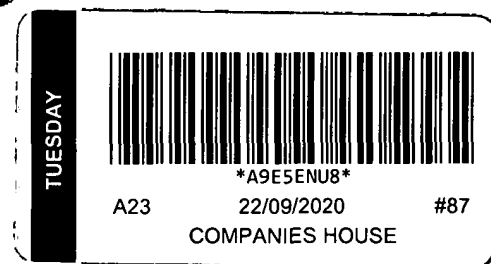
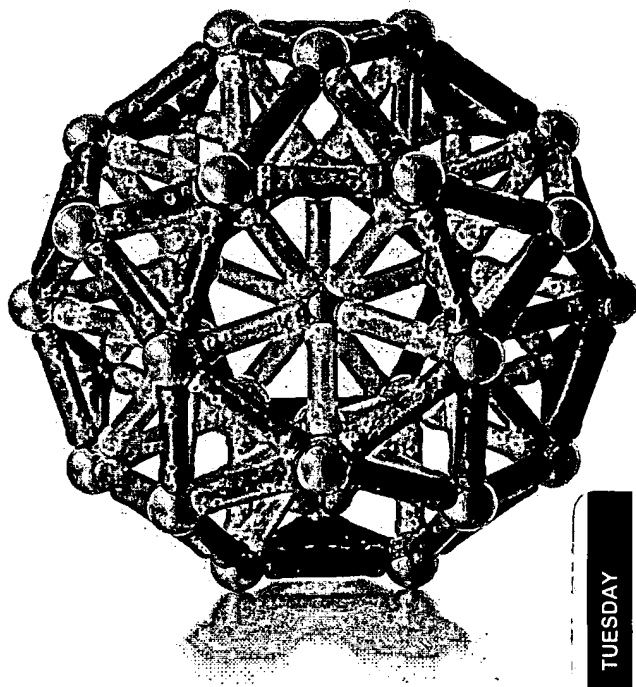


ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2019



Merian Investment Management Limited

Registered in England No. 10964590

Merian Investment Management Limited

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Merian Investment Management Limited

COMPANY INFORMATION

Directors	J Brescia (resigned 31 December 2019) R James D A Shaw D M H Skinner N Stronach
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Secretary	Eversecretary Limited
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Bankers	National Westminster Bank Plc City of London Office 134 Aldersgate St London EC1A 4JA
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Auditor	KPMG LLP 15 Canada Square London E14 5GL
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Registered Office	Millennium Bridge House 2 Lambeth Hill London EC4V 4GG
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Telephone: 020 7332 7500
Website: www.merian.com

Registered in England No. 10964590

Merian Investment Management Limited

STRATEGIC REPORT

The directors' present their strategic report for the period from 1 January 2019 to 31 December 2019.

Review of the business

Merian Investment Management Limited ("the Company") is part of the Merian Global Investors Limited group ("the Group"), and is authorised and regulated by the Financial Conduct Authority ("FCA"). The Company is wholly owned by Merian Global Investors Holdings Limited and its ultimate parent is Merian Global Investors Limited.

The principal activity of the Company will be to act as the Authorised Corporate Director ("ACD") for the Group's UK based UCITS (Undertakings for Collective Investments in Transferable Securities) and Alternative Investment Funds ("AIF").

Merian Investment Management Limited was incorporated on 14 September 2017 and therefore the first set of financial statements was for an extended period to 31 December 2018.

Future Developments

During 2018 the Company gained regulatory approvals to enable it to act as an ACD. As part of the separation, management of single strategy funds managed by Quilter Investors Limited was transferred to Merian Investment Management Limited in 2019.

As at 31 December 2019 the Company is authorised and regulated by the Financial Conduct Authority ("FCA").

On 4 February 2019, the Company had become operational as an AIFM with the transfer of Merian Global Investors Series III ICAV.

Results and Dividends

Net profit after tax for 2019 was £7.8m (2018: -£0.1m). The company received £79.9m in revenue during the period (2018: £Nil). Total expenses of £70.3m (2018: £0.1m) comprise fees and commission, investment advisor fees and administrative expenses for 2019.

During the period the Company's net assets have increased to £10.6m (2018: £7.9m), which includes £22.6m in cash (2018: £8.0m), £11.9m (2018: £0.04m) in other receivables, and £22.0m of payables (2018: £0.2m).

Brexit

There is a risk that Brexit, other political developments, or developments otherwise affecting market confidence may result in outflows of assets from investment portfolios with exposure to the UK, which could include asset portfolios managed by the Company. Due to the size and importance of the UK economy in the global economy, particularly with respect to the UK economic relationship with the EU after Brexit, there may continue to be instability in the national and international financial markets, significant currency fluctuations and otherwise adverse effects on consumer confidence for the foreseeable future, including beyond the date of the UK's withdrawal from the EU.

Principal risks and uncertainties

The Group has an Enterprise Risk Management Framework. This framework provides for risk monitoring, management and governance. Further details on risk and capital are disclosed in Note 3 to the accounts and on the Company's website.

Some of the key risks relevant to the business are considered to include investment performance, adverse market conditions (including stock market volatility, interest rates and foreign exchange rates), regulatory risk and operational risks, and retention of key staff and fund managers. These risks are managed through robust, embedded governance structures, diversity of the product and client range, and through ensuring remuneration packages and culture remain competitive and attractive.

Regulatory and Operational risk is managed through forward planning, project management, Group Audit and Risk Committee oversight, and Risk & Governance Committee oversight. Risks to the business are reviewed and monitored on an on-going basis by the Risk & Governance Committee and are reviewed by the Board on a quarterly basis.

Further details of the risk management objectives and policies of the Company are disclosed in Note 3.

Since the end of 2019 the Group's AUM has fallen to £15.7bn (and the Company's AUM to £8.1bn) at 31 March 2020 primarily as a result of the fall in markets caused by COVID-19 pandemic. The Group has considered the impact of the fall in AUM on the Company and the Group's ability to continue as a going concern and have concluded that the Company is able to continue operating for the foreseeable future, and for a minimum of 12 months from the date of signing these financial statements.

Whilst the fall in AUM does not directly impact the Company or Group's regulatory capital, long term falls could result in falls in available regulatory capital. The Directors have considered this and do not believe that there is currently a risk of capital falling below regulatory minimum requirements for the foreseeable future; however this remains under continual review.

To maintain the operations of the business, all employees are working from home until further notice. Remote access is working as expected and all employees are currently well. There has been no material disruption during the four weeks that working from home has been in place. We continue to monitor the performance of our key delegates and service providers on a daily basis.

STRATEGIC REPORT (CONTINUED)

The Company has acknowledged the impact of the disruption on our clients and implemented regular video and telephone updates for clients to maintain the flow of information and minimise the adverse impact of these new arrangements. Further details of the impact of COVID-19 are disclosed in Note 2.1 and Note 16.

Section 172 Statement

Section 172 of the Companies Act 2006 (s.172) requires directors to run the company for the benefit of its stakeholders as a whole. In doing this s.172 requires the Board to have regarded, amongst other matters, to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- maintain strong stakeholder relationships;
- the impact of the company's operations on the wider, external environment;
- and ensure the firm maintains a reputation for high standards of business conduct

The following disclosure provides insight into how the Board discharges its duties under s.172.

Merian Investment Management Limited (MIML) is a subsidiary of Merian Global Investors (Holdings) Limited (MGIH). The MIML Board is comprised of Non-Executive directors and Executives within the business and is subject to oversight and challenge by the MGIH Board, its parent company Board.

The Board of MIML is responsible for the oversight of business performance, governance and the effective discharge of all legal and regulatory duties applicable to them including but not limited to:

- Setting and approving the company's strategy in line with the wider MGIH strategy;
- Ensuring appropriate capital and financial management insofar as it relates to its regulatory capital requirements or other regulatory requirements;
- Monitoring compliance with all regulatory requirements;
- Monitoring investment performance, where applicable, to ensure that it is delivered in line with investors' expectations;
- Monitoring the risk profile of funds and their suitability for each target market, where applicable;
- Ensuring a robust product governance process;
- Monitoring its relevant business risk profile; and
- Monitoring the performance of delegated parties, including third party administrators and distributors, where applicable.

The above themes are reviewed at regular Board meetings throughout the year.

MGIH has developed a three year strategy and associated business plan whereby strategic themes (both internal and market), investment strategies, channel distribution and support strategies, cost challenges along with immediate regulatory and other project initiatives have been considered to facilitate the business' long term business strategy.

It has identified the following strategic priorities to drive the business forward in delivering its vision and include:

- Further shaping the firm as a stand-alone business;
- Diversifying and enhancing investment capabilities;
- Distribution development; and
- Execution of agreed project initiatives arising from Brexit.

The strategy is underpinned by an integrated set of plans across its investment desks, with each desk head overseeing delivery of a desk-specific strategic plan and set of priorities. The operational framework is considered fit for future growth and resultant scale and includes a robust oversight model for key outsourced investment management and fund administration activities.

The Board believes that delivery of the strategy, in line with our overriding purpose to deliver strong investment performance through active investment management, will achieve long-term, sustainable success for all of our stakeholders. All of the Board's decisions are therefore guided by the delivery of the firm's purpose and strategy.

The Board believes that its clients and their advisers rightly expect it to identify and maintain intelligent and repeatable ways in which to generate investment outcomes that meet their expectations. It similarly believes that the firm's clients, colleagues, owners and other stakeholders expect it to approach our work in a way that enables it to have a positive impact on society.

Clients

Our clients make our business what it is; our ambition is to provide the best possible investment products to meet their current and future needs, and deliver value for money. In pursuit of this ambition, we place them at the heart of the process of developing and evolving our products, and we look to partner with them where possible to ensure we continue to deliver on their expectations.

The Board receives regular reports on the outcomes achieved for customers through its Customer Outcomes Forum which provides a place of debate, discussion and challenge for issues from across the business relating to delivery of good customer outcomes. The Board also receives updates from its Quarterly Investment Risk Committee. This Committee provides independent oversight of risk management as well as investment performance of all funds and strategies to ensure

STRATEGIC REPORT (CONTINUED)

customers are provided with products that perform as they expect and all funds are managed in line with their stated risk profile

Colleagues

The Board is committed to the attraction and retention of key talent in the industry. We place emphasis on encouraging a diverse and inclusive culture. The business promotes equal opportunities throughout the employee life cycle from recruitment and promotion to remuneration and support flexible and agile working practices.

The Board receives reports from the Head of Human Resources on the culture and engagement of our people. The Board engages with staff through a variety of channels such as 'town hall' briefings, emails and an Intranet site. During the year the business conducted an employee opinion survey. The Board considers the firm's employees to be an important stakeholder and the consideration of their interests forms part of many Board discussions. The Board reviewed the results of the 2019 employee opinion survey, agreed an action plan to address observations raised and receives status reports on progress.

Regulators

We strive to maintain positive and constructive relationships with our regulators, commit to communicating openly and transparently with them as well as meeting all regulatory obligations. Additionally, we work to ensure that the landscape for long-term savers is as positive as it can be by engaging in key policy consultations.

The Board receives updates from its Risk and Governance Committee which covers the business's regulatory processes and procedures, the risk environment and its engagement with global regulators. The reports also outline the material changes in the regulatory environment in which the business operates as well as the regulatory horizon. During 2019, these included the roll-out of the FCA's SMCR and its ongoing embedment in the business.

Society

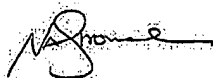
We want to exemplify the behaviours we expect of the companies we invest in wherever practicable. This means acting transparently and with integrity, looking after our colleagues, treating our customers and suppliers fairly, managing our environmental impact and contributing to the communities in which we operate. We support a number of initiatives and charities related to our local communities, including those that provide both support and opportunity to disadvantaged young people.

The Board recognises the topic of ESG and has discussed the implementation of ESG principals at its meetings and receives updates from the Head of ESG.

Shareholders

The Board believes that operating in a way that manages our relationships with these key stakeholders responsibly is the most effective way to create sustainable value and returns for shareholders. MGIH is the sole shareholder of MIML. However, the shareholders in the ultimate parent company include our staff, many of whom also share in the success of our business through our equity participation scheme, in addition to investing in our funds alongside our clients. In this way, the Board believes it best ensure alignment of priorities between our business, our staff, our clients and our shareholders, supporting our and their long-term success. Financial results are communicated to shareholders on a regular basis. Outside of results presentations, meetings are held on a regular basis to give a broad update on fund performance and the market.

By order of the board



Nicola Stronach
Director
24 April 2020

Merian Investment Management Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the period from incorporation to 31 December 2019. The review of the business and principal risks and uncertainties are disclosed in the strategic report.

DIRECTORS

The directors of the Company throughout the period and to date were:

J Brescia (appointed 14 September 2017 and resigned 31 December 2019)
R James (appointed 20 Feb 2018)
D A Shaw (appointed 20 February 2018)
D M H Skinner (appointed 20 February 2018)
N Stronach (appointed 20 February 2018)

The directors do not hold material shareholdings. Directors benefit from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

DIVIDENDS

The Company declared and paid dividends of £5.0m (2018: £Nil) during the period.

EMPLOYEES

The Company has no employees. Key management personnel information is disclosed in Note 6.

POLITICAL DONATIONS

No political donations were made during the period (2018: £NIL).

FINANCIAL INSTRUMENTS

The financial risk management objectives and policies of the Company are disclosed in Note 3.

GOING CONCERN

The directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. As noted in the Strategic Report, the directors have also specifically considered the impact of the COVID-19 pandemic on the Company's ability to continue as a going concern and have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future.

DISCLOSURE OF FINANCIAL INFORMATION TO AUDITORS

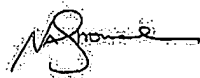
Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each director has taken all the steps that he ought to have taken as director in order to make himself more aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

KPMG LLP have accepted appointment and have expressed their willingness to continue in office as auditor in accordance with section 487 of the Companies Act 2006 and the Company's Articles of Association.

By order of the board



Nicola Stronach

Director

24 April 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT, AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERIAN INVESTMENT MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Merian Investment Management Limited ("the company") for the year ended 31 December 2019 which comprise the income statement and statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

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

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERIAN INVESTMENT MANAGEMENT LIMITED (Continued)

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company'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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

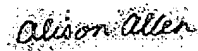
Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Allen (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
24 April 2020

Merian Investment Management Limited

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
REVENUE			
Fee income	4	79,917	-
TOTAL REVENUE		79,917	-
EXPENSES			
Fee and commission expenses		(12,217)	-
Investment advisor fees		(34,415)	-
Administrative expenses	5	(23,712)	(119)
TOTAL EXPENSES		(70,344)	(119)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		9,573	(119)
Taxation	7	(1,819)	-
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		7,754	(119)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		7,754	(119)
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS		7,754	(119)

The notes on pages 13 to 21 are an integral part of these financial statements.

All the above amounts in the current and prior year derive from continuing activities.

Merian Investment Management Limited

STATEMENT OF FINANCIAL POSITION
as at 31 December 2019

	Notes	2019 £'000	2018 £'000
CURRENT ASSETS			
Cash and cash equivalents	9	22,556	8,000
Trade and other receivables	8	11,931	36
		34,487	8,036
TOTAL ASSETS		34,487	8,036
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	10	8,000	8,000
Retained earnings		2,635	(119)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS		10,635	7,881
CURRENT LIABILITIES			
Current tax liabilities	7	1,819	-
Other payables	11	22,033	155
		23,852	155
TOTAL LIABILITIES		23,852	155
TOTAL EQUITY AND LIABILITIES		34,487	8,036

The notes on pages 13 to 21 are an integral part of these financial statements.

Approved and authorised for issue at a meeting of the board of directors and signed on its behalf by:



Nicola Stronach
Director
24 April 2020

Company registered number: 06450145

Merian Investment Management Limited

STATEMENT OF CHANGES IN EQUITY
as at 31 December 2019

	Share capital £'000	Retained earnings £'000	Total equity holders' funds £'000
Balance at 14 September 2017	-	-	-
Issue of share capital	8,000	-	8,000
Loss for the period	-	(119)	(119)
Balance at 1 January 2019	8,000	(119)	7,881
Profit for the year	-	7,754	7,754
Dividends paid	-	(5,000)	(5,000)
Balance at 31 December 2019	8,000	2,635	10,635

The notes on pages 13 to 21 are an integral part of these financial statements.

Merian Investment Management Limited

STATEMENT OF CASH FLOWS
as at 31 December 2019

	2019	2018
	£'000	£'000
Profit/(Loss) before taxation	9,573	(119)
Adjustments for:		
Increase in receivables	(11,895)	(36)
Increase in payables	21,878	155
Finance costs	(45)	-
Finance income	4	-
Foreign exchange gain / loss	45	-
Cash generated from operating activities	19,560	-
Income taxes paid	-	-
Net cash from operations	19,560	-
Cashflows from financing activities		
Dividends paid	(5,000)	-
Interest and bank charges paid	(4)	-
Issue of share capital	-	8,000
Total	(5,004)	8,000
Opening cash and cash equivalents	8,000	-
Closing cash and cash equivalents	22,556	8,000

The notes on pages 13 to 21 are an integral part of these financial statements.

1 GENERAL INFORMATION

Merian Investment Management Limited "the Company" is a limited company incorporated in England & Wales. The address of its registered office is disclosed in the Company information section on page 1. The principal activities of the Company are disclosed in the strategic report.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements have been prepared and approved by the directors in accordance with the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial statements have been prepared on a going concern basis, the historical cost basis except for the revaluation of certain financial instruments, have been prepared in sterling and are rounded into thousands.

The Company's business activities and financial risk management objectives, together with the factors likely to affect its future development, performance and position are set out in the strategic report and directors' report on pages 2 to 4.

The Company has adequate liquidity and capital. The directors perform an annual going concern review that considers, under a stress test scenario, the Company's ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

On Monday 17 February 2020, Jupiter Fund Management plc announced its proposed acquisition of Merian Global Investors. The acquisition, which is subject to regulatory and Jupiter shareholder approval, is expected to complete in the second half of 2020.

The Directors believe that the acquisition does not pose any significant risks to the Company's primary business activity, the continuing success of our funds, or our clients. Management has prepared forecasts and budget which demonstrate the Company's continuing viability and expected profitability on a standalone basis, and the Directors believe that the acquisition strengthens this position.

However, the acquisition does present uncertainty around the precise nature of the future operating model and company structure. At the date of signing, the future operations and details of the combination of the business are not known and therefore the Directors do not believe that any adjustments or disclosures are appropriate or required in these financial statements. The Directors also do not believe that the acquisition results in a requirement to change the basis of preparation, and have determined that the going concern assumption remains appropriate.

COVID-19

COVID-19's impact on market values and economic activity has resulted in a material fall in the Company's AUM. Management have re-based their forecasts for 2020 and beyond to take into account the impact of this fall, and considered the impact on profits, cash-flows, and capital. Whilst the fall in AUM inevitably translates to a fall in revenue and therefore lower than anticipated profits, management do not believe that the Company or Group's capital or cash fall to levels that present a threat to their ability to continue as a going concern. In addition, management has carried out a scenario analysis to further assess the strength of the business and conclude that a further fall in Group AUM to £10bn would not result in the Company being unable to continue operating as a going concern for a period of at least 12 months from the date of signing these accounts.

The Company is dependent on the operations of other Group entities, in particular Merian Global Investors UK Limited. Should this company experience significant disruption or be forced to cease operations as a result of the pandemic there is a risk that Merian Investment Management Limited would no longer be able to continue as a going concern. As of the date of signing of these financial statements all Group companies remain viable and have not experienced any such disruption, and therefore this does not affect the decision to present these financial statements on a going concern basis.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as noted below.

2.2 STANDARDS AND INTERPRETATIONS THAT ARE ADOPTED IN THE ANNUAL FINANCIAL STATEMENTS

During the period, the following standards, amendments to standards, and interpretations are adopted in the financial statements.

2.3.1 IFRS 15 Revenue from Contracts with Customers

The core principle of the standard is that revenue recognised reflects the consideration to which the group expects to be entitled in exchange for the transfer of promised goods or services to the client. The standard incorporates a five-step analysis to determine the amount and timing of revenue recognition.

The Company considered the five-step analysis prescribed by the standard. It also took into account the different types of contracts it has with its customers, the corresponding types of services provided to customers and when these service

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2019

obligations are satisfied. In addition, the Company considered the types of fee income generated across all products from the contracts with its customers and when the fee income is recognised.

Revenue recognition

Revenue comprises the fair value for services, net of value-added tax. Revenue is recognised as follows:

Investment management and distribution fee income

Fees charged for managing investment contracts are recognised as revenue in line with the provision of the investment management services. These services are deemed to be provided equally over the lifetime of a contract.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that financial asset's carrying amount.

2.3.2 IFRS 9 Financial Instruments

The standard incorporates classification, measurement and hedge accounting guidance, as well as the accounting requirements for the impairment of financial assets measured at amortised cost and fair value through other comprehensive income (FVOCI). These elements of the standard are discussed below:

Classification and measurement of financial assets and liabilities

All financial assets under IFRS 9 are to be initially recognised at fair value, including directly attributable transactions costs (for financial assets not measured at fair value through profit or loss).

Financial assets are to be classified based on (i) the business model within which the financial assets are managed and (ii) the contractual cash flow characteristics of the financial assets (whether the cash flows represent 'solely payment of principal and interest'). Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold those assets for the purpose of collecting contractual cash flows and those cash flows comprise solely payments of principal and interest ('hold to collect'). Financial assets are measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and those contractual cash flows comprise solely payments of principal and interest ('hold to collect and sell'). Movements in the carrying amount of these financial assets should be taken through OCI, except for impairment gains or losses, interest revenue and foreign exchange gains or losses, which are recognised in profit or loss. Where the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Other financial assets are measured at FVTPL. All derivative instruments that are either financial assets or financial liabilities will be classified as held for trading and measured at fair value through profit and loss.

Changes in the fair value of these financial liabilities that are attributable to the Company's own credit risk are recognised in OCI.

For equity investments that are neither held for trading nor contingent consideration, the Company may irrevocably elect to present subsequent changes in fair value of these equity investments in either (i) profit or loss (FVTPL); or (ii) other comprehensive income (FVOCI). Where the equity investment is derecognised, the cumulative gain or loss previously recognised in OCI is not reclassified from equity to profit or loss. However, it may be reclassified within equity.

Impairment of financial assets

Under IFRS 9 impairment is determined based on an expected credit loss (ECL) model. The group is required to recognise an allowance for either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

The measurement of ECLs reflects a probability-weighted outcome, the time value of money and the entity's best available forward-looking information. The aforementioned probability-weighted outcome must consider the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is low.

The ECL model applies to financial assets measured at amortised cost and FVOCI, lease receivables and certain loan commitments as well as financial guarantee contracts.

Key assumptions and judgements applied in relation to the impairment model:

- Cash at bank – no ECL allowance is recognised, as deposits are held with banks with medium to high quality credit ratings and credit risk is considered to be minimal.
- Inter-company loans – no ECL allowance is recognised as these balances are internal to the Company and credit risk is considered to be low.
- Loans and receivables (longer term) – methodology based on provision matrix approach, whereby historical data is extrapolated forward to derive a 12 month ECL allowance and then monitored for increases in credit risk which may trigger the recognition of a Lifetime ECL.

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- Other assets (short term) – simplified approach is adopted, whereby a Lifetime ECL is recognised immediately and there is no need to track for any increases in credit risk.

A summary of classification of the company's financial instruments is shown below:

Classification under IFRS 9

Financial Assets

Cash	Amortised cost
Other receivables	Amortised cost

Financial Liabilities

Other payables	Other financial liabilities
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2.3.3 IFRS 16 Leases

The company as lessee: IFRS 16 introduced a 'right of use' model whereby the lessee recognises a right-of-use asset and an associated financial obligation to make lease payments for all leases with a term of more than 12 months. The asset will be amortised over the lease term and the financial liability measured at amortised cost with interest recognised in profit and loss using the effective interest rate method.

The company as lessor: A lessor classifies and accounts for its leases as operating leases or finance leases.

Merian Investment Management Limited does not act as a lessor, or lessee, and so there is no impact on the financial statements for the period ended 31 December 2019.

2.3 OTHER ACCOUNTING POLICIES

Other receivables

Other receivables are not interest-bearing and are stated at their cost, less appropriate allowances for estimated irrecoverable amounts. The carrying value of the assets approximates to their fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with banks. The carrying amount of these assets approximates to their fair value. All cash and cash equivalent balances are repayable on demand.

Other payables

Other payables are not interest-bearing and are stated at their amortised cost which is not materially different to cost and approximates to fair value.

Other costs

All expenses are recognised in the income statement on an accruals basis.

Taxation

Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date and any adjustment to income tax payable in respect of previous years. The taxable income for the year is determined in accordance with enacted legislation and taxation authority practice for calculating the amount of tax payable.

Current tax is charged or credited to the income statement, except when it relates to items recognised directly in equity or in other comprehensive income.

Deferred tax

Deferred taxes are calculated according to the statement of financial position method, based on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax is charged or credited to the income statement, except when it relates to items recognised directly in equity or in other comprehensive income.

Critical accounting estimates and judgements

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The area of the Company's business that typically requires such estimates are the determination of the deferred acquisition costs, and

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estimates of staff incentive expense accruals at period end. This is discussed in more detail in the relevant accounting policies and notes to the financial statements.

3 FINANCIAL INSTRUMENTS RISK AND RISK MANAGEMENT

Risk management framework

Merian Global Investors' Enterprise Risk Management ("ERM") framework comprises core components such as:

- the corporate governance arrangements which set out the way that the organisation is structured and managed;
- the end-to-end processes involved in the identification, assessment, measurement, monitoring and management of risk, including assignment of risk owners and risk reporting;
- the culture and behaviour that is exhibited and the associated reward mechanisms.

The ERM framework aims to align strategy, capital, processes, people, technology and knowledge in order to evaluate and manage business opportunities, uncertainties and threats in a structured, disciplined manner. In this way Merian Global Investors seeks to ensure that risk and capital implications are considered when making strategic and operational decisions, and to ensure that Merian Global Investors' risk profile is understood and managed within the agreed risk appetite.

Merian Global Investors' risk appetite framework ("RAF") is based upon and supported by policies, processes and skills that set out the way that Merian Global Investors staff across all areas and control functions manages risk in relation to the Merian Global Investors' risk appetite. The RAF builds upon the existing business planning, capital and risk management processes.

The RAF has three distinctive components:

- **Strategy and Business Planning Process:** Quantitative and qualitative strategic risk appetite principles linked to risk limits, which is revised and set annually as part of the business planning process.
- **The Stress and Scenario Framework:** Quantitative risk appetite statements linked to the businesses strategic objectives, and contractual and regulatory requirements.
- **The Risk Policy Framework:** Quantitative and qualitative risk appetite statements for individual risks embedded into the policy framework. These set out the approach taken within Merian Global Investors to mitigate and manage risks, informed by the policy appetite statements and control standards.

Merian Global Investors' risk strategy represents the firm's attitude to different types of risk. It sets the context for Merian Global Investors' risk appetite. Risk strategy and preferences articulate the risk types, and quantum of risk, that the business seeks to take, manage or avoid in pursuit of business objectives. The Risk appetite statement is the expression, both quantitative and qualitative, of the limits of risk exposure that will enable delivery of Merian Global Investors' long-term strategy within a range of acceptable risk outcomes, which is measured and monitored via defined risk metrics referencing RAG triggers which enable early warning should the business approach Board-approved limits. Key risk indicators are monitored and reported on a regular basis to identify emerging threats and identify actions to manage risks within appetite. The risk appetite is reviewed at least annually, taking account of environmental changes and strategic opportunities.

Merian Global Investors' risk culture is defined as the system of values and behaviours which are embedded within the Company and helps shape risk decisions. Fostering a risk-aware culture acts as a business enabler whereby management feel empowered to take risks in a manner that is transparent and that is in line with the business and risk strategy. Merian Global Investors' risk culture is defined by the following principles:

- Responsibility and accountability for risk management is clearly assigned throughout the company with the aim of fostering an open and transparent organisational culture that encourages the right behaviours.
- A climate whereby employees are encouraged to voice genuine concerns about risks within the business.
- A risk-aware culture is seen as an enabler for management to be empowered to take risks in a manner that is transparent and that is in line with the business and risk strategy.
- Good risk management practices are encouraged, such that employees understand how to make educated risk-related decisions in their day-to-day roles.
- Training and awareness programmes are in place to ensure that a risk-aware culture is fostered and that employees understand the importance of good risk management.
- Performance management encourages and incentivises good risk management practices.

The risks faced by the Company are described below:

Credit risk

Credit risk is the risk that the Company is exposed to a loss if another party fails to meet its financial obligations to that company, including failing to meet them in a timely manner.

Merian Global Investors has established a credit risk policy which sets out restrictions on the permitted financial transactions with counterparties to control and monitor the level of credit risk to which the Company is exposed to. The value of credit risk exposures and the credit rating of counterparties are monitored monthly.

The Company's principal assets are cash and other receivables.

Cash is held across a diversified list of counterparties, primarily banks, with high credit-ratings assigned by international credit rating agencies. Management fees due from managed funds are settled monthly and underpinned by assets held within those funds.

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The Company's maximum exposure to credit risk does not differ from the carrying value disclosed in the relevant notes to the accounts.

Market risk

Market Risk is defined as the current or prospective risk to earnings or value arising from adverse movements in equity and commodity prices, interest and/or foreign exchange rates resulting in loss of earnings or reduced solvency.

Merian Global Investors has established a market risk policy which sets out the market risk management governance framework, maximum limits on market risk exposures, management information and stress testing requirements.

The financial impact of more extensive movements in market risk other than those that could reasonably be expected is examined through stress tests carried out within the Internal Capital Adequacy Assessment Process "ICAAP". Market risk arises from exposure to movements in interest rates, equity & property values and foreign exchange rates.

A decrease in value of assets under management by 10% from the start of the year would have decreased profit by £2.7m after tax (2018: £NIL). An equal change in the opposite direction would have increased profit by £2.7m after tax (2018: £NIL).

Interest rate risk

The Company is not directly exposed to material interest rate risk. Interest rate risk arises primarily from bank balances held which are exposed to fluctuations in interest rates. The effective interest rate applicable to interest bearing financial instruments is as follows:

	2019	2018
	Variable	Variable
Assets		
Deposits with credit institutions	0.00%	0.00%

Foreign exchange rate risk

The Company has no exposure to foreign exchange risk.

Liquidity risk

Liquidity risk is defined as the risk that the company does not have sufficient liquid resources to meet its obligations as they fall due, or can secure them only at excessive cost.

Merian Global Investors has established a liquidity risk policy that sets out the practices to manage exposure to liquidity risk. Liquidity risk is managed on a daily basis, with detailed cash flow reporting to the Executive Committee and quarterly reporting to the Risk and Governance Committee and Board.

Financial liabilities of the Company consist of other payables of £22m which, excluding intercompany balances, are expected to mature within three months.

Capital adequacy risk

Capital risk is the risk of insufficient capital to meet regulatory and stakeholder requirements resulting in the potential, to place constraints on the business plan/strategy, inability to absorb losses, damage to reputation and or regulatory fines and/or censure.

The Company retains sufficient capital resources to meet regulatory capital requirements and maintain working capital to provide for fluctuations in experience. The Company regards the regulatory statutory capital resources of £7.9m as capital. The regulatory capital requirements have been met throughout the period. The ICAAP is used to assess the level of capital which should be retained by the Company. The ICAAP considers all of the risks faced by the Company and the degree to which risks have similar or related causes and so could occur together.

Operational risk

Merian Global Investors accepts a level of Operational risk as an integral and unavoidable part of our business where it arises out of the activities we undertake in order to provide services to our customers and generate profits for our stakeholders. Under the Enterprise Risk Management framework, operational risk is defined as 'The risk of loss (or unintentional gain/profit) arising from inadequate or failed internal processes, or from personnel and systems, or from external events (other than financial or business environment risks), resulting in an adverse impact to earnings or reduced solvency.'

The prime objectives of operational risk management within Merian Global Investors are to ensure there is:-

- Robust risk culture so that employees are able to identify, assess, manage and report against the key risks the business is faced with and/or may face as it looks to the horizon and implements the business strategy;
- Appropriate balance between minimising risk and the cost of control;
- A defined risk appetite within which risks are managed;
- Swift and effective responses to events/ incidents in order to minimise impact.

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Expenses

Margin risk is the risk that actual expenses exceed the expectation when preparing the business plan. This may result in emerging profit falling below the Company's profit objectives.

Expense levels are monitored monthly against budgets and forecasts. An activity based costing process is used to allocate costs relating to processes and activities to individual products.

Sensitivity tests

Sensitivity analysis has been performed by applying the following parameters to the statement of financial position and income statement as at 31 December 2018, assuming all other variables remain constant.

Interest rate risk

Interest rate risk is the risk of a deviation of the actual interest rates from the expected interest rates, resulting in the potential for, a negative impact on earnings or capital and / or reduced solvency. The Company is not directly exposed to material interest rate risk. Interest rate risk arises primarily from bank balances held which are exposed to fluctuations in interest rates. The Company's maximum exposure to loss caused by interest rate changes is limited to the interest revenue it earns on bank deposits, which was £nil in 2018.

Market Movement risk

The value of assets under management as at 31 December 2019 was £11.6bn (2018: £nil).

Expense risk

The increase in expenses is assumed to apply to all fixed overhead costs during the period. It is assumed that these expenses are increased by 10% from the start of the period, so is applied as an expense shock rather than a gradual increase.

An increase in expenses of 10% would have decreased profit by £1.9m after tax.

4 FEE INCOME

	2019 £'000	2018 £'000
Investment management income	79,917	-
Total fee income	79,917	-

5 ADMINISTRATIVE EXPENSES

	2019 £'000	2018 £'000
Administrative expenses	23,712	119
<i>Administrative expenses include:</i>		
Expense recharge paid to fellow group undertakings	16,570	-
Foreign exchange gain/(loss)	45	-
Other operating expenses	7,097	119
	23,712	119
Auditor's remuneration: audit and regulatory services paid to KPMG LLP	50	109
Auditor's remuneration: non-audit assurance services paid to KPMG LLP	93	-
Auditor's remuneration: non-assurance services paid to KPMG LLP	-	-

6 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, as such, only directors are considered to meet this definition.

Merian Investment Management Limited

NOTES TO THE FINANCIAL STATEMENTS
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	2019 £'000	2018 £'000
Aggregate directors' emoluments		
Aggregate emoluments excluding pension contributions	1,226	-
Company pension contribution to money purchase scheme	20	-
Emoluments of the highest paid director		
Aggregate emoluments excluding pension contributions	553	-
Company pension contribution to money purchase scheme	-	-
Directors having money paid to money purchase schemes during the year	2	-
The highest paid director exercised share options during the year	N	N/A
The highest paid director received shares in or share options over Quilter plc	N	N/A

7 TAXATION

Analysis of tax charge for the period	2019 £'000	2018 £'000
Current year charge	1,819	-
Tax charge on profit on ordinary activities	<u>1,819</u>	<u>-</u>

The total charge for the period can be reconciled to the accounting profit as follows:

IFRS profit before tax	9,573	(119)
Corporation tax charge at 19.00%	1,819	-

Tax rate was 19% throughout the period from 1 January 2019 to 31 December 2019.

8 TRADE AND OTHER RECEIVABLES

	2019 £'000	2018 £'000
Due from group undertakings	2,256	-
Trade debtors	737	-
Prepayments and accrued income	-	36
Investment management fees receivable	8,938	-
Total trade and other receivables	<u>11,931</u>	<u>36</u>

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9 CASH AND CASH EQUIVALENTS

	2019 £'000	2018 £'000
Cash held at bank	22,556	8,000
Total cash and cash equivalents	22,556	8,000

10 SHARE CAPITAL

	2019 £'000	2018 £'000
Allotted, called up and fully paid		
8,000,000 ordinary shares of £1 each (2018: 8,000,000 of £1 each)	8,000	8,000

The Company has elected under the Companies Act 2006 to remove authorised share capital limits.

11 OTHER PAYABLES

	2019 £'000	2018 £'000
Due to group undertakings	17,090	145
Rebates and commissions payable	2,202	-
Accruals	178	10
Other	2,563	-
Total other payables	22,033	155

12 FINANCIAL AND CAPITAL COMMITMENTS

There are no material financial and capital commitments as at 31 December 2019 (2018: Nil).

13 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2019 (2018: Nil).

14 RELATED PARTY TRANSACTIONS

Related party transactions for the period relate to expenses recharged from fellow subsidiary undertakings.

	2019 £'000	2018 £'000
Investment Management Activity		
Investment Advisor Fees paid to fellow subsidiary undertakings	(34,415)	-
Investment Advisor Fees payable to fellow subsidiary undertakings	(11,234)	-

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	2019 £'000	2018 £'000
Management Expense Activity		
Rebates payable to fellow subsidiary undertakings	(3,331)	-
ARBEA Fees payable to fellow subsidiary undertakings	(442)	-
Expenses recharged by fellow subsidiary undertakings	(16,570)	-
Expense recharges payable to fellow subsidiary undertakings	(6)	(145)
Management fees receivable from fellow subsidiary undertakings	2,256	-
Management fees owed to fellow subsidiary undertakings	(2,077)	-

15 ULTIMATE PARENT COMPANY

As at the reporting date, the Company's immediate parent entity Merian Global Investors Holdings Limited, a company registered in England and Wales.

The Company's financial statements are consolidated within the financial statements of Merian Global Investors Limited, the ultimate parent company and controlling party, registered in Jersey. The financial statements are available from:

The Company Secretary
Merian Global Investors Limited
47 Esplanade
St Helier
Jersey
JE1 0BD

16 EVENTS AFTER THE REPORTING DATE

On Monday 17 February 2020, Jupiter Fund Management plc announced its proposed acquisition of Merian Global Investors. The acquisition, which is subject to regulatory and Jupiter shareholder approval, is expected to complete in the second half of 2020.

The Directors believe that the acquisition does not pose any significant risks to the Group's primary business activity, the continuing success of our funds, or our clients. Management has prepared forecasts and budget which demonstrate the Group's continuing viability and expected profitability on a standalone basis, and the Directors believe that the acquisition strengthens this position.

However, the acquisition does present uncertainty around the precise nature of the future operating model and company structure. At the date of signing, the future operations and details of the combination of the business are not known and therefore the Directors do not believe that any adjustments or disclosures are appropriate or required in these financial statements. The Directors also do not believe that the acquisition results in a requirement to change the basis of preparation, and have determined that the going concern assumption remains appropriate.

During March 2020 global financial markets saw steep falls in asset values across most asset classes. This caused a material fall in the AUM of the Company and the Merian Group. The Directors do not believe that this fall results in any change in the values presented in these financial statements and that the fall in markets does not constitute an adjusting event. As noted in Note 2.1 and the Strategic and Directors Reports, the Directors do not believe that the fall in AUM results in a change to the validity of the application of the going concern assumption in the preparation of these financial statements.