

**SHINING A LIGHT ON THE.....  
Jupiter Strategic Bond Fund**

**AT A GLANCE**

<b>Investment Objective</b>
The Fund aims to provide income with the prospect of capital growth to provide a return, net of fees, higher than the IA £ Strategic Bond Sector average over the long term (at least five years). At least 70% of the Fund is invested in global fixed interest securities denominated in sterling or hedged back to sterling. Up to 30% of the Fund may be invested in other assets, including shares of companies (which may be based anywhere in the world), open-ended funds (including funds managed by Jupiter and its associates), cash and near cash. The Fund may enter into derivative transactions for investment (i.e. speculative) purposes.

<b>Inception Date</b>	2 <sup>nd</sup> June 2008
<b>Fund Factsheet Link</b>	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000MWKK">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000MWKK</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Ariel Bezalel	2 <sup>nd</sup> June 2008

**FUND PERFORMANCE**

Performance from 1<sup>st</sup> January 2015 to 30<sup>th</sup> September 2020:

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Jupiter Strategic Bond Fund</b>	1.46%	7.66%	3.84%	-1.70%	7.48%	3.45%
<b>Vanguard Global Bond Index</b>	-0.43%	3.51%	2.00%	-0.11%	6.63%	4.63%

Performance over 12 months, 3 years, 5 years and 10 years:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
<b>Jupiter Strategic Bond Fund</b>	2.85%	9.37%	21.17%	69.69%
<b>Vanguard Global Bond Index</b>	3.92%	11.41%	17.30%	41.28%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

<b>Tracking Error</b>	<b>Upside Capture Ratio</b>	<b>Downside Capture Ratio</b>	<b>Batting Average</b>	<b>Beta</b>	<b>Alpha</b>	<b>Interest Rate Sensitivity / Credit Quality</b>
2.45	118.35	129.44	61.11	1.35	-0.63	High/Low

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Volatility Measurements	
3-Yr Std Dev (volatility)	4.48%
3-Yr Mean Return (average)	3.03%

Credit Quality	
AAA	32.19%
AA	1.09%
A	1.94%
BBB	17.31%
BB	20.24%
B	15.56%
Below B	4.87%
Not Rated	6.80%

Top 5 Holdings – 6 equity holdings, 474 bond holdings and 109 other holdings		
Australia (Commonwealth of) 3.25%	-	5.00%
United States Treasury Notes 2.25%	-	4.08%
Australia (Commonwealth of) 3.75%	-	4.07%
United States Treasury Bonds 2.25%	-	3.55%
United States Treasury Notes 2%	-	2.91%

Fixed Income	
Effective Maturity	-
Effective Duration	6.67

## UPDATE....

**These updates have been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.**

The strategy aims to deliver a positive return and is managed with an absolute return mindset. Against the index the fund starts to outperform over a 5 year plus period, but the high-level data does not indicate investors are necessarily rewarded for holding this strategy.

Having said that, there is one element which may appeal to investors. The volatility is very low, and this means that the investments should not move about wildly in periods of high market volatility.

The macro environment plays a part in the investment strategy and they will use investment hedges like government bonds and currencies where they see risks. The environment for bonds is not positive but they believe that stock pickers can still make money for investors.

The fund currently has around 36% in High Yield Bonds, around 40% in Developed and EM Government Bonds and the balance across cash and Corporate Bonds.

Examples of recent purchases include corporate bonds from RBS, JPMorgan, and Tesco. They have also added a 5-year Russian and 10-year Chinese Government Bond.

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The fund is invested around two thirds in defensive sectors:

Communication – this includes for example Vodafone, Virgin Media and SFR

Consumer Staples – this includes for example Albertsons

Healthcare – this includes for Synlab

Consumer Discretionary – this includes for example Auto Distribution, Jaguar Land Rover

In summary, this is a plain vanilla strategic bond fund. Investors can see what they are holding. The primary aim is to allow the fund manager to select the best opportunities to optimise returns. The concern is that over the last three years investors would have been better to hold the index. However, over the longer term this has outperformed. It does have low volatility and this might appeal to investors. It is also worth considering if bond returns are squeezed then perhaps active will start to outperform passive.

*The source of information in this note has been provided by Jupiter and is correct as at November 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*