

SHINING A LIGHT ON THE..... Jupiter European Fund

AT A GLANCE

Investment Objective
The Fund aims to provide a return, net of fees, higher than that provided by the FTSE World Europe Ex UK Index over the long term (at least five years). At least 70% of the Fund is invested in shares of companies that are based in Europe (excluding the UK). Up to 30% of the Fund may be invested in other assets, including shares of companies based anywhere in the world and other closed or open-ended funds (including funds managed by Jupiter and its associates), as well as cash and near cash.

Inception Date	31 st July 1987
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000MWJV

Management	
Manager Name	Start Date
Mark Heslop	1 st October 2019
Mark Nichols	1 st October 2019

FUND PERFORMANCE

Performance from 1st January 2016 to 28th February 2021:

	2016	2017	2018	2019	2020	2021
Jupiter European Fund	4.40%	26.76%	-1.08%	19.70%	10.34%	-4.32%
MSCI Europe Ex UK	19.65%	16.75%	-9.10%	21.40%	8.20%	-1.93%

Performance over 12 months, 3 years, and since launch:

	1 year	3 years	5 years	Since launch
Jupiter European Fund	9.93%	24.95%	72.57%	5,921.40%
MSCI Europe Ex UK	13.95%	18.54%	69.08%	1,555.14%

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.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
8.84	86.73	85.39	67.05	55.56	0.76	4.11	Growth/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	14.38%
3-Yr Mean Return (average)	7.71%

Investment Style Details	
Giant	17.36%
Large	59.17%
Medium	21.67%
Small	0.95%
Micro	0.00%

Top 5 Holdings – 35 Holdings, 52% in top 10 holdings		
RELX PLC	Communication Services	7.69%
Dassault Systemes SE	Technology	6.87%
Adidas AG Ordinary Shares	Consumer Cyclical	6.42%
Edenred SA Ordinary Shares	Financial Services	5.25%
Novo Nordisk A/S B	Healthcare	5.06%

Top 5 Sectors	
Healthcare	16.68%
Technology	16.34%
Financial Services	14.70%
Communication Services	14.52%
Industrials	14.21%

Top 5 Countries	
France	29.68%
Germany	12.04%
UK	9.45%
Italy	8.85%
Switzerland	8.66%

UPDATE....

The management of the fund has recently been taken over by the team who moved across from Threadneedle. Their experience is in smaller companies and this is a large cap strategy so it will be interesting to see how that translates into this strategy over time.

The style seems similar, focusing on quality businesses. They are bottom-up active managers and looking to run a concentrated portfolio of around 35 names. These businesses tend to have predictable cash flow. They will likely be survivors and if anything, grow market share. Although there has been a rotation to value, they see this as short term as they do not see these businesses thriving over the next five years.

Some examples of holdings include:

Ubisoft – they sell games online which is far more profitable than the old traditional way of selling games. They are a great way for friends to connect, and with a strong brand portfolio they are taking an increasing part of the leisure market. They are also growing their audience with older and more diverse gamers. The barriers to entry are growing as the intellectual property becomes more valuable. They expect to grow revenues by 10% per annum and have delayed some launches purposefully to maximise the potential benefits.

RELX – this is a data analyst business. The events business was down around 70%. However, 90% of the business grew by about 2% although revenue was down around -9% in 2020. It has high barriers to entry and will likely benefit from the world re-opening.

Dassault systems are a design software company operating in life science, electrification of vehicles and a larger provider to the airline industry.

They took part in the IPO of Auto 1 Group SE, who are a dominant player in the European market for online auto sales and trading.

In summary, we would need to do more work on this strategy to understand what the team are looking to achieve. The performance in recent years has been average and clearly the team are here to change that. The quality story is consistent with the smaller company strategy. At this stage this would be a fund we would observe and seek further meetings with the team before adding to a watch list.

The source of information in this note has been provided by Jupiter and is correct as at March 2021. 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.