IMPACT REPORT

EXECUTIVE SUMMARY

Jupiter Global Sustainable Equities Strategy

For the year ended 31 December 2020

JUPITER
ASSET MANAGEMENT

jupiteram.com

For investment professionals only. Not for use by retail investors.

Contents

Abbie Llewellyn-Waters, head of sustainable investing, describes why her team produces an annual impact report, and shares some of the highlights from the full report.

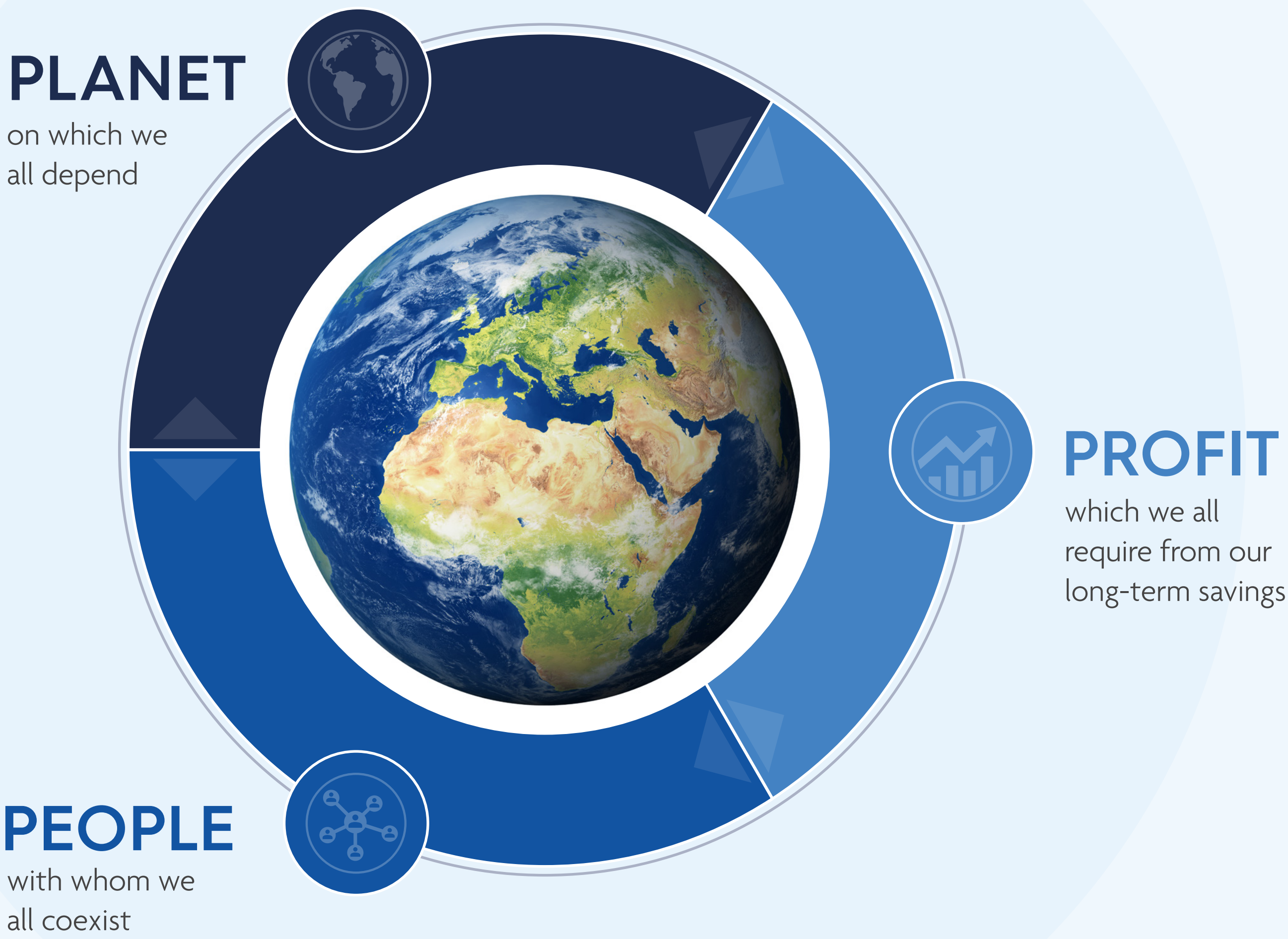
WHY SUSTAINABLE INVESTING?

The Jupiter Global Sustainable Equities team seeks to invest in the world's highest quality companies that are leading the transition to a more sustainable world. Our investment philosophy is founded in our belief that companies actively seeking to minimise their impact on the environment and promoting a more inclusive and equitable society are better placed to deliver attractive, long-term risk-adjusted returns. We therefore look to invest in companies that balance the needs of three key stakeholders:

In our annual Impact Report, which is available to clients on request, we share with clients our detailed analysis of the Jupiter Global Sustainable Equities Strategy's impact on Planet, People and Profit. We are seeking to provide savers with tangible insight into how their savings support a transition to a more sustainable world.

All the measurements detailed are a result of our investment analysis[1].

A PDF of the full Impact Report is available to investors. To receive a copy, please email Clientservices@jupiteram.com



[1]A NOTE ON DATES. *Unless otherwise stated, the data in this report is based on 2020 figures. However, impact and general sustainability data is released more slowly than financial reporting, and some of the data is from 2019, which in those cases is stated. Scope 1 and 2 emissions data is as at 8 February 2021. All emissions data relates to the year 2019. Data for the ESG analysis is as at 31 December 2020.*

STRATEGY IMPACT HIGHLIGHTS

PLANET

CARBON INTENSITY

76% lower

than the benchmark[i]

WATER SAVED AND TREATED

100bn cubic metres

enough to sustain the annual water usage of

1.9bn people

24% of the global population

CARBON FOOTPRINT

92% lower

than the benchmark[ii]

Notes

i. *Using the Bloomberg Carbon Footprint tool, the strategy's carbon intensity was 53.9 tCO2e per £1m revenue as of 08.02.2021. The MSCI All Country World Index had a carbon intensity of 225.9 tCO2e per £1m revenue.*

ii. *Using the Bloomberg Carbon Footprint tool, the strategy's carbon emissions per £1m invested was 13.33 tCO2e as of 08.02.2021. The MSCI All Country World Index had a carbon emissions per £1m invested of 164.09 tCO2e.*

STRATEGY IMPACT HIGHLIGHTS

PEOPLE

FIRST TIME DIGITAL FINANCIAL CUSTOMERS

1bn

first time digital financial customers

JOBS CREATED

Across portfolio companies a total of

c.875,000 jobs

were created equivalent to over half of the population of the favelas in Rio de Janeiro, Brazil[iii]

HYGIENE PRODUCTS

1.5bn people

supplied with hygiene products

FEMALE WORKFORCE

On average, a portfolio company had

42%

female workforce

FEMALE ENTREPRENEURS

>£1bn

in credit supplied to female entrepreneurs

TAX RATE

24%

effective tax rate[iv]

Notes *(continued)*

iii. 874,809 jobs created by companies in the portfolio as at 31.12.2020 over the period 2015-19.

iv. Average effective tax rate over 2015-2020 for the portfolio companies at 24.2%.

WHY **NOW?**

The landscape for sustainable investments has undergone a seismic shift since we launched our Global Sustainable Equities strategy three years ago in 2018. Before the COVID pandemic, there was already growing public awareness of environmental and social issues, but since then momentum has accelerated. 2020 brought a global pandemic that created one of the most significant humanitarian crises in modern history. Millions have died, economies have been crippled, borders have been closed and social inequality has been accentuated. The most marginalised have borne the heaviest toll, both in terms of fatalities as well as economic effect through job loss and hardship. The clear political and economic priority is to build back a better, more equitable society. Those companies already at the leading edge of this change will benefit from this transition whereas those that are slow to adapt will risk permanent impairment to their relationships with customers, staff and wider society.

The urgent imperative to act on climate change is also increasingly being recognised. The crippling power outages as a result of winter storms in Texas in early 2021 that left hundreds dead, more recent severe floods in Europe and Asia that have caused damages estimated at over €2bn[1], and extreme heatwaves and wildfires sweeping across all continents are stark reminders of the impacts of extreme weather events that will likely become more prevalent as a result of a changing climate. The Intergovernmental Panel on Climate Change (IPCC) reminded us in August 2021 of the unequivocal extent to which human activities are responsible for global temperature increases to date and of the urgency to act now in order to curb emissions and reach net zero emissions by 2050.

The UN Climate Change Conference (COP26), scheduled to take place in Glasgow in November 2021, should provide further impetus for policy shift towards decarbonisation and greater climate resilience. The world may finally be waking up to the existential threat posed by climate change, and the vital importance of getting climate policy right over the next few years.

However, financial markets have not yet adequately priced in a likely ratcheting up of future policy responses to climate change, in our view. There will need to be profound changes in the world's energy system, in the electrification of transport, and to halting deforestation. Whether through a carbon tax, trading allowances, border adjustment mechanisms, change is coming; and it has the potential to greatly affect companies' profitability. Companies that are able to help others to decarbonise are set to benefit significantly as the world progresses towards a low carbon future.

Natural capital is also fast becoming central to policymakers, with the Taskforce for Nature Related Disclosure developing a framework for biodiversity and the upcoming UN Biodiversity Conference of Parties (COP 15) in October 2021.

1. Estimate by Berenberg.

THE IMPORTANCE OF AN **IN-HOUSE SKILLSET**

Assessing the impact of a company on planet, people and profit is a complex process that involves detailed consideration, especially when applied on a global basis. The blanket application of hundreds of data points and scores may only reveal how much resource a company has to report on these issues rather than the actionability of corporate strategy in the context of planet and people.

As the investment industry races to outsource these conclusions to third parties, we see a huge advantage of having a specialist in-house skillset that is also responsible for fundamental analysis and capital allocation. For us, understanding the balance of stakeholders is a fundamental part of assessing the opportunity set and building our investment thesis and conviction in a company. We focus on materiality and relevance of what a company sells and how it behaves, both geographically and by economic sector. We consider sustainability analysis to be financially material and fundamental to our conviction, therefore it is conducted by the investment team and every portfolio holding is subject to its rigorous analysis for inclusion in the portfolio.

ACCOUNTING FOR EXTERNALITIES

An externality is a cost borne by everyone. In the case of carbon dioxide, it pollutes the air that we breathe and contributes to global warming. We anticipate that environmental externalities will, over time, become internalised costs of doing business. Those companies with less externalities are better positioned to both lead the transition to a more sustainable world and to deliver more attractive returns over the long term.

ALIGNMENT WITH KEY SUSTAINABILITY FRAMEWORKS

All companies in our portfolio align with key sustainability frameworks.

The Paris Agreement

We evaluate all our investments on how well they help the transition to a low carbon world. We assess our portfolio to be aligned with the temperature objective of the Paris Agreement on climate change.

PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21·CMP11

1.5°C by 2050

The Global Sustainable Equities Strategy is aligned to climate scientists' call to limit global warming to 1.5°C above pre-industrial levels to avoid serious climate-related consequences. We target absolute emissions reduction as the key and primary driver of attaining this target rather than the reliance on offsetting, emissions avoidance or the use of carbon removal technologies that are still in their infancy.

UN Global Compact

The UN Global Compact sets out fundamental principles of business behaviour related to human rights, labour, the environment and anti-corruption which we expect all of our investee companies to uphold. We therefore do not invest in companies that violate the UN Global Compact and systematically monitor our portfolio for any violations.

THE GLOBAL COMPACT
UNITED NATIONS GLOBAL COMPACT

The United Nations Sustainable Development Goals

The SDGs highlight key global ambitions in the pursuit of a more sustainable future for everyone, looking to tackle social inequality and environmental impact. They were developed by the UN in 2015 as part of its sustainable development agenda, which outlined a series of targets for the world's economies to achieve by 2030. Our sustainable investing strategies are aligned either on a direct or indirect revenue basis to the UN SDG framework through either what a company sells or how it operates.

The strategy's investments directly contributed to the attainment of 10 of the UN's Sustainable Development Goals, generating over £480bn in SDG-aligned revenues. We estimate that 70.0% of the strategy's assets, excluding cash, contributed to the SDGs.

STRATEGY IMPACT SUMMARY

PLANET

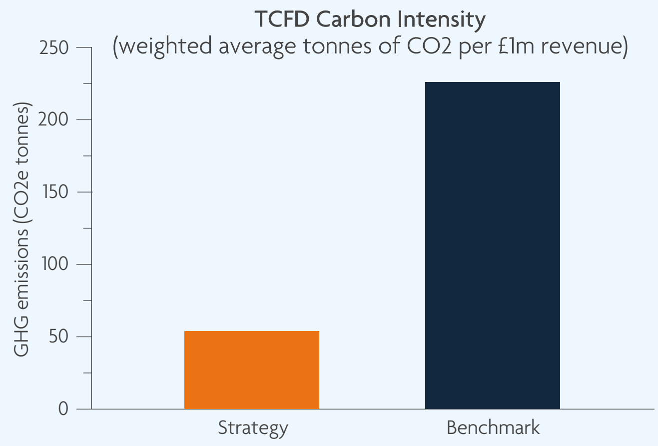
Climate action failure and extreme weather are two of the world's top economic risks, according to the World Economic Forum[1]. The urgency of seriously tackling the threat posed by climate change is finally being accepted by policymakers. The regulatory and legislative framework is increasingly mandating a decarbonisation agenda. This regulatory trend will accelerate, in our view, bringing both opportunities and risks for companies.

We evaluate all our investments on how well they are positioned to transition to a low carbon world. Based on an assessment of corporate strategy, future commitment or targets. The net result is that we assess that the Jupiter Global Sustainable Equities Strategy on aggregate is aligned to delivering a 1.5°C climate scenario in line with the Paris Agreement.

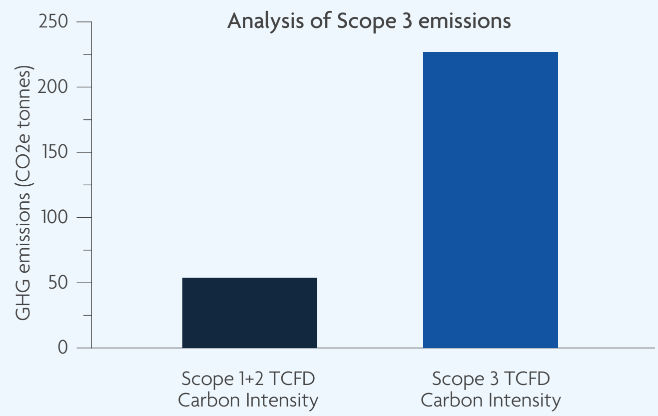
The 2020 total Scope 1 and 2 carbon intensity of the strategy was 76% lower compared to the MSCI All Country World Index benchmark[2]. Carbon Intensity measures how many carbon dioxide emissions are produced relative to each £1m of revenue a company generates.

A low carbon intensity reflects the fact that the strategy does not invest in companies that use a lot of fossil fuels as part of their operations. This is a by-product of our stock selection process where we seek companies leading the transition to a more sustainable world.

Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company. The Scope 3 TCFD carbon emissions for the strategy were 7,435.0 tCO2e, corresponding to a TCFD Carbon Intensity of 227.0 tCO2e per £1m revenue. When combined with Scope 1 and 2 emissions, the total financed emissions which can be attributed to the strategy were 280.9 tCO2e per £1m revenue.



Source: Jupiter, Bloomberg, as at 08.02.2021.



Source: Jupiter, CDP, as at 31.12.2020.

1. World Economic Forum, The Global Risks Report 2021. https://www.weforum.org/reports/the-global-risks-report-2021
2. Bloomberg Carbon Footprint calculator

STRATEGY IMPACT SUMMARY

PEOPLE

One of the key tenets of our approach is to deliver a more inclusive world. We use an investment framework that enables more socially inclusive economic growth. We invest in companies that demonstrate a clear support of a more inclusive world, through the progressiveness of their policies as a business, their approach to human capital through their value chain or through the product or service that they sell. We also invest in companies with products supporting financial inclusion, decent work, and preventative healthcare.

Many of our holdings play an important role in advancing equitable economic growth, improving opportunities for all and bringing people out of poverty. For example, Unilever, with its large footprint on the market, has created a benchmark for living wages. It is focusing on the most vulnerable and work with its suppliers through its purchasing practices collaboration, and advocacy to create systemic change and champion the global adoption of living wage practices.

Safaricom is a Kenyan telecommunications company that contributes 6% of the country's GDP, and has active programmes in increasing network coverage and offering cheap handset financing to expand access to the internet across Kenya, this has enabled millions to transition out of poverty. As well as providing telecommunication services, the company has also developed a market leading mobile payments solution, M-PESA, supporting our allocation to financial inclusion.

PROFIT

The strategy's primary objective is to deliver capital growth over the long term. The Investment Team take the view that what a company sells and how a company behaves matters to its financial returns.

By investing in companies that are well capitalised, have both resilient cashflow and stable profitability, we look to position the strategy in companies run for the long term.

For example, if a company keeps the interests of its key stakeholders at the core of its decision-making, it is our view that it is more likely to have a productive work force, strong client retention, less externality to internalise and more resilient profitability. If a company proactively manages its impact on the planet by using green energy, using less water, creating less waste, and embedding biodiversity considerations, that is an indication of a long-term approach to its future.

The impact on the planet and on people of a company's products and services also provides important investment insights and opportunities. For example, we consider company approach to key societal needs, such as gender, race and wealth inequality. Additionally, companies that provide preventative healthcare solutions or improve access to financial services align investors to the structural growth drivers arising from the transition to a more sustainable world.

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

JUPITER'S CORPORATE COMMITMENT TO SUSTAINABILITY

The team's approach is supported by Jupiter's own commitment to sustainability, as demonstrated by a number of key initiatives it signs and endorses.

Jupiter has received the highest rating (tier 1) by the UK's regulator for its approach to stewardship.

Signatory of:

Jupiter has received the top rating (A+) from the world's leading global responsible investment association.

Jupiter is an employer-signatory to Investment20/20, an initiative to promote investment management to diverse talent through school leaver and graduate trainee programmes.

Jupiter is a founder-signatory to the CDP, the global environmental disclosure platform.

Jupiter collaborates with other investors through Climate Action 100+ to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

Jupiter is a member of this collaborative investor network on ESG risks and opportunities relating to intensive animal farming.

Jupiter is a member of the Institutional Investors' Group on Climate Change, the European membership body for investor collaboration on climate change.

Jupiter's annual report meets the recommendations of the Taskforce on Climate Related Financial Disclosures.

Jupiter is a member of Pensions for Purpose, a collaborative initiative of impact managers, pension funds, social enterprises and others involved or interested in impact investment.

Jupiter is a regular participant in the UK Investor Forum, the collective engagement platform for investors to escalate material issues with the boards of UK-listed companies.

Jupiter is a member of the Green Bond Principles, promoting transparency and integrity in the green bond market.

Jupiter is a signatory to the Women in Finance Charter, a pledge towards improving gender balance in the financial services sector.

Jupiter is a signatory to the Workforce Disclosure Initiative, a group pushing for improved disclosure at listed companies.

Jupiter is a signatory to the 30% Club, a global campaign to increase gender diversity at board and senior management levels.

Jupiter is a member of the UK Sustainable Investment and Finance Association, promoting a fair, inclusive and sustainable financial system.

Jupiter is committed to sourcing 100% of the energy in our offices from renewable

Jupiter is a signatory to the Net Zero Asset Managers Initiative, committing itself to align its operations and its investments with net zero emissions by 2050 or sooner, as well as a signatory of the UN Global Compact, committing it to upholding fundamental principles of responsible business behaviour across human rights, labour rights, the environment and anti-corruption both in its own business and its investments.

Jupiter Asset Management Limited (JAM) is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 (Cth) in respect of the financial services it provides to wholesale clients in Australia. JAM is authorised and regulated by the UK Financial Conduct Authority under UK laws, which differ from Australian laws.

This report may only be provided to and our services may only be provided to wholesale clients (as defined in section 761G of the Corporations Act 2001 (Cth)). This report contains general information only, does not contain any personal advice and does not take into account any prospective investors' objectives, financial situation or needs.

Risks associated with the strategy: 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.

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JUPITER ASSET MANAGEMENT