

Jupiter Green Investment Trust PLC

AIFMD Investor Information

1. Investment objective and policy

Investment Objective

The Company's investment objective is to generate long-term capital growth through a diverse portfolio of companies providing environmental solutions. Investment Policy.

Investment policy

The Company invests globally in companies which have a significant focus on environmental solutions. Specifically, the Company looks to invest across three key areas: infrastructure, resource efficiency and demographics.

The Company's portfolio has a bias towards small and medium capitalisation companies. It invests primarily in securities which are quoted, listed or traded on a recognised exchange. However, up to 5 per cent. of the Company's Total Assets (at the time of such investment) may be invested in unlisted securities.

The portfolio manager selects each stock on its individual merits as an investment rather than replicating the relevant company's weighting within the Company's benchmark indices. The Company's investment portfolio is therefore unlikely to represent the constituents of its benchmark indices, but instead is intended to offer a well-diversified investment strategy focused on maximising returns from the prevailing economic background.

The portfolio manager may enter into contracts for differences in order to gain both long and short exposure for the Company to indices, sectors, baskets or individual securities for both investment purposes and for hedging or efficient portfolio management purposes. The ability to maintain a portfolio of both long and short positions provides the flexibility to hedge against periods of falling markets, to reduce the risk of absolute loss at portfolio level and to reduce the volatility of portfolio returns. The portfolio manager may also invest in single stock, sector and equity index futures and options.

Risk is also mitigated by investing mainly in quoted companies on registered exchanges, ensuring full regulatory compliance for all underlying quoted investments. There are no specific stock and sector size limitations within the portfolio, but the portfolio manager is expected to provide sufficient stock, sector and geographic diversification to ensure an appropriate trade-off between risk and return within the portfolio. In order to ensure compliance with this objective there is a two tier monitoring system. Firstly, the portfolio manager's portfolio is assessed monthly by the Jupiter Asset Management Limited Performance Committee, which is headed by the Chief Executive of Jupiter Asset Management Limited. Secondly, the Board is provided with a detailed analysis of stock, sector and geographic exposures at the Company's regular Board meetings.

Any material change in the investment policy of the Company described above may only be made with the approval of Shareholders by an ordinary resolution.

Approach to investment in environmental solutions

Jupiter Asset Management Limited has been managing environmental solutions funds for over 20 years. Over this time it has developed a leading knowledge of environmental investing across a range of products.

In the years since the launch of Jupiter's first green fund in 1988, environmental issues have become a major global concern. There is now broad acceptance that problems such as energy security, climate change, freshwater scarcity, local pollution and waste are simply not going to disappear without concerted action to tackle them on a global scale.

It is Jupiter's view that environmental solutions businesses will have deep, long-term structural impact across three key areas – infrastructure, resource efficiency and demographics. We believe that these categories better communicate the link between environmental and economic issues. They also reflect Jupiter's belief that investment in environmental solutions businesses is an investment in long-term global structural growth.

Infrastructure - There has been a marked increase in global infrastructure spending in recent years as emerging market economies look to support rapid growth and mature economies seek to modernise. Patterns in both emerging and developed markets have trended towards infrastructure of lower environmental impact (i.e. less pollution, more alternative energy sources etc.) in recognition of its longer-term economic benefits. This is creating opportunities for businesses involved in renewable energy generation, smart electrical grids, clean and wastewater systems, engineering consultants, transport infrastructure and communication networks.

Resource efficiency - Increased global demand for natural resources has stimulated significant investment in resource efficiency (i.e. lower impact methods of using existing resources such as energy, water and land, as well as resource recycling). This is presenting opportunities for businesses involved in energy and water efficiency, wastewater recycling, air pollution technology, waste recycling (from residential to industrial materials) and sustainable agriculture and land management.

Demographics - Rising populations and changing demographic patterns around the world create unique challenges when it comes to environmental and economic sustainability. Ageing populations in the West are putting pressure on healthcare, for example, while a growing global population is affecting agriculture and food production. These challenges have created opportunities for businesses that are providing sustainable, low impact solutions in sustainable consumption, public transport, health, agriculture and education.

Jupiter continues to use a stock-focused investment approach. Taking a long-term bottom-up approach to investment and every stock within the portfolios is there on its own fundamental merits. These are companies with strong management teams, sound balance sheets and defensible market positions that convert a high proportion of profit into cash. While the Company is global in scope, specific geographical exposures are a consequence of stock picking process rather than targeted asset allocation.

Equally, Jupiter's investment universe remains the same. Jupiter focuses on companies which respond to environmental challenges by developing a product or service which provides environmental solutions. Environmental investment opportunities now exist over a wide cross-section of the global economy. This provides a deep investment universe that allows Jupiter to create diversified portfolios underpinned by a variety of economic drivers.

Investment Limits

The Board has prescribed limits on the investment policy, including:

- Borrowings, including overdraft facilities shall not exceed 25% of Total Assets;
- No single holding shall constitute more than 15% of the Company's Total Assets at the time of investment;
- Investments in unlisted securities shall not exceed 5% of Total Assets at the time of investment;
- Derivative instruments may only be held only for the purposes of hedging or efficient portfolio management;
- The Company shall not take legal or management control over any investments in its portfolio;
- Not more than 5% in aggregate, of the Total Assets of the Company, and any of its subsidiaries, may be invested in other closed-ended investment funds (including listed investment trusts) whether or not such funds have stated investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds (including listed investment trusts); and
- Not more than 50% of the Company's investments may be in securities which are not qualifying securities or government securities for the purposes of the UK ISA Regulations.

2. AIFM

The Company has appointed Jupiter Unit Trust Managers Limited ('the Manager') as its Alternative Investment Fund Manager. The Manager is an associated company of Jupiter Asset Management Limited (the 'Investment Adviser'), the Company's previous Manager. Jupiter Asset Management Limited will continue to act as Investment Adviser under delegated authority from the Manager and as company secretary. No changes are proposed to the way the Company's assets are invested as a result of the implementation of AIFMD.

The Manager is entitled to a management fee at a rate of 0.85% per annum of the Company's net asset value. There is also potential for the Manager to earn a performance related fee.

3. Depositary

The Company's depository is J.P Morgan Europe Limited, which is responsible for the safe-keeping of the Company's financial assets, administering the funds and monitoring its cash flows.

4. Service providers

The Company has appointed service providers to assist the Board and the Manager in meeting regulatory requirements and the needs of investors:

- The Company's statutory auditor is haysmacintyre, which audits the financial statements in the Company's Annual Financial Report and reports to shareholders thereon.
- The Company's registrar is Capita Asset Services, which is responsible for maintaining and updating the register of members.

5. Risk factors

The principal risk factors relating to the Company can be divided into the following areas:

Investment Strategy and Share Price Movements – The Company is exposed to the effect of variations in the price of its investments. A fall in the value of its portfolio will have an adverse effect on shareholders' funds. It is not the aim of the Board to eliminate entirely the risk of capital loss; rather it is its aim to seek capital growth. The Board reviews the Company's investment strategy and the risk of adverse share price movements at its quarterly board meetings taking into account the economic climate, market conditions and other factors that may have an effect on the sectors in which the Company invests.

Investment Trust Status – The Company operates in a complex regulatory environment and faces a number of regulatory risks. A breach of section 1158 of the Corporation Tax Act 2010 could result in the Company being subject to capital gains tax on portfolio movements. Breaches of other regulations such as the UKLA Listing rules, could lead to a number of detrimental outcomes and reputational damage. Breaches of controls by service providers such as the Manager or Investment Adviser could also lead to reputational damage or loss. The Board monitors regulatory risks at its quarterly board meetings.

Operational – control failures, either by the Manager or any other of the Company's service providers, may result in operational or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations. Details of how the Board monitors the services provided by Jupiter Asset Management Limited and its associates are included within the Internal Control section of the Corporate Governance review within the Annual Report and Accounts.

Financial – the financial risks faced by the Company include market price risk, interest rate risk, liquidity risk and credit and counterparty risk.

Foreign Currency Risk - The Company has exposure to foreign currency through its overseas investments. The Board considers carefully factors which may affect the foreign currency in which the Company has an exposure at its quarterly board meetings and takes into account the economic and political climate of various regions and the prospects for sterling.

Interest Rates – The Company has exposure to cash which generates interest through interest bearing accounts. The Board is mindful of interest rates when setting limits on the Company's exposure to cash.

Derivatives – The Company invests in derivatives. Derivatives may constitute a riskier investment than equities as they can exaggerate the return that can be achieved from investing in equities. The Board reviews the Company's exposure to derivatives at its quarterly board meetings.

Liquidity Risk - This risk can be viewed as the liquidity of the securities in which the Company invests and the liquidity of the Company's shares. The Company may invest in securities that have a very limited market which will affect the ability of the Company's Manager to dispose of securities when he no longer feels they offer the potential for future returns. Likewise the Company's shares may experience liquidity problems when shareholders are unable to realise their investment in the Company because there is a lack of demand for the Company's shares. At its quarterly meetings the Board considers the current liquidity in the Company's investments when setting restrictions on the Company's exposure. The Board also reviews, on a quarterly basis, the Company's buyback programme and in doing so is mindful of the liquidity in the Company's shares.

Credit and Counterparty Risk - the failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss. The failure of custody arrangements for the assets of the Company could impact on the value of the portfolio of the Company.

Gearing Risk – The Company’s gearing can impact the Company’s performance by accelerating the decline in value of the Company’s net assets at a time when the Company’s portfolio is declining. Conversely gearing can have the effect of accelerating the increase in the value of the Company’s net assets at a time when the Company’s portfolio is rising. The Company’s level of gearing is under constant review by the Board who take into account the economic environment and market conditions when setting the level.

Discount to Net Asset Value - A discount in the price at which the Company’s shares trade to Net Asset Value would mean that shareholders would be unable to realise the true underlying value of their investment. The Directors have powers granted to them at the last Annual General Meeting to purchase Geared Ordinary shares and Zero Dividend Preference shares as a method of controlling the discount to Net Asset Value and enhancing shareholder value.

Service Providers - administrative errors or control failures by or between service providers could be damaging to the interests of investors and the Company. The Board receives regular reports from the Manager on its oversight of service providers which, for the administration of the Jupiter plans, includes audit site visits; monthly technical compliance monitoring; monthly service delivery meetings; quarterly financial crime prevention forums; and the detailed review and investigation of breaches and complaints. Arrangements are also in place to mitigate other service provider risks, including those relating to safe custody and the Manager’s outsourced operational platform and its counterparties.

Investment management resources – the quality of the management team is a crucial factor in delivering good performance and loss by the Manager of key staff could adversely affect investment returns. The Manager has training and development programmes in place for its employees and develops its recruitment and remuneration packages in order to retain key staff.

Leverage - the Company’s exposure may be increased by using derivatives, by reinvesting cash borrowings, through securities lending or securities borrowing arrangements, or by such other means as may be permitted to be used pursuant to the Company’s investment objectives and strategy. Using the prescribed methodologies for the calculation of leverage under AIFMD, for both the commitment and gross methodologies the Company does not expect to be leveraged beyond a ratio of 2:1.

6. Risk Profile of the Typical Investor

This Company may be suitable for investors with a broad attitude to risk looking for a long term investment opportunity in line with its Investment Objective and Policy. An investment in the Fund will not be suitable for investors seeking solely an index linked return on their investment. Investment in the Fund should be regarded as long term in nature and may not be suitable as a short term investment. Typical investors in the Company are expected to be asset and wealth managers regulated or authorised by the relevant local regulator, retail private clients who will invest through suitable authorised intermediaries and private individuals who are experienced in making equity investments and who have the resources to withstand the risks associated with them.

7. Detailed requirements

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1. Investment strategy	The Company's Investment policy and strategy are set out in paragraph 1 above. Associated risks are set out in paragraph 4. Material changes to investment policy may only be made with the prior approval of shareholders as required by the Listing Rules
2. Changes to investment strategy	Minor changes may be made by the Board from time to time. In each case changes will be disclosed to the market in accordance with applicable regulation
3. Legal consequences of investment	Purchase in the market of shares in the Company by an investor does not give rise to any contractual relationship between the investor and the Company
4. Service providers	A list of the Company's principal service providers and their respective duties is set out in paragraph 3 above
5. Professional liability	The Manager shall provide additional own funds for covering any liability risks arising from professional negligence at least equal to 0.01% of the value of the portfolio of AIFs managed
6. Delegation	<p>A. The Manager delegates the Company's portfolio management to Jupiter Asset Management Limited as set out in paragraph 2 above</p> <p>B. Depositary delegates the safe-keeping of financial instruments to JPMorgan Chase Bank National Association, London Branch</p> <p>C. The Manager has delegated fund accounting and pricing/valuation functions to JP Morgan Luxembourg</p> <p>D. The Manager maintains and operates organisational and administrative arrangements designed to prevent potential conflicts of interest from constituting or giving rise to a material risk of damage to the interests of its clients</p>
7. Valuation	The majority of the Company's investments are quoted on one or more exchanges and are valued using prices sourced from third party vendors of market data
8. Liquidity risk	The Company's liquidity risk is measured and monitored daily
9. Fees and expenses	The Manager is entitled to a management fee as set out in paragraph 2 above. In addition the Company will incur annual fees and expenses including fees payable to the Company's Directors, the depositary, the registrar and the auditors and other operating expenses. Such expenses are all paid by the Company and thus indirectly borne by its shareholders
10. Fair treatment	The Listing Rules set out Principles and Rules, to which the Company is subject, for the fair treatment of investors, notably Listing Principles 3 and 5
11. Preferential treatment	Not applicable
12. Issue and sale of shares	The Company's shares are not generally available for subscription by investors, but are available for investment on the main market of the London Stock Exchange. From time to time the Company is permitted to issue shares subject to applicable limits and regulation including the Listing Rules and Prospectus Rules
13. NAV	The Company's net asset value per share is announced daily to the market. Its shares are quoted on market and news and prices are available through a wide range of market data sources
14. Annual report	The Company's most recent Annual Reports are available on the Manager's website at www.jupiteram.com
15. Performance	Factsheets, including data relating to the Company's performance, are available on the Manager's website at www.jupiteram.com
16. Prime broker	Not applicable
17. Periodic reporting	Periodic reporting of information relating to liquidity and leverage will be made in the Annual Report & Accounts