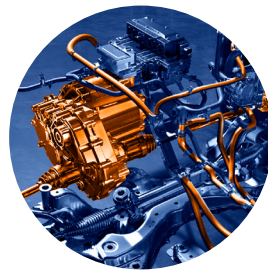


# FIXED INCOME FOR A NEW WORLD

Jupiter Strategic Absolute Return Bond Fund

[jupiteram.com](http://jupiteram.com)

  
**JUPITER**  
ASSET MANAGEMENT



JUPITER STRATEGIC  
ABSOLUTE RETURN  
BOND FUND



Continuous portfolio  
reinvention to fit the  
macro environment



Broad opportunity set



Focus on total return  
not yield



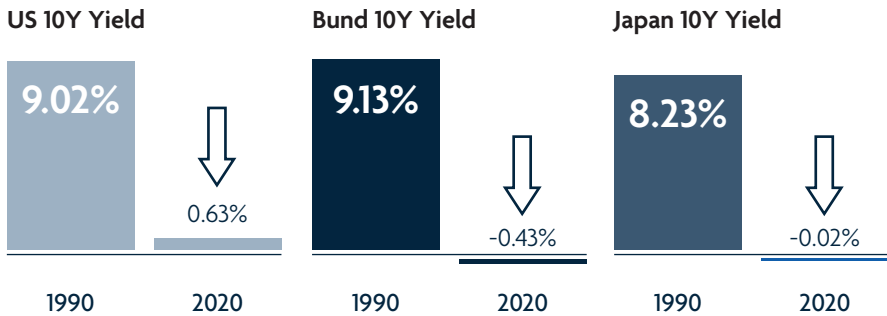
Liquidity is key



Risk management is at  
the forefront of our  
investment process

To generate returns in fixed income  
you need to do something different...

Treasuries no longer deliver treasure...



Source: Bloomberg as at 14/07/2020.

AN INVESTMENT SOLUTION  
FOR A NEW WORLD

With **dynamic and speedy asset allocation**, country and security selection, the strategy targets high risk-adjusted returns and small drawdowns via diversification. **The team are also able to take short positions**, which can add meaningfully to performance. It is important to note that, as far as the team are concerned, **carry is a strategy and not a default position**.

The strategy sacrifices carry earned via a heavy corporate bond allocation; **this provides valuable liquidity and flexibility**. The fund does not take part in private placements.

All importantly, **risk allocation is the very starting point of the team's investment process**. Portfolio construction then revolves around the model portfolio, with best ideas scaled for conviction, volatility and correlation.

Step-by-step investment process

TRANSFORMING INVESTMENT DECISIONS INTO  
A LIVE PORTFOLIO

MACRO THEMES	IDEA GENERATION	PORTFOLIO CONSTRUCTION	MODEL PORTFOLIO
Alternatives FI team determines top-down views on global macro	Investments determined across the asset classes with support from sector specialists	Alternative FI team determines fund level of ex-ante risk, sector asset allocation and individual position risk weights	Team strategy aligned with quantitative methodology - provides position sizes as a guide for the portfolio managers
Alternative FI team determine strategic (six month) and tactical (one month) asset allocation	Specialist teams (macro, emerging market debt and credit) support with country and corporate exposure	Risk budgeting process derives from conviction levels of Alternative FI team	Model portfolio used as a guide for fund constitution for live portfolio

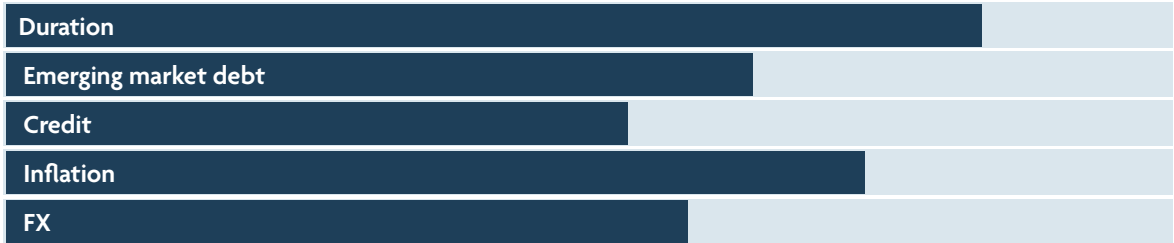
Best ideas are then scaled into a risk-efficient framework, to create the model portfolio:

- 01 PORTFOLIO MANAGER INPUTS:**  
Determine total risk
- 02 PORTFOLIO MANAGER INPUTS:**  
Spread risk between sub-portfolios
- 03 SECTOR SPECIALISTS INPUTS:**  
Populate sub-portfolios with positions
- 04 EXPOSURE:**  
Calculate positions



A DYNAMIC AND FLEXIBLE APPROACH

In today's market, a long-only approach to fixed income investing is ineffective; there is room for a different approach to fixed income exposure. That's why the team continually tweaks the portfolio to reflect the underlying macro environment.



For illustrative purposes only.

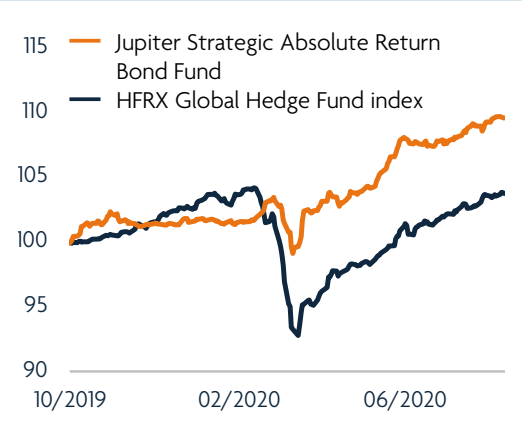


# PROCESS IN ACTION

## IDENTIFYING VULNERABILITIES IN GROWTH, VALUATIONS AND LIQUIDITY

This is an example of our investment process in action, looking at the period when the Covid crisis struck in early 2020.

### COVID PERFORMANCE



Source: Macrobond as at 20/08/2020.

### H1 2020

Despite market optimism, we recognised key vulnerabilities around growth, valuations and liquidity.

SARB ran short spread duration positions, generating alpha via top-down macro calls rather than carry.

Covid-19 exposed those vulnerabilities. SARB added US front-end duration, increased USD exposure and shorted credit.

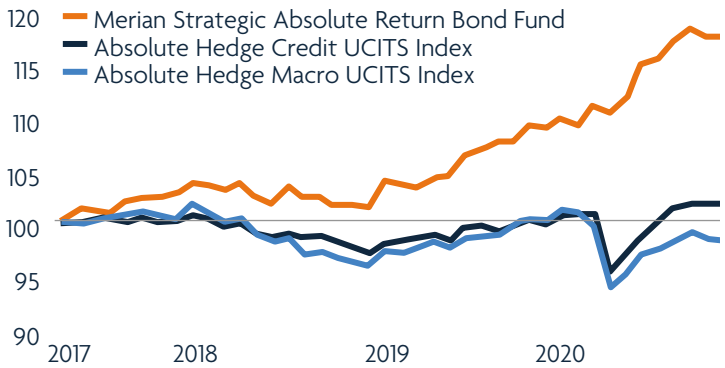
As central banks intervened, SARB began to add risk and added back emerging market exposure.

# CREDIT EXPOSURE LIMITED: CARRY NOT A NECESSITY TO GENERATE RETURNS



The Jupiter Strategic Absolute Return Bond Fund is doing things differently to its peers. The fund sacrifices carry (via large corporate bond exposure) for liquidity and flexibility.

### SUPERIOR RETURNS VERSUS A DIVERSE GROUP



Past performance is not a guide to future performance. The value of investments can go down as well as up and is not guaranteed. Source: Bloomberg, as at 31/10/2020. Index data from Kepler Absolute Hedge database. Merian Strategic Absolute Return Bond Fund (I class USD Acc).

# TRULY DIFFERENTIATED FIXED INCOME EXPERIENCE

Dynamic asset allocation according to macro environment



Controlled risk target through diversified portfolio



Alternative low volatility return to government bonds



Low credit exposure



Liquidity rather than carry



Strong track record



### PERFORMANCE SUMMARY

	1m	3m	6m	1yr	3yrs	5yrs
Jupiter Strategic Absolute Return Bond Fund	0.63	2.16	3.93	9.61	16.78	26.23
Federal Funds Effective Overnight Rate	0.01	0.02	0.04	0.39	4.46	10.2
Relative	0.62	2.14	3.89	9.22	12.32	16.03

Past performance is not a guide to future performance. The value of investments can go down as well as up and is not guaranteed. Source: Jupiter, Bloomberg, 25/05/2017 - 31/12/2020. The benchmark since 25/05/2017 is the Federal Funds Effective Overnight Rate. Performance prior to May 2017 was achieved under circumstances that no longer apply and no index is available to provide a useful comparison of the fund between prior to and after that date. With effect from 01/08/2016, Mark Nash became the Fund Manager. This share class has an extended track record based on the FI USD Acc share class. On 25/05/2017, the fund's benchmark changed from the JP Morgan Global Government Bond Index USD hedged, to cash (USD - Fed Funds Effective Overnight Rate).

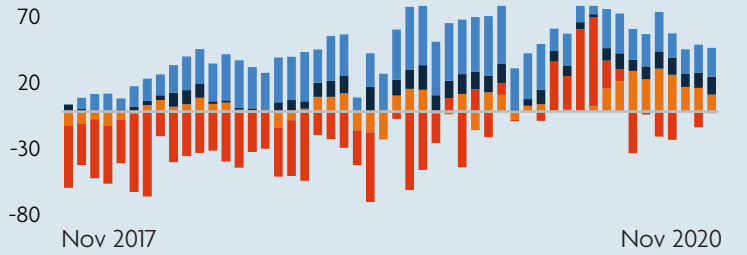
# Significantly lower volatility than the market

Period	Weekly annualised volatility since May 2017 <sup>1</sup>
FTSE US Treasury 7-10 years	4.3%
Jupiter Strategic Absolute Return Fund	3.5%

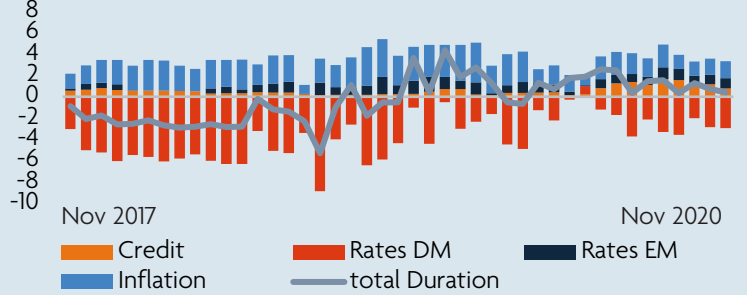
All data from Morningstar as at 31/12/20. \* On 25/05/2017, the fund's benchmark changed from the JP Morgan Global Government Bond Index USD hedged, to cash (USD - Fed Funds Overnight Rate).

### Historical portfolio composition

#### Contribution to fund NAV by component (%)



#### Contribution to fund duration by component (%)



Past performance is not a guide to future performance. The value of investments can go down as well as up and is not guaranteed. Source: MGI, Bloomberg, as at 30/11/2020.

## OUR TEAM

The portfolio manager, Mark Nash, is supported by a 25-member fixed income team, with expertise across global multi-sector, emerging market debt and credit..



**MARK NASH**  
**Head of Fixed Income Alternatives**  
Mark joined the company in 2016 and is Head of Absolute Return Fixed Income Alternatives.



**JAMES NOVOTNY**  
**Assistant Fund Manager**  
James joined the company in 2018 and is an Assistant Fund Manager in the Absolute Return Fixed Income Alternatives team.



**HUW DAVIES**  
**Investment Director**  
Huw joined the company in 2015 and is an investment director in the Fixed Income team.

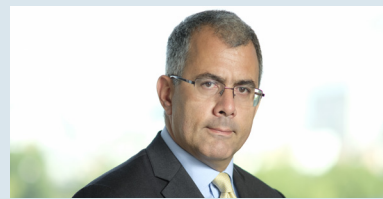
...drawing on Jupiter's wealth of expertise across fixed income and multi-asset.



**ARIEL BEZALEL**  
**Head of Strategy**

### FIXED INCOME TEAM

**25** fixed income investment professionals



**TALIB SHEIKH**  
**Head of Strategy**

### MULTI-ASSET TEAM

**4** multi-asset investment professionals

#### MARKETING MATERIAL ONLY. DOES NOT CONSTITUTE INVESTMENT ADVICE OR INVESTMENT RESEARCH.

**Investment risk** - while the Fund aims to deliver above zero performance irrespective of market conditions, there can be no guarantee this aim will be achieved.

Furthermore, the actual volatility of the Fund may be above or below the expected range and may also exceed its maximum expected volatility. A capital loss of some or all of the amount invested may occur.

**Emerging markets risk** - less developed countries may face more political, economic, or structural challenges than developed countries.

**Credit risk** - the issuer of a bond or a similar investment within the Fund may not pay income or repay capital to the Fund when due. Bonds which are rated below investment grade are considered to have a higher risk exposure with respect to meeting their payment obligations.

#### CoCos and other investments with loss absorbing features

- the Fund may hold investments with loss-absorbing features, including up to 20% in contingent convertible bonds (CoCos). These investments may be subject to regulatory intervention and/or specific trigger events relating to regulatory capital levels falling to a pre-specified point. This is a different risk to traditional bonds and may result in their conversion to company shares, or a partial or total loss of value.

**Bond Connect Risk** - The rules of the Bond Connect scheme may not always permit the Fund to sell its assets and may cause the Fund to suffer losses on an investment.

**Interest rate risk** - investments in bonds are affected by interest rates and inflation trends which may affect the value of the Fund.

**Liquidity risk** - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the Fund's ability to meet redemption requests upon demand.

**Derivative risk** - the Fund uses derivatives to generate returns and/or to reduce costs and the overall risk of the Fund. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

**Currency risk** - the Fund can be exposed to different currencies. The value of your shares may rise and fall as a result of exchange rate movements.

The Fund may be more than 35% invested in Government and public securities. These can be issued by other countries and Governments. Your attention is drawn to the stated investment policy which is set out in the Fund's prospectus

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**Germany:** GerFIS - German Fund Information Service UG (Haftungsbeschränkt), Zum Eichhagen 4, 21382 Brietlingen, Germany.

**France:** BNP Paribas Securities Services, Les Grands Moulins de Pantin, 9 rue du Debarcadère 93500 Pantin, France.

**Hong Kong:** Merian Global Investors (Asia Pacific) Limited, Suite 1706, Alexandra House, 18, Chater Road, Central, Hong Kong.

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**Sweden:** Skandinaviska Enskilda Banken AB (“SEB”), Kungsträdgårdsgatan 8, SE-106 40, Stockholm, Sweden

**Switzerland:** First Independent Fund Services Ltd., Klausstrasse 33, CH-8008 Zurich is the Swiss representative and BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich is the Swiss paying agent.

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