JAPAN'S STEWARDSHIP CODE

JUPITER'S APPROACH 2020

JUPITER FUND MANAGEMENT PLC

JUPITER

Published September 2020

www.jupiteram.com

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INTRODUCTION

JUPITER'S APPROACH

This document explains compliance by Jupiter Asset Management ("Jupiter") with the eight[1] principles of Japan's Stewardship Code ("the Code"). Jupiter welcomes the implementation of the Code, including the amendments made by the Council of Experts on the Stewardship Code and published in March 2020, following a consultation in which we participated. We recognise the important role institutional investors have to play in enhancing corporate governance at Japan's publicly listed companies.

Jupiter has a long track record of investing in Japan's equity market, having launched our first single strategy Japanese equity fund in September 2005. Our approach to stewardship is borne out of a belief that allocating capital to well-governed companies with sustainable business models enhances the potential for positive, long-term outcomes for our clients. We apply this approach across all asset classes and jurisdictions in which we invest.

We recognise that stewardship is a long-term process. When selecting companies in which to invest, we ultimately look for those with management teams who we believe will act in the best interests of shareholders, and whose business models are sustainable over the long term. Once invested, our general approach is to support boards and management. Where necessary, we will seek to engage with boards in order to find constructive solutions to ESG matters. We believe that doing so is the most effective way to fulfil our responsibilities under the Code and generate returns for our clients.

Jupiter's approach to environmental, social and governance ('ESG') matters is set out in our Stewardship Policy. Both the Policy and this document are available on Jupiter's website at www.jupiteram.com.

DAN CARTER, Fund Manager

PRINCIPLE 1

Institutional investors should have a clear policy on how they fulfil their stewardship responsibilities, and publicly disclose it.

JUPITER'S POSITION ON PRINCIPLE 1:

- Jupiter's approach to stewardship is publicly disclosed on its website. We have a fund manager led approach, aligned to investment considerations and designed to enhance and protect our clients' capital.
- These statements should be read in conjunction with Jupiter's i) Stewardship Policy and ii) Stewardship Report.

JUPITER'S APPROACH TO PRINCIPLE 1:

As an active fund manager, Jupiter seeks to deliver investment outperformance after fees, over the long-term without exposing clients to unnecessary risk. Stewardship is an important factor which underpins this objective. Fund managers take the lead on stewardship issues and integrate ESG analysis within their investment approach, working in partnership with Jupiter's Governance and Sustainability Team.

Jupiter has established a Stewardship Committee in order to strengthen internal communication on stewardship issues. The Stewardship Committee is chaired by the Chief Investment Officer (CIO). The objective of the Committee is to develop and deliver a coordinated approach to engagement with chairmen, directors and independent non-executive directors. The Stewardship Committee is also responsible for reviewing Jupiter's policies on stewardship and engagement and ensuring adherence to the company's stewardship obligations.

1 As Principle 8 of the revised Code relates solely to service providers for institutional investors, its obligations do not relate to Jupiter and we have therefore not reported against it in this document.

PRINCIPLE 2

Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

JUPITER'S POSITION ON PRINCIPLE 2:

- Jupiter recognises the importance of managing potential conflicts of interest on behalf of its clients when voting their shares and engaging with investee companies.
- Jupiter's published Group Conflicts of Interest Policy is available at www.jupiteram.com.

JUPITER'S APPROACH TO PRINCIPLE 2:

Jupiter is an investment management company whose parent company is Jupiter Fund Management plc. Jupiter's investment management business is conducted at arm's length from its parent company. Potential conflicts of interest are therefore arguably likely to be rare. However, the primary objective is always to act in the clients' best interests when considering matters such as voting and engagement.

In accordance with Financial Conduct Authority requirements, Jupiter is required to establish, implement and maintain an effective Conflicts of Interest Policy that is appropriate to Jupiter's size and organisation and the nature, scale and complexity of its business.

Conflicts may arise when clients are also companies in which Jupiter invests. In these circumstances, contentious issues are discussed with the relevant fund managers, the CIO and the Compliance team. In addition, there will be close engagement with the relevant company, including where the issue may relate to a voting matter. In this instance, Jupiter will vote in the best interests of the funds/clients who hold shares in the company, using the principles of Treating Customers Fairly (TCF). Where applicable, Jupiter will obtain advanced approval from the relevant client prior to voting.

PRINCIPLE 3

Institutional investors should monitor investee companies so that they can appropriately fulfil their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

JUPITER'S POSITION ON PRINCIPLE 3:

- Monitoring through regular company meetings provides the opportunity to question and challenge directors about issues that affect corporate value.
- Fund managers and specialists seek to understand how governance factors impact long-term performance through monitoring.

JUPITER'S APPROACH TO PRINCIPLE 3:

Jupiter monitors investee companies by hosting and attending regular meetings with company management teams. Jupiter typically has in excess of 250 meetings with Japanese companies each year. The majority of these are held post the announcement of preliminary or interim results.

In order to stay abreast of ESG developments and to contribute to industry and policy matters, Jupiter selectively engages in dialogue with industry bodies, policy makers and government agencies on issues considered relevant to the interests of our clients.

The provisions of the Corporate Governance Code require Japanese companies to appoint at least two independent outside directors to the Board. This has created an opportunity for Jupiter to enhance our monitoring activities by engaging directly with independent directors. We intend to increase this programme of engagement over time. Discussions may include, but are not limited to, business strategy, corporate culture, succession and remuneration.

Fund managers and specialists monitor companies and work together to identify ESG issues and organise engagement on a continuous basis, making use of extensive internal research. Jupiter also makes use of third-party research in the assessment of ESG issues (see the section on Proxy Advisers within Principle 5, below). Stewardship related engagement is recorded on an internal database. This is used to track the progress of dialogue and assists with the scheduling and identification of future engagement.

PRINCIPLE 4

Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

JUPITER'S POSITION ON PRINCIPLE 4:

Please refer to Principle 3 above for information regarding Jupiter's programme of constructive dialogue with investee companies.

- From time to time, company-specific issues may arise which lead to the decision to escalate concerns.
- Fund managers have discretion over escalation and decisions may be taken with input from the CIO, the Head of Governance and Sustainability and the governance and sustainability specialists.
- Actions are considered and undertaken on the basis of promoting the medium- to long-term increase of corporate value and the sustainable growth of companies, on behalf of our clients.

JUPITER'S APPROACH TO PRINCIPLE 4:

Potential considerations which govern Jupiter's decision to engage are diverse. We may decide to constructively engage if, for example, there are specific concerns about an M&A transaction, takeover defences, board members or strategy, environmental or social risks. In these circumstances, we may initially write to the company detailing our concerns. We may then seek a formal discussion with the chairman or an independent director. The above framework is not exhaustive and there may be other occasions in which Jupiter may decide to escalate its activities in a different manner, such as via collective engagement with other shareholders.

Jupiter values its relationships with investee companies and the primary objective is to resolve issues directly without the need for external dialogue. Jupiter is aware that escalating engagement activity carries a degree of sensitivity and risk and that confidentiality is of utmost importance. Therefore, discussions with a company normally remain confidential, particularly when faced with a scenario that could be detrimental to shareholder value.

PRINCIPLE 5

Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.

JUPITER'S POSITION ON PRINCIPLE 5:

- Jupiter maintains a clear policy on voting and disclosure of voting activity.
- This policy is reviewed on an annual basis by the Stewardship Committee.
- Japan voting records are published on a monthly basis.

JUPITER'S APPROACH TO PRINCIPLE 5:

Jupiter's Governance and Sustainability team is responsible for coordinating the timely and informed voting of proxies at company meetings. Jupiter attempts to vote wherever possible and practicable. As an institutional shareholder, Jupiter endeavours to ensure voting intentions are executed.

Please refer to Jupiter's Stewardship Policy for further details. Voting records (including a rationale where we decide not to support management) can be found on the following link: https://www.jupiteram.com/Global/en/Investor-Relations/Governance/UK-Stewardship-Code/Voting-records.

PROXY ADVISERS

In order to assist in the assessment of corporate governance and sustainability issues, Jupiter subscribes to external corporate governance and sustainability research and data providers. While Jupiter takes the proxy adviser's recommendations into account, stewardship activities are not delegated or outsourced to third parties and recommendations are not routinely followed when deciding how to vote. The principal ESG research providers are Institutional Shareholder Services (ISS), Institutional Investor Advisory Services (IiAS), Sustainalytics and RepRisk.

Jupiter processes its voting instructions electronically via a third-party proxy voting agent. In some instances, where it is merited, a Jupiter employee will attend an annual general meeting in person or appoint a representative to attend the meeting and vote on Jupiter's behalf.

PRINCIPLE 6

Institutional investors in principle should report periodically on how they fulfil their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

JUPITER'S POSITION ON PRINCIPLE 6:

- Please refer to Principle 5 on the previous page.

JUPITER'S APPROACH TO PRINCIPLE 6:

Jupiter publishes a biannual Voting and Engagement Report which is available on our website. The report looks at voting trends and highlights selected engagements. When relevant, we may also report on engagement outcomes reflecting the effectiveness of our stewardship activities. From March 2021, we will report annually on outcomes of our stewardship engagement under the new UK Stewardship Code.

Jupiter's voting process is subject to independent assurance on an annual basis as part of the ISAE 3402 and AAF 01/06 controls report, which is provided to the institutional clients of Jupiter Asset Management Limited and to the boards of Jupiter's Investment Trusts. For the AAF 01/06 Stewardship Supplement, see https://www.icaew.com/-/media/corporate/files/technical/audit-and-assurance/assurance/tech-release-aaf-01-06.ashx

PRINCIPLE 7

To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.

JUPITER'S POSITION ON PRINCIPLE 7:

- Please refer to Principles 1, 3 and 5 above.

JUPITER'S APPROACH TO PRINCIPLE 7:

Fund managers lead Jupiter's engagement programme, in partnership with the governance research team. Stewardship is thus overseen by investors with many years of industry and company-specific knowledge across the markets in which they operate, making use of extensive internal research. This consistent and longstanding approach means that our Heads of Investment Strategy and senior fund managers develop extensive experience in this field. This contributes to increased awareness of stewardship issues among our fund managers and specialists.

In terms of organisational structure and corporate leadership, Jupiter's governance approach is strategically supported by the CIO and the Stewardship Committee (see Principle 1 above).

The Governance and Sustainability team is part of the fund management department and reports to the CIO. The team aims to complement decision making and monitoring by facilitating the integration of long-term factors that traditional financial analysis has sometimes neglected, providing specialist insights to the fund managers who are best placed to identify the factors which are most material to corporate and investment performance. The team is responsible for coordinating the voting of proxies at shareholder meetings and assisting fund managers with investee company engagement.

The close working relationship between the Governance and Sustainability team and our fund managers results in an alignment of efforts. This is something we believe makes us more effective in our dialogue with management teams and independent directors. We do not seek ESG improvements for their own sake but rather seek to understand the potential material impact of these factors on the performance of a business and on long-term value creation for our clients.

FOR FURTHER INFORMATION:

Visit www.jupiteram.com for more information on Jupiter's stewardship activities.

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