

## Value Statement for year ending 31 March 2023

### The outcomes for Jupiter UK Smaller Companies Equity Fund - by individual unit class:

- I - Unit Class ★★ Has demonstrated value, although not consistently
- J - Unit Class ★★ Has demonstrated value, although not consistently
- L - Unit Class ★★ Has demonstrated value, although not consistently

### 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, although not consistently for investors in the I, L and J classes. Whilst performance has been challenging, we continue to believe that this strategy can deliver on the investment objectives communicated to investors. To help achieve this, we are continuing to review how we manage the fund. Furthermore, 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 a return, net of fees, higher than that provided by the Numis Smaller Companies plus AIM (Excluding Investment Companies) Index over the long term (at least five years)

#### Fund Performance

Returns for all unit classes trailed those of the benchmark, at the time of assessment, and therefore did not meet the investment objective.

The year to March 2023 was a difficult period for equity markets in general and the UK in particular. As the global economy recovered from the covid pandemic a rapid increase in demand for goods coincided with a huge spike in energy and food prices caused by Russia's invasion of Ukraine. This caused inflation to rise to levels not seen for decades and central banks to dramatically increase base rates. Investor concerns about the impact of these dynamics on growth drove risk aversion and hence falls in equity markets. In the UK the situation was made worse by ongoing political instability, culminating in the disastrous 'mini-budget' in early Autumn that led to the fall of the short-lived Truss administration. While a degree of credibility was re-established under Sunak and Hunt, the UK remains undervalued relative to many global markets.

The fund's performance relative to its benchmark over the year was driven mainly by individual stock developments. Some of these bore a degree of relation to the global picture

(e.g. declines in 'growth' stocks) while others were more specific in nature.

Whilst performance has been challenging, we continue to believe that this strategy can deliver on the investment objectives communicated to investors. To help achieve this, we have undertaken an initial review of how we manage the fund. The calibre of the team and robustness of the investment process underpin our confidence that the fund is well placed to deliver good performance outcomes for our clients in the future.

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 quality of the services we provide to manage, operate, and administer the fund were evaluated as part of the 2023 Value Assessment. There were some considerations which were identified and subsequently resolved with no client detriment, otherwise a high quality of service was delivered 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 and J unit classes were moderately high but judged to be appropriate. Whereas the fees for the L unit class are at the high end when compared with the fund's peer group. However, they are, on balance, judged to be 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](http://www.jupiteram.com)

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