,430
Sales awaiting settlement	372,347	1,729,732
Total debtors	2,373,766	2,817,701

#### 9. Other creditors

	30.06.18 £	30.06.17 £
Accrued expenses	69,966	65,462
Amounts payable for cancellation of units	49,684	375,499
Currency purchases awaiting settlement	1,029,237	_
Purchases awaiting settlement	655,885	3,052,932
Total other creditors	1,804,772	3,493,893

#### 10. Contingent Liabilities and Capital Commitments

The Fund had no contingent liabilities or capital commitments at the balance sheet date (30.06.17: £nil).

#### 11. 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 payable to JUTM in respect of issues/cancellations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders. At the year end the net balance of £49,684 (30.06.17:£375,126) was payable to 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 £22,909 (30.06.17:£22,171) was due to JUTM. These amounts are included in accrued expenses in Note 9.

#### 12. Financial Instruments

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

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

The 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 1 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.

#### 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 1).

#### 12. Financial Instruments continued

#### **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 £9,404,788 (30.06.17: £10,014,872). A ten per cent decrease would have an equal and opposite effect.

#### Foreign Currency Risk

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

Currency	Net foreign currency assets 30.06.18	Net foreign currency assets 30.06.17
	Total £	Total £
Czech Koruna	5,090,318	2,588,047
Euro	4,956,442	10,438,758
Hungarian Forint	3,215,851	4,289,598
Polish Zloty	16,422,915	16,845,814
Romanian Leu	2,988,063	3,826,239
Russian Rouble	30,066,745	24,172,877
Turkish Lira	12,645,990	16,475,793
US Dollar	18,414,249	23,578,929

#### 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 £9,380,057 (30.06.17: £10,221,606). A ten per cent decrease would have an equal and opposite effect.

#### Interest Rate Risk

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

# Notes to the Financial Statements continued

#### 12. 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 June 2018 was:

Currency	Floating Rate financial assets £	financial assets not carrying interest	
30.06.18			
Czech Koruna	-	5,090,318	5,090,318
Euro	-	4,956,442	4,956,442
Hungarian Forint	-	3,588,199	3,588,199
Polish Zloty	_	16,422,915	16,422,915
Romanian Leu	_	2,988,063	2,988,063
Russian Ruble	-	30,250,490	30,250,490
Turkish Lira	_	12,645,990	12,645,990
US Dollar	_	18,886,389	18,886,389
Sterling	1,675,494	1,592,842	3,268,336
Total	1,675,494	96,421,648	98,097,142
30.06.17			
Czech Koruna	_	2,588,047	2,588,047
Euro	1,854,714	8,584,044	10,438,758
Hungarian Forint	_	4,289,598	4,289,598
Polish Zloty	_	16,845,814	16,845,814
Romanian Leu	_	3,826,239	3,826,239
Russian Ruble	-	24,172,877	24,172,877
Turkish Lira	_	16,475,793	16,475,793
US Dollar	_	23,578,929	23,578,929
Sterling	944,621	2,605,084	3,549,705
Total	2,799,335	102,966,425	105,765,760

Currency	Floating Rate financial liabilities £	Financial liabilities not carrying interest £	Total £
30.06.18			
Hungarian Forint	-	372,348	372,348
Russian Ruble	-	183,745	183,745
US Dollar	-	472,140	472,140
Sterling	1,333,275	776,539	2,109,814
Total	1,333,275	1,804,772	3,138,047
30.06.17			
Sterling	795,716	3,493,893	4,289,609
Total	795,716	3,493,893	4,289,609

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

#### 12. 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.

## Fair Value Disclosure

Valuation Technique	Assets	Liabilities
30.06.18	£	£
Level 1 – Quoted prices for identical instruments in active markets	94,047,882	_
Level 2 – Valuation techniques using observable market data	_	_
Level 3 – Valuation techniques using non-observable data	_	_
	94,047,882	-
30.06.17	£	£
Level 1 – Quoted prices for identical instruments in active markets	100,148,724	_
Level 2 – Valuation techniques using observable market data	_	_
Level 3 – Valuation techniques using non-observable data	_	-
	100,148,724	-

#### 13. Portfolio Transaction Costs

For the year ended 30 June 2018

£	%	£	%	£
Equities	Corporate Actions			Total
63,729,306		_		63,729,306
61,512	0.10%	_	-	61,512
8,726	0.01%	_	-	8,726
111	-	_	-	111
70,349		-		70,349
63,799,655		_		63,799,655
71,103,676		_		71,103,676
(67,439)	0.09%	_	_	(67,439
(1,377)	-	_	-	(1,377
_	-	_	-	-
(68,816)		-		(68,816
71,034,860		_		71,034,860
	Equities  63,729,306 61,512 8,726 111 70,349 63,799,655  71,103,676 (67,439) (1,377) - (68,816)	Equities  63,729,306 61,512 0.10% 8,726 0.01% 111 - 70,349 63,799,655  71,103,676 (67,439) 0.09% (1,377) (68,816)	Equities         Corporate Actions           63,729,306         -           61,512         0.10%         -           8,726         0.01%         -           111         -         -           70,349         -         -           63,799,655         -         -           71,103,676         -         -           (67,439)         0.09%         -           (1,377)         -         -           -         -         -           (68,816)         -         -	Equities         Corporate Actions           63,729,306         -           61,512         0.10%         -         -           8,726         0.01%         -         -           111         -         -         -           70,349         -         -         -           63,799,655         -         -         -           71,103,676         -         -         -           (67,439)         0.09%         -         -           (1,377)         -         -         -           -         -         -         -           (68,816)         -         -

Commission as % of Average Net Asset Value
Taxes as % of Average Net Asset Value
0.01%
Expenses as % of Average Net Asset Value
0.00%

The average portfolio dealing spread as at the balance sheet date was 0.18%

#### 13. Portfolio Transaction Costs continued

For the year ended 30 June 2017

	£	%	£	%	£
	Equities		Corporate Actions		Total
Analysis of total purchases costs					
Purchases in year before transaction costs	52,343,748		-		52,343,748
Commissions	86,013	0.16%	-	-	86,013
Taxes	13,482	0.03%	-	-	13,482
Expenses and other charges	730	-	-	-	730
	100,225		_		100,225
Gross purchases total	52,443,973		_		52,443,973
Analysis of total sales costs					
Sales in year before transaction costs	65,560,781		1,860,771		67,421,552
Commissions	(108,507)	0.17%	_	_	(108,507
Taxes	(1,837)	-	_	_	(1,837)
Expenses and other charges	_	-	_	-	-
	(110,344)		_		(110,344)
Sales net of transaction costs	65,450,437		1,860,771		67,311,208

Commission as % of Average Net Asset Value
Taxes as % of Average Net Asset Value

Expenses as % of Average Net Asset Value

0.00%

The average portfolio dealing spread as at the balance sheet date was 0.17%

## 14. 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

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 5 and 6. All unit classes have the same rights on winding up.

Retail Accumulation	Institutional Accumulation
26,210,090	24,479,370
397,695	1,126,088
(3,588,688)	(2,733,990)
(266,708)	254,867
22,752,389	23,126,335
	Accumulation 26,210,090 397,695 (3,588,688) (266,708)

# Notes to the Financial Statements continued

## 15. Unit Price Movement since the Balance Sheet date

Since the last dealing day of the period on 29 June 2018 the Fund's quoted prices have moved as follows:

Unit Type	29.06.18 price	08.08.18 price	Percentage movement
Retail Accumulation Units	202.03p	206.00p	1.96%
I-Class Accumulation Units	212.55p	216.91p	2.05%

## Distribution Table

#### for the year ended 30 June 2018

Group 1: units purchased prior to 1 July 2017

Group 2: units purchased on or after 1 July 2017 to 30 June 2018

	Income	Equalisation	Distribution to be accumulated 31.08.18	Distribution accumulated 31.08.17
Retail Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	4.6445	_	4.6445	3.0907
Group 2	2.4429	2.2016	4.6445	3.0907

	Income	Equalisation	Distribution to be accumulated 31.08.18	Distribution accumulated 31.08.17
I-Class Accumulation Units	pence per unit	pence per unit	pence per unit	pence per unit
Group 1	6.5350	-	6.5350	4.6607
Group 2	3.4458	3.0892	6.5350	4.6607

## **All Unit Types**

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

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

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

## 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 SWIE 6SQ

Authorised and regulated by the Financial Conduct Authority.

#### Trustee

National Westminster Bank plc 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.

#### **Investment Adviser**

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

Authorised and regulated by the Financial Conduct Authority.

#### **Independent Auditor**

PricewaterhouseCoopers LLP Atria One 144 Morrison Street Edinburgh EH3 8EX

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 auditor of the Jupiter Emerging European Opportunities Fund does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.



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

Authorised and regulated by the Financial Conduct Authority whose address is 12 Endeavour Square, London E20 JJN