

# JUPITER EUROPEAN FUND - GBP

INVESTMENT RESEARCH NOTE  
FEBRUARY 2024

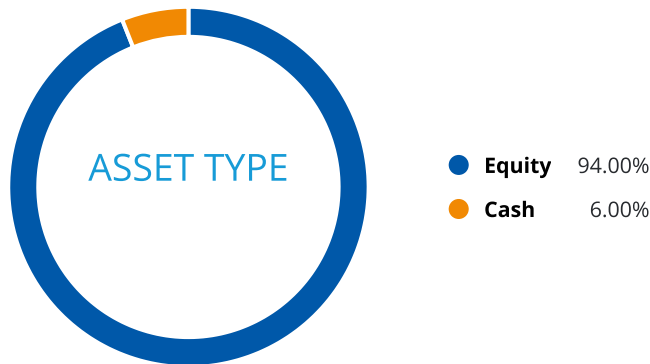
Risk warning: The past is not necessarily a guide to future performance. The value of your investment and the income from it can fall as well as rise and is not guaranteed. You may not get back the full amount invested. Our views are based upon our understanding of current legislation in England. Levels 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. It manages c.£46bn of assets.

The Jupiter European Fund had been managed by Alexander Darwell for c.20 years, a highly experienced manager who joined Jupiter in 1995 and took over the European Fund in 2001. As at October 2019, Darwell has left the firm and was replaced by Mark Nichols as lead manager from Columbia Threadneedle ,who took over management of the Fund at the end of 2019 following a handover period. This major change is a key person risk which investors need to be aware of.

The overall objective of the Fund is to achieve long term capital growth by investing in companies quoted on a European Stock Exchange. Companies are selected purely from the bottom up, following thorough fundamental analysis and above average earnings growth. The FM seeks quality companies with proven profit growth and margins over the long-term. The portfolio is reasonably concentrated by holdings with names that the FM knows very well. Turnover is very low with companies held in the portfolio for over 10 years in some cases.



INVESTMENT PROCESS

The fund manager places a large emphasis on creating strong relationships with the underlying companies first and foremost. The manager selects stocks purely from the bottom up, following a thorough fundamental analysis. The stock selection process takes place in 4 stages,

- 1) Evidence of strong business such as proven concept along, barriers to entry, pricing power and cost and revenue flexibility.
- 2) Strong management characteristics, open, honest and accountable management team.
- 3) Structural trends
- 4) Valuation - a. Calculate Real Profitability; b. Apply a risk discount to growth rate; c .Discounted at risk free rate; d.Net Present Value of 10 Years' of growth

Portfolio Construction

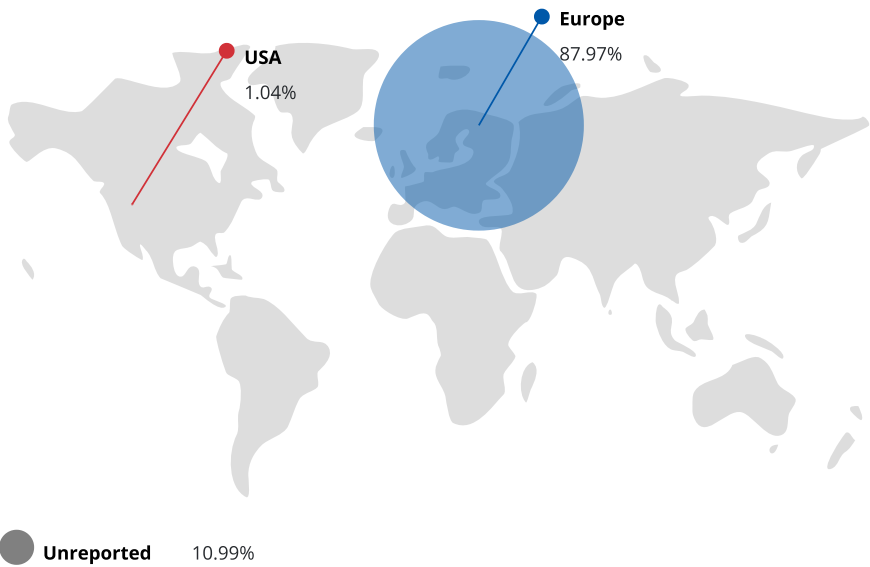
The manager believes in structuring the portfolio around companies whose products or services are in universal demand and are not especially price-sensitive. The weighting of each company in the portfolio is a reflection of the comparative level of risk of each business. The final portfolio composition is approximately 80% international companies & 20% direct European companies. The manager looks to hold these companies once within the portfolio for pro-longer periods of time emphasising longer term trends rather than short term growth, this can be seen in the low turnover of the fund. A strong sell side discipline is in place, where the fund manager will remove any stock for the following reasons:

- a) Business case has changes for the worst;
- b) The company is subject to corporate actions;
- c)Valuation is believed to be stretched;
- d) Profits are taken following strong performance;
- e) Better opportunities arise.

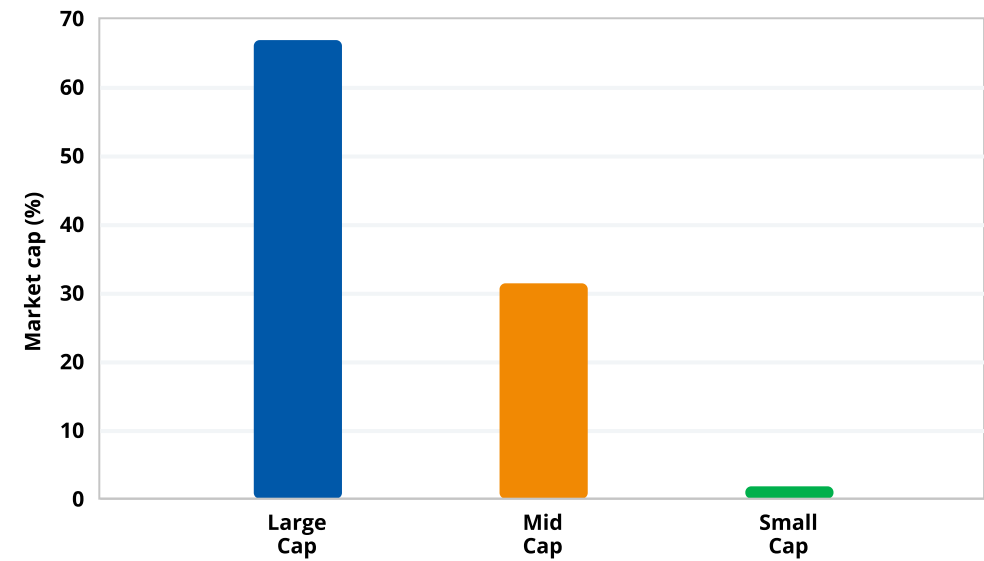
Key risks for the strategy relates to the large size of the Fund (c.£6bn) and a potential shock from a sharp rise in interest-rates given the beneficial , defensively-minded performance in a low interest-rate world. The additional risk stems from the departure of the present manager to be replaced by an external manager who may change the process and structure of this Fund strategy.

# AGGREGATED NET EXPOSURE

## REGIONAL EXPOSURE



## EQUITY MARKET CAP (%)



BOND  
MATURITIES

Not Applicable



BOND  
RATINGS

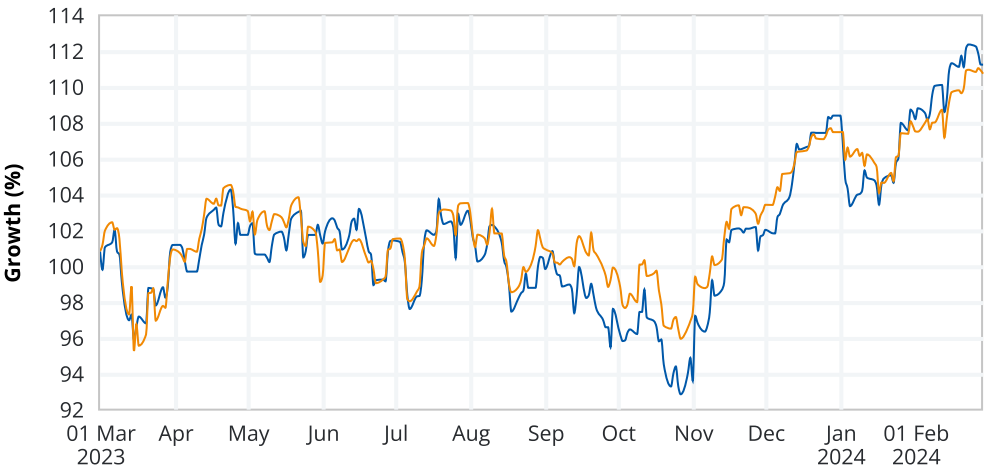
Not Applicable

# OVERALL PERFORMANCE

● Jupiter European Fund I Acc    ● World Europe Ex UK TRI GBP

## GROWTH (%) - OVER 1 YEAR

1 Mar 2023 - 29 Feb 2024



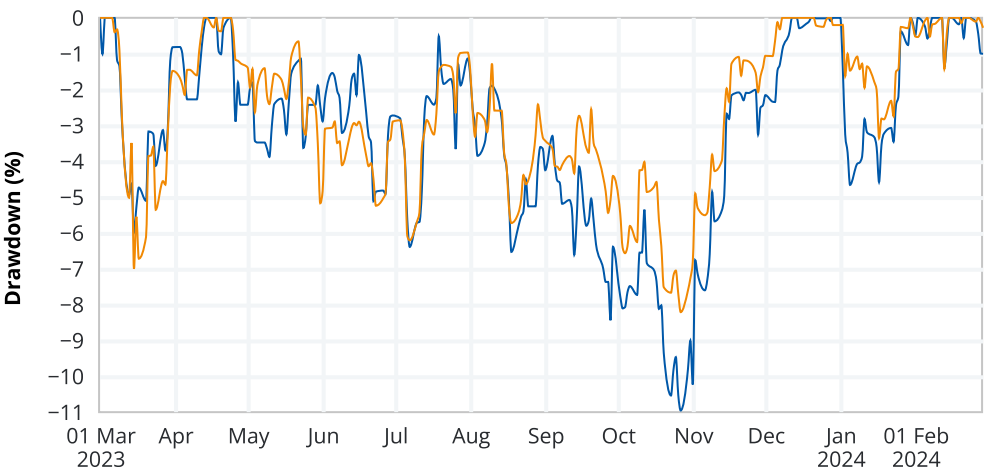
## GROWTH (%) - FROM INCEPTION

19 Apr 2011 - 29 Feb 2024



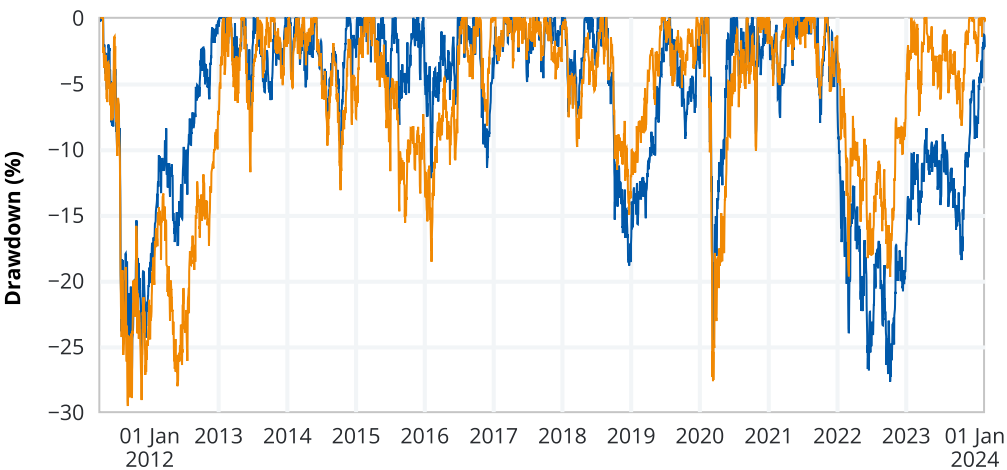
## DRAWDOWN (%) - OVER 1 YEAR

1 Mar 2023 - 29 Feb 2024



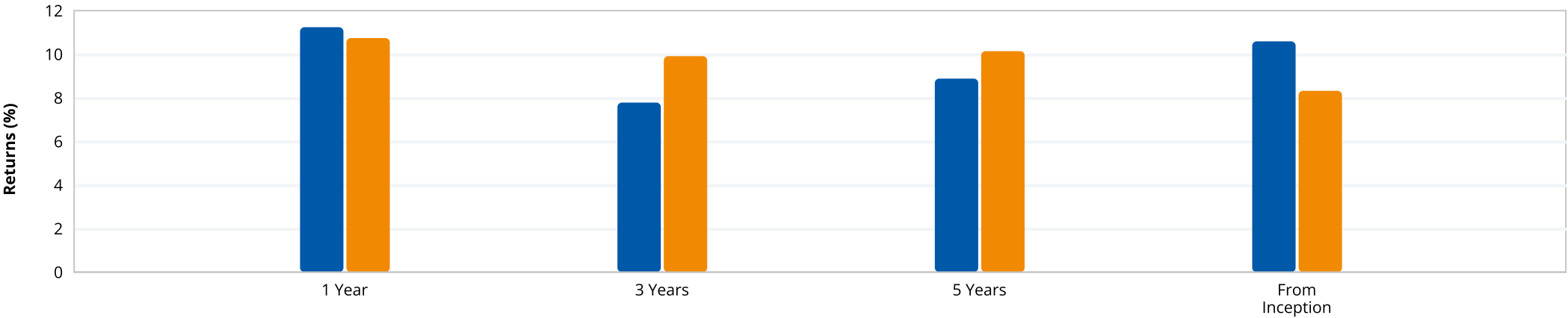
## DRAWDOWN (%) - FROM INCEPTION

19 Apr 2011 - 29 Feb 2024



# RETURNS

● Jupiter European Fund I Acc    ● World Europe Ex UK TRI GBP



## MONTHLY BREAKDOWN AND YEARLY TOTALS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2024	0.16	2.46											2.62
2023	4.78	3.85	1.19	0.56	-0.03	-0.27	1.63	-2.55	-2.84	-2.80	7.21	6.56	17.96
2022	-13.05	-2.62	5.76	-3.47	-2.35	-9.24	9.80	-4.30	-5.63	3.31	5.88	-0.15	-17.02
2021	-2.65	-1.59	1.84	4.49	1.37	4.80	4.83	3.33	-3.28	2.55	0.62	1.93	19.33
2020	1.59	-5.34	-6.22	6.03	9.24	0.67	-0.55	0.96	2.26	-6.25	8.10	1.62	11.17
2019	4.71	0.47	0.77	4.74	1.14	6.38	3.05	-0.96	-1.75	-3.25	2.62	1.41	20.60

Capped to 6 years.

## ANNUALISED ROLLING RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
Jupiter European Fund I Acc	11.24	7.78	8.88	10.59
World Europe Ex UK TRI GBP	10.74	9.91	10.14	8.32

## CUMULATIVE RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
Jupiter European Fund I Acc	11.24	25.14	52.79	263.49
World Europe Ex UK TRI GBP	10.74	32.69	61.77	178.61

Jupiter European Fund I Acc      World Europe Ex UK TRI GBP

PERFORMANCE - OVER 1 YEAR

1 Mar 2023 - 29 Feb 2024

	Jupiter European Fund I Acc	World Europe Ex UK TRI GBP
RETURNS (%)	11.24	10.74
VOLATILITY (%)	14.32	12.42
ALPHA	-0.18 *	
BETA	1.09 *	1.00
CORRELATION	0.86 *	1.00
SHARPE RATIO	0.42	0.45
SORTINO RATIO	0.63	0.63
MAX DRAWDOWN (%)	-10.95	-8.21

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

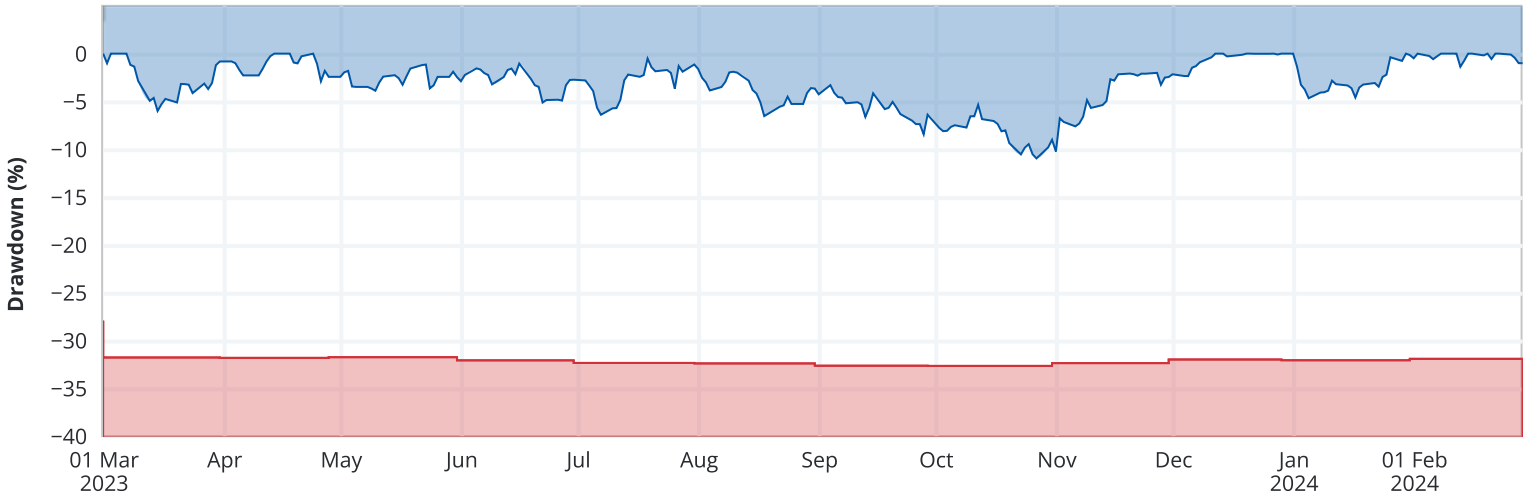
PERFORMANCE - FROM INCEPTION

19 Apr 2011 - 29 Feb 2024

	Jupiter European Fund I Acc	World Europe Ex UK TRI GBP
RETURNS (%)	10.59	8.32
VOLATILITY (%)	17.19	17.43
ALPHA	0.28	
BETA	0.84	1.00
CORRELATION	0.85	1.00
SHARPE RATIO	0.55	0.42
SORTINO RATIO	0.77	0.58
MAX DRAWDOWN (%)	-27.68	-29.53

SIMPLE STRESS TEST DRAWDOWN (%)

1 Mar 2023 - 29 Feb 2024



Stress test notes

The chart shows the calculated drawdown over a trailing 12-month period. The Review Point is a potential intervention point. Any drawdown above this line indicates a typical drawdown in a normal market cycle. Should the drawdown exceed the Review Point, then this indicates that market conditions may be abnormal. This is the point at which immediate action should be considered.

# DISCLAIMER

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