

## Jupiter Corporate Bond

## Sterling Corporate Bond

### Introduction

The fund aims to provide an income with the prospect of capital growth, in order to achieve a return, net of fees, higher than the IA Sterling Corporate Bond sector average over the longer term (at least five years). The investment philosophy is built around the principles of being active, pragmatic and risk aware.



[Click here to read the Jupiter approach to ESG investing.](#)

### Why RSMR Rate this Fund

- Well-structured team which has been built out in recent years.
- Experienced manager who has demonstrated strong long-term performance predominantly through strong sector allocation and issue selection.
- The investment process is clearly set out and consistently employed.
- Performance has been consistent under the current fund management team.

### Fund Process

The investment philosophy is based on the view that the team can add alpha through judicious credit selection and a willingness to be active and flexible. In terms of being active, they will use both duration and credit exposure to assess the asset class. Whilst being flexible, they are never going to be inherently aggressive or defensive, or long duration or short duration. Whilst they do not have an absolute return mindset, they have a priority to preserve capital and mitigate downside risk through focusing on liquidity by investing in larger, highly tradable corporate bonds.

The investment process is built upon taking a holistic, highly repeatable approach with a view to ensuring appropriate positioning throughout the market cycle. A top down perspective is employed to inform on how much risk to take at any point in time. This includes top down credit valuation analysis. In addition, from a bottom-up perspective, they employ proprietary screening tools to generate signals of where to look across the universe. Fundamental credit analysis is key to the whole process and the managers' backgrounds as high yield analysts is something they see as a key differentiator from their peers as they think it makes them more risk aware.

In terms of portfolio construction, they operate a 2 in 1 out policy which means that both managers must agree on any additions to the portfolio but if either manager has concerns, the position is either reduced or removed. They consider this an important risk control.

They are uncomfortable with third party views and through their own fundamental research aim to invest in companies with a stronger credit trajectory which are likely to benefit from a strong tail wind. The valuation has to be right, and they seek to avoid chasing the market.

### Evaluation

The fund should continue to do relatively well in most market climates because the management style is active, pragmatic and risk aware.

### Application

Jupiter Corporate Bond is a solid core holding for investors requiring exposure to sterling investment grade corporate bonds.

### Our Opinion

The fixed interest team at Jupiter has been significantly expanded in recent years, and now comprises a number of fund managers, assistant fund managers and a broad credit research team. The fund has demonstrated strong performance in recent years, and it has tended to protect on the downside. It is a strong core offering in the sector.

#### Important Notice

This document is aimed at Investment Professionals only and should not be relied upon by Private Investors. Our comments and opinion are intended as general information only and do not constitute advice or recommendation. Information is sourced directly from fund managers and websites. Therefore, this information is as current as is available at the time of production.

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