

MARKETS IN 2024: NEW NORMAL, OR THE SAME OLD BEHAVIOURS?

Old Mutual Global Equity Fund | March 2024

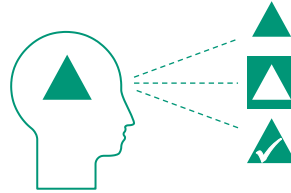


BEHAVIORAL BIASES: RELEVANT IN THE 2024 UNCERTAINTY



HERDING

Investors mimic the behaviour of others, especially when faced by highly uncertain outcomes



CONFIRMATION BIAS

Investors tend to apportion more importance to data that supports their existing views



HINDSIGHT BIAS

Investors perceive events as being more predictable once they have occurred



ANCHORING

Investors tend to rely heavily on limited information



ENDOWMENT EFFECT

Investors tend to value more highly an asset they already own



OVERCONFIDENCE BIAS

Investors tend to overestimate their own abilities, and the accuracy of their predictions



“

***Animal Spirits - the role of emotion
and herd mentality in investing***

”

*John Maynard Keynes (1883 – 1946)
Father of modern macroeconomics*

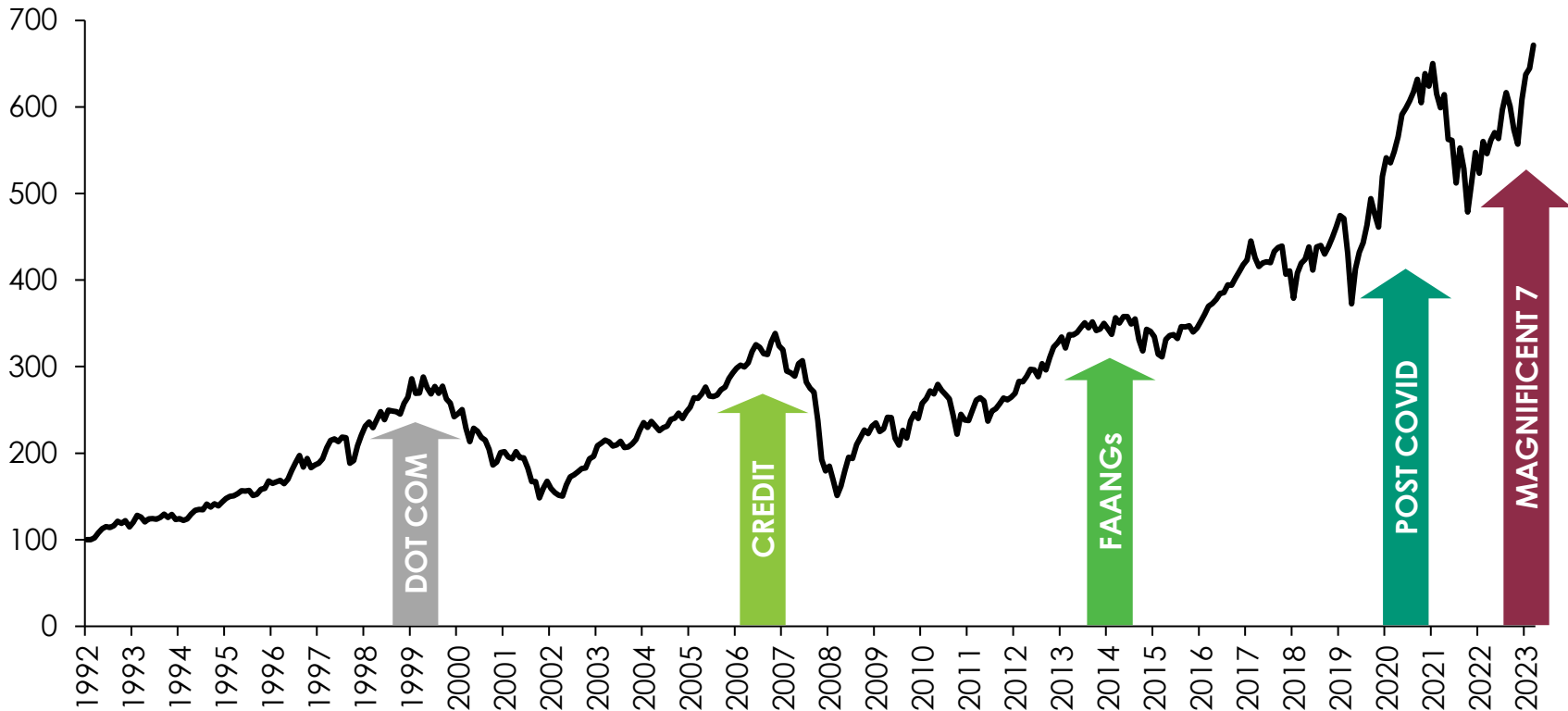


**HERDING
BEHAVIOUR
CAN OFTEN BE
FOUND IN NATURE**



HERDING BEHAVIOR CAUSES REGULAR BOOM-AND-BUST CYCLES

Global equity markets can provide a powerful source of returns over the long run





MAGNIFICENT 7: RALLY FUELLED BY A.I. OPTIMISM

Narrative of AI's potential led to Magnificent 7 representing around 30% of the S&P 500





MAGNIFICENT 7: NEED FOR NEW NARRATIVE? FANTASTIC 4?

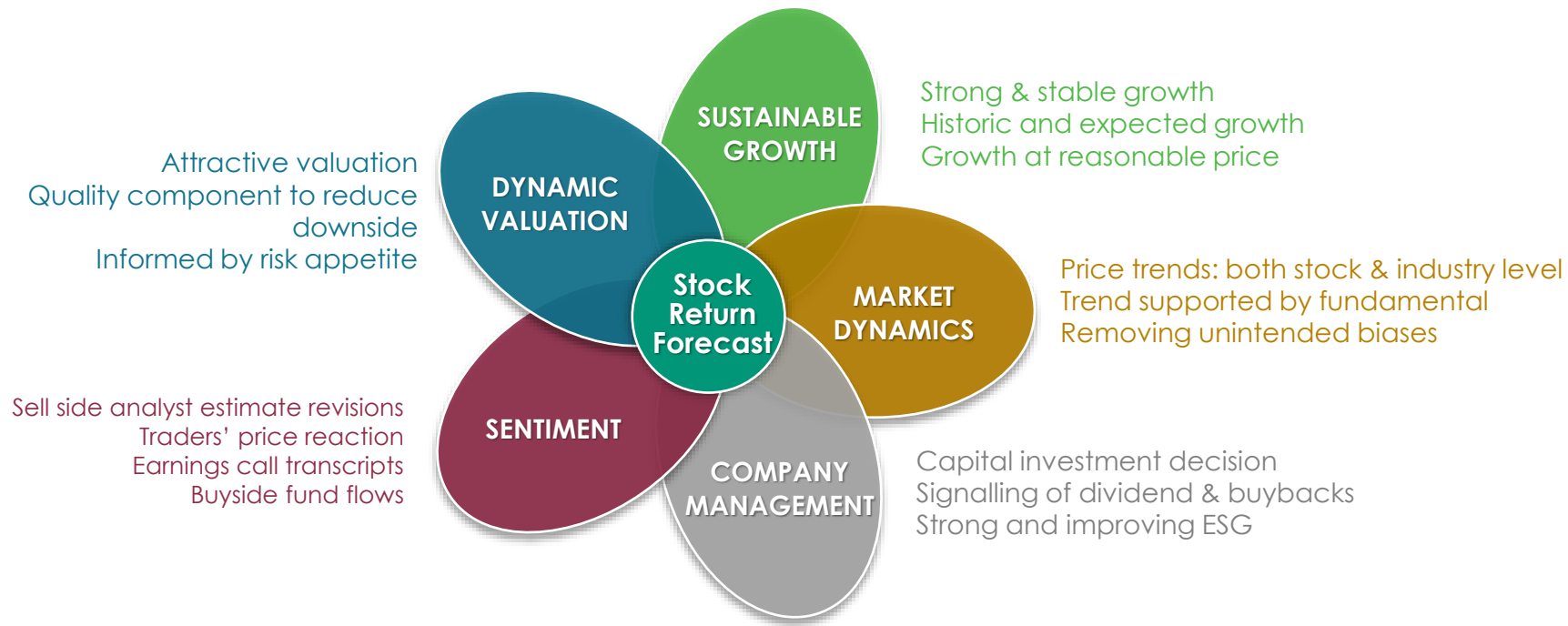
Best to continuously analyse in depth each company individually





AVOID HERDING: DETAILED STOCK LEVEL ANALYSIS

Combining fundamental analysis with sentiment indicators and price-driven signals





“

***Prediction is very difficult,
especially if it's about the future!***

”

Niels Bohr (1885 – 1962)
Nobel Prize in Physics



BEWARE OF OVERCONFIDENCE BIAS WHEN FORECASTING

**HUMANS ARE VERY GOOD
AT ANTICIPATING
SOME THINGS...**



... BUT BAD AT FORECASTING OTHERS

"There is not the slightest indication that nuclear energy will ever be obtainable. It would mean that the atom would have to be shattered at will."

Albert Einstein, 1934

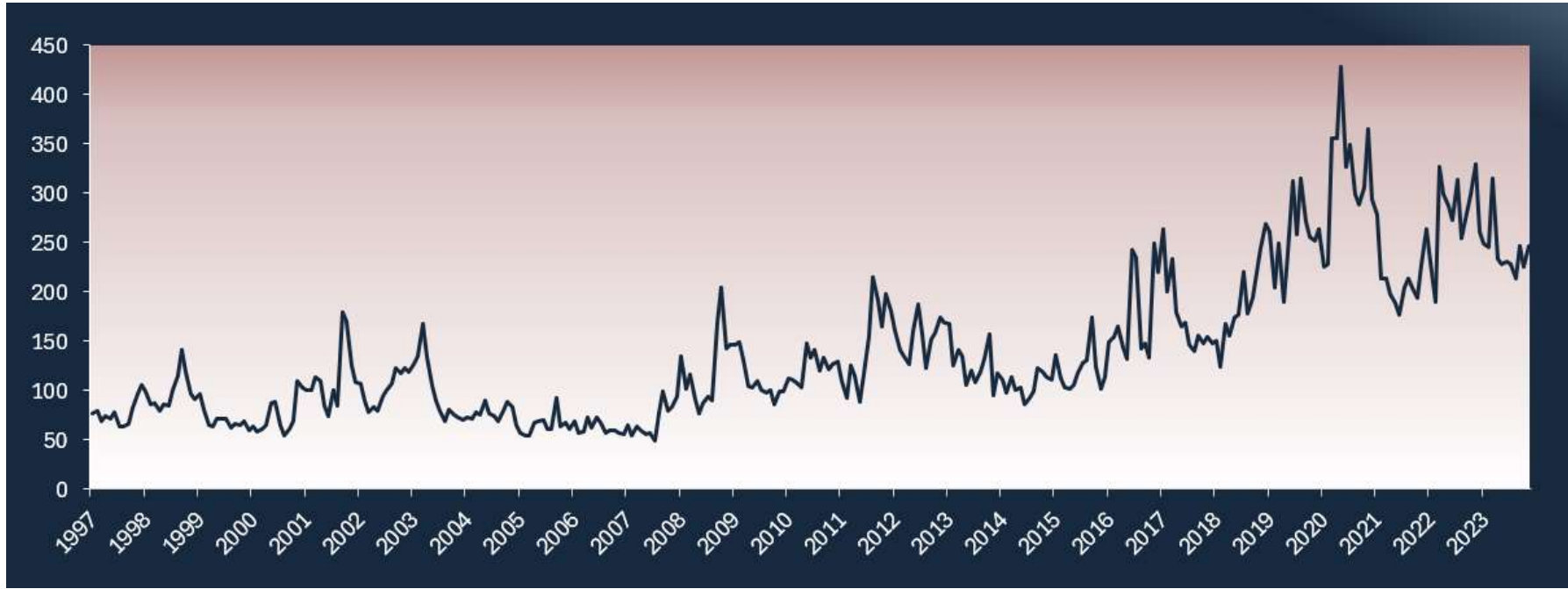
"I think there is a world market for maybe five computers."

**Thomas Watson,
Chairman of IBM, 1943**



2024: ECONOMIC UNCERTAINTY REMAINS ELEVATED

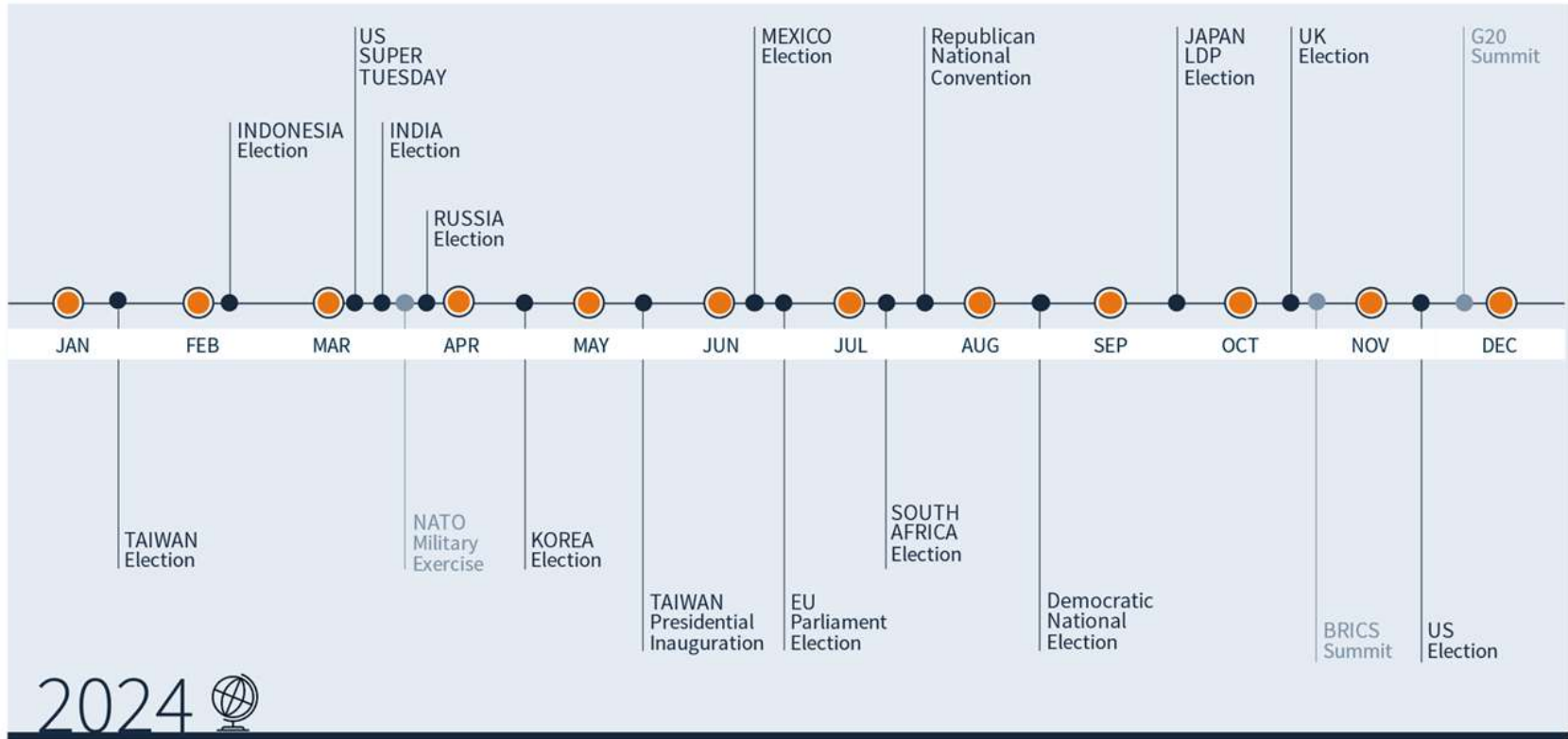
Evolution over time of the economic uncertainty indicator by the Federal Reserve





2024: THE YEAR OF GEOPOLITICS

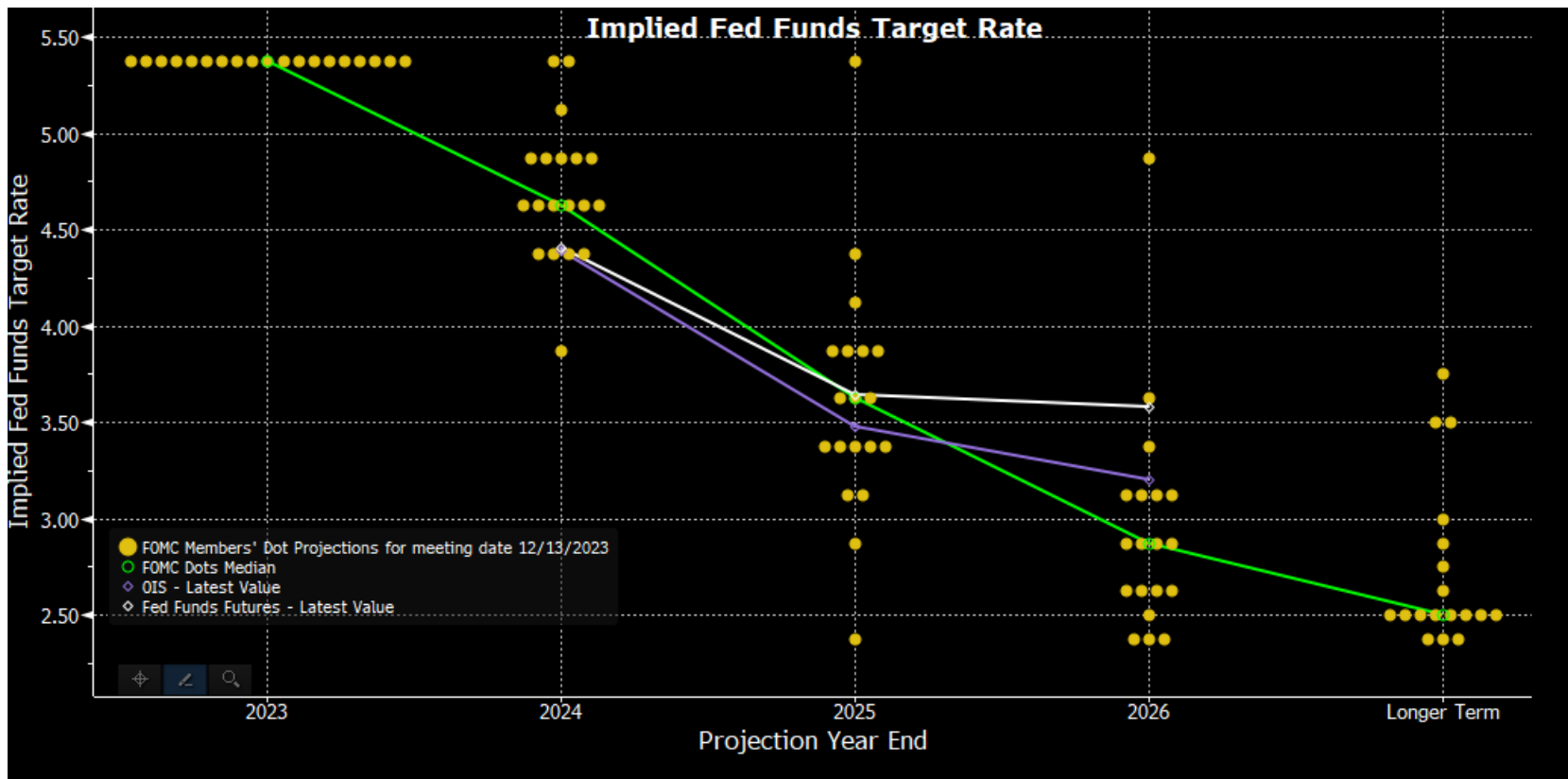
Countries representing over half of world's gdp entering elections this year





2024: UNCERTAINTY OVER NUMBER & TIMING OF RATE CUTS

FOMC Dot Plot





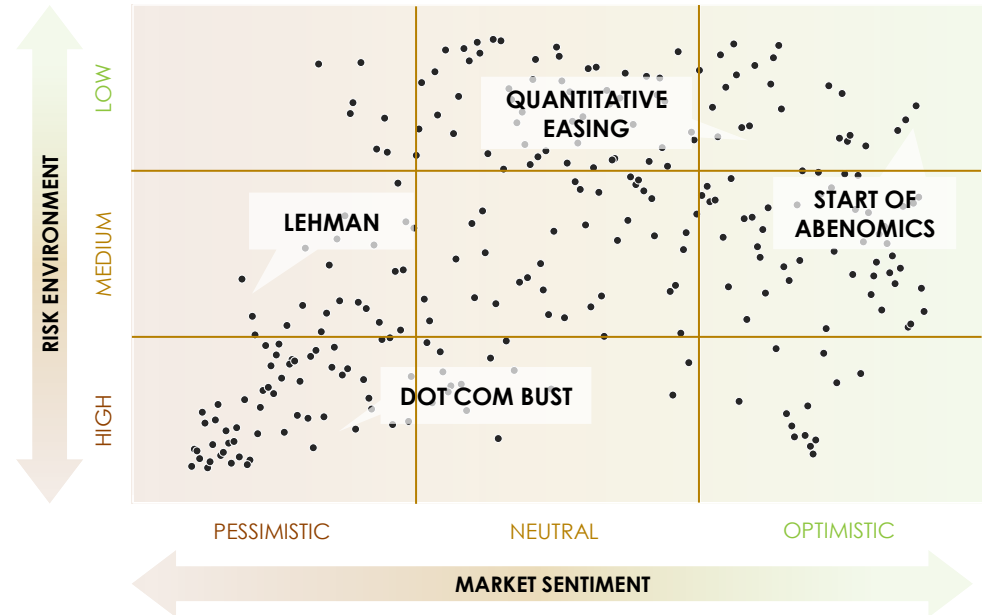
ALTERNATIVE: ASSESSMENT OF MARKET ENVIRONMENT

Objective assessment of sentiment and risk can help to identify investor behaviour

- ◆ A market proxy to assess the market environment in real time
- ◆ Identify current market environment on sentiment/risk spectrum
- ◆ Analyse expectations of the five stock selection criteria, given the current market environment
- ◆ Tilt weightings to criteria accordingly

Proprietary analysis to assess the market environment

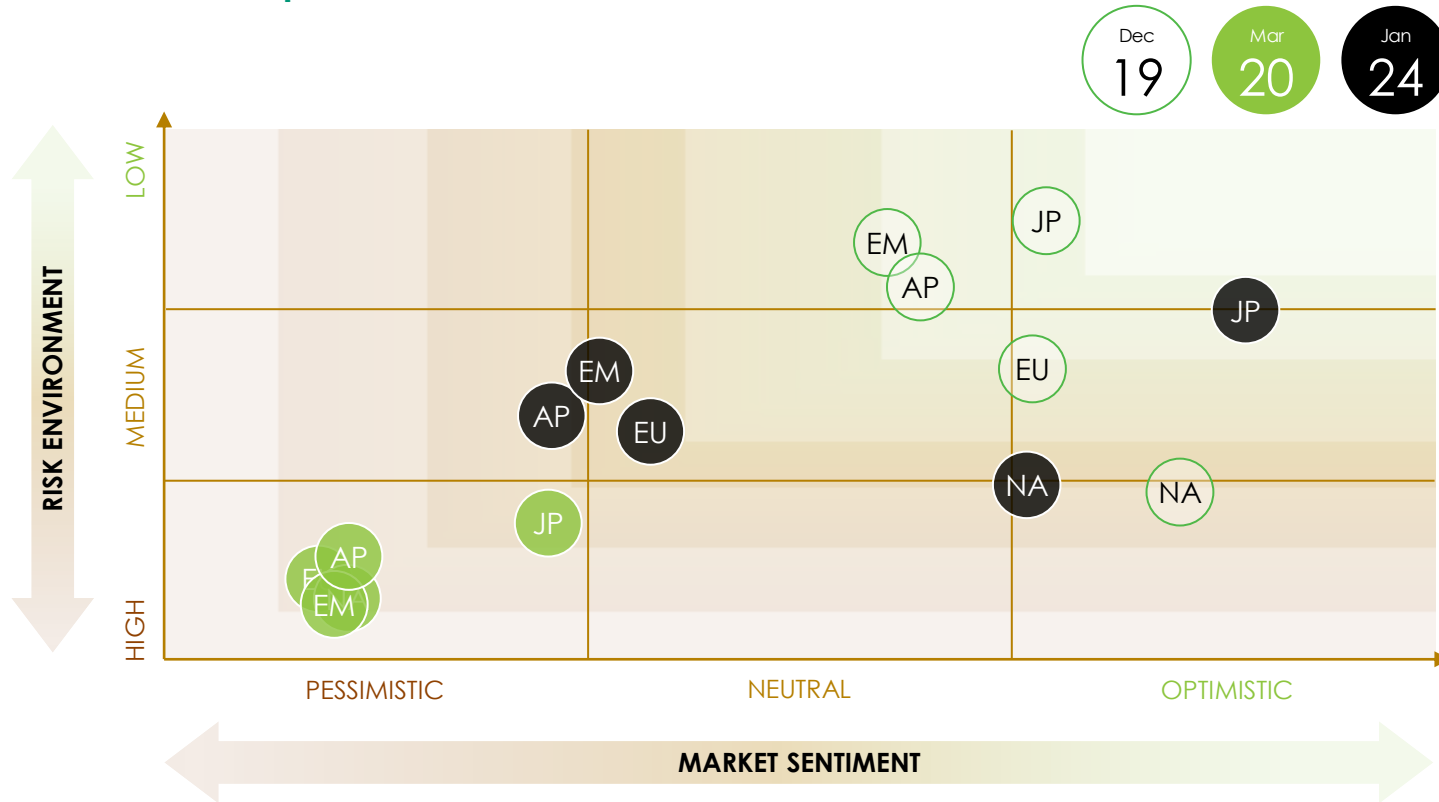
Historic monthly market environments since January 1990 to December 2021





MARKET ENVIRONMENT: IMPORTANT TO TRACK CHANGES

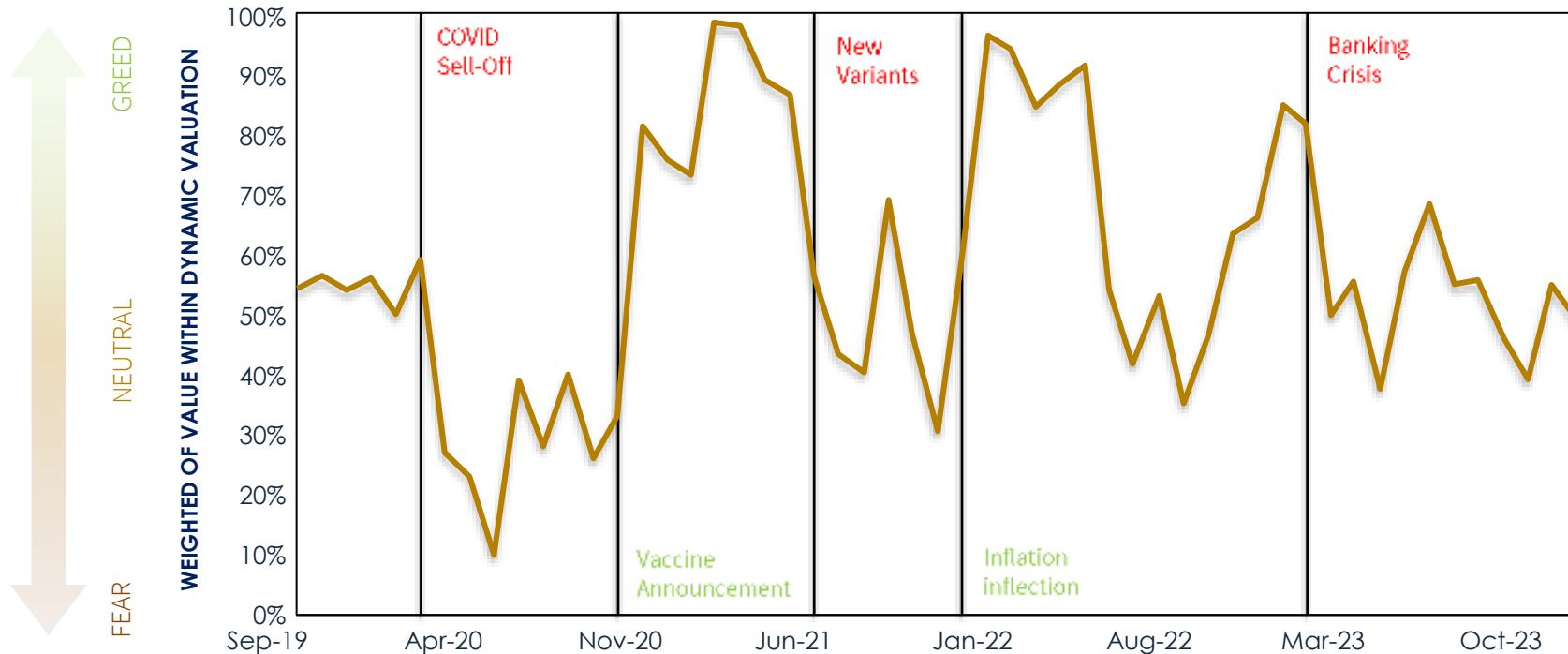
Sentiment/risk spectrum





RISK APPETITE: KEY DRIVER OF VALUE-QUALITY ROTATIONS

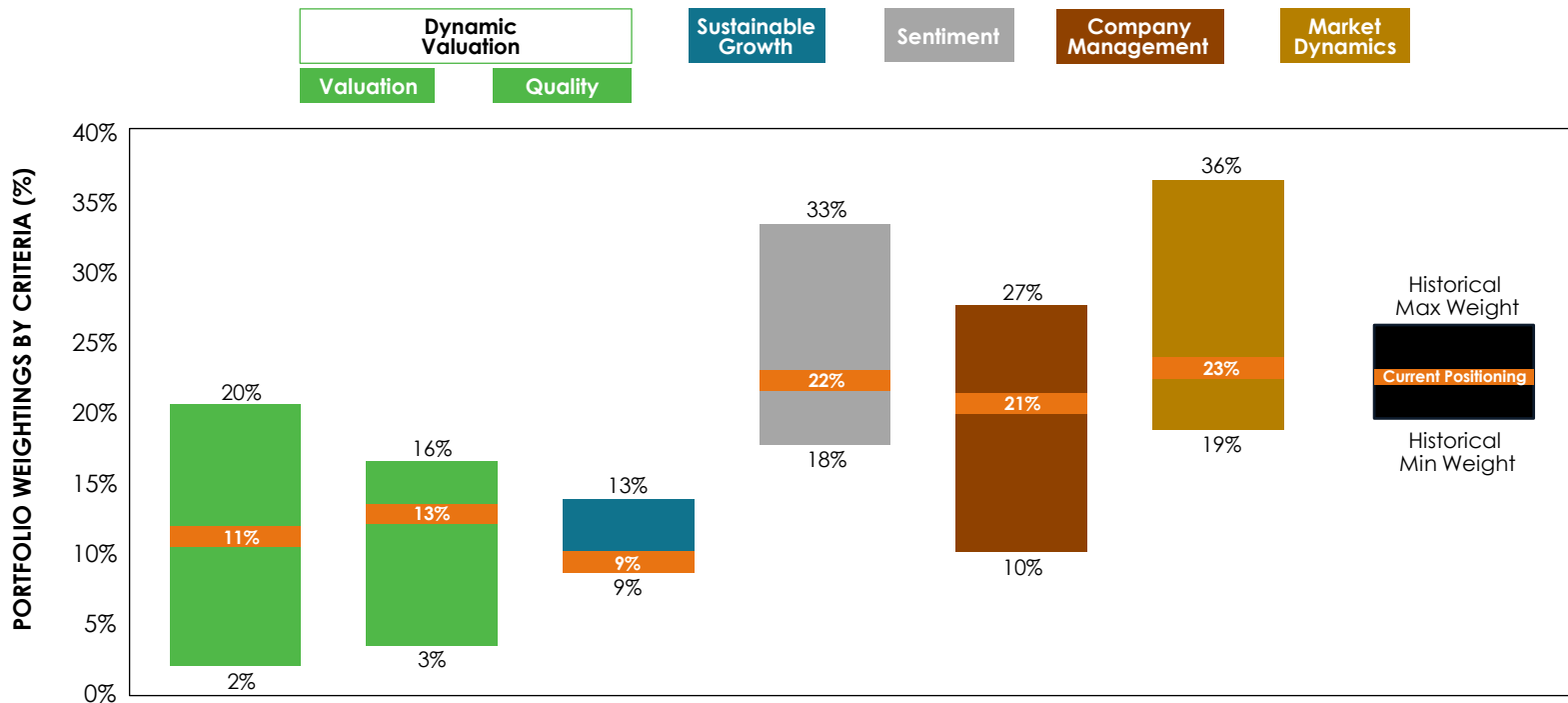
In-house analysis to evaluate global risk appetite





DYNAMIC ALLOCATION TO STOCK SELECTION CRITERIA

Different style allocations needed to navigate different market environments





“

***Diversification is the only free
lunch in investing***

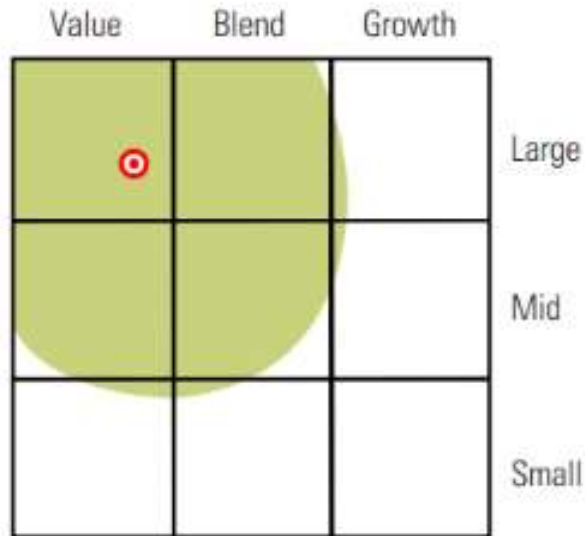
”

Harry Markowitz (1927 – 2023)
Nobel Prize in Economics

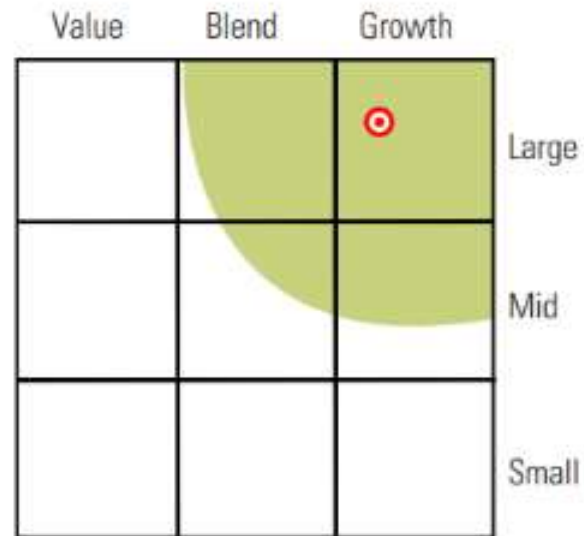


LIMITED DIVERSIFICATION IN TRADITIONAL STYLE INVESTING

Confirmation biases can lead to overly concentrated style exposures in portfolios



Typical Large-Cap Value Fund

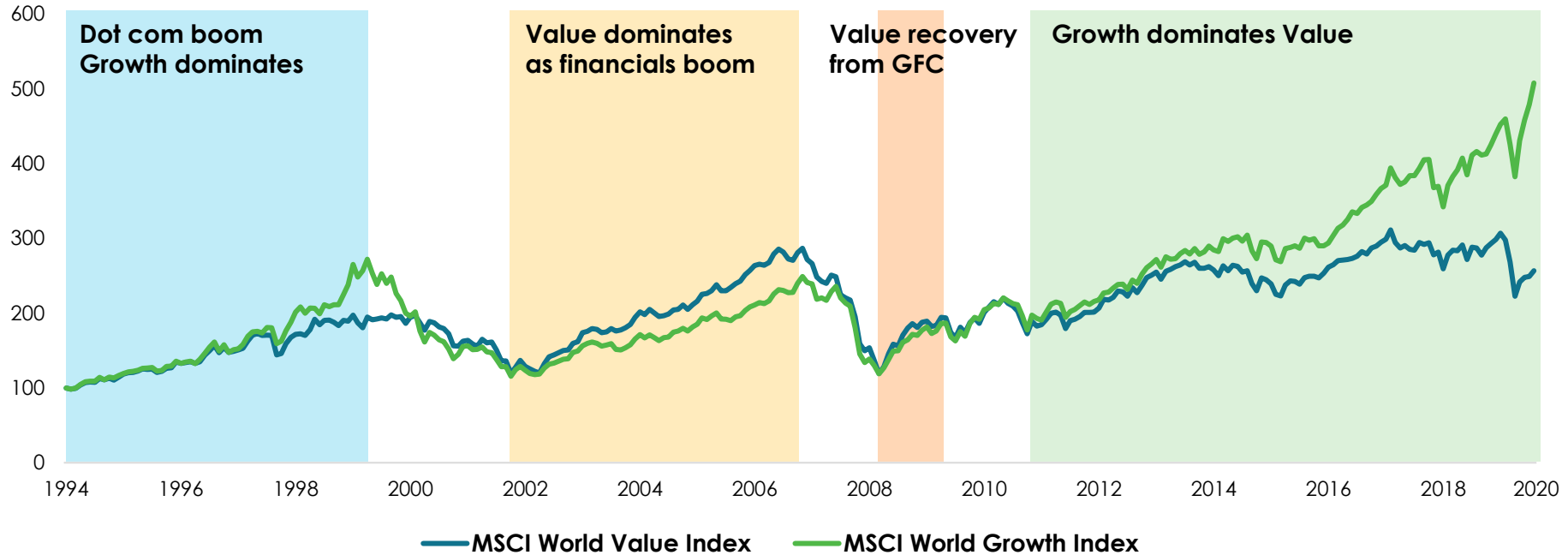


Typical Large-Cap Growth Fund



DIFFERENT INVESTMENT STYLES PREVAIL OVER TIME

Leadership in markets rotating between Value and Growth styles of investing





MORE FREQUENT STYLE ROTATIONS IN RECENT TIMES?

Leadership in markets rotating between Value and Growth styles of investing

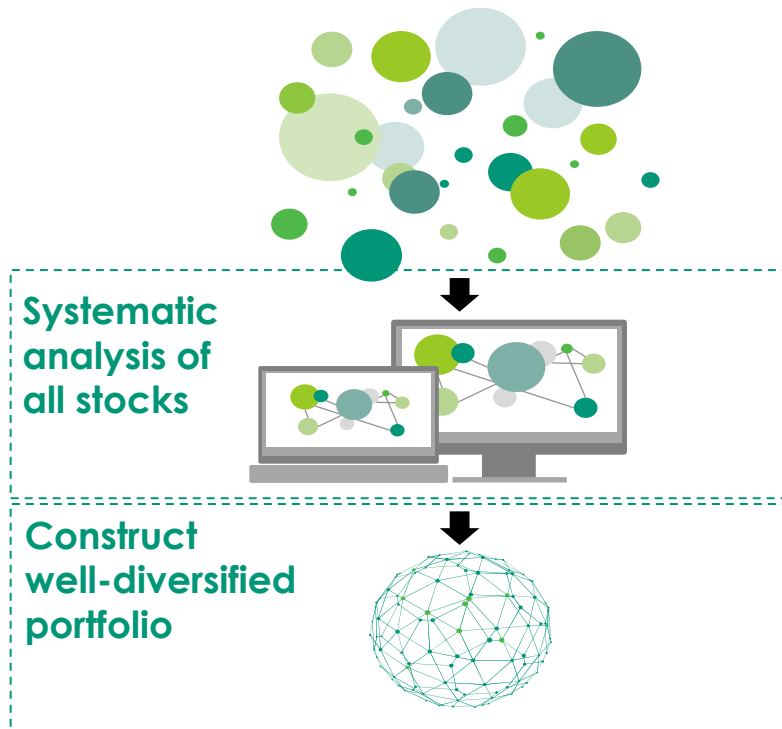




STYLE FILTERING



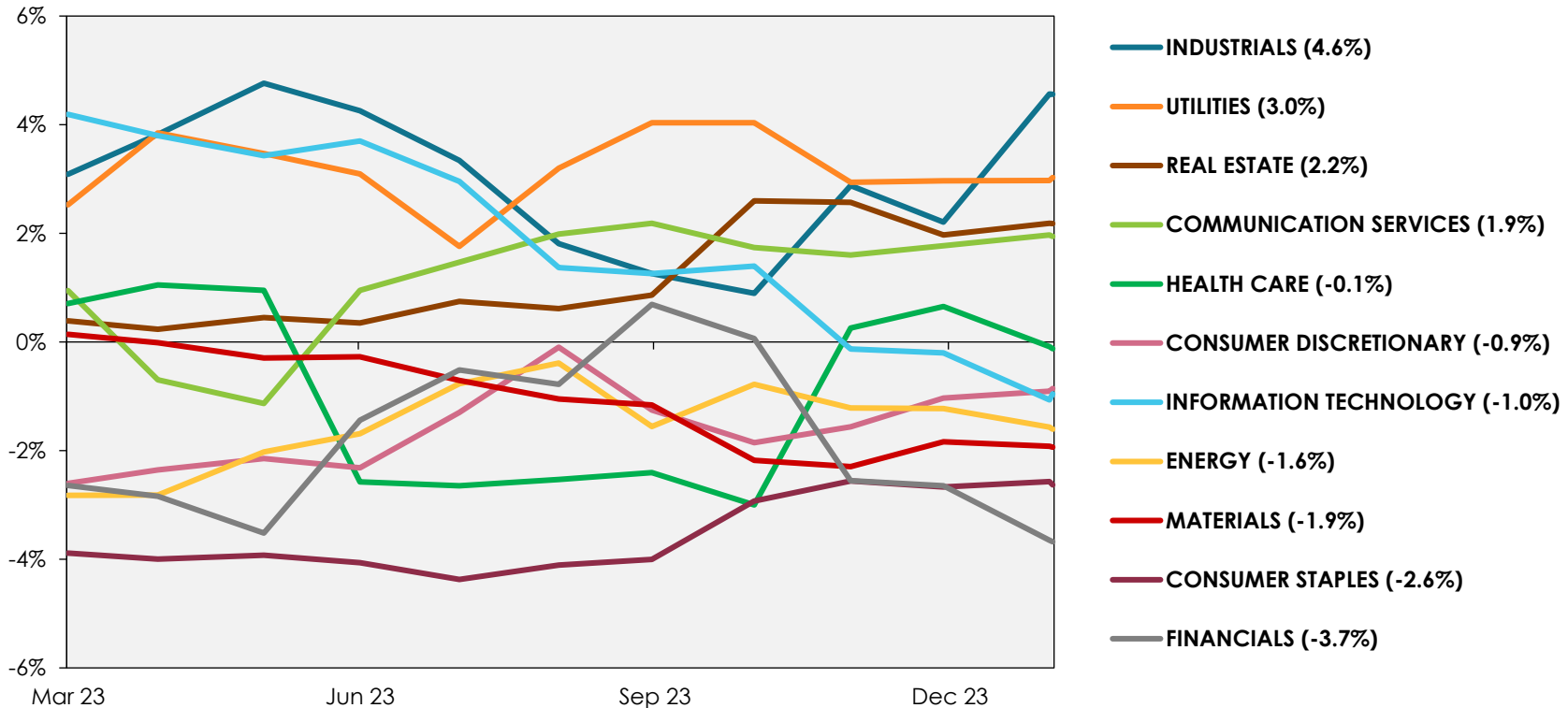
STYLE DIVERSIFICATION





DIVERSIFICATION ACROSS SECTORS

Dynamic sector allocation can provide opportunities to diversify risks over time





SYSTEMATIC PROCESS TO AVOID BIASES

Old Mutual Global Equity Fund



JUPITER SYSTEMATIC EQUITIES TEAM

A team with a heritage dating back over 19 years

Best performing fund category (the Equity Market Neutral Global Quantitative Best Performing Fund in 2022 and over 2 and 3 Years) for Jupiter Merian Global Equity Absolute Return.



Dr Amadeo Alentorn, CFA	Tarun Inani, CFA	James Murray, CFA	Dr Yuangao Liu, CFA	Dr Sean Storey	Matus Mrazik
Head of Systematic Equities, Investment Manager	Investment Analyst	Investment Manager	Investment Manager	Investment Manager	Investment Manager
19 years in team 19 years experience	4 years in team 10 years experience	5 years in team 16 years experience	16 years in team 16 years experience	6 years in team 25 years experience	11 years in team 14 years experience

SA INVESTABLE FUNDS

- Old Mutual Global Equity Fund (Onshore SA)
- Jupiter Merian World Equity Fund (Offshore SA)

OTHER FUNDS MANAGED

- Irish-domiciled Global Equity Absolute Return Fund
- Irish-domiciled North American Equity Fund (IRL)
- UK-domiciled Global Equity Fund
- UK-domiciled North American Equity Fund
- UK-domiciled Asia Pacific Fund





JUPITER DATA SCIENCE TEAM

In-house team and platform established in 2018 by former Citadel Data Scientist

TALENT

Head of Data Science



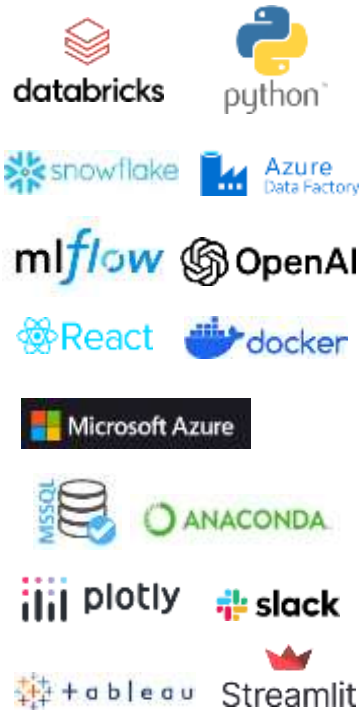
Data Engineers



Data Scientists



TECH



DATA



SCIENCE

Whitepapers



Analytics



Tooling





JUPITER EXTERNAL ACADEMIC RESEARCH

Strong links with leading academics enhance our research capabilities



Dr Alberto Moraglio

Senior Lecturer in Computer Science, University of Exeter

Areas of expertise include theory and applications of Evolutionary Computation, Genetic Programming, Machine Learning, Heuristic and Mathematical Optimisation and Optimisation on Quantum Computers.



Kritpol Bunjerdataveporn

Research Postgraduate University of Exeter

My research lies in Optimisation using Evolutionary Computation and Quantitative Equity Selection.



Dr Tiziana Di Matteo

Professor of Econophysics King's College London

Research interests: Econophysics, Application of methods from Statistical Physics to Finance, Complex Systems, Science of Networks.



Joseph Bradley

PhD student in Applied Mathematics at King's College London

Interested in the applications of graph theory to complex systems, especially at the interface of the real and financial economy.



Dr Peter Pope

Full professor of accounting Bocconi University, Italy
Professor of accounting Emeritus London School of Economics

Has researched and published extensively in the areas of capital markets, financial reporting and international equity valuation.



Dr Ian Heslop

Senior advisor

Extensive experience in systematic equities and fund management. Ian has an MA in Chemistry and a PhD in Medicinal Chemistry. He is an Associate of the Society of Investment Professionals.



Dr Paolo Zaffaroni

Professor of financial econometrics Imperial College London

Main research interests are financial econometrics and econometric theory as well as risk management and asset allocation.



Niloozar Zamani Foroushani

Research Postgraduate Imperial College London

Research interests are in optimization under uncertainty, revenue management and information design.



Dr Sonia Konstanidi

Senior lecturer in accounting Bayes Business School, City, University of London

Research interests are in the areas of market efficiency, securities valuation and corporate finance.



Dr Steve Satchell

Fellow of Trinity College University of Cambridge

Focuses on both empirical and theoretical aspects of econometrics, finance, risk measurement and utility theory.



Dr Ian Marsh

Professor of finance Bayes Business School, City, University of London

Areas of expertise include exchange rate modelling and forecasting, credit risk modelling and applied financial econometrics.



Dr Dong Lou

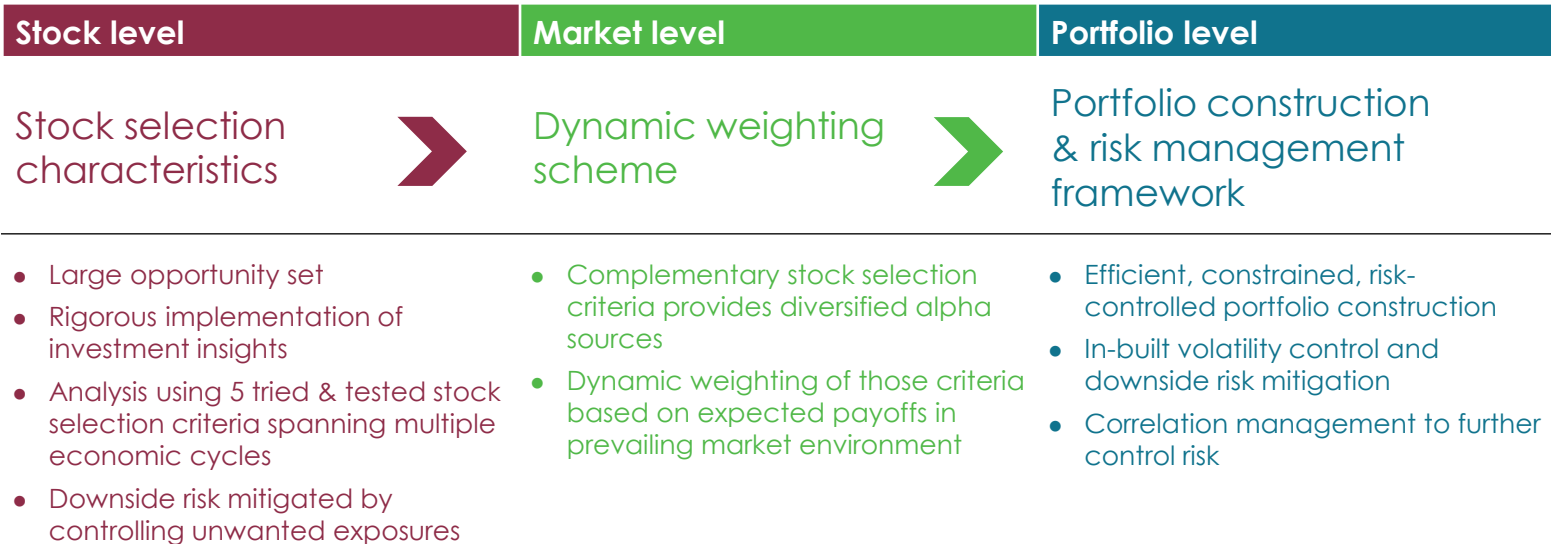
Professor of Finance, LSE Research Fellow, Centre for Economic Policy Research Consultant to the Bank of England

Research Interest: Asset pricing, investment management, behavioral finance, and China's financial markets.



SYSTEMATIC INVESTMENT PROCESS

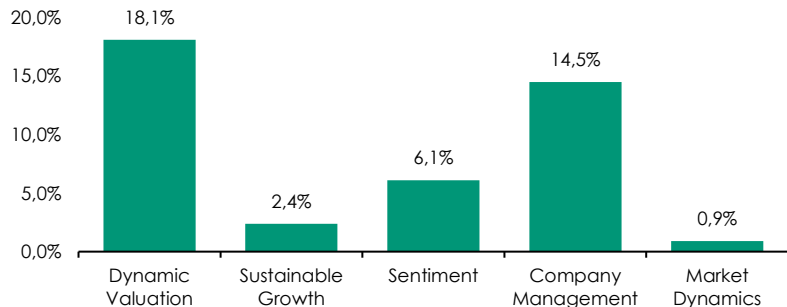
Evidence-based approach, intuitive ideas, robust and disciplined implementation



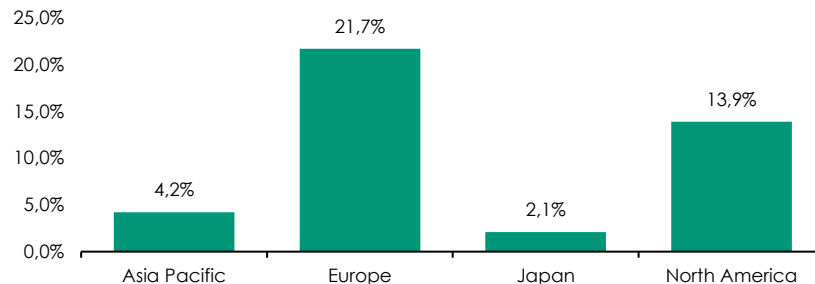


PERFORMANCE ATTRIBUTION SINCE INCEPTION

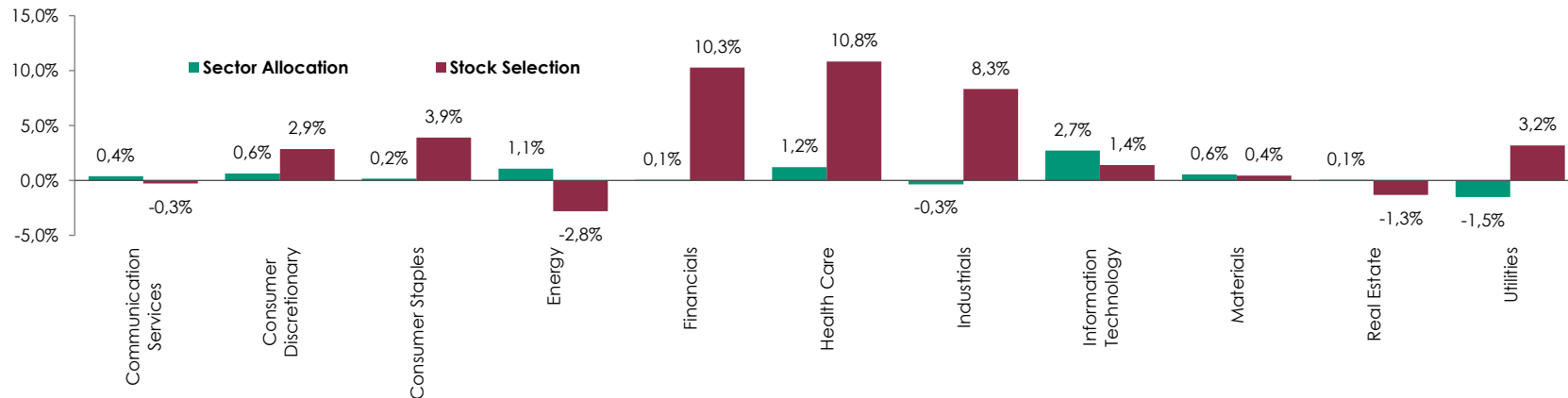
STOCK SELECTION CRITERIA



REGIONS



SECTOR ALLOCATION & STOCK SELECTION





MORNINGSTAR: TOP DECILE PERFORMANCE OVER 10 YEARS

Old Mutual Global Equity B1 OMGB1 ★★★★★

Medalist Rating as of Jan 31, 2024 | [See Old Mutual Investment Hub](#) >

Total Return %	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
Investment	17.54	35.67	-4.66	12.72	1.97	19.16	-18.70	31.82	-11.47	34.47	9.46
Category	8.99	30.54	-7.21	13.18	-2.11	10.38	23.89	23.84	-14.61	24.70	7.03
Index	15.78	31.32	-4.17	12.72	6.14	23.60	22.28	29.37	-12.19	31.92	10.49
Quartile Rank											
Percentile Rank	12	28	32	52	28	50	60	20	33	10	21
# of Invest. in Cat.	414	451	460	510	541	880	999	1,123	1,222	1,182	586
Category Name	EU0558	EU0558	EU0558	EU0558	EU0558	EU0558	EU0558	EU0558	EU0558	EU0558	EU0558

Above median performance 8 out of 10 years

ZAR | YTD Investment as of Mar 01, 2024 | Category: Global Foc-Cap Equity as of Mar 01, 2024 | Index: Morningstar Gbl TME GR USD as of Mar 01, 2024

Trailing Returns

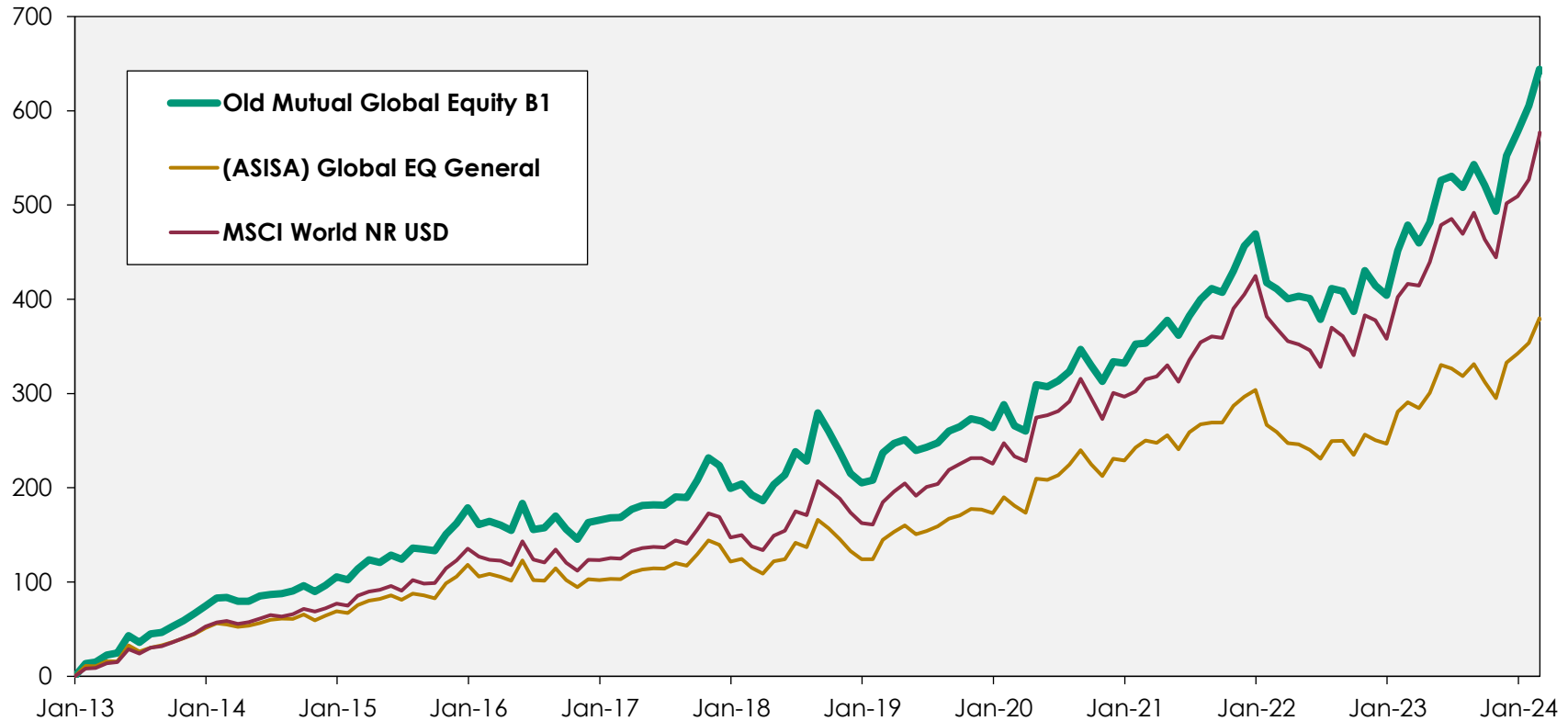
Day End | Month End | **Quarter End**

Total Return %	1-Month	3-Month	YTD	1-Year	3-Year	5-Year	10-Year
Investment	3.94	9.21	34.47	34.47	16.21	17.30	14.52
Category	2.88	7.73	24.70	24.70	9.70	14.10	10.83
Index	1.15	7.83	31.92	31.92	14.44	17.76	14.72
Quartile Rank							
Percentile Rank	25	25	10	10	15	19	8
# of Invest. in Cat.	1,264	1,239	1,182	1,182	966	673	279

Top decile of its category over 10 years



CUMULATIVE GROWTH SINCE INCEPTION





REASONS TO BE DIFFERENT

'A style for all seasons'
- flexible approach
with no style bias

Great diversifier
– genuinely
uncorrelated
with peers

Large opportunity set
– underscored by a demonstrably repeatable,
dispassionate process



FUND RISKS

Old Mutual Global Equity Fund

- ◆ **Investment risk** - there is no guarantee that the Fund will achieve its objective. A capital loss of some or all of the amount invested may occur.
- ◆ **REITs risk** - REITs are investment vehicles that invest in real estate, which are subject to risks associated with direct property ownership.
- ◆ **Company shares (i.e. equities) risk** - the value of Company shares (i.e. equities) and similar investments may go down as well as up in response to the performance of individual companies and can be affected by daily stock market movements and general market conditions. Other influential factors include political, economic news, company earnings and significant corporate events.
- ◆ **Currency risk** - the Fund can be exposed to different currencies. The value of your shares may rise and fall as a result of exchange rate movements.
- ◆ **Derivative risk** - the Fund uses derivatives to reduce costs and/or the overall risk of the Fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM they should not increase the overall riskiness of the Fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.



IMPORTANT INFORMATION

MARKETING MATERIAL ONLY. DOES NOT CONSTITUTE INVESTMENT ADVICE OR INVESTMENT RESEARCH.

Past performance is not a guide to future performance and may not be repeated. Investment involves risk. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Because of this, an investor is not certain to make a profit on an investment and may lose money. Exchange rates may cause the value of overseas investments to rise or fall.

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Fund - South Africa	Launch Date	High	Average	Low
Old Mutual Global Equity Fund B1	31-12-2012	74.8%	17.1%	-11.5%