# The Jupiter Global Fund – Jupiter Global Ecology Growth (the "**Fund**").

## Summary


The Fund is a financial product pursuing a sustainable objective.

The Fund seeks to generate long term capital appreciation and income investing primarily in global equity securities that focus on making a positive impact towards environmental and sustainable objectives.

The minimum share of sustainable investments with environmental objectives is 70%. These sustainable investments include investments that contribute to an environmental objective as outlined in UN sustainable development goals (SDGs) and/or the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the "EU Taxonomy"), and qualify as sustainable investments under article 2(17) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability- related disclosures in the financial services sector ("SFDR"). In addition, the Fund's minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy, based on currently available data and estimates, is 5%.

Jupiter Asset Management Limited, the Fund's investment manager (the "Investment Manager") seeks to identify companies which it considers to be addressing environmental and sustainability challenges by being substantially focused on activities across any of the following themes: clean energy, green mobility, green buildings and industry, sustainable agriculture and land ecosystems, sustainable oceans and freshwater systems and circular economy.

The Investment Manager applies a "pass-fail approach" in determining whether a company is substantially focused on activities generating or enabling a positive impact against one or more of the above themes, considering an investment to be substantially focused on such activities to the extent that the revenues generated from such activities or the capital expenditure attributable to such activities is at least 20% of the company's total revenue or capital expenditure.

The Investment Manager's due diligence process seeks to establish that each potential investment is substantially focused on providing an environmental solution. This process is referred to as 'positive' screening as it determines whether a company can be included in the portfolio. In addition, each company must also pass a 'negative' screen. Companies fail a negative screen and are excluded from investment by the Fund if: (i) they have direct exposure to controversial weapons or coal extraction, (ii) their activities and operations have been determined by the Investment Manager to contradict the principles of the United Nations Global Compact, (iii) they derive over 5% of revenues from: oil sands or shale extraction; alcohol production; adult entertainment; conventional weapons (small arms and/or military contracting for weapons purposes); gambling; tobacco production; and nuclear energy generation and uranium mining; or (iv) they derive over 10% of their revenues from thermal coal power generation.

The Fund's principal adverse impacts (PAIs) are referenced against a broad global index, taking account of regional variations to help provide a relevant assessment. The Fund's impact indicators are scrutinised against global peers, subject to an internal threshold. Decisions concerning the 'do no harm' status of a portfolio company do not solely rest with the outcomes of the above data assessment, which forms one stage of the monitoring process. The ultimate decision on whether a portfolio company is negatively impacting the Fund's sustainable investment objective is determined by the Investment Manager's assessment of whether the company is committing significant social or environmental harm.

Analysis is based on proprietary research, undertaken by Jupiter's in-house teams, as well as external research from specialised providers. Third-party specialist carbon data providers may be used to complement other sustainability data with carbon-specific insights, such as induced and avoided carbon emissions.

The approach to ensure investee companies follow good governance practices is embedded in the Investment Manager's due diligence and monitoring processes, which include (but are not limited to) consideration of global norms, sound management structures, employee relations, corporate governance, remuneration of staff and tax compliance.

The Fund's reference benchmark is used for performance comparison purposes only and is not designated for the purpose of attaining the sustainable investment objective.

The Investment Manager monitors all portfolio holdings on an ongoing basis as part of its usual investment process. This monitoring is conducted in multiple ways, including through news flow monitoring, reading company reporting, engagement meetings, analysis of third-party research reports and the assessment of other, credible information relevant to the delivery of the investment objective and strategy.

The investment management of the Fund is overseen by Jupiter's Investment Oversight Committee, which receives regular updates on the management of the Fund. Jupiter's Risk and Compliance functions provide objective, second-line oversight, monitoring and challenge to the Investment Manager. The Risk and Compliance functions are functionally and hierarchically independent from the Investment Manager.

Jupiter's Responsible Investment Policy sets out details of Jupiter's approach to active ownership and environmental and social matters.

## No significant harm to the sustainable investment objective

All sustainable investments made by the Fund are subject to an initial and ongoing review by the Investment Manager to ensure that they do not significantly harm any other social or environmental objective (the "DNSH test"). As part of the DNSH test, the Investment Manager subjects all sustainable investments to a rigorous in-house qualitative and quantitative assessment against all the mandatory principal adverse indicators listed in Table 1 of Annex 1 of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the sustainable investment objective in pre-contractual documents, on websites and in periodic reports. The Investment Manager's DNSH test utilises a broad range of data sources across numerous ESG thematic areas to ensure that proposed sustainable investments are appropriately analysed. Where such review identifies an issue in respect of a company, investment in that company will only be permitted where the Investment Manager is satisfied that appropriate remedial actions have been implemented.

Indicators for adverse impacts on sustainability factors are incorporated into the Investment Manager's DNSH test and are evaluated on a qualitative and quantitative basis.

The Investment Manager's investment due diligence process on each investment, including sustainable investments, includes an initial evaluation and ongoing monitoring of companies' alignment with OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

## Sustainable investment objective of the financial product

The Fund aims to generate long term capital appreciation and income investing primarily in global equity securities that focus on making a positive impact towards environmental and sustainable objectives.

The Investment Manager has identified global environmental and sustainability challenges, which include (but are not limited to) climate change mitigation and adaptation, natural capital and biodiversity restoration. The Investment Manager then selects investments issued by companies which it considers to be addressing these challenges by being substantially focused on activities generating or enabling a positive impact across any of the following sustainable solution themes:

- Clean energy;
- Green mobility;
- Green buildings and industry;
- Sustainable agriculture and land ecosystems;
- Sustainable oceans and freshwater systems; and
- Circular economy.

The Fund's sustainable solution themes are closely aligned to the six environmental objectives of the EU Taxonomy: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, waste prevention and recycling, pollution prevention and control, protection of healthy ecosystems. As such, to the extent that data is both reliable and available, the EU Taxonomy provides the principal framework for assessing the environmental sustainability of economic activities.

These sustainable solution themes may be clarified and updated by the Investment Manager from time to time. In such a case, the prospectus will be updated accordingly at the occasion of the first update that will follow. Details of any sustainable solution themes will be available from the Investment Manager upon request.

## Investment strategy

The ESG investment strategy used by the Investment Manager is as follows:

Investments are substantially orientated towards the following sustainable solution themes (typically by assessing indicators such as the level of revenue or capital expenditure related to economic activity that is contributing to the themes).

- **Clean energy:** Generation and enabling equipment for renewable energy sources including wind, solar, geothermal, hydro and waste-to-energy.
- **Green mobility:** Transport equipment, infrastructure and services supporting low emission road vehicles, aviation and railway transport, and logistics.
- **Green buildings and industry:** Energy and materials efficiency solutions;
- **Sustainable agriculture and land ecosystems:** Activities including alternative protein, reforestation, and sustainable packaging.
- **Sustainable oceans and freshwater systems:** Products and supporting services for water infrastructure, treatment, including flood control; and
- **Circular economy:** Recyclable products/materials, and waste management services.

The Investment Manager applies a "pass-fail approach" in determining whether a company is substantially focused on activities generating or enabling a positive impact against one or more of the above themes, considering an investment to be substantially focused on such activities to the extent that the revenues generated from such activities or the capital expenditure attributable to such activities is at least 20% of the company's total revenue or capital expenditure.

The investment process considers and engages upon adverse impacts of an issue or issuer in order to exclude those that significantly harm the sustainable investment objectives of the Fund.

The Investment Manager formally excludes investments in companies: (i) that have direct exposure to controversial weapons or coal extraction; (ii) or whose activities and operations have been determined by the Investment Manager to contradict the principles of the United Nations Global Compact; (iii) that derive over 5% of their revenues from: oil sands or shale extraction; alcohol production; adult entertainment; conventional weapons (small arms and/or military contracting for weapons purposes); gambling; tobacco production; and nuclear energy generation and uranium mining; or (iv) that derive over 10% of their revenues from thermal coal power generation.

These exclusions may be updated by the Investment Manager from time to time. In such a case, the revised exclusions will be available on the website (https://www.jupiteram.com/board-and-governance/#sustainable-finance-disclosures) and the prospectus will be updated accordingly at the occasion of the first update that will follow. Details of the Fund's exclusion policy are available from the Investment Manager upon request.

In addition, the integration of material sustainability risks is a fundamental part of the investment decision making process and risk management process and a crucial element to the generation of long-term returns. The active ownership approach considers material ESG factors (such as environmental or social considerations, and good governance) and principal adverse impacts on sustainability factors which strengthens the ability to assess risks and opportunities that drive long-term value.

These risks are considered through the investment process and form part of the ongoing monitoring of companies in which the Fund is invested. The Investment Manager will utilise a combination of any of the following to meet these goals:

- Primary research;
- Third party ESG risk data (including climate analysis and principal adverse impact data);
- Proxy voting research;
- Direct and collaborative engagement with companies and other investors/industry bodies; and
- Commitment to responsible investment codes.

The Fund is dependent upon ESG information and data from third parties (which may include providers of research, reports, screenings, ratings and/or analysis such as index providers and consultants) and that information or data may be incomplete, inaccurate or inconsistent.

The Investment Manager conducts research and due diligence in order to ensure that companies that the Fund invests in follow good governance. The assessment of good governance practices of the investee companies is conducted through some or all of the following:

- the initial due diligence conducted by the Investment Manager prior to investment;
- the ongoing monitoring of investee companies by the Investment Manager; and
- active engagement with investee companies by the Investment Manager and demonstration of stewardship in accordance with Jupiter's Responsible Investment Policy.

This assessment of good governance practices includes consideration of factors including some or all of the following:

- compliance with global norms, including the UN Global Compact and OECD Guidelines for Multinational Enterprises;
- investee companies' stakeholder relations, including assessment of any issues identified in relation to, for example, regulatory matters, employee remuneration and relations and tax compliance;
- compliance with applicable corporate governance standards, taking into account local market best practice, company size, ownership structure, management structure, development stage and business circumstances.

## Proportion of investments

The minimum share of sustainable investments with environmental objectives is 70% of the Fund's assets. These sustainable investments include investments that contribute to an environmental objective as outlined in UN Sustainable Development Goals and/or the EU Taxonomy and qualify as sustainable investments under SFDR article 2(17). The remaining portion of the Fund's investment portfolio will consist of deposits at sight, deposits, money market instruments and money market funds held on an ancillary basis. In addition, the Fund's minimum commitment to sustainable investments with an environmental objective aligned with the EU Taxonomy, based on currently available data and estimates, is 5% of the Fund's assets.

## Monitoring of the sustainable investment objective

The monitoring of sustainable investment objective is made through the analysis of indicators which are described in the section on "Methodologies" below to measure the attainment of each of the sustainable investment objective pursued by the Fund.

In addition and as part of its usual investment process, the Investment Manager monitors all portfolio holdings on an ongoing basis. This monitoring is conducted in multiple ways, including through news flow monitoring, reading company reporting, engagement meetings, analysis of third-party research reports and the assessment of other, credible information relevant to the delivery of the investment objective and strategy.

Any issues in relation to the Fund's sustainable investment objective identified by the Investment Manager from its monitoring will be investigated further and could lead to specific engagement with the company on the issue and could, ultimately, lead to a decision to sell the investment.

Regarding internal controls and oversight, members of the Investment Risk team meet the investment team on a regular basis to discuss the Fund's portfolio structure in the context of the investment objectives, recent changes, and the investment team's outlook. Metrics presented include market risk, liquidity, performance and ESG.

The investment management team's management of the Fund is overseen by Jupiter's Investment Oversight Committee. Jupiter's Investment Review Forum receives regular updates on the management of the Fund and reports into Jupiter's Investment Oversight Committee. Jupiter's Risk and Compliance functions provide objective, "second-line" oversight, monitoring and challenge to the Investment Manager. The Risk and Compliance functions are functionally and hierarchically independent from the Investment Manager. The Risk and Compliance functions are consulted on an ongoing basis where eligibility questions arise around assets to be held within the Fund.

The Investment Manager excludes investments in companies: (i) that have direct exposure to controversial weapons or coal extraction; (ii) whose activities and operations have been determined by the Investment Manager to contradict the principles of the United Nations Global Compact; (iii) that derive over 5% of their revenues from: oil sands or shale extraction; alcohol production; adult entertainment; conventional weapons (small arms and/or military contracting for weapons purposes); gambling; tobacco production; and nuclear energy generation and uranium mining; or (iv) that derive over 10% of their revenues from thermal coal power generation.

Investment limits and restrictions are coded into Jupiter's electronic order management system ("OMS"). The system will produce a warning of a potential breach of the Fund's investment limits or restrictions pre-trade (in the case of a proposed new investment) or on an ongoing basis (in the case of an existing investment). The coding and monitoring of the Fund's investment restrictions and limits in the OMS is the responsibility of the Portfolio Compliance Group, which is part of the Compliance function. Alerts of potential breaches are monitored daily by the Compliance function and any identified breaches are escalated to the Investment Manager and rectified in a timely manner. Any investment restrictions that cannot be coded into the OMS and require further interpretation or oversight are monitored manually by the Investment Manager and overseen by the Compliance function.

The effectiveness of Jupiter's control environment, including its investment and stewardship activities as well as regulatory compliance, are assessed as part of regular thematic monitoring reviews in addition to performance of ongoing monitoring and surveillance activity.

## Methodologies

This section describes the methodologies used to measure the attainment of the Fund's sustainable objective and how the sustainability indicators are used to measure the attainment of the Fund's sustainable objective.

The Investment Manager uses a revenue or capital expenditure test to determine whether an issuer is substantially focused on activities generating or enabling a positive impact against one or more of the Fund's sustainable solution themes:

- **Clean energy:** Generation and enabling equipment for renewable energy sources including Wind, Solar, Geothermal, Hydro and Waste-to-energy.
- **Green mobility:** Transport equipment, infrastructure and services supporting low emission road vehicles, aviation and railway transport, and logistics.
- **Green buildings and industry:** Energy and materials efficiency solutions.
- **Sustainable agriculture and land ecosystems:** Activities including alternative protein, reforestation, and sustainable packaging.
- **Sustainable oceans and freshwater systems:** Products and supporting services for water infrastructure, treatment, including flood control; and
- **Circular economy:** Recyclable products/materials, and waste management services.

The Investment Manager applies a "pass-fail approach" in determining whether an issuer is substantially focused on activities generating or enabling a positive impact against one or more of the above sustainable solution themes, considering an investment substantially focused on such activities to the extent that the revenues generated from such activities or the capital expenditure attributable to such activities is a minimum of 20%.

The Investment Manager's ESG analysis is based on proprietary research, undertaken by Jupiter's in-house teams, as well as external research from specialised providers.

Calculation of induced emissions is mainly derived from the turnover generated by all products and services delivered by a company. For certain cases (building construction, energy generation, etc.), it is possible to estimate induced emissions based on volumes produced during the year (square meters of buildings built, energy generated, etc.) and the carbon intensity data available for these activities.

Emissions savings are usually calculated by comparing emissions of existing products to emissions of low or zero carbon products over their lifetime, with an estimation of what fraction of products sold will replace existing products. For instance, if a company generates electricity from zero-carbon energy sources (e.g. wind), emissions savings are calculated as the difference between the emissions from the zero-carbon generation source and the average local grid emissions from the generation of an equivalent amount of energy, multiplied by the amount of energy generated.

## Data sources and processing

Jupiter has selected a range of third-party data providers to enhance the overall investment selection and monitoring process, including ISS, Sustainalytics and RepRisk amongst others. Their role is principally to collect data provided by companies, the media, and other relevant sources. Third-party specialist carbon data providers may be used to complement other sustainability data with carbon-specific insights, such as induced and avoided carbon emissions. Third-party data providers are chosen carefully, after due diligence has been conducted, however data errors may occur.

Sustainability data is accessed, sourced, and processed on as-needed basis. Relevant uses may include (but are not limited to) sustainability analysis of individual securities, sustainability analysis of the portfolio, ensuring compliance with do no significant harm policies, negative and positive screening, impact reporting and other sustainability-related regulatory reporting.

The majority of sustainability data used in the analysis is sourced directly from companies and from specialised data providers, which may incorporate some degree of estimation. The Investment Manager seeks to avoid self-estimation of sustainability data, unless sufficient conviction to support an estimation can be built. Self-estimated sustainability data represents a small proportion of all sustainability data used in the analysis.

## Limitations to methodologies and data

There are several limitations to the methodologies and data sources referenced above. Firstly, as it relates to carbon emissions, robust calculation methodologies of avoided emissions remain at early stage and lack standardisation. One of the main challenges in such calculations remains the difficulty to ensure that fair proportional attribution of avoided emissions along the value chain is performed. Secondly, as the Fund seeks to invest in different sustainable solution themes that extend beyond climate change mitigation, relevant environmental performance metrics also extend beyond induced and avoided carbon. Standardised sustainability data as it relates to environmental challenges such as climate change adaptation and natural capital & biodiversity restoration is rarely available, even though it may be critical part of a company's sustainability proposition. Thirdly, sustainability-related data may be updated with long time lags. This may be an issue where specialised data providers have provided sustainability data for some companies based on updated methodologies, but not for all, thereby causing discrepancies in sustainability performance metrics.

The investment manager recognises the current limitations associated with sustainability data outlined above. Therefore, the sustainability analysis incorporates both qualitative and quantitative assessments to ensure holdings contribute to the sustainable investment objective, with focus placed on completing a strong qualitative evaluation of the fundamental technology contribution provided by the products and services of a company. As a result, the limitations outlined above do not affect the attainment of the sustainable investment objective.

## Due diligence

Fundamental analysis is undertaken to help ensure that the Fund's investments are consistent with its policy of seeking to invest in companies addressing environmental and sustainability challenges. As noted above, the fundamental analysis is primarily centred on assessments of a company's revenue alignment with environmental solutions activities and performance in relevant environmental impact metrics.

Prior to investment, each company must be approved as one that provides an environmental solution at the core of its business. This process is referred to as 'positive' screening as it determines whether a company can be included in the portfolio.

In addition, each company must also pass a 'negative' screen. Companies fail a negative screen if they derive over 5% of revenues from: oil sands or shale extraction; alcohol production; adult entertainment; conventional weapons (small arms and/or military contracting for weapons purposes); gambling; tobacco production; and nuclear energy generation and uranium mining. Given the Fund's investment themes, it is rare for candidate companies to pass the positive screen but fail the negative screen. The negative screens therefore do not typically constrict the Fund's investment universe.

The positive and negative screening processes are also integrated into the ongoing monitoring of every holding. Any ESG considerations that have been identified in the selection or ongoing monitoring of a company will be discussed and monitored as part of the Investment Manager's regular and targeted engagement with company management.

## Engagement policies

As a high-conviction active asset manager, the Jupiter group, to which the Investment Manager belongs, recognises that we have an important role to play in the allocation of capital, both as active owners and long-term stewards of the assets in which we invest on behalf of clients. Jupiter's approach to responsible investment means that the Investment Manager considers material ESG issues for every investment strategy, identifying extra-financial information to enable our investment teams to make better-informed investment decisions. Our investment strategies have defined investment processes, and consideration of material ESG issues is integrated into both investment analysis and decision-making, influencing asset allocation, portfolio construction, security selection, position sizing, stewardship, engagement and subsequent decisions on whether to remain invested or exit.

As active owners and long-term stewards of the assets in which we invest on behalf of clients, the Investment Manager's teams are at the core of Jupiter's responsible investment approach. The investment teams analyse holdings on a range of material ESG issues to ensure that we protect and enhance the value of our client's investments to deliver returns in line with their objectives. Where the Investment Manager identifies opportunities to improve the ESG performance or reduce the ESG risk of an investment, it actively engages and makes use of shareholder vote with the objective of improving stewardship outcomes.

The Investment Manager takes a materiality approach to integrating ESG into its investment processes. The Investment Manager has identified the following material themes and has discretion to interpret as appropriate for their asset classes and investment processes: climate, biodiversity, human rights, human capital, health and safety and governance (including diversity and inclusion).

Central to Jupiter's active ownership approach is:

- **Engagement** – The Investment Manager's teams maintain a dialogue with companies to inform their investment decisions and carry out strategic engagement, based on ESG materiality. To be effective, engagement must be focused and well-defined targets, objectives and outcomes. is led by engagement with the companies in which we invest and the exercise of our shareholder rights by way of active proxy voting is a key element of our approach to ESG integration; and
- **Active proxy voting** – The Investment Manager exercises the shareholder voice through active proxy voting to represent client interests, hold boards to account, and support investee companies. The Investment Manager seeks to vote all eligible proxies, taking account of local market practice such as powers of attorney or share blocking. The Investment Manager is accountable for the exercise of their shareholder votes supported by Jupiter's Stewardship Team, which is responsible for proxy voting operations, the monitoring of meeting ballots and providing an initial assessment of each meeting's agenda, including an assessment of independent proxy advisory research. Jupiter does not outsource the voting decisions to an external service provider and does not automatically vote in line with third-party recommendations, with the exception of Jupiter's systematic quant-driven strategy.

Further details of Jupiter's approach to active ownership are available on the following website: https://www.jupiteram.com/board-and-governance/#our-approach-to-stewardship.

## Attainment of the sustainable investment objective

The Investment Manager seeks to attain the Fund's sustainable investment objective through investment in a portfolio of investments that are substantially orientated towards the following sustainable solution themes (typically by assessing indicators such as the level of revenue or capital expenditure related to economic activity that is contributing to the themes):

- **Clean energy:** Generation and enabling equipment for renewable energy sources including wind, solar, geothermal, hydro and waste-to-energy.
- **Green mobility:** Transport equipment, infrastructure and services supporting low emission road vehicles, aviation and railway transport, and logistics.
- **Green buildings and industry:** Energy and materials efficiency solutions;
- **Sustainable agriculture and land ecosystems:** Activities including alternative protein, reforestation, and sustainable packaging.
- **Sustainable oceans and freshwater systems:** Products and supporting services for water infrastructure, treatment, including flood control; and
- **Circular economy:** Recyclable products/materials, and waste management services.

The Investment Manager applies a "pass-fail approach" in determining whether a company is substantially focused on activities generating or enabling a positive impact against one or more of the above themes, considering an investment to be substantially focused on such activities to the extent that the revenues generated from such activities or the capital expenditure attributable to such activities is at least 20% of the company's total revenue or capital expenditure.

No reference benchmark has been designated for the purpose of attaining the Fund's sustainable investment objective.

| Version | Release Date | Description |
|---|---|---|
| Version 1 | December 2022 | Initial version |
| Version 2 | April 2023 | Re-format of 'Summary' section; general amendments to document to align with pre-contractual disclosure (as set out in Appendix 2 of the Prospectus) |
| Version 3 | July 2023 | Additional exclusions disclosed under 'Investment strategy' and 'Monitoring of the sustainable investment objective'. |
| Version 4 | December 2023 | Clarification regarding determination of companies whose operations contradict the principles of the United Nations Global Compact under 'Investment strategy' and 'Monitoring of the sustainable investment objective'. |