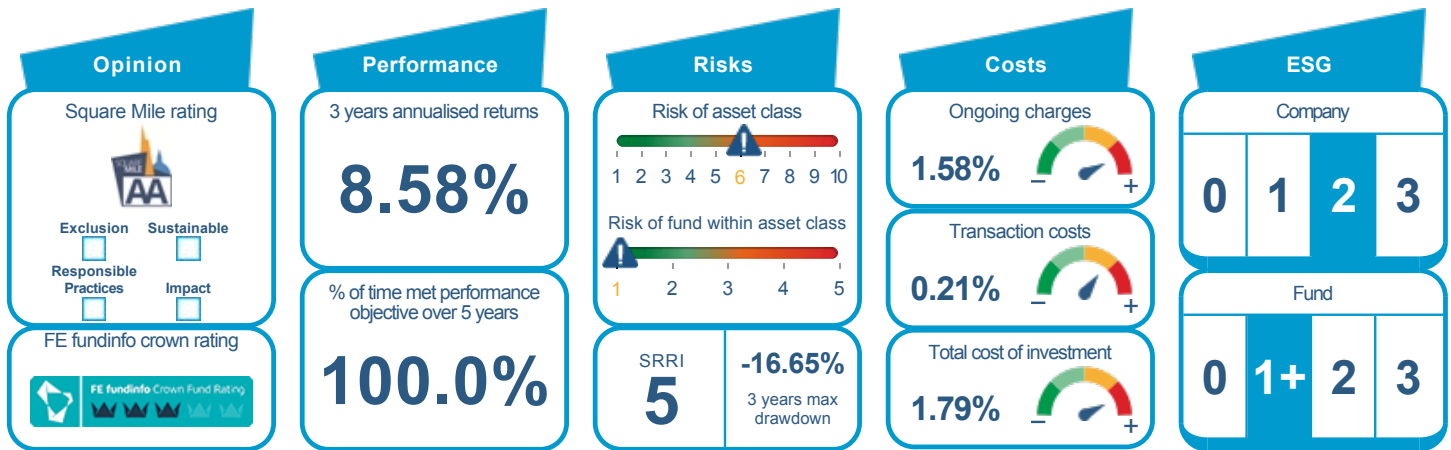


Jupiter Merlin Balanced Portfolio I Acc

November 2021
Investment Research



Overview

The managers aim to deliver capital growth with some income which is generated as a consequence of the investment approach. The team have delivered strong long-term returns and the managers have been successful in moderating participation in down markets.

Capital Accumulation	Capital Preservation	Income	Inflation Protection
●			

Square Mile Expected Outcome

We believe this fund should be able to outperform the IA Mixed Investment 40% to 85% shares sector average over a rolling five year time period.

Active/Passive: Active	IA Sector: IA Mixed Investment 40-85% Shares
Launch Date: 01/10/2002	Fund Size (as at 12 Nov 2021): £1994.7m
Yield: 1.78%	Distribution Pay Date: Jun 01 (Final), Dec 01
Fund Manager: Amanda Sillars, David Lewis, George Fox, John Chatfeild-Roberts	Ongoing Charge Figure: 1.58%
Domicile: United Kingdom	Transaction Cost ex Ante: 0.21%
Multi-Manager: Yes	



Fund Opinion

Jupiter's Merlin team is one of the most respected and experienced fund of funds teams in the UK market. Although the team of six is led by John Chatfeild-Roberts and David Lewis, the day-to-day management of this fund is a collegiate effort, with input provided by all the team members. Much of the fund's longer term success can be attributed to Mr Chatfeild-Roberts and Algy Smith-Maxwell, who have adeptly blended an ability to navigate the broader economic environment with astute fund selection. Amanda Sillars and David Lewis, have also made meaningful contributions to more recent success since they both arrived at the group in 2011.

One of the key features of this fund is its conviction led portfolio that is built without reference to the peer group benchmark. However, the managers are acutely aware of their investors' requirements and the central tenet of their investment philosophy is based around the principle that the preservation of capital is considered equally important as capital growth. Over the years, this has largely been achieved by using a simple and common sense approach and without exposure to more complex investments or instruments. The majority of the portfolio tends to be invested in experienced fund managers with established track records. The team's success of managing multi-asset portfolios across a number of economic and market cycles has seen the product range attract a sizeable level of assets that could present some challenges around liquidity and the ability to refresh the portfolio. Despite this, our concerns are somewhat reduced given the nature of the approach and the managers' experience.

Overall, we hold this team in high regard and consider this a strong offering for investors seeking a product run by experienced and proven investors, with a strong long term record of managing multi-asset fund of funds portfolios who have successfully delivered on the fund's expected outcome since launch.

Fund Description

Jupiter Asset Management are a UK based fund management group headquartered in London. They listed on the FTSE 250 following their floatation in June 2010. They are known for their high conviction and active approach to fund management. In July 2020, the group successfully completed its acquisition of Merian Global Investors which has further enhanced its fund management talent pool and product range.

The portfolio is jointly managed by John Chatfeild-Roberts and David Lewis as co-Heads of the strategy. Mr Chatfield-Roberts founded the strategy alongside Algy Smith-Maxwell in March 2001 having previously spent four years at Lazard. Mr Smith-Maxwell, as Research Director, is focussed on the team's research capabilities. They are ably assisted by Amanda Sillars, who joined the team in May 2011 and leads on the team's ESG research and engagement, as well as Alistair Irvine, who joined in 2015. George Fox, who joined the team in 2018, also supports the team as an assistant fund manager.

The team take a fund of funds approach to managing the portfolios. The investment process starts with a detailed and thorough analysis of the macroeconomic environment, which helps the team formulate their investment strategy. By having a more informed view on the broader economy, the team believe they are better placed to identify key turning points in the investment cycle and thus make changes to the portfolio in a more timely manner. The team then focus on fund selection and seek strategies that are likely to benefit from the prevailing macroeconomic drivers. Mr Chatfeild-Roberts and Mr Lewis actively manage the asset allocation they can be decisive in changing the shape of the portfolio when market conditions change. However, they are long-term investors and manage the funds with a wealth preservation mindset.

Although the final portfolio is constructed in an unconstrained manner and can look quite dissimilar from the peer group, the managers are risk aware in an absolute sense and seek to deliver consistently good risk adjusted returns. Investment is typically made into 10-20 holdings in which the managers are confident are aligned to their own views. They have a preference for managers that share their philosophy of trying to deliver capital preservation. Underlying holdings may include in-house Jupiter funds - in this instance fees are waived to ensure that the group do not double charge. The portfolio's asset mix will combine equities, fixed income and some property and at times gold. It is geographically well diversified, however there will be a core exposure to the UK. The managers are prepared to actively raise cash if they cannot identify attractively valued investment opportunities.

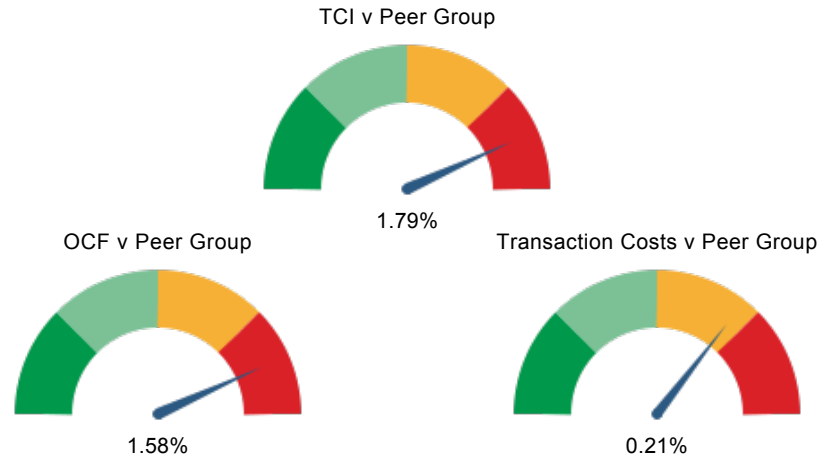
Risk Summary

The fund invests in global equities and fixed interest markets. Equities are a volatile asset class and the proportion of the fund invested overseas is open to exchange rate risk. The fixed interest section of the fund has interest rate risk and credit risk.

This is a NURS (Non-UCITS Retail Scheme). This gives the manager wider investment powers than a UCITS scheme. For example, he may hold commercial property and it is able to hold more concentrated positions including up to 35% in any one underlying fund/holding.

Value for Money

The fund of funds structure means there is a double layer of charging. This is due to the charges of the fund being combined with those levied by the underlying holdings. Therefore, despite mid-tier transaction costs, the ongoing charge figure is above the peer group median. Although the Total Cost of Investing in this fund is higher than many others within the peer group, investors are gaining access to a highly experienced team with a strong track record.



ESG Integration

Company Assessment	0	1	2	3
ESG factors are considered formally but are not instrumental within all of the company's investment processes.				
UN PRI Strategy & Governance Rating	A+			
Fund Assessment	0	1+	2	3
ESG factors are available to the fund managers as an input to their analysis, but they are not compelled to consider them as a factor when making investment decisions				

Responsible Investing Approach

Exclusion	Responsible Practices	Sustainability	Impact
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Information

Annualised Return	8.58%
Annualised Volatility	10.69%
Max Drawdown	-16.65%
Max Gain	6.35%
Max Loss	-9.29%
Sharpe Ratio	0.75
Sortino Ratio	0.65

(3 years data to last month end unless otherwise stated)

Currency of Share Class

GBP

Fund Price (as at 12 Nov 2021)

254.1 pence

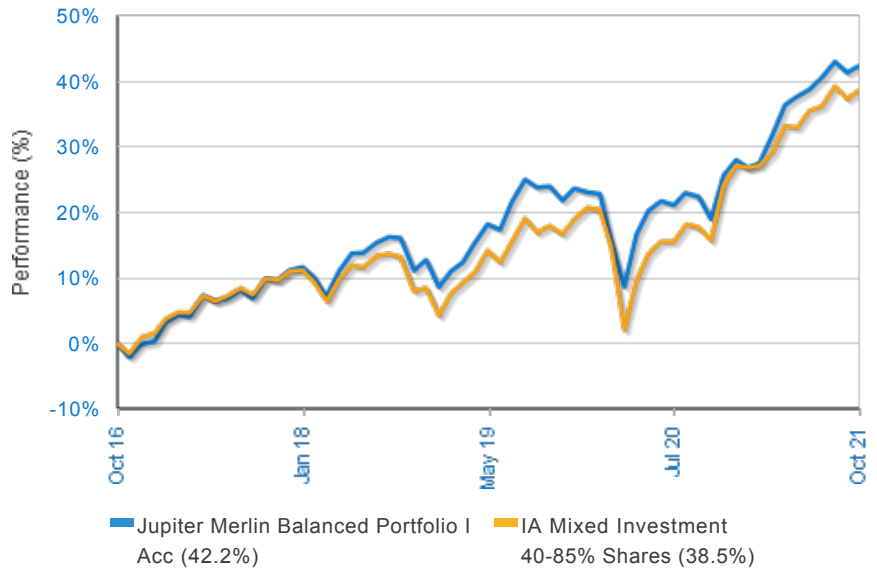
Benchmark

IA Mixed Investment 40%-85% Shares

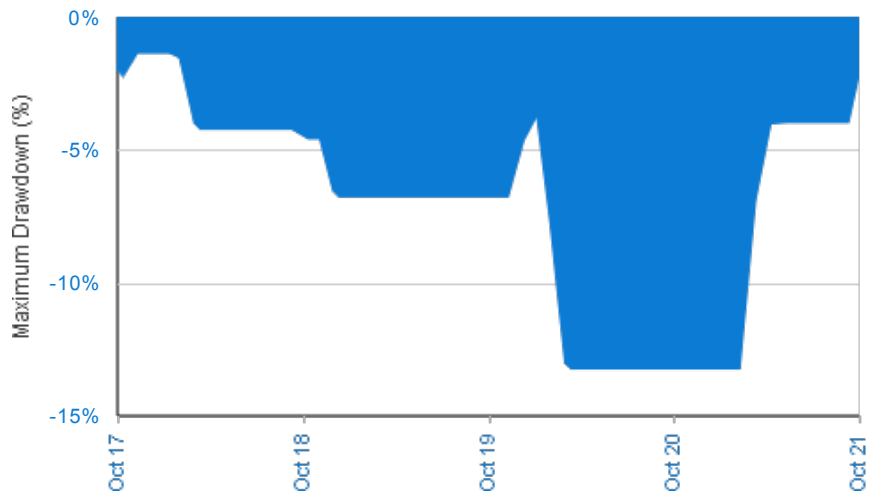
Discrete Annual Performance to Last Quarter End

Period	Fund (%)	Sector (%)	Quartile Ranking
0-12m	15.4	16.6	3
12-24m	-1.3	-0.2	3
24-36m	6.8	4.2	1
36-48m	8.6	5.3	1
48-60m	9.0	9.1	3

Capital Growth



Maximum Drawdown (Rolling 12 Months)



Asset Allocation Positioning

Name	%
International Equities	37.4
UK Equities	29.3
US Equities	13.5
Fixed Interest	9.3
Japanese Equities	5.0
Others	4.7
Money Market	0.8

(Data as at 31 Oct 2021)

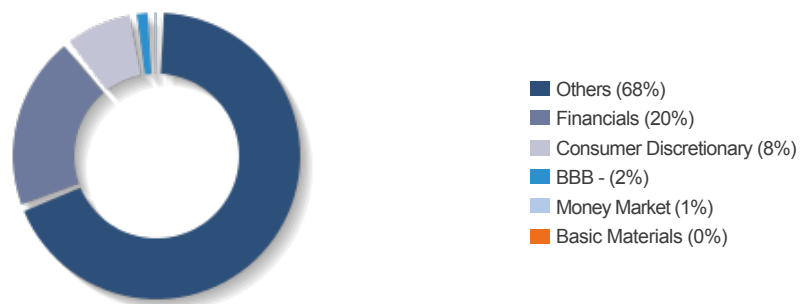
Top Ten Holdings

(Data as at 31 Jul 2021)

Company Name	%
FINDLAY PARK FUNDS AMERICAN USD	12.6
TB EVENLODE INCOME C INC	11.0
FUNDSMITH EQUITY I INC	10.4
JGF-JUPITER GLOBAL VALUE I ACC GBP	9.1
MAN GLG INCOME D PROFESSIONAL INC	8.8
ALLIANZ STRATEGIC BOND I INC	7.8
LF MORANT WRIGHT NIPPON YIELD B	5.2
JUPITER INCOME TRUST L INC	4.9
M&G GLOBAL DIVIDEND A INC GBP	4.7
BLACKROCK NATURAL RESOURCES GROWTH & INCOME A INC	3.9

Sector Breakdown

(Data as at 31 Jul 2021)

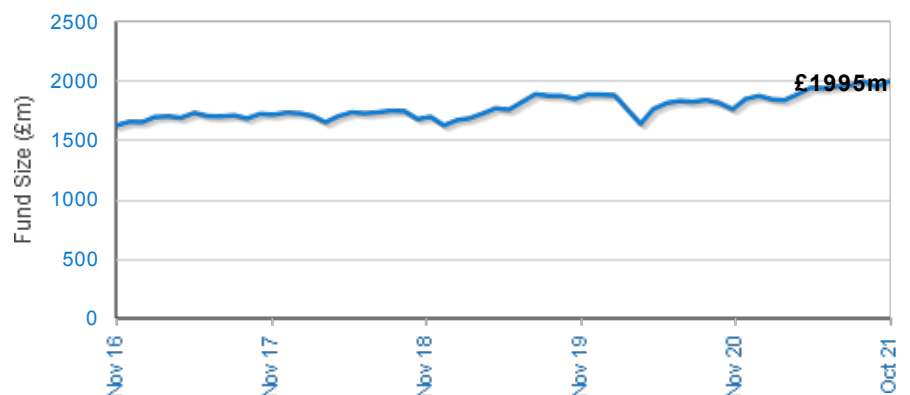


Geographic Breakdown

(Data as at 31 Oct 2021)



Assets Under Management



Qualitative Risk Assessment

	Significant	Potentially Significant	Not Significant
Equity Risk	●		
Interest Rate Risk		●	
Credit Risk		●	
Exchange Rate Risk		●	
Liquidity Risk		●	
Emerging Markets Risk		●	
Derivative Risk			●
Manager Risk	●		

Equity Risk

The fund has some exposure to shares. Shares are volatile investments but diversification across asset classes may moderate these risks. At times of economic stress, volatility may rise as might correlations between asset class returns.

Interest Rate Risk

This is a multi-asset fund. Higher interest rates may adversely impact valuations of many financial assets.

Credit Risk

This is a multi-asset fund with exposure to credit markets. A widening in credit spreads may impact the fund. Note that wider credit spreads often occur at times of weaker stock markets and/or weakening economies.

Exchange Rate Risk

The fund has some exposure to assets denominated in foreign currencies. Changes to exchange rates may impact the fund price.

Liquidity Risk

The fund invests primarily, but not exclusively, in liquid assets. It investments in commercial property which is an illiquid asset class. Additionally, the weight of assets following the strategy may constrain the managers' flexibility.

Emerging Markets Risk

The fund has the ability to invest in securities issued by governments or companies in emerging markets, though the bulk of the portfolio will be focused on developed markets.

Derivative Risk

The portfolio is predominantly invested in underlying cash securities.

Manager Risk

The managers are seen as an important element in Square Mile's rating of the fund. Square Mile is likely to downgrade the fund if the managers were to leave.

FE Risk Rating: 57.00

SRRI: 5

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