

Value Statement for year ending 31 March 2023

The outcomes for Jupiter Strategic Bond Fund - by individual unit class:

- I - Unit Class ★★★ Has demonstrated value
- J - Unit Class ★★★ Has demonstrated value
- L - Unit Class ★★★ Has demonstrated value
- X - Unit Class★★★★ Has consistently demonstrated strong value
- Z - Unit Class ★★★ Has demonstrated value

Your guide to the ratings for each individual unit class:

- ★★★★ Has consistently demonstrated strong value
- ★★★ Has demonstrated value
- ★★ Has demonstrated value, although not consistently
- ★ Has not demonstrated value

What have we concluded?

The Board has concluded that this fund has demonstrated value for investors in the I, J, L and Z unit classes. For investors in the X unit class, the Board concluded that it has consistently demonstrated strong value as this unit class has yet to meet its investment horizon and is performing in line with expectations. While the I, J, L and Z unit classes trailed the benchmark marginally, they have achieved other key elements of the investment objective and we believe the fund is well placed to deliver good investment performance going forward. Jupiter regularly reviews all aspects of the products and services which it provides, to continuously improve its offering to investors, and will report on any such initiatives in future Value Assessments.

The Assessment of Value for your Fund

For more information about this report, and how we have evaluated each component of value click: [here](#)

Investment Objective

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). From the 15th of May 2023, this fund will no longer have a specific outperformance target against the IA £ Strategic Bond Sector, instead it will utilise it as a comparator.

Fund Performance

All unit classes generated an income over 5 years. The I and Z unit classes provided capital growth and income but missed providing a higher level of return, net of fees, than the fund's benchmark, by a small margin, at the time of assessment and therefore did not fully meet the investment objective. The fees for the J and L unit class are higher, since they reflect additional fee components to cover investor servicing activity and, in the case of the L class intermediary remuneration, as agreed when the units were purchased. The higher fees resulted in the J and L class returns not only trailing the benchmark by a small margin, but also impacting its provision of capital growth over the period in review, and therefore did not fully meet its investment objective.

The market saw interest rates rise across developed markets, as central banks increased rates to curb inflation. Longer duration bonds underperformed short duration bonds

(duration measures the sensitivity of a bond's prices to changes in interest rates - the longer the duration, the more sensitive the bond is to interest rate rises) and investment grade bonds (high rating from credit ratings agencies) underperformed high yield bonds (lower and no credit ratings from credit ratings agencies). The relative underperformance of the fund was driven by a higher proportion of the fund being invested in government bonds while yields were rising, and bond prices were falling. This caused the value of the bonds to decrease and the relative return of the fund against the benchmark fell by a small margin. Despite the challenging environment, the fund was able to achieve income over the period with the I and Z class able to achieve capital growth for investors in these unit classes.

Jupiter invests over the long-term and we continue to believe that this strategy can deliver on the investment objectives. The Board fulfils an oversight role with regular investment updates provided by the senior management team, and we look forward to providing a further update in our next value statement.

Find out more about this fund by: [clicking here.](#)

Quality of Service

The services we provide to manage, operate, and administer the fund were evaluated as part of the 2023 Value Assessment, and have demonstrated a high quality of service over the period of review.

Costs of the Authorised Fund Manager (AFM)

We have evaluated the costs borne by the AFM for providing services to the fund and concluded that these are fair and reasonable in respect of providing investment, operational and administrative services.

Economies of Scale

We have found that the majority of costs within Jupiter, specific to the management of investors' assets, vary with the level of assets held in a particular fund and do not indicate economies of scale attributable to individual funds. However, it is possible that economies of scale may be realised by the Group within the fixed costs it incurs. We have reviewed, for each fund, the amount of these fixed costs, the level of assets, and how these have increased or decreased during the year to identify if any economies were realised by the firm. The outcome of this year's assessment does not currently indicate economies of scale attributable to individual products that can be shared with investors.

Comparable Market Rates

We analysed the extent to which the fund has comparable market rates when compared with an appropriate peer group, and concluded that the fees for the I, J, X and Z unit classes were moderately high, and judged to be, on balance, appropriate. The fees for the L unit class were in the high end but judged to be, on balance, appropriate. This is in the context of our value and service proposition as an active, high-conviction investment manager and the opportunities we seek to provide for our investors.

Comparable Services

Our conclusion was that fees charged to the fund are comparable and consistent with the fees charged to other Jupiter Group investors for comparable services. As such, we consider the fees appropriate in the overall context of the services we provide to the fund.

Class of Units or Shares

Having assessed the classes of units available in the fund, we have concluded that investors currently can and do access the fund through the most appropriate unit class available to them.

Should you have any questions or require further information about the contents of this document, please call our Customer Services team on 0800 561 4000 between 9:00 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England. For your protection, we'll ask for your unitholder number so please have this to hand when you call. Please note that calls are recorded for your security and may be used for monitoring purposes. You can obtain further information about your Jupiter investments using our online valuation service at www.jupiteram.com

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