

9 October 2024

Dear Unitholder

Changes to Jupiter Ecology Fund

Following our letter dated 16 August 2024, we, Jupiter Unit Trust Managers Limited (the “**Manager**”), are writing to you as a unitholder in Ecology Fund (the “**Fund**”) to confirm the changes we are making to the Fund.

We will make these changes on 29 November 2024 (the “**Effective Date**”).

We set out below the reasons why we are making these changes, therefore **this letter is important and requires your attention but does not require you to take any action.**

Application of Sustainability Focus Label

As noted in our letter dated 16 August 2024, on 28 November 2023, the FCA published its Policy Statement (PS/16) on sustainability disclosure requirements and investment labels in the UK (“**SDR**”) which introduced, among other things, a voluntary sustainability labelling regime for sustainable investment products. SDR aims to increase transparency for sustainable investment products and ensure that funds marketed as sustainable do as they claim and have the evidence to back it up. There are four labels that can be used: Sustainability Focus, Sustainability Improvers, Sustainability Impact, and Sustainability Mixed Goals. There is no hierarchy between the four labels. Further detail on the requirements for each sustainability label can be found on the FCA’s website: www.fca.org.uk/consumers/sustainable-investment-labels-greenwashing.

The Fund has had a sustainability objective since its inception and the fund manager has therefore decided to apply for the Sustainability Focus Label for the Fund.

In order to comply with the FCA’s requirements for a sustainability label, it is necessary to make certain amendments to the drafting of the Fund’s investment objective, policy and strategy. From the Effective Date, the Fund’s objective, policy and strategy will be updated as shown in the Appendix to this letter. Please be aware that these changes will not affect the Fund’s risk profile, nor materially affect the way in which it is currently managed. Instead, the fund managers are providing greater clarity to certain aspects of the investment process which were not previously disclosed in the scheme particulars, but which need to be included to comply with the requirements for a sustainability label.

Please note that the FCA does not approve the use of a label but needs to approve the changes to the scheme particulars we have made to use the label. The FCA’s approval of the changes to the Fund documentation does not represent a recommendation or endorsement of those changes.

On the Effective Date, the Fund will start to use the Sustainability Focus Label and the Fund's scheme particulars and key investor information documents will be updated accordingly. These will be available online at www.jupiteram.com.

Further information

Any costs associated with the changes, including but not limited to fees of legal and other professional advisers, costs in relation to the printing and issuance of this letter and any changes to the fund literature will be borne by us.

Please note that you do not need to respond to this letter, and it is for notification purposes only. Should you have any questions or require further information relating to this matter, or would like this letter in another format such as Braille or large print, please call our Customer Services team on 0800 561 4000 between 9:00am and 5:30pm, Monday to Friday (excluding public holidays in England).

For your protection, we'll ask for your unitholder number so please have this to hand when you call. Please note that calls are recorded for your security and may be used for monitoring purposes. Alternatively, should you wish to discuss these planned changes, please consult your financial adviser.

Yours sincerely,

Jupiter Unit Trust Managers Limited

Appendix

Fund Changes

Investment objective and policy

	Current	New
Fund name	Jupiter Ecology Fund	Jupiter Ecology Fund
Investment objective	To provide capital growth with the prospect of income, over the long term (at least five years) by investing in companies whose core products and services address global sustainability challenges.	To provide capital growth (with the prospect of income) over the long term (at least five years) by investing globally in companies that generate or enable positive solutions to climate change and/or environmental degradation through their products and services in clean energy, green mobility, green buildings and industry, sustainable agriculture and land, sustainable oceans and freshwater systems or the circular economy.
Investment policy	<p>Summary: At least 70% of the Fund is invested in shares of companies based anywhere in the world whose core products and services address global sustainability challenges. Up to 30% of the Fund may be invested in other assets, including shares of other companies, open-ended funds (including funds managed by Jupiter and its associates), cash and near cash. Companies must meet both a comprehensive financial assessment and environmental and social criteria including looking at a full range of ethical exclusions.</p> <p>To attain the objective by investing at least 70% of the Fund in shares of companies based anywhere in the world. The Investment Manager seeks to identify companies whose core business, in the opinion of the Investment Manager, provides a solution to global sustainability challenges alongside a financial return. The Investment Manager will seek to identify the universe of these companies based on recognised sustainability challenges, investing across a combination of themes including but not limited to climate change mitigation, transition to a circular economy, waste prevention and recycling, protection of healthy ecosystems, pollution prevention control and sustainable use and protection of water and marine resources. Companies must meet both a comprehensive financial assessment and environmental and social criteria including looking at a full range of ethical exclusions.</p>	<p>Summary: At least 70% of the Fund is invested directly in the shares of Environmental Solutions Companies based anywhere in the world. Up to 30% of the Fund may be invested in other assets such as closed-ended funds (including funds managed or operated by Jupiter or an associate of Jupiter), or shares of companies that have a 20-50% revenue alignment to the provision of solutions to climate change and/or environmental degradation and cash, near cash, money market instruments and deposits.</p> <p>At least 70% of the Fund is invested directly in the shares of Environmental Solutions Companies based anywhere in the world.</p> <p>The Fund may also invest up to 30% in closed-ended funds (including funds managed or operated by Jupiter or an associate of Jupiter), or shares of companies that have a 20-50% revenue alignment to the provision of solutions to climate change and/or environmental degradation and cash, near cash, money market instruments and deposits. Investment in these shares is for diversification purposes and investment in cash, near cash, money market instruments and deposits is for liquidity management purposes.</p> <p>The Fund may only enter into derivative transactions for the purposes of efficient portfolio management (including hedging), i.e. to reduce risk, minimise costs or</p>

	<p>The Investment Manager seeks to avoid investments in industrial activities which do not fit with its environmental and social goals.</p> <p>The Fund may also invest in other transferable securities, open-ended funds (including funds managed or operated by Jupiter or an associate of Jupiter), cash, near cash, money market instruments and deposits.</p> <p>The Fund may only enter into derivative transactions for the purposes of efficient portfolio management (including hedging), i.e. to reduce risk, minimise costs or generate additional capital and/or income. The Fund may not enter into derivative transactions for investment (i.e. speculative) purposes.</p> <p>The Investment Manager seeks to exercise appropriately its stewardship responsibilities on behalf of its clients in order to meet the Fund's investment objective. Stewardship entails the analysis of, and engagement with, investee companies on material factors relating to their governance and the long-term sustainability of their business models.</p> <p>The Investment Manager is not in any way constrained by a benchmark in their portfolio positioning.</p>	<p>generate additional capital and/or income. The Fund may not enter into derivative transactions for investment (i.e. speculative) purposes.</p> <p>The Fund will not invest in any assets which conflict with the sustainability objective of the Fund.</p> <p>The Investment Manager is not in any way constrained by a benchmark in their portfolio positioning.</p>
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Investment strategy

The Fund currently does not have an investment strategy section. A new investment strategy section will be added as follows:

Sustainability Standard:

To be considered to be generating or enabling positive solutions to climate change and/or environmental degradation, a company must meet the "**Standard**":

- derive at least 50% of its revenues from the generation or enablement of solutions in one or more of the following six environmental themes clean energy, green mobility, green buildings and industry, sustainable agriculture and land, sustainable oceans and freshwater systems and the circular economy (the "**Environmental Solution Themes**"); and
- does not conflict with the sustainability objective of the Fund.

Companies that meet the Standard are referred to as "**Environmental Solution Companies**". The Investment Manager applies a "**pass-fail approach**" in determining whether a company meets the Standard.

The Environmental Solution Themes are viewed as significant to providing solutions to climate change and environmental degradation because the Investment Manager believes these challenges will require an interplay of the Environmental Solution Themes. Therefore, the Investment Manager does not apply a hierarchy between the Environmental Solution Themes to influence portfolio weightings.

The determination of whether a company meets the Standard is undertaken on an individual company-by-company basis by way of an assessment of activities of each portfolio holding in the context of the Environmental Solution Themes. As part of this assessment, the Investment Manager will consider the potential negative outcomes associated with a company's products and services (including those that do not provide an environmental solution) as well as wider attributes and determines whether these are material enough to conflict with the sustainability objective of the Fund. Where the Fund invests in other funds, the Investment Manager will analyse the underlying investee company's assets on a look-through basis and will follow the same approach outlined above.

Companies are determined to conflict with the Fund's sustainability objective should they:

- 1) Violate the UN Global Compact (UNGC) or OECD Guidelines for Multinational Enterprises (OECD MNE)*¹ ; and/or
- 2) Generate materially significant revenue (i.e. not more than 10% of revenue) from products and services that conflict with any of the six theme objectives**², as detailed within the Fund's Screening Policy and disclosed within the Exclusions section of the scheme particulars;

Based on long-term market analysis, companies that have a majority (i.e. more than 50%) of the revenues from sustainable activities are aligned to the provision of solutions to climate change and/or environmental degradation. Revenue greater than 50% ensures that the provision of these solutions exists as a key focus of the corporate strategy of the companies invested in by the Fund, and they have a corporate purpose that is focused on growing the market for, and the delivery of, the respective solution(s) to climate change and/or environmental degradation. These companies demonstrate a forward-looking corporate alignment in areas such as strategy, management, expertise and incentives, and capital allocation including towards research and development, that serves to accelerate the adoption of solutions to climate change and/or environmental degradation.

Conversely, companies that generate more than 10% of aggregate revenues from products or services conflicting with any of the six theme objectives (as detailed within the Fund's Screening Policy and disclosed within the Exclusions section of the scheme particulars), risk having a corporate purpose that misaligns with the provision of solutions to climate change and/or environmental degradation. The Investment Manager has set the threshold of not more than 10% of aggregate revenues taking into account business reporting activity guidance in the International Financial Reporting Standards (IFRS 8), which provides guidance that companies deriving more than 10% revenues is the threshold at which companies are recommended to separately report on those activities' revenues. Product or service activity involvement contributing to more than 10% of company revenue and which is reported on separately therefore represents a core portion of company revenues. Reportable information is capable of being scrutinised by investors and therefore drives board attention and company focus. This approach ensures that the activities detracting from the company's environmental contributions are not core to the company and in no instances represent a larger portion of revenues than environmental solutions activities.

Additionally, the Investment Manager undertakes analysis of negative company and sector-specific environmental and social outcomes relating to both products and services and operational impacts using third-party research and market-data sources. The assessment of these inputs is integral to the fundamental investment process, identification of other potential conflicts not formally identified or excluded as a result of the above two criteria and possible engagement activity. The Investment Manager does not defer to third

¹ *Given the specific sustainability objective of the fund, particular emphasis is placed on determining compliance against the environmental principles of the UNGC (Principles 7-9) and the OECD MNE (Guideline 6) while noting that other principles of each framework are not overlooked by the Investment Manager. Principles 7-9 of the UNGC are derived from the Rio Declaration on Environment and Development, and state that businesses should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies. Assessment of potential violation of these principles includes analysis of carbon impact of products, natural resource use, air pollutant emissions, and degradation & contamination of land and water, spanning products, operations and supply chains.

² ** Note the theme objectives are referred to in the KPI table: 1) The decarbonisation of energy systems with renewable sources 2) The decarbonisation of transport systems using sustainable alternatives 3) Enabling the decarbonisation of the built environment and industrial processes through greater energy and resource efficiency 4) Enabling sustainable food production, land-use, and protection of terrestrial habitats 5) Enabling sustainable water management and protection of marine and freshwater habitats 6) Enabling a growing share of resource circularity in the global economy.

party data where it assesses companies as compliant with UNGC and OECD MNE, and can and does exclude companies where proprietary assessment raises concerns of a conflict(s) with the objective of the Fund, for example in instances of a delay in the third party analysis of recent environmental controversies.

The Investment Manager is aware that there may be potential trade-offs between the Environmental Solution Themes. The Investment Manager monitors the investments across six Environmental Solution Themes via due diligence conducted by the Investment Manager. However, on balance, given the inter-connected nature of the Environmental Solution Themes and the potential to generate or enable solutions to climate change and/or environmental degradation, the Investment Manager views commercial and technological advancement in one Environmental Solution Theme to enable the advancement of other Environmental Solution Themes. For example, clean energy solutions contribute to grid decarbonisation which in turn unlocks the real-world environmental benefit of solutions in the green mobility theme such as electric road vehicles, and the green buildings and industry theme, such as low carbon heating and cooling.

Both third party data and proprietary analysis may be used within the Investment Manager's assessment of whether a company is an Environmental Solution Company. The Investment Manager may engage with companies to gain further information to support its assessment.

In particular, the measurement of revenue alignment will be conducted using company disclosures, accounts, and other information collected by the Investment Manager during its engagements with companies, in order to monitor these companies and assess whether they meet the Standard. The Standard has been independently assessed as appropriate for the Fund. The independent assessment of the Standard is undertaken by experienced individuals from Jupiter's Risk and Compliance teams. These individuals, individually and collectively, operate autonomously from the Investment Manager and are independent of the investment decision making process. The Standard is independently assessed at least annually, and when any material change is made to the Fund, to ensure it remains appropriate.

The Investment Manager utilises a range of tools to monitor the ongoing compliance of investee companies with the sustainability objective of the Fund, to ensure that there are no breaches of the conditions for revenues and negative outcomes outlined above. In addition to closely monitoring investee companies by reading live news coverage, broker research and industry reports, the Investment Managers utilises a range of third-party data-based tools including live controversy alerts, ongoing screening policy compliance reports, and evolution over time of reported performance against standardised environmental metrics.

The Investment Manager's assessment of each investee company is subject to a quarterly review by the ESG Research & Integration and Investment Management Internal Control Functions.

The ESG Research & Integration and Investment Management Internal Control Functions will review the Investment Manager's assessment of each investee company to ensure that the evidence provided supports the requirements for inclusion (i) as either an Environmental Solution Company; or (ii) within the Fund under the 30% portion of the portfolio. If this review determines that the evidence provided has not been sufficient, additional information may be requested and/or the holding escalated internally as described in the "Stewardship, Engagement, and Escalation Plan" section below.

Key Performance Indicators:

The below table sets out the products and services covered by each of the Environmental Solution Themes (measurable by associated company revenue), together with a non-exhaustive list of the relevant KPIs used by the Investment Manager to measure and report on the sustainability outcomes achieved by such products and services (and therefore attainment of the Fund's sustainability objective). A complete list of activities underpinning the Environmental Solution sub-themes can be found in the Investment Manager's Screening Policy which is disclosed in full on Jupiter's website on the following page: [\[insert link\]](#).

Environmental Solution Themes	Environmental Solution sub-themes	Key Performance Indicators ("KPIs")
	Development, processing, manufacturing and distribution of products and services used for:	Depending on the thematic solution, KPIs may include:

Clean Energy: The decarbonisation of energy systems with renewable sources	<ul style="list-style-type: none"> • Renewable electricity technologies • Renewable electricity generation and storage • Clean molecule technologies, generation and storage • Electrification infrastructure and digital solutions 	<ul style="list-style-type: none"> • Renewable Energy Generated for Sale or Use (GWh) • Greenhouse Gas Reductions due to Products Sold (tCO₂e) • Energy Savings from Products or Services Sold (GWh)
Green Mobility: The decarbonisation of transport systems using sustainable alternatives	<ul style="list-style-type: none"> • Electric road vehicles and components • Low-carbon transport solutions • Efficient transport infrastructure and logistics • Public transport • Emissions monitoring 	<ul style="list-style-type: none"> • Greenhouse Gas Reductions due to Products Sold (tCO₂e) • Energy Savings from Products or Services Sold (GWh)
Green Buildings & Industry: Enabling the decarbonisation of the built environment and industrial processes through greater energy and resource efficiency	<ul style="list-style-type: none"> • Energy and resource efficient technologies • Energy management systems • Low-carbon heating and cooling • Efficient industrial processes and green products 	<ul style="list-style-type: none"> • Greenhouse Gas Reductions due to Products Sold (tCO₂e) • Energy Savings from Products or Services Sold (GWh)
Sustainable Agriculture & Land Ecosystems: Enabling sustainable food production, land-use, and protection of terrestrial habitats	<ul style="list-style-type: none"> • Sustainable land management • Bio-based materials and natural ingredients • Regenerative and efficient agriculture • Alternative proteins • Environmental consulting, engineering, testing and measurement 	<ul style="list-style-type: none"> • Greenhouse Gas Reductions due to Products or Services Sold (tCO₂e) • Land area conserved or protected due to Products or Services Sold (KM²) • Bio-based products and materials delivered (t)
Sustainable Oceans & Freshwater Systems: Enabling sustainable water management and protection of marine and freshwater habitats	<ul style="list-style-type: none"> • Water Infrastructure • Water conservation, treatment and/or harvest technologies and services • Nature-based solutions 	<ul style="list-style-type: none"> • Water Savings from Products Sold (m³) • <u>Water Savings from Services Sold (m³)</u> • Wastewater Treated (m³)

<p>Circular Economy:</p> <p>Enabling a growing share of resource circularity in the global economy</p>	<ul style="list-style-type: none"> • Recycling and waste management services • Hazardous waste treatment and remediation • Waste avoidance technology and services • Organic and recyclable materials • Circular business models 	<ul style="list-style-type: none"> • Non-hazardous Waste Avoided (t) • Hazardous Waste Avoided (t) • Biodegradable Materials (t) • Waste Reductions from Products or Services Sold (m3)
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Exclusions:

When selecting companies for investment by the Fund, the Investment Manager applies a Screening Policy.

Under this Screening Policy, the Investment Manager excludes investment in companies:

- deemed in violation of the UN Global Compact (UNGC);
- engaged in the manufacture of controversial weapons;
- directly engaged in fossil fuel exploration, extraction and production;
- that derive more than 5% of their revenue from certain identified “vice” sectors, nuclear energy generation, small arms and military contracting for weapons; and
- that derive more than 10% of their revenue from the generation of electricity from fossil fuels and military contracting for weapon-related products and services.

Assets that have attributes that conflict with the Fund’s sustainability objective are excluded.

The Screening Policy is disclosed in full on Jupiter’s website on the following page: [\[insert link\]](#).

Stewardship, Engagement, and Escalation Plan:

Where the Standard is no longer met in relation to an Environmental Solutions Company, the Investment Manager will consider the extent of non-compliance and either:

1. engage with the company and proceed with the escalation plan with the aim of enabling the company to meet the Standard again (see further details below);
2. allocate the asset to the remaining 30% of the Fund’s portfolio that is not invested in Environmental Solutions Companies provided such asset does not have attributes that conflict with the sustainability objective of the Fund; or
3. divest in accordance with the Investment Manager’s breaches policy (typically within 5 days).

Where an asset has attributes that conflict with the sustainability objective of the Fund, the Investment Manager will divest.

The Investment Manager will conduct an annual assessment of the suitability of the assigned label for the Fund. This evaluation determines whether assets held by the Fund are compatible with the Fund’s sustainability objective. The outcome of the Investment Manager’s assessment will be reported to the appropriate internal governance committees.

Engagement

To support assets in remaining sustainable and/or delivering long-term value, the Investment Manager will engage with all investee companies (including both Environmental Solution Companies and companies that have a 20-50% revenue alignment to the provision of solutions to climate change and/or environmental degradation), primarily with the aim of achieving at least one of the following outcomes:

1. enhance corporate governance and strategy in relation to the provision of environmental solutions;
2. identify and mitigate risks, including potential negative environmental or social outcomes of the company's activities, products and/or services; and/or
3. advocate and attain leadership in reporting and disclosure, with a focus on key frameworks that recognise and showcase investment opportunities relating to environmental solution markets alongside risk management.

Communication: The Investment Manager will engage with investee companies at least every two years. Engagements with companies can take a prolonged period in order to be successful. This is often due to the time required by companies to plan and implement new processes along with the timing of regular reporting cycles. For this reason, two years is viewed as a reasonable timeframe over which to measure whether material progress is being made in relation to an engagement objective.

This period of two years does not pertain to situations where there is a risk of breach of the Fund's sustainability objective, or a conflict with it. In these instances engagements are conducted as frequently as required to ensure compliance with the sustainability objective as soon as reasonably practicable, where appropriate. In instances where a breach is not yet confirmed, target companies will not be classified as Environmental Solutions Companies at least until a satisfactory engagement outcome is achieved. In instances where a breach is confirmed, the Fund will divest in accordance with the breaches policy (typically within 5 days).

Assessment and agreeing engagement objectives: Alongside the three primary engagement objectives outlined above, the Investment Manager will measure the attainment of the Standard and/or KPIs to ensure that the sustainability objective is met. If an investee company is deemed to no longer be meeting the Standard and/or there is a material negative development in the KPIs, this will be communicated with investee companies, either in writing or verbally and actions and timeframes will be agreed to ensure compliance as soon as reasonably practicable. Where an investee company has fallen short of the Standard and/or there is a material deterioration of the KPIs, the Investment Manager will engage with the company and proceed with the escalation plan.

Stewardship

The Investment Manager will use 100% of its votes in line with the Fund's objective. The Investment Manager is a signatory to the Stewardship Code 2020.

Escalation

The Investment Manager will use escalation in the following instances:

- Where an investee company fails to respond to engagement.
- Where engagement has occurred for two years (or more frequently as required to ensure compliance with the sustainability objective) without material progress towards meeting the engagement objective. When there is a risk of breach of the Fund's sustainability objective.
- Where there is a conflict with the Fund's sustainability objective.
- There is a reputational risk to the Fund.
- Where the investee company fails to meet the Standard but the Investment Manager considers the company is able to meet the Standard further to the escalation plan being implemented.

The escalation channels and outcomes may include:

- Public statements to express the Fund's concerns and expectations.
- Voting against the management or the board of the investee company.
- Co-filing or supporting shareholder resolutions that address the ESG issues.
- Redirecting the investments from the sustainability portfolio investments into the 30% allocation.
- Divesting from the investee company, when the Investment Manager considers that the company is unlikely to achieve the Fund's sustainability objective, it conflicts with the Fund's sustainability objective, or it poses a reputational risk to the Fund.

Annual assessment of label:

The Investment Manager will conduct an annual assessment of the suitability of the assigned label for the Fund. This evaluation determines whether assets held by the Fund are compatible with the Fund's sustainability objective. The outcome of the Investment Manager's assessment will be reported to the appropriate internal governance committees.

Negative Outcomes:

It is possible that Environmental Solutions Companies may have a material negative impact on environmental and/or social outcomes in pursuit of the Fund's sustainability objective. The Investment Manager has no control of these negative outcomes; however, these may include:

- Material and energy use in the production or use of environmental solutions, for example in the production and transport of clean energy solutions, insulation materials, and equipment used in the decarbonisation of transport, may have negative outcomes such as significant greenhouse gas emissions, chemical usage/disposal, and localised pollutants.
- Waste generation that includes hazardous waste during production, use, or disposal of environmental solutions at the end of usable lifespans.
- Operational and supply chain outcomes that inhibit or infringe on human and labour rights, and standards of workplace safety.
- Indirect negative social outcomes from the evolution to a more sustainable economy. For example, job losses within misaligned industries.