

# JUPITER STRATEGIC BOND - GBP

INVESTMENT RESEARCH NOTE  
MARCH 2024

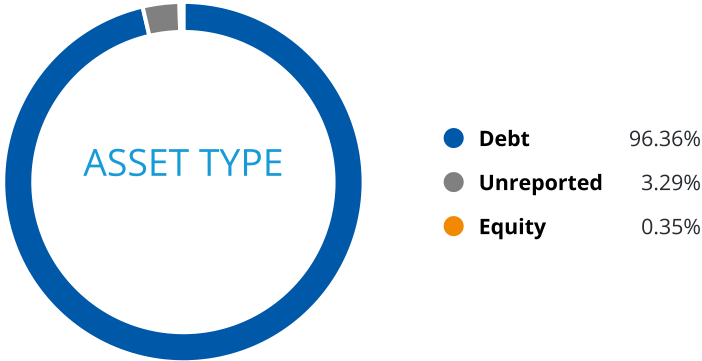
Risk warning: The past is not necessarily a guide to future performance. The value of your investment and the income from it can fall as well as rise and is not guaranteed. You may not get back the full amount invested. Our views are based upon our understanding of current legislation in England. Levels and bases of, and reliefs from, taxation are subject to change and their value to you will depend upon your personal circumstances. You should not act on any of the information without seeking professional advice. clarity Ltd is authorised and regulated by the Financial Conduct Authority (FCA).

SUMMARY

Jupiter Asset Management is a UK -based firm established in 1985 and listed on the London Stock Exchange in 2010. The firm has a presence across Europe and Asia covering equities, fixed income, multi-asset and absolute return strategies and manages c.£46bn of assets (as at June 2019).

The Fund has been managed by Ariel Bezalel since inception. He is supported by Harry Richards (Assistant Manager) and a team of six credit researchers. Typically, The Fund will hold 400-500 securities, and it is a requirement that at least 80% is invested in sterling denominated (or hedged back to sterling) bonds. Derivatives may be used for investment purposes too. *Investors should be aware that this strategy can deliver attractive returns but for a higher level of risk given the nature of the underlying instruments particularly the high yield exposure.*

The Fund invests globally in higher yielding assets with investment performance results from a blend of top-down analysis and bottom-up security selection, with stock selection targeted as the key driver of outperformance. The fund takes a barbell approach to portfolio construction to generate the income required and capital growth. There is an unconstrained mindset to investing and the relatively small size of the team allows for a flexible and nimble approach. Typically the fund will invest in high yield and investment grade bonds, convertibles, and other bonds. The strength of the process lies with the manager's ability to determine the macro trends and position the portfolio accordingly.



INVESTMENT PROCESS

The Fund is unconstrained in which area of the fixed income markets it may invest. Typically, the Manager will invest across a wide number of individual holdings, providing diversification of risk.

The Manager forms a macro-economic view covering factors such as: position in the economic cycle; global monetary policy; money supply; inflation outlook; interest rate outlook; and the shape of the yield curve in relation to the corporate bond market. These factors inform his positioning of the portfolio with respect to duration and the yield curve. However, whilst duration and yield curve positioning are important contributors to performance, they are secondary to sector allocation and issue selection.

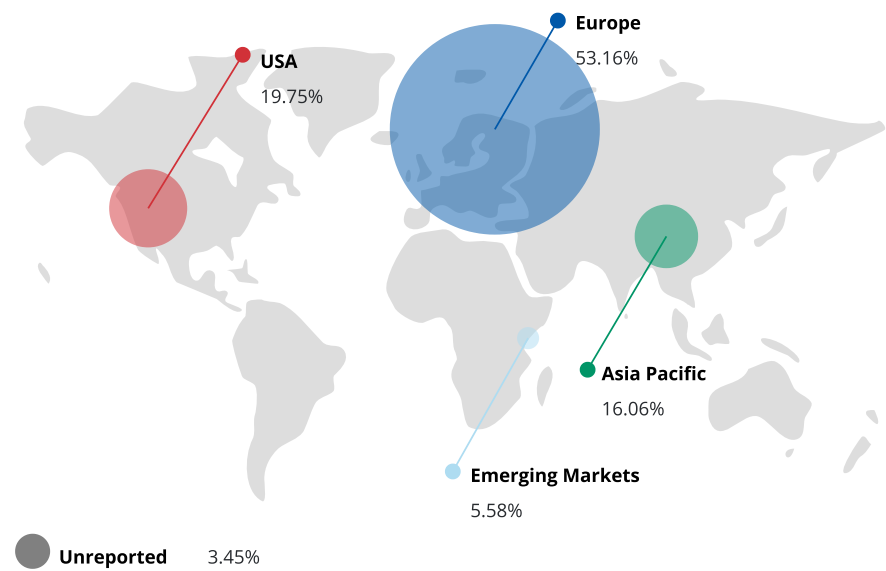
Sector allocation by asset class is considered across sovereign bonds, investment grade bonds, covered bonds and high yield bonds. Three principal factors are evaluated – sector fundamentals, relative value (analysis of relative yields and credit spreads) and market technicals (such as future issuance and demand, flows, liquidity and market behaviour).

The manager searches for situations offering value and a good risk/reward trade-off across global markets. This leads to considerable effort in meeting company management and analysing company fundamentals. Stock selection is biased towards companies which (in the manager's assessment) have robust business models, supported by quality management teams. Individual issues from a favoured company are strongly biased to those at the higher end of a company's capital structure, and towards companies with a de-leveraging profile. The manager will also consider a company's domicile and the risks associated should that country default. For sovereign bonds key metrics considered include: debt-to-GDP; trade figures; and the overall trend of economic data. This is in addition to the health of the banking system, the political environment and economic policy.

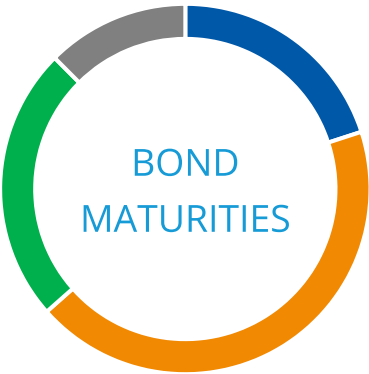
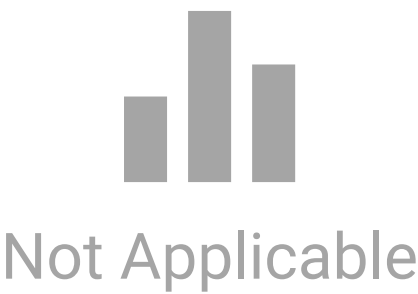
Risk control is managed by the firm's Investment Risk team. They conduct daily stress testing scenarios. They also monitor and test liquidity, derivative exposure, and also leverage and cash levels. Counterparty risk is assessed too on a daily basis.

# AGGREGATED NET EXPOSURE

## REGIONAL EXPOSURE



## EQUITY MARKET CAP (%)



Short Term (1-3 yr)	20.00%
Intermediate Term (3-10 yr)	43.47%
Long Term (>10 yr)	24.06%
Unreported	12.47%



Speculative Grade/High Yield	60.14%
Investment Grade	34.05%
Unreported	5.81%

# OVERALL PERFORMANCE

● Jupiter Strategic Bond Fund I Acc GBP    ● Global Corporate Total Return Hedged GBP

● IA GBP Strategic Bond

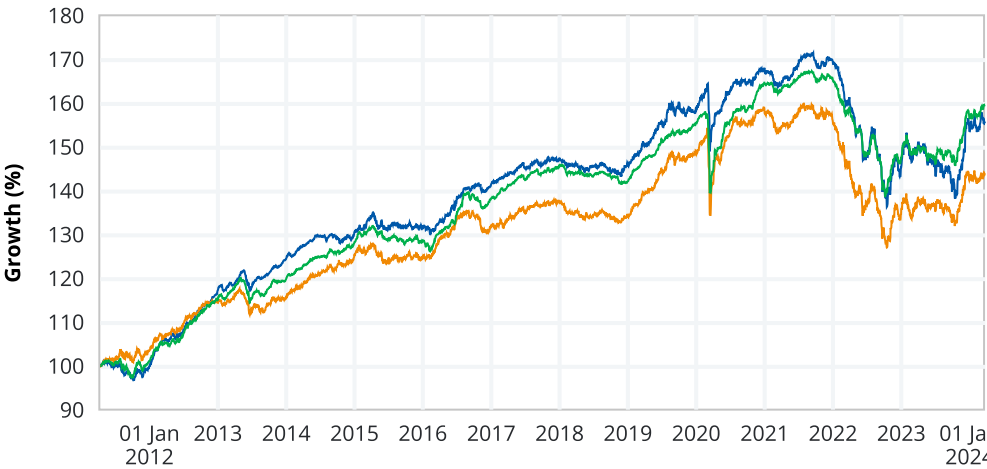
## GROWTH (%) - OVER 1 YEAR

3 Apr 2023 - 29 Mar 2024



## GROWTH (%) - FROM INCEPTION

19 Apr 2011 - 29 Mar 2024



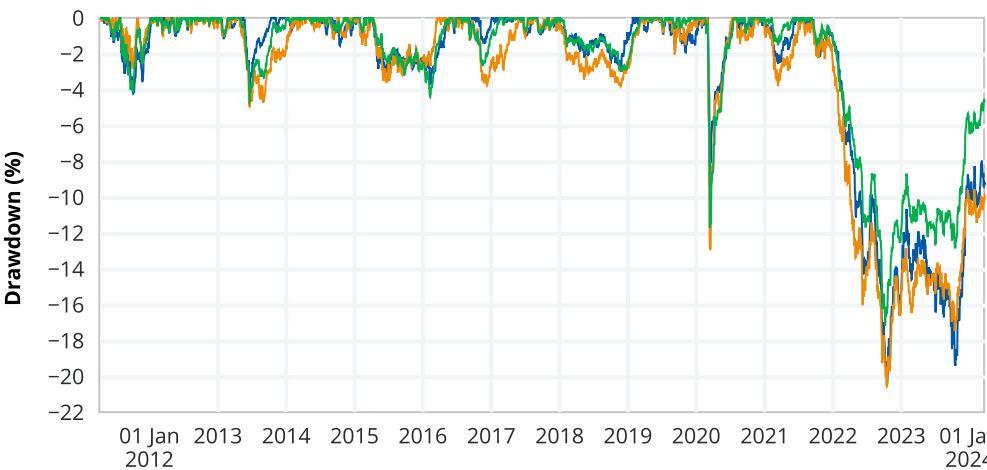
## DRAWDOWN (%) - OVER 1 YEAR

3 Apr 2023 - 29 Mar 2024



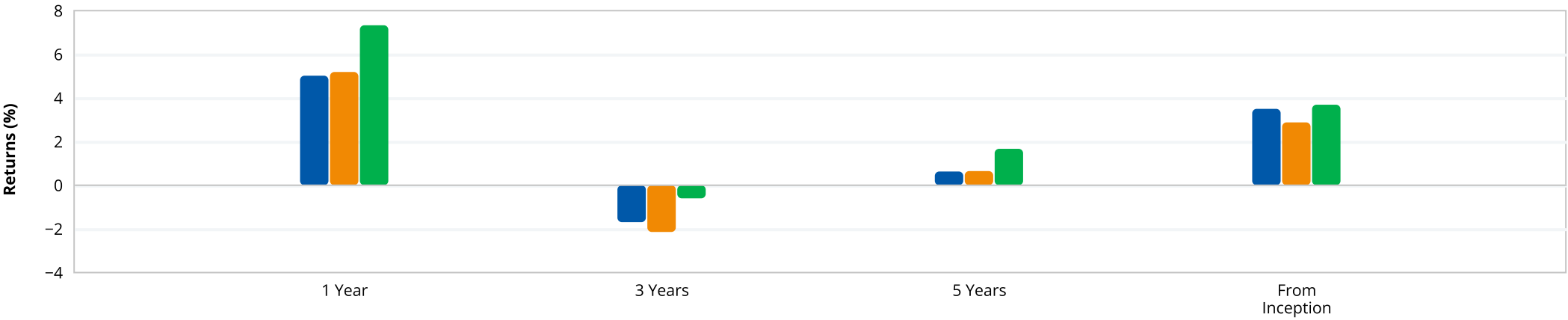
## DRAWDOWN (%) - FROM INCEPTION

19 Apr 2011 - 29 Mar 2024



# RETURNS

● Jupiter Strategic Bond Fund I Acc GBP
● Global Corporate Total Return Hedged GBP
● IA GBP Strategic Bond



## MONTHLY BREAKDOWN AND YEARLY TOTALS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2024	0.09	-1.25	1.02										-0.15
2023	4.80	-2.14	0.99	0.95	-2.24	-0.75	0.25	-0.22	-2.40	-1.66	5.41	6.07	8.88
2022	-1.17	-2.15	-2.16	-2.51	-1.45	-4.80	4.24	-2.96	-5.33	-0.50	3.78	-1.38	-15.59
2021	-0.40	-1.78	0.05	1.11	0.22	1.36	1.24	0.38	-0.76	-1.21	0.68	0.53	1.37
2020	2.37	0.73	-4.95	2.23	1.41	1.00	1.79	-0.48	0.38	-0.25	1.73	0.30	6.21
2019	1.01	0.81	1.81	-0.07	1.92	0.93	0.53	2.37	-0.51	-0.31	0.37	-0.83	8.29

Capped to 6 years.

## ANNUALISED ROLLING RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
Jupiter Strategic Bond Fund I Acc GBP	5.02	-1.69	0.63	3.50
Global Corporate Total Return Hedged GBP	5.19	-2.14	0.65	2.88
IA GBP Strategic Bond	7.33	-0.60	1.67	3.69

## CUMULATIVE RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
Jupiter Strategic Bond Fund I Acc GBP	4.98	-4.95	3.20	55.81
Global Corporate Total Return Hedged GBP	5.15	-6.26	3.27	44.15
IA GBP Strategic Bond	7.27	-1.78	8.61	59.64

● Jupiter Strategic Bond Fund I Acc GBP    ● Global Corporate Total Return Hedged GBP

PERFORMANCE - OVER 1 YEAR

3 Apr 2023 - 29 Mar 2024

	●	●	●
RETURNS (%)	5.02	5.19	7.27
VOLATILITY (%)	7.15	5.38	5.64
ALPHA	0.08 *		0.03 *
BETA	1.08 *	1.00	0.78 *
CORRELATION	0.94 *	1.00	0.92 *
SHARPE RATIO	0.01	0.04	0.38
SORTINO RATIO	0.02	0.06	0.80
MAX DRAWDOWN (%)	-8.47	-4.69	-2.95

\*Calculated over a 3 year period where history permits.

● IA GBP Strategic Bond

PERFORMANCE - FROM INCEPTION

19 Apr 2011 - 29 Mar 2024

	●	●	●
RETURNS (%)	3.50	2.88	3.66
VOLATILITY (%)	3.97	4.29	5.14
ALPHA	0.07		0.07
BETA	0.88	1.00	0.86
CORRELATION	0.88	1.00	0.91
SHARPE RATIO	0.62	0.43	0.46
SORTINO RATIO	0.86	0.58	0.63
MAX DRAWDOWN (%)	-20.53	-20.56	-17.17

SIMPLE STRESS TEST DRAWDOWN (%)

3 Apr 2023 - 29 Mar 2024



Stress test notes

The chart shows the calculated drawdown over the last year. The Review Point is the fund intervention point. Any drawdown above this line indicates a typical drawdown in a normal market cycle. Should the drawdown hit the review point, then this indicates that market conditions may be abnormal. This is the point that we would consider taking immediate action for an extreme market event.

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