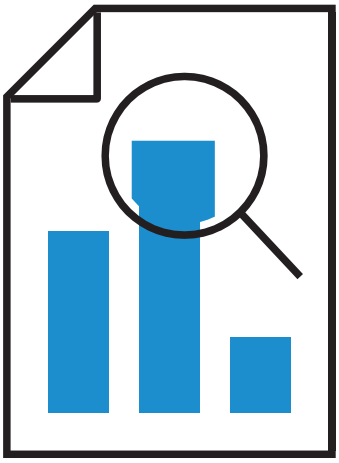
J.P.Morgan
ASSET MANAGEMENT



JPMorgan Funds – Global Bond Opportunities Sustainable Fund

2023 Transparency code

October 2023

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JPMorgan Funds – Global Bond Opportunities Sustainable Fund

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For more details, please see our Exclusion Policy

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2 General information about the fund management company

2.1 Name of the fund management company that manages the applicant fund(s)

J.P. Morgan Asset Management (Europe)

2.2 What are the company's track record and principles when it comes to integrating SRI into its processes?

J.P. Morgan Asset Management's global commitment to sustainable investing is reflected in our endorsement of independent, and now widely accepted, codes of conduct and principles.

This includes the United Nations Principles for Responsible Investment (UNPRI)[1] , which we have been a signatory to since 2007 and to which our active investing activities are aligned.

J.P. Morgan Asset Management believes that long-term thinking leads to sustainable business models, and that ESG factors as additional inputs inform better long-term investment decision-making.

We define ESG integration as the systematic inclusion of financially material ESG factors (alongside others) into investment analysis and investment decision-making. We systematically assess financially material ESG factors in our investment decisions to reduce risk and improve long-term, risk-adjusted returns in actively managed assets entrusted to our management.

To assess and periodically review the integration of financially material ESG factors in actively managed investment processes, we have developed and implemented a proprietary set of key metrics. This includes a process-focused, 10-metric framework to validate the approach applied by our investment groups.

This is consistent with our policies in relation to the integration of sustainability risks in investment decision-making and investment advisory processes, as outlined in our Sustainability Risks Policy.

For more information on this, as well as our overall approach to ESG integration, please see our ESG Integration Paper.

[1] The UNPRI survey includes modules that solicit information from signatories, including J.P. Morgan Asset Management, on various topics including strategy and governance. Information is self-reported by signatories, including J.P. Morgan Asset Management, and was not audited by any party, including J.P. Morgan Asset Management, independent public accounting firms or UNPRI

2.3 How does the company formalise its sustainable investment process?

Our Sustainable Investing Statement outlines our commitment to sustainable investing and outlines our focus on ESG integration, investment stewardship, sustainable products and solutions, ESG data & research, key sustainable themes and operational sustainability.

ESG Integration: ESG integration means that we systematically assess financially material ESG factors (alongside others) including sustainability risks in our investment decisions with the goal of managing risks and improving long-term returns.

Investment Stewardship: Engaging our investee companies in dialogue and encouraging positive change in our clients' interests are key components of how we deliver our stewardship strategy.

Client Solutions: We offer capabilities across a wide range of sustainable investing approaches to meet diverse client needs. Our broad range of sustainable solutions are designed to align with our clients' financial goals and values.

Data & Research: As part of our approach to integrating financially material ESG factors into our investment process, we combine fundamental research with external and proprietary data analytics. We continuously seek to enhance our sustainable investing processes and capabilities through forward-looking research.

Key sustainable themes: By developing insights on strategic long-term trends and understanding their impact on investment, we can play a critical role in creating value for our clients.

Operational sustainability: We are committed to sustainability across our investment processes as well as throughout our own business and operations. Sustainability as a key element of our corporate strategy is reflected in our culture and our approach to diversity, equity, and inclusion.

The Sustainable Investing Statement is reviewed on a continuous basis by the Sustainable Investing team as well as the Sustainable Investing Oversight Committee (SIOC) at least once a year.

For more information, see the full Sustainable Investing Statement and Policy on Engagement and Proxy Voting.

2.4 How are ESG risks and opportunities – including those linked to climate change understood/taken into account by company?

As a firm, JPMAM embraces a number of different investment methodologies and approaches. Some strategies collect and deploy ESG data in a highly systematic way to produce rankings which are used in security selection and portfolio construction. Other strategies use data more qualitatively, through fundamental research. As a global active manager using a variety of investment styles, we integrate financially material ESG factors (including those linked to climate change) into the investment process of an investment group in a manner consistent with the underlying strategy, from the purely quantitative to those based on a combination of fundamental research and qualitative judgments.

We believe it is important to align the consideration of financially material ESG factors to the specific investment style, such that the integration of ESG information contributes to investment performance.

These nuances reflect our core focus on ensuring that ESG information is used in a way that is material and relevant to each investment process.

Our overarching consistent framework, to which all of our ESG-integrated strategies adhere, requires the following:

1) Portfolio management teams to consider proprietary research on the financial materiality of ESG issues (alongside other relevant factors) relative to the strategy's investments, and to conduct corporate engagements where possible.

2) Documentation of the advisor's research views and methodology throughout the investment process.

3) Appropriate monitoring of ESG considerations in ongoing risk management and portfolio reporting.

All ESG-integrated strategies must be reviewed by the ESG Data & Research Working Group, and approved by the Sustainable Investing Oversight Committee (SIOC), which also provides ongoing strategic oversight

Delivering ESG integration: Our 10-metric scoring system

The Sustainable Investing team, in partnership with the ESG Data & Research Working Group, defines our firmwide approach to ESG integration. This group includes senior Investment Professionals (Head of Research, portfolio managers and analysts) and Sustainable Investing specialists. The Working Group has developed a proprietary 10-metric scoring system to evaluate progress toward, and achievement of, ESG integration at each critical step of an investment process.

Even though investment groups have their own method for implementing ESG integration, JPMAM's governance process for determining whether an investment group is ESG Integrated is uniform. Currently, the governance process includes the following four steps:

(1) **Demonstration** – investment groups are required to present their ESG integration approach to the ESG Data & Research Working group. Our process for determining which investment groups are ESG integrated has continued to evolve and improve with the development of the framework (see below). To receive ESG integrated status under our current methodology, the investment team must receive an aggregate score of at least 30 points out of a total of 50 and, for each metric, receive at least a 2 on a scale of 1 to 5. If the investment group does not meet this threshold, the Working Group will discuss specific shortcomings and the improvements that need to be made before it can be re-evaluated at a later stage. The 10-metric scoring system not only offers guidance on how to evaluate a particular strategy but also can be used to measure progress over time.

(2) **Review** – ESG Data & Research Working Group assesses integration approach based on 10-metric framework and scores the investment group. Unsuccessful teams incorporate feedback from the D&R Working Group and can re-apply the review process;

(3) **Approval** – the Sustainable Investing Oversight Committee (SIOC) approves or rejects the ESG integration status based on the result and feed-back from the D&R Working Group; and

(4) **Implementation** – Investment group applies ESG integration according to their own approved method and are regularly monitored by their respective Investment Directors or equivalent teams. Investment groups are required to return to SIOC to recertify their process as ESG integrated at least every three years.

For more information and detail on how ESG integration is conducted at each asset class level, please refer to our ESG integration paper.

For more information regarding Climate Risk as one of our Stewardship Priorities please see our Investment Stewardship Priorities.

2.5 How many employees are directly involved in the company's sustainable investment activity?

Our coordinated strategy for sustainable investing globally is driven by Jennifer Wu, Global Head of Sustainable Investing. She leads the efforts across sustainability-focused investment research, solutions development and investment stewardship with a dedicated team of Sustainable Investing specialists.

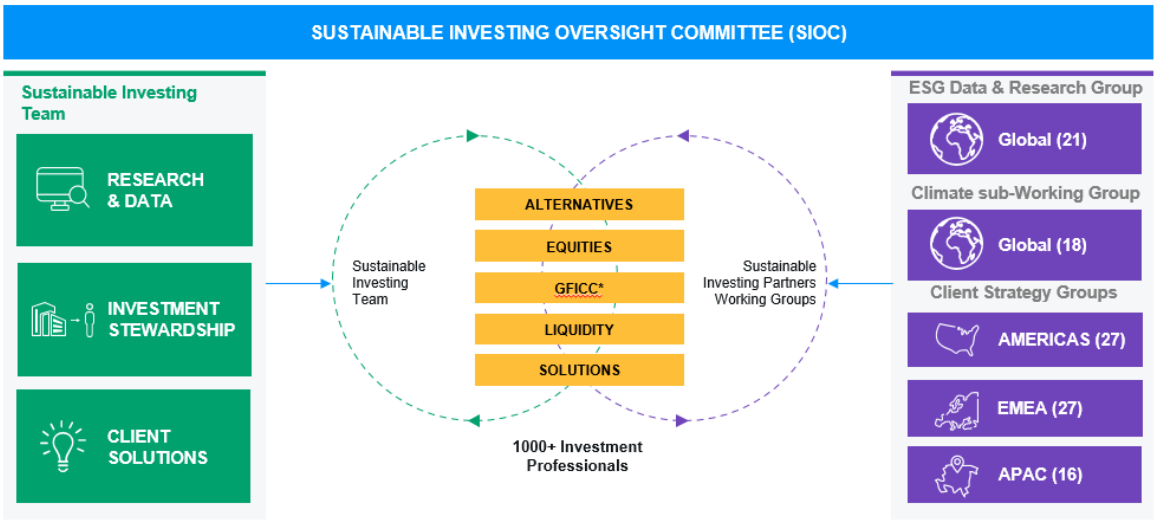
As of 31 December 2022, we have 36 personnel, including 32 specialists, on the dedicated Sustainable Investing team. The team drives ESG-related research across investment teams, seeks to develop and publish sustainable investment thought leadership and works with clients to build and implement sustainable investment solutions.

In addition, the Investment Stewardship pillar of the team oversees our corporate engagement and proxy voting strategy. The Sustainable Investing team sits on the investment floor and its research is a direct feed into the underlying processes of our investment strategies.

The Sustainable Investing team is structured into three distinct pillars:

- The Client Solutions pillar provides ESG expertise to design and build sustainable investment products and customized client solutions, engages with clients to help them meet their ESG objectives and partners with a broad range of functions and teams to advance our sustainable leadership through education and commitment to ESG standards.
- The SI Research pillar develops proprietary ESG and climate modelling and research by partnering with data scientists, research analysts and portfolio managers, to enhance our investment capabilities and product innovation.

- The Investment Stewardship pillar defines and directs company and industry level engagements on our six global stewardship priorities, including providing ESG expertise for our broader investment-led engagement efforts, and exercises our voting rights globally, aligned to clients' portfolio objectives.



The Sustainable Investing Oversight Committee

The Sustainable Investing Oversight Committee (SIOC) serves as a single point of ongoing strategic oversight, effective decision making, review and assurance across the key components of sustainable investing. This includes engagement, proxy voting, sustainable investments criteria, oversight of ESG integration, oversight and review of implementation plans for the firm's commitment to Net Zero Asset Managers Initiative, as well as regulatory developments. Related policies, programmes, targets and performance are overseen by this group. It meets on a quarterly basis.

Committee members include the Chief Investment Officers (CIOs) of each asset class alongside the Global Head of Sustainable Investing, the Global Head of Investment Stewardship and heads of control functions such as risk and compliance.

Sustainable Investing Partners Working Groups

To further collaborate on supporting and advancing JPMAM's global leadership on sustainability, a network of peer advisory working groups exists to connect expertise across our extensive platform of subject matter experts. In order to ensure that we bring together the relevant expertise to help our clients achieve their sustainable objectives, these working groups focus on a range of goals, from achieving commercial objectives to contributing to developing innovative investment capabilities to ensuring we have a well-controlled approach to ESG policies, processes and procedures. The membership of these groups are senior investment professionals, fundamental and quantitative investment research analysts, sustainable investing team members, investment risk specialists and client-facing team members. They include:

The ESG Data & Research Working Group, composed of senior investment professionals (Head of Research, PMs, Analysts) and Sustainable Investing team delegates, works to develop our firm-wide ESG materiality framework, including vetting and reviewing our ESG integration investment process. This group provides formal recommendations on the ESG integrated status of our investment engines, encompassing new engines as well as periodic recertification of existing process, based on our proprietary 10-metric scoring criteria. Those recommendations will then be formally reviewed and approved by our Sustainable Investing Oversight Committee. The ESG Data & Research Group also advises on the development of ESG-related research methodologies and on our proprietary data-driven ESG scoring system, which was approved by this group in 2021 and is being made available internally to investment professionals across the firm to enhance ESG insights in our investment processes. Lastly, it focuses on reviewing and making recommendations for climate-related data and scenarios to be included in the development and advancement of our firmwide proprietary climate analytics tools, as well as models for portfolio management and reporting.

The Net Zero Asset Managers Initiative Working Group is responsible for end-to-end implementation of the net zero target-setting process, including reviewing and socialising targets ahead of reporting deadlines. The group also manages engagement with investment teams and oversees stakeholder coordination in relation to net zero

alignment.

Our Sustainable Investing Client Strategy Working Groups, organized in 3 regional chapters – across Americas, EMEA and Asia Pacific – are composed of investment specialists, distribution delegates, as well as cross functional business partners. They seek to develop and propose commercialization strategies including prioritization through identifying key clients, developing effective marketing efforts and advancing key initiatives such as ESG educational and thought leadership efforts.

2.6 Is the company involved in any RI initiatives?

In addition to the memberships below, JPMAM also periodically participates in various forums and advisory committees on sustainability initiatives.

Please see below for a list of the associations and initiatives to which we are a signatory.

Signatory/Membership	Details
Asian Corporate Governance Association (ACGA)	An independent, non-profit membership organization dedicated to working with investors, companies and regulators in the implementation of effective corporate governance practices throughout Asia.
Asia Investor Group on Climate Change (AIGCC)	An initiative to create awareness and encourage action among Asia's asset owners and financial institutions about the risks and opportunities associated with climate change and low-carbon investing
Asia Securities Industry & Financial Markets Association (ASIFMA)	A regional trade association that covers both sell-side and buy-side relationships
Australian Sustainable Finance Institute (ASFI)	Body aiming to enhance sustainability and resilience of Australian financial system whilst promoting human well-being, social equity and environmental protection
Conflict Minerals	Collaborative initiative on conflict minerals in technology company supply chain coordinated by PRI
European Fund and Asset Management Association (EFAMA)	Representative association for the European investment management industry, to which JPMAM participates on sustainable investing related working groups.
FAIRR	Collaborative investor network focused on promoting a sustainable food system, with research across the value chain on the impact of the food sector to things like climate change, deforestation, and more recent research on biodiversity.
Focusing Capital on the Long Term (FCLT)	A non-profit organisation supported by leading companies and investors worldwide that develops research and practical tools to drive long-term value creation for companies, savers and communities.
Global Institutional Governance Network (GIGN)	Body promoting ICGN Principles as investor-led global standards for governance and stewardship and influencing public policy and professional practice

Signatory/Membership	Details
Institutional Investors Group on Climate Change (IIGCC)	Provides investors with a collaborative platform to encourage public policies, investment practices, and corporate behaviour that address long-term risks and opportunities associated with climate change.
International Corporate Governance Network (ICGN)	Promote effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies world-wide.
ICMA Green and Social Bond Principles	Market body for the sustainable bond market, with more than 90 members including many companies in hard-to-abate sectors.
Invest Europe	Trade association representing Europe's private equity, venture capital and infrastructure sectors, as well as their investors focused on professional standards, accountability, good governance and transparency from our members.
Investor Stewardship Group	Investor-led initiative to establish a framework of basic investment stewardship and corporate governance standards for U.S. institutional investor and boardroom conduct.
Investment Company Institute	Leading association representing regulated funds globally, seeking to encourage adherence to high ethical standards and promote public understanding
Hong Kong Investment Funds Association	Not-for-profit industry organisation representing fund management industry of Hong Kong
Japan Stewardship Initiative	Forum for asset owners and managers to discuss measures to solve practical issues in implementing stewardship activities, such as reporting
Harvard Program	Fee for sponsorship and participation in 2002 activities of the Harvard Law School Program on Corporate Governance
30% Club Hong Kong Investor Group	Investor group advocating for 30% female membership on boards in Hong Kong.
London Stock Exchange’s Sustainable Markets Advisory Group	A group of investment banks, investors, law firms etc. providing discussion and advice to the London Stock Exchange Group to support its ambition of becoming a major global centre for green capital markets.
Pensions for Purpose	Pensions for Purpose exists as a bridge between asset managers, pension funds and their professional advisers, to encourage the flow of capital towards impact investment.
Climate Action 100+	Investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change
Responsible Investment Association Australasia (RIAA)	Association promoting responsible investing and a sustainable financial system in Australia and New Zealand
Sustainability Accounting Standards	A non-profit organisation that sets financial

Signatory/Membership	Details
Board (SASB)	reporting standards for sustainability
Task Force on Climate-Related Financial Disclosures	Body leading development of global climate reporting framework and climate thought leadership; many of our clients are members and JPMAM support TCFD-aligned disclosure as one of our global investment stewardship priorities.
Transition Pathway Initiative	Global asset owner-led initiative which assesses companies' preparedness for the transition to a low-carbon economy.
UK Corporate Governance Forum	Industry forum, primarily focusing on governance
The Investment Association	Trade body and industry advocate for UK investment managers
The Investor Forum	Investor initiative to facilitate engagement with UK listed companies
Principles for Responsible Investment (PRI)	Global standard for sustainable investing as it relates to ESG factors. **Note:** The PRI is truly independent. It encourages investors to use responsible investment to enhance returns and better manage risks, but does not operate for its own profit; it engages with global policymakers but is not associated with any government; it is supported by, but not part of, the United Nations.
Workforce Disclosure Initiative	Body aiming to improve corporate transparency and accountability on workforce issues
Net Zero Asset Manager's Initiative	An international group of asset managers committed to supporting investing aligned with the goal of net zero greenhouse gas emissions by 2050 or sooner.
UK Financal Reporting Council Stewardship Code	The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.
30% Investor Group	Gender diversity

At the corporate level (JPMorgan Chase), our memberships and commitments are available via the following link: https://institute.jpmorganchase.com/impact/ sustainability/es-memberships

Code / Association	Region / Country
FSC Standard 23: Principles of Internal Governance and Asset Stewardship	Australia
Stewardship Code	Denmark
Revised Shareholder Rights Directive	European Union
Principles of Responsible Ownership	Hong Kong
Principles for Responsible Institutional Investors	Japan
Best Practices for Engaged Share-Ownership, EUMEDION Corporate Governance Forum	Netherlands
Stewardship Principles for Responsible Investors, Stewardship Asia Centre	Singapore
Guidelines for Institutional Investors Governing the Exercising of Participation Rights in Public Limited Companies	Switzerland
UK Stewardship Code	United Kingdom
ISG Framework for Institutional Investors	United States
Principles for Institutional Investors	Taiwan
Japan Stewardship Initiative (JSI)	Japan

2.7 What is the total number of SRI assets under the company's management?

As of the 31st December 2022 we offer 40 dedicated sustainable products globally across different investment styles and asset classes, with more than USD 7.9 billion AUM.

3 General information about the SRI fund(s) that come under the scope of the Code

3.1 What is (are) the fund(s) aiming to achieve by integrating ESG factors?

The Fund seeks to achieve a return in excess of the benchmark by investing opportunistically in an unconstrained portfolio of debt securities (positively positioned towards Debt Securities with positive E/S characteristics and debt securities issued by companies and countries that demonstrate improving E/S characteristics) and currencies, using derivatives where appropriate. Debt Securities with positive E/S characteristics are those that the Investment Manager believes have been issued by companies and countries that demonstrate effective governance and superior management of environmental and social issues (sustainable characteristics).

The strategy is primarily a cash bond driven strategy, though it has the ability to use derivatives for risk management and efficient portfolio management purposes. For instance, the strategy may use interest rate futures to manage the duration of the overall portfolio; currency forwards to hedge back to the base currency; and credit default swap indices to gain or reduce exposure to high yield or investment grade credit markets for limited periods of time.

The JPMorgan – Global Bond Opportunities Sustainable Strategy (the strategy) is an unconstrained global fixed income strategy that only invests in the highest conviction "best ideas" from across the GFICC team, without regard to benchmark allocations.

It is explicitly sustainable, applying full ESG integration, a series of exclusions, and a positive tilt toward more sustainable issuers. With a total return objective, the strategy aims to generate as much risk-adjusted return as possible from the global fixed income markets.

In terms of sustainability, the top-down aspect of the strategy is not about excluding whole sectors or positively tilting allocations, since this would likely result in a conservative, high quality portfolio which would struggle to deliver on the strategy's total return mandate. Instead, the top-down element from a sustainability perspective is more about risk management: monitoring the portfolio's ESG profile and portfolio managers closely collaborating with sector specialists to verify the sustainability rationale for each holding in the portfolio. Meanwhile, the bottom-up security selection for the portfolio is explicitly sustainable, according to the three pillars mentioned above: ESG integration, exclusions and a positive tilt.

As a reflection of the sustainability of the strategy, we commit to maintaining an MSCI ESG score of the portfolio above that of the fixed income universe.

Please note, regarding references to ESG integration throughout this document: JPMAM defines ESG integration as the systematic inclusion of financially material ESG factors (alongside other relevant factors) in investment analysis and investment decisions. In actively managed assets deemed by J.P. Morgan Asset Management to be ESG integrated under our governance process, we systematically assess financially material ESG factors including sustainability risks in our investment decisions with the goals of managing risk and improving long-term returns

3.2 What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

In order to achieve ESG integration and a positive tilt, we use a disciplined and systematic process to evaluate and identify attractive investment opportunities through analysis of fundamental, quantitative and technical investment factors. Proprietary research forms the foundation of our approach to ESG integration, with over 60 career research analysts dedicated to thoroughly analysing every aspect of an investment, including ESG factors where material and relevant.

Our proprietary research process incorporates inputs such as company regulatory filings, annual reports, company websites, direct communication with companies and government issuers, media, third-party research and proprietary J.P. Morgan Asset Management research. Other inputs include sell-side investment research and reports from industry groups. We have also developed a proprietary materiality matrix, which highlights the key ESG-related risk factors across all fixed income markets. This tool serves to guide analysts' research efforts,

ensuring that they focus on the specific topics within each sector that have the most impact.

Analysts also have access to third-party ESG data within our research database, which is displayed for each issuer in various ways to track individual environmental, social and governance scores, as well as to observe changes over time. This quantitative data is a supplement to, and not a dictator of, our analysts' views. Our analysts form their own views based on their research and judgment, and this is articulated in a written research report, which contains a specific section for ESG comments.

ESG analysis and research are visible on our centralized technology platform, Spectrum, and are shared across all investment teams, including fixed income and equities, enabling greater collaboration and leverage across the J.P. Morgan Asset Management platform.

Although we do not carry voting rights as bondholders, we engage on a wide range of ESG issues with a variety of market participants. The C-suite relationships that our research analysts have developed over their careers enable us to engage regularly with company management and representatives of government issuers on matters that are material to our credit assessment, including relevant ESG factors. We also aim to contribute to positive change by participating in industry forums and regularly

consulting with third-party data providers and rating agencies. Our scale and position within the asset management industry allow us significant representation across asset classes: We often conduct engagement at a firmwide level or with our equity counterparts and our centralized Investment Stewardship Team, where our specific company interests align. The results of our ESG engagement are reflected in the research reports produced by analysts, and they feed back into the overall view of an issuer, thereby directly influencing investment decisions.

We use several third-party data providers in order to implement our norms- and values- based screens. Please see our exclusions policy in the response to question 3.5.

We also use a third party provider, MSCI, in order to track the ESG scores of the portfolio using an objective metric. In order to reflect the global fixed income opportunity set,

we have developed a custom universe given that existing fixed income benchmarks are not representative of the strategy's sector allocation (for instance, the Bloomberg Barclays Multiverse Index only has approximately 5% allocation to high yield, while the strategy can go up to 75% high yield). The custom universe is comprised of indices from each of the six major sectors in which the strategy invests (developed market government bonds, global investment grade credit, global high yield, EM local currency sovereign debt, EM hard currency sovereign debt and EM corporate debt). The weighting to each of these sectors is re-balanced on a weekly basis to reflect that of the strategy. Ultimately, the aim of this process is to measure the sustainability of the strategy's bottom-up security selection.

For each issuer without an MSCI ESG score, we conduct a sustainability assessment in which we are making an internal judgment as to whether or not it is sustainable, and the majority must be considered sustainable.

3.3 What ESG criteria are taken into account by the fund(s)?

Our exclusions list is shown in response to question 3.5. We exclude based on contraventions of global norms (using ISS ESG's red list as the determinant), and on various values-based business activities. For these sector based exclusions, there are various revenue and power generation thresholds that we apply to ensure that we are excluding companies in line with our clients' and the industry's values. This policy is reassessed and revisited on an annual basis.

The Sub-Fund excludes the bottom 20% of corporate debt securities from its investable universe based on its ESG criteria. For more information on the selectivity methodology and controls employed, please refer to section 5.1. The Sub-Fund systematically includes ESG criteria in investment analysis and investment decisions on at least 90% of securities purchased (excluding cash).

Our proprietary research, which forms the foundation of our integration approach and positive tilt, draws from a wide variety of criteria when it comes to ESG. It differs by sector (see table in response to question 4.1), given that each fixed income sector has its own characteristics, and as such, we have developed a materiality matrix in order to provide a baseline of understanding as to which ESG factors are most material and relevant. Below is an excerpt from our materiality matrix which gives some sense of the factors we are considering.

	Industry	E	S	G	Comments
Corporate	Basic Industry	High	Low	High	E: Metals, chemicals, paper industries inherently alter, pollute, & corrupt natural landscape S: Labor management can be of heightened concern, no more than other industries G: Ownership, accounting, anti-corruption policies integral for multinational conglomerates
	Capital Goods	Low/ Medium	Low	High	E: Non-resource intensive manufacturing w/ focus on clean tech & minimizing waste material S: Labor management can be of heightened concern, no more than other industries G: Ownership, accounting, anti-corruption policies integral for multinational conglomerates
	Communi-cations	Low	Medium	High	E: Limited effect across cable/satellite, wireless and wirelines sectors S: Labor management can be of heightened concern, companies have larger social profile G: Ownership, accounting, regulatory & anti-competitive practices significant considerations
	Consumer Cyclical	Low	Medium	High	E: Limited effect across auto, gaming, home construction, lodging leisure sectors S: Labor management can be of heightened concern, companies have larger social profile G: Ownership, accounting, regulatory & anti-competitive practices significant considerations
	Consumer Non Cyclical	Low/ Medium	Low/ Medium	High	E: Food & beverage sector has largest environmental footprint; healthcare more limited S: Labor management can be of heightened concern and product safety/quality is critical G: Ownership, accounting, regulatory & anti-competitive practices significant considerations
	Energy	High	Low	High	E: Exploration & Production industries inherently alter, pollute, & corrupt natural landscape S: Labor management can be of heightened concern, no more than other industries

	Industry	E	S	G	Comments
					G: Ownership, accounting, anti-corruption policies integral for multinational conglomerates
	Finance	Immaterial	Medium	High	E: Limited effect across the sectors S: Responsible investing is part of business model but social profile is important post GFC G: Ownership, accounting, regulatory & anti-competitive practices significant considerations
	Other Industrial	Low/ Medium	Low	High	E: Industrial companies have slightly larger environmental footprint but very credit specific S: Labor management can be of heightened concern, no more than other industries G: Ownership, accounting, regulatory & anti-competitive practices significant considerations
	Technology	Immaterial/ Low	Low	High	E: Limited effect across the sector S: Labor management can be of heightened concern, no more than other industries G: Ownership, accounting, regulatory & anti-competitive practices significant considerations
	Transport-ation	Medium	Low	High	E: Airlines and amount of carbon emissions are primary factors within this small industry S: Labor management can be of heightened concern, no more than other industries G: Ownership, accounting, regulatory & anti-competitive practices significant considerations
	Utilities	High	Low/ Medium	High	E: Power production and generation source are key considerations for investment S: Labor management can be of heightened concern as well as health & safety in workplace G: Ownership, accounting, regulatory & anti-competitive practices significant considerations
Securitised	Agency RMBS/ Agency CMBS	Low	Low	High	E: Geographically concentrated securities a key consideration S: Borrower/servicer dynamics could impact prepayments & defaults G: Conservatorship of the GSEs &

	Industry	E	S	G	Comments
					management/ oversight of GSEs significant considerations
	Non-agency MBS	Low	Low	High	E: Geographically concentrated securities a key consideration S: Borrower/servicer dynamics could impact prepayments & defaults G: Business ethics of issuer & trustee significant considerations; potential for fraud in underwriting of loans
	CMBS	Low/ Medium	Low	High	E: Key considerations: geographic concentration, environmental impacts, LEEDS, access to green financing S: Sourcing and underwriting of underlying loans G: Considerations: business ethics of issuer/ borrower/trustee; zoning restrictions; land regulatory requirements
	ABS*	Low	Low/ Medium	High	E: Key considerations: energy efficiency of collateral & carbon footprint, geographically concentrated securities S: Key considerations: sourcing, underwriting & servicing of underlying loans; predatory lending; reputation risk G: Key considerations: business ethics of issuer/ borrower/trustee; potential for underwriting fraud
Rates	Developed Markets	Low	Low/ Medium	High	E: Energy intensity of GDP, renewable energy and energy imports S: Unemployment rates, demographics, education and competitiveness G: Government finances (deficit & debt) and control of corruption
EMD	Local Ccy Sovereign	Low/ Medium	High	High	E: Reliance on particular sectors (oil, coal) for country financing poses a risk, though very country specific
	Hard Ccy Sovereign	Low/ Medium	High	High	S: Treatment of minorities, welfare, education, unemployment rates, labor management and competitiveness G: Stability, effectiveness, regulatory quality, transparency, corruption; elections & political tensions
	Hard Ccy Corporate**	Medium	Medium	High	E: Significant variation across industries & credits, extent to which they alter, pollute, corrupt natural landscape

	Industry	E	S	G	Comments
					S: Labor management, health & safety in workplace, data security, product safety or mis- selling G: Ownership, board structure, accounting, regulatory & anti-competitive practices significant considerations

Source: J.P. Morgan Asset Management Global Fixed Income Currency & Commodities Group. For illustrative purposes only. Subject to change. As at December 2018. *Environmental considerations for ABS – cards, ABS – consumer loans, and ABS – student loans not applicable. Social considerations for ABS – airplanes not applicable. E / S / G risks will vary across different types of ABS. **E / S / G risks will vary meaningfully across different EM corporates.

3.4 What principles and criteria linked to climate change are taken into account in the fund(s)?

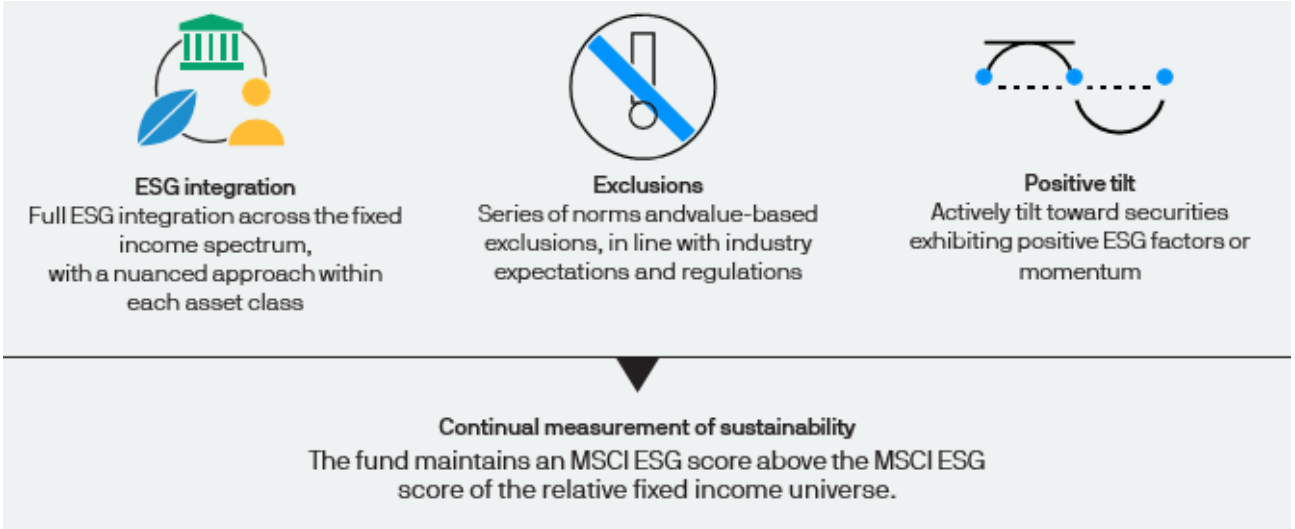
Series of norms- and values-based exclusions in line with the industry

	Sector	Type	Threshold
Norms	UN Global Compact OECD Guidelines for Multinational Enterprises UN Guiding Principles for Business & Human Rights	Violators ("red flags")	Full Exclusion
Values	**Fossil Fuel**	Production Distribution / Services	5% 5%
	Power Generation	Oil & Gas Thermal Coal Nuclear	30% 10% 30%
	Coal	Extraction Production Distribution / Services	5% 5% 25%
	Unconventional Oil & Gas	Production: Oil Sands, Arctic Oil & Gas, Shale Oil & Gas Distribution / Services: Oil Sands, Arctic Drilling	0-10%* 0-5%*
	Weapons	Conventional Nuclear; Illegal / Controversial	10% 0%
	Adult Entertainment	Production Distribution / Services	0% 5%
	Tobacco/Cannabis	Production Distribution / Services	0% 5%
	Gambling	Operations	5%

As at February 2023. Subject to change. Exclusions lists provided by MSCI and ISS ESG. *Oil sands, arctic oil and arctic gas production excluded at 0% revenue threshold. Shale oil and gas production excluded at 10% revenue threshold. Oil sands distribution/services excluded at 5% revenue threshold. Arctic drilling distribution/services excluded at 0% revenue threshold

3.5 What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?

The strategy is built on three pillars of sustainability: ESG integration, exclusions and a positive tilt



Source: JPMAM. As at 28 February 2023.

Research/due diligence

We use a disciplined and systematic process to evaluate and identify attractive investment opportunities through the analysis of fundamental, quantitative and technical investment factors. Proprietary research forms the foundation of our approach to ESG integration, with over 70 career research analysts dedicated to thoroughly analyzing every aspect of an investment, including ESG factors. As part of this in-depth fundamental research, credit analysts assess the impact of ESG risks and opportunities on issuers' current and future

cash flows. If the analysis of ESG factors shows that they are material and relevant, analysts will reflect this view in their credit opinions.

Our proprietary research process incorporates inputs such as company regulatory filings, annual reports, company websites, direct communication with companies and government issuers, media, third-party research and proprietary J.P. Morgan Asset Management research. Other inputs include sell-side investment research and reports from industry groups. We have developed a proprietary materiality matrix, which highlights the key ESG-related risk factors across all fixed income markets. This tool serves to guide analysts' research efforts to the specific topics within each sector that have the most impact.

Our fixed income sector teams have developed proprietary quantitative ESG rating systems, which capture the nuances within their specific markets and align to their existing investment processes. These include a 40-question ESG checklist for the corporate bond market, country ESG rankings for both developed and emerging markets and systematic identification of ESG leaders and laggards in the securitized space.

These scoring frameworks serve as useful tools for aggregating the numerous ESG metrics for each issuer and allow for comparison across issuers in the universe. Importantly,

the scores are applied to portfolios in a judgmental, not formulaic, fashion and they are accompanied by analysts' qualitative research. Please see the following pages for more information on each sector team's ESG frameworks.

Within SpectrumTM, our centralized technology platform, analysts also have access to third- party ESG data for each issuer. This data is displayed in various ways to track individual environmental, social and governance scores, and to observe changes over time. This third-party data serves as a supplement to our analysts' views. Our analysts form their own opinions based on their research and judgment, and this is articulated in written research reports, which contain specific sections for ESG comments.

ESG analysis and research are visible on SpectrumTM and shared across all investment teams, including fixed income and equities, enabling greater collaboration and leverage across the J.P. Morgan Asset Management platform.

Portfolio construction

Investment decisions are informed by a combination of traditional credit metrics, our qualitative analysis of ESG-related factors and the signals generated from our quantitative ESG scoring frameworks. Portfolio managers regularly discuss ESG-related topics with analysts, both for individual issuers and thematically within sectors, to understand how ESG issues may impact risks to cash flows, relative value opportunities and an issuer's overall risk profile.

Where ESG factors are material and relevant, they can directly influence how portfolio managers position issuers versus benchmark. ESG evaluations may be differentiators for names within the same sector, as well as an overall risk assessment tool for top-down portfolio analysis. For example, when two names have similar relative value and similar

credit fundamentals, ESG factors can help to differentiate positioning based on governance, environmental initiatives and/or social impact. ESG views may also have a bearing on where along the spread curve portfolio managers choose to invest; for instance, if there is more long-term ESG risk in a particular sector or an individual issuer, portfolio managers may opt to allocate in the shorter end of the spread curve. ESG factors are integrated into security selection decisions when research analysts believe they are relevant to cash flows.

Engagement

As bondholders, although we do not typically carry voting rights, we believe our role in providing financing to issuers means we have the ability to advocate for and influence positive change. As such, we engage on a wide range of ESG issues with a variety of market participants. Our large global scale and status within the asset management industry

allow us significant representation across asset classes. We often conduct engagement in conjunction with members of the Investment Stewardship team; we also collaborate with our equity colleagues to engage with companies to which we have exposure in their bonds

as well as their equity. We participate in thousands of meetings with issuers from across the fixed income investment universe (companies and countries) every year.

The C-suite relationships our research analysts have developed over their careers enable us to engage regularly with company management and representatives of government issuers on matters material to our credit assessment, including relevant ESG factors. We also regularly meet with originators of securitized products and regulators. During these engagements, research analysts raise issues identified as material and relevant, including ESG concerns, in an effort to positively influence issuers to adopt best practices.

We also participate in industry forums and regularly consult with third-party data providers. For instance, we have board representation on industry bodies, such as the Edison Electric Institute and the European Leveraged Finance Association. This allows us to encourage closer cooperation among issuers on key ESG initiatives and to advocate for better disclosure and transparency across the industry. We also scrutinize the data from third-party ESG data providers, working closely with them to improve their coverage of the fixed income universe, data accuracy and timeliness.

In the sovereign space, we recognize engagement is critical, but it can be more nuanced compared to the corporate market given the inherent politics involved. We seek to engage with the sovereign market in a variety of forms, including investing in sovereign debt to finance specific sustainable projects, meeting with government officials regularly to review progress on climate goals and participating in industry groups to collectively advocate for better disclosure and improved practices from state-owned companies.

Documentation and monitoring

Qualitative analysis and quantitative metrics related to ESG are housed in our common technology platform, SpectrumTM, to ensure full transparency and access for all investors. This documentation includes analysts' credit opinions, which have dedicated ESG sections, and meeting reports, for which we have built out the tagging and search functions to improve the ability to track our engagement practices. Research analysts are responsible for conducting fundamental ESG research, engaging with issuers and ongoing monitoring of the ESG opinions for each credit they cover. When green, social and sutainability bonds come to market, research

analysts also complete a questionnaire focused on the "sustainability" aspects of the bond issuance; for instance, considering whether the bond splits out proceeds and what specific project the bond is supporting.

Quantitative ESG metrics, such as the J.P. Morgan Asset Management data-driven ESG score and data from third-party ESG providers, are accessible in our systems for all investors. Portfolio managers also have a daily view of their exposure to the risks associated with ESG factors in our proprietary portfolio management system, which can be customized depending on the nature of the portfolio, thereby aiding them in their portfolio construction and risk management responsibilities.

In addition to the in-depth, bottom-up research our analysts conduct into each bond, continual monitoring is required to understand the ongoing ESG profile of each portfolio. Our risk management team has developed periodic risk reports, sent directly to portfolio managers and accessible in our systems. This enables portfolio managers to monitor the ESG risks to which they are exposed and to identify potential outliers – issuers that stand out as having significantly better or worse ESG scores and practices than their peers.

The GFICC Investment Director team is responsible for performance and risk oversight of portfolio management to maintain discipline around investment objectives and process in the context of client objectives or fund guidelines, performance, risk position and ESG profile across all sectors. Where possible, the Investment Director teams monitor the relative ESG exposures of each strategy, and oversee the level of integration from both qualitative and quantitative angles. The qualitative perspective is captured through discussions with the portfolio managers around the consideration of ESG factors at the quarterly review meetings. Quantitative factors, which include measurable metrics on ESG characteristics or exposure of the portfolios, are available in SpectrumTM and our portfolio management system.

4 Investment process

4.1 How are the results of the ESG research integrated into portfolio construction?

Once the portfolio's exclusions have been applied, we focus on proprietary research in order to identify the best ideas for this portfolio. When material ESG risks are identified as part of our fundamental research, this will be identified in our system and discussed, if appropriate, with the portfolio managers. For this strategy, our goal is to weight more toward those names we deem most sustainable, and to give lower or no weighting to names where we have identified material ESG risks. For names where we have identified material ESG risks but still see a valid sustainability reason for continuing to hold the name, or in the case that some names score low from an ESG standpoint, these will be flagged to the portfolio managers and discussed in the meeting described above to determine whether any action needs to be taken.

The materiality of ESG factors and the market dynamics is nuanced across the various bond sectors, and as such, our sector teams each apply slightly different approaches (while still adhering to the three pillars of integration described above). Please see below for a summary of how ESG research is conducted in each sector.

GFICC's approach to ESG integration across sectors

Our approach is founded on proprietary fundamental research, with dedicated processes by sector

Sector	Approach
Developed Market Credit	• Assess ESG risks/opportunities as part of fundamental proprietary research; when material, reflected in credit analyst opinion • Supplement proprietary fundamental research with engagement, third-party data and proprietary quantitative research tools
Developed Market Sovereigns	• ESG factors, particularly governance, incorporated into our quantitative sovereign fundamental scores for each country • ESG factors assessed based on both quantitative (e.g., fiscal balance) & qualitative (e.g., political developments) factors
Emerging Markets	• EM corporates: Proprietary "red flags" questionnaire used in conjunction with materiality matrix and fundamental research • EM sovereigns: Country ESG Index provides a quantitative assessment of ESG factors with fundamental link to creditworthiness
Securitised	• IProprietary materiality matrix guides and directs research analysts' efforts by highlighting most material ESG risks by sub-sector • Assess ESG factors (geographic concentration, predatory lending, etc.) as key components of collateral & deal structure analysis
Municipals	• ESG factors assessed based on a use-of-proceeds framework, emphasising the net positive impact of bond issues • Favour issues with positive social or environmental benefits and avoid poor governance
Currency	• Scorecard ranks each currency based on currency-relevant ESG factors (balance of payments, central bank transparency, etc.) • Scores help to drive ultimate investment decisions
Multi-Sector PMs	• Given top-down asset allocator role, focus is on 1) identification, 2) monitoring and 3) engagement with sector specialists • Integration facilitated by materiality matrix, ESG metrics in PRISM/Spectrum, ESG risk reports and a regular ESG meeting

4.2 How are criteria specific to climate change integrated into portfolio construction?

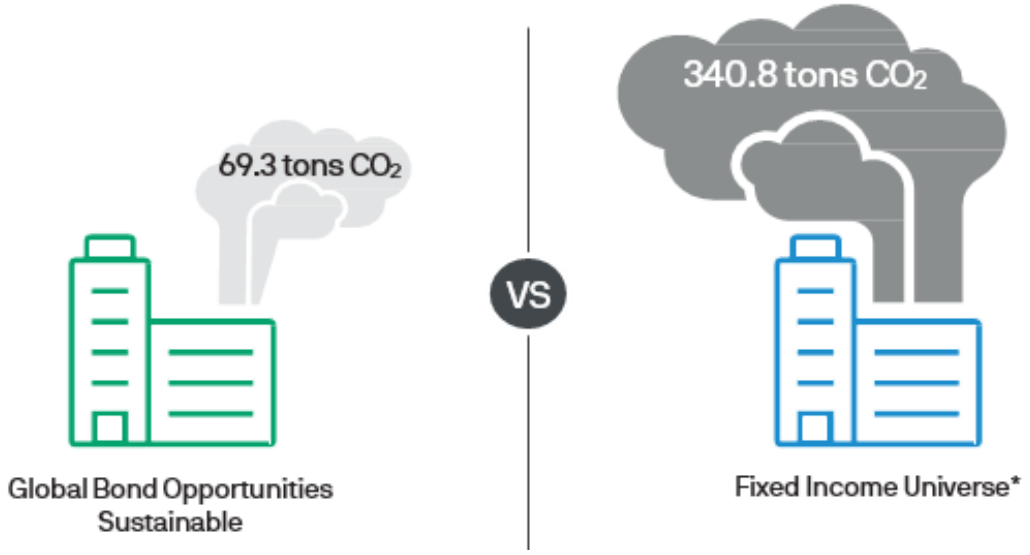
The heaviest polluters tend to be screened out of the fund by our exclusions policy, which applies a series of screens based on various types of polluting/damaging activity (excluding companies deriving revenue from fossil fuels, thermal coal extraction and production, unconventional oil and gas practices for example, as well as screening out issuers generating significant power from unsustainable, non- renewable sources).

Once the exclusions have been applied, we use the insights from our rates strategists and research analysts to determine where there are significant risks from a climate change perspective. The approach here differs depending on the sector as described above (question 3.4), but where material risks are identified that can have an impact on cash flow or the sustainability of the portfolio, this will be highlighted and discussed at the bi-weekly sustainable meeting. We keep track of our portfolio's carbon footprint (see below), which is currently

significantly lower than the relative fixed income universe, as shown below. We would question any increase in this footprint and seek to determine the most appropriate action for the portfolio.

Generating positive environmental outcomes

For USD 1m of revenues generated by the companies in the portfolio, the carbon emissions are:



Source: MSCI Carbon Portfolio Analytics, J.P. Morgan Asset Management, as at 30 April 2022. The number includes corporates only, Scope 1 & 2 emissions (direct) and correspond to the carbon intensity of the investment portfolio. *The relative fixed income universe is based on a blend of six sector indices, re- weighted on a weekly basis to reflect the sector allocation in the fund. The number includes corporates only. MSCI carbon coverage: 59% for the portfolio, 59% for the relative fixed income universe.
Past performance is not a reliable indicator of current and future results.

4.3 How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)

The portfolio does not own any company that is not subject to our internal ESG analysis.

4.4 Has the ESG evaluation or investment process changed in the last 12 months?

There have been no changes to our methodology over the past 12 months.

4.5 Is a part of the fund(s) invested in entities pursuing strong social goals/ social enterprises?

Not directly but it is important to note that some of the portfolio is invested in entities exhibiting positive social characteristics.

4.6 Does (do) the fund(s) engage in securities lending activities?

No.

4.7 Does (do) the fund(s) use derivative instruments?

The strategy is primarily a cash bond driven strategy, though it has the ability to use derivatives for risk management and efficient portfolio management purposes. For instance, the strategy may use interest rate futures to manage the duration of the overall portfolio; currency forwards to hedge back to the base currency; and credit default swap indices to gain or reduce exposure to high yield or investment grade credit markets for limited periods of time.

4.8 Does (do) the fund(s) invest in mutual funds?

No.

5 ESG controls

5.1 What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?[1]

We have put in place adequate controls to ensure that the Fund is subject to adequate periodic monitoring of second level to verify compliance with investment guidelines, including sustainability exclusions. All failure to comply with these directives is brought to the attention of the Management Company and to certain senior executives of the JPMorgan Asset Management. Any violation is subject to appropriate corrective measures, if necessary.

As referenced in section 3.3, the Sub-Fund excludes the bottom 20% of corporate debt securities from its investable universe based on its ESG criteria.

- For the purposes of the selectivity methodology, the investible universe is defined as the corporate portion of the fund's broader blended relative fixed income universe that we have developed for the purposes of tracking the overall ESG profile of the fund (as per prospectus, the sub-fund will typically maintain an average asset-weighted MSCI ESG score above the average MSCI ESG score of the fixed income universe).
- The overall blended relative fixed income universe is made up from 6 major indices which correspond to the sectors in which we invest: global government bonds, global IG credit, global high yield credit, emerging market local currency bonds, emerging market hard currency bonds, emerging market corporate bonds. Given the dynamic nature of the fund's top-down positioning, the weights of each of these components are rebalanced on a weekly basis in order to provide a fair reflection of the opportunity set.
- Securitised products are not included in this index but can be included in the fund. They are not treated as corporates.
- The selectivity method (excluding the bottom 20% of the investible universe) applies only to corporate debt within this wider relative fixed income universe.
- The "bottom 20%" is identified through the fund's norms- and values-based screens, which total more than 20% of the universe.

In the event that the fund's norms- and values-based exclusions do not account for at least 20% of the universe, the sub-fund will exclude securities based on their MSCI Governance pillar score, to the point where 20% of the investible corporate universe is excluded.

1 Reference to Article 173 of the French TECV Act

6 Impact measures and ESG reporting

6.1 How is the ESG quality of the fund(s) assessed?

We publish quarterly ESG reports which assess the extra-financial criteria at work in the fund.

Here is the link to the most recent report as of 31 December 2021.

6.2 What ESG indicators are used by the fund(s)?

In accordance with the revision of the SRI label guidelines in July 2020, the fund targets a better performance than their benchmark (or reference index) or investment universe on two ESG indicato+rs. The details of which are outlined below;

Fund name	ESG indicator 1	ESG indicator 2
JPMorgan Funds – Global Bond Opportunities Sustainable Fund	Exposure to controversial weapons	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises*

*If the violation of the standards cannot be corrected in the short term or if the company has not demonstrated a willingness to remedy the problem, the manager will exclude this company immediately. When the situation is less obvious, the manager will discuss with the leaders to clarify things.

JPMorgan Funds – Global Bond Opportunities Sustainable Fund as at 30 June 23

	Environment		Social	Governance	Human Rights
	Weighted average carbon intensity of the fund (tonnes of CO2e/sales in USD m)	Carbon emissions of the fund (Scope 1+2)	Exposure to controversial weapons (%)	Board Independent of Management (%)	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
Fund Name	65.73	74,197.19	0.0	63.27	0.00
Benchmark	315.24	6,679,014.51	0.28	59.28	0.03
Fund Coverage (%)	67.96	67.96	100	65.66	100
Benchmark Coverage (%)	67.23	67.23	99.48	66.03	100

Definitions

Criteria	Description
Weighted average carbon intensity of the fund (tonnes of CO2e/sales in USD m)	Weighted average carbon intensity measures the fund's exposure to carbon-intensive companies carbon. The score corresponds to the weighted average of the carbon intensities of each security in the portfolio (standard weight).
Carbon emissions of the fund (Scope 1+2)	Scope 1+2 carbon emissions: measures the carbon emissions, per million dollars invested. The emissions are divided into based on ownership (% of market capitalization).
Exposure to controversial weapons (%)	Companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.
Board Independent of Management (%)	The percentage of board members that meets our independent of management criteria, as defined by MSCI ESG Research. For companies with a two-tier board, the calculation is based on members of the Supervisory Board only.
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Percentage of portfolio market value exposed to companies in breach of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Source: MSCI ESG for Environmental, Social and Governance data ; ISS ESG for Human rights data as at 30 June 2023

6.3 What communication resources are used to provide investors with information about the SRI management of the fund(s)?

Below is a non-exhaustive list of the main documents provided to investors concerning the SRI approach at work in the fund:

- Fund website
- Quarterly ESG Report
- Fund Factsheet

6.4 Does the fund management company publish the results of its voting and engagement policies?

Yes. JPMAM maintains records of its proxy voting and engagement activity to document the details of our engagement and proxy voting. We produce detailed quarterly voting and engagement activity reports for our clients and publish summary information

on our public website in some regions. These reports provide qualitative as well as quantitative information, including commentary on our activities in relation to proxy voting, engagement, market developments and social and environmental issues.

JPMAM believes that public disclosure of certain ongoing engagement with companies would be prejudicial to that engagement activity and would not be in the best interests of our clients. In these circumstances, we may decide not to disclose that activity publicly, or refrain from reporting until after the engagement is completed.

For further information on our engagement efforts and voting , please refer to our Annual Investment Stewardship report.

[2] Reference to Article 173 of the French TECV Act

7 Investment objective and main risks

Investment objective

To achieve a return in excess of the benchmark by investing opportunistically in an unconstrained portfolio of debt securities (positively positioned towards Sustainable Debt Securities and debt securities issued by companies and countries that demonstrate improving sustainable characteristics) and currencies, using derivatives where appropriate. Sustainable Debt Securities are those that the Investment Manager believes have been issued by companies and countries that demonstrate effective governance and superior management of environmental and social issues (sustainable characteristics)..

7.1 Main risks

The Sub-Fund is subject to Investment risks and Other associated risks from the techniques and securities it uses to seek to achieve its objective.

The table on the right explains how these risks relate to each other and the Outcomes to the Shareholder that could affect an investment in the Sub-Fund.

Investors should also read Risk Descriptions in the Prospectus for a full description of each risk.

Investment risks	**Other associated risks**	**Outcomes to the Shareholder**
Risks from the Sub-Fund's techniques and securities	Further risks the Sub-Fund is exposed to from its use of the techniques and securities above	Potential impact of the risks above
Techniques	Credit	**Loss**
Concentration Derivatives Hedging Short position	Liquidity	Shareholders could lose some or all of their money.
Securities	Currency	**Volatility**
China	Market	Shares of the Sub-Fund will fluctuate in value.
Contingent convertible bonds Convertible securities	Interest rate	Failure to meet the Sub- Fund's objective.
Debt securities		
Below investment grade debt		
Investment grade debt		
Unrated debt Emerging markets Equities		
MBS/ABS		

Investments involve risks and are not similar or comparable to deposits. Not all investments are suitable for all investors. The fund seeks to achieve its stated objectives, there is no guarantee they will be met. Please refer to offering documents for further details.

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