



Charles Sunnucks, Fund Manager

Charles Sunnucks joined Jupiter in 2010 as an analyst and is currently a Fund Manager in the Emerging Markets team. He co-manages, alongside Ross Teverson, the Jupiter China Select fund (SICAV).

Before joining Jupiter, Charles lived in China and gained a degree in Economics & Trade from Beijing Language & Culture University.

About Jupiter

The listed British investment manager with boutique-like investment approach, located in London and founded in 1985, employs more than 400 employees worldwide (thereof about 35 fund managers). Today Jupiter is one of the UK's most respected asset management groups.

„The Jupiter Global Fund SICAV“ (a Luxembourg based UCITS structure) provides clients outside the UK access to the diverse investment capabilities through its 29 sub funds which are registered for distribution in several European countries. Jupiter's total AUMs are GBP 42.7 bn as of 31 December 2018.

Trade tensions USA and China - an eternal ups and downs

Trade uncertainty, deadline extensions, brinkmanship, threats - the EU negotiations with the UK is not the only trade relationship being significantly altered. Since late 2016, when Trump was elected president on a platform which included redressing perceived Chinese anti-competitive trade practices, the outlook for Chinese exporters has been muddled. Already, out of the roughly \$505 billion which China exported to the US in 2017, Trump in May/June 2018 imposed a 25% tariff on \$50 billion of products, in August issued a 10% tariff on a further \$200bn worth of goods, and is threatening to raise additional tariffs if by March a trade deal is not reached. This uncertainty has impacted not only exporters but corporate and consumer confidence too.

A deal however, now appears within reach, following last week's announcement from Trump that he would participate in a 'signing summit' with Chinese leader Xi Jinping. Indeed already, based on the US State Department's website, the US "has entered into MOU's that we consider to be binding international agreements". Beyond tariffs, China has already compromised across a range of issues. For instance, in June 2018 China's National Development and Reform Commission announced that China's list of industries where foreign ownership was prohibited was reduced from 63 to 48. Both BMW and UBS have already taken advantage of this change by announcing plans to purchase the controlling stakes in their respective Chinese ventures. On intellectual property, in late 2018 policy makers tightened regulation around infringements, setting out 38 different punishments to be applied to IP violations. Policy makers in China have also more directly tried to tackle US trade deficit fears, by for instance announcing in February that they would buy more US farm and energy products/services.

For Chinese equity, after a difficult 2018, the increasing likelihood of deal has been one of the supporting factors to a 2019 rally in the market. Any formalised trade arrangement however, is unlikely to fully normalise conditions in the economy. As China increasingly shifts from being the 'world's factory' to developing innovative firms competing against rather than enabling western peers, a degree of tension will linger. Moreover, dynamic financial reform, supply side reform, and technology driven disruption, continue to create new risks and opportunities.

Important information

The information contained in this press release is intended solely for members of the media and should not be relied upon by private investors or any other persons to make financial decisions.

This communication, including any data and views in it, does not constitute an invitation to invest or investment advice in any way.

This document is for informational purposes only and is not investment advice. Market and exchange rate movements can cause the value of an investment to fall as well as rise, and you may get back less than originally invested.

The views expressed are those of the Fund Manager at the time of writing, are not necessarily those of Jupiter as a whole and may be subject to change. This is particularly true during periods of rapidly changing market circumstances.

Company examples are for illustrative purposes only and are not a recommendation to buy or sell.

Issued by Jupiter Asset Management International S.A. (JAMI), registered address: 5, Rue Heienhaff, Senningerberg L-1736, Luxembourg, authorized and regulated by the Commission de Surveillance du Secteur Financier. .

No part of this commentary may be reproduced in any manner without the prior permission of JAMI.

