

# JPMorgan Funds – Multi Manager Sustainable Long Short Fund

## Exclusion Policy

June 2020

The JPMorgan Funds – Multi Manager Sustainable Long Short Fund (the “Fund”) reflects many of the shared environmental, social and governance values of our clients through the exclusion of certain industries and activities. The below exclusions are applied to the physical investments in the Fund’s portfolio and to long exposure via derivatives, based on the underlying economic exposure. Derivatives used to implement short exposure do not represent investments owned by the Fund and are not factored into the exclusion evaluation. Similarly, indices and collective investment schemes are not factored into the exclusion evaluation. The Fund intends to fully exclude some industries and apply maximum percentage thresholds, subject to certain exemptions noted below, which can vary depending on whether the company is a producer, distributor or service provider.

	REVENUE-BASED EXCLUSIONS		FULL EXCLUSIONS
VALUES BASED	Conventional Weapons (including components)	Power generation: Coal	Controversial weapons (including components)
	Alcohol	Power generation: Oil & Gas	Nuclear Weapons
	Tobacco	Power generation: Nuclear	Pornography
	Gaming		Oil sands
	Fossil fuels (coal, oil, gas)		
NORMS BASED			Companies in breach of the UN** Global Compact

\*Where the norms violation cannot be remediated in the near future or where the company has not shown any signs of addressing the issue, we will immediately exclude that company. Where it is less clear, we will engage with the company on the issue.

\*\*UN stands for United Nations. The UN Global Compact is an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

Within the exclusionary framework for the Fund, J.P. Morgan Alternative Asset Management Inc. (“JPMAAM”), as investment manager to the Fund, seeks to distinguish between companies that continue to engage in less sustainable activities and those that are in transition towards greater sustainability, especially with regards to climate change. In particular, JPMAAM anticipates that power generation companies will continue to place increased focus on climate change and emissions as a strategic consideration.

As such, JPMAAM seeks to identify power generation companies that are actively transitioning towards sustainable power generation and placing emissions reduction at the forefront of their business strategy. These companies, which would otherwise be excluded, must (1) have improving sustainability trends, as captured in JPMAAM’s ESG scoring methodology and (2) in the aggregate are limited to no more than 5% of the net asset value of the fund.

Source: J.P. Morgan Alternative Asset Management Inc., as at 25 November 2019. The above exclusion and inclusion criteria are subject to periodic changes without advance notice. Any changes will be reflected in this document.

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LV-JPM52688 | 06/20 | EN

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