



# Prepare for a low carbon world

JPMorgan ETFs (Ireland) ICAV - Carbon Transition Global Equity (CTB) UCITS ETF (JPCT \*)  
April 2023

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This is a marketing communication. Please refer to the prospectus and to the KID or KIID before making any final investment decisions.

For Professional Clients and Qualified Investors only — Not for retail use or distribution

**J.P.Morgan**  
ASSET MANAGEMENT

# Executive Summary

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## JPMorgan ETFs (Ireland) ICAV - Carbon Transition Global Equity (CTB) UCITS ETF (JPCT\*)

### EXPERTISE

- To respond to climate change, the transition to a low carbon economy will **impact companies, portfolios, and investors.**
- Our clients will have to respond **to new regulations and guidelines.**
- JPMAM's Sustainable Investing Team and Quantitative Solutions group have built a **proprietary evaluation framework** to identify companies best positioned for the transition to a low carbon economy

### PORTFOLIO

- Takes a comprehensive approach to transition readiness that considers both risks and opportunities with a **significant reduction in emissions** coupled with **low tracking error to MSCI World**
- Evaluates companies based on how well they manage **Greenhouse gas emissions, Resources** (electricity, waste and water) and **Climate related risks**
- Supplements traditional data reported by companies with **alternative data** accessed via machine learning with broader coverage

### RESULTS

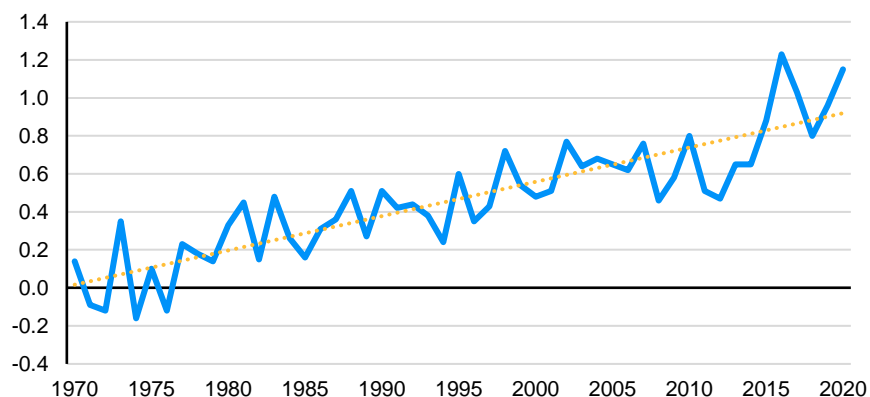
- **Core exposure to global equities** (~1% tracking error) with no region or sector deviations
- Targets a meaningful **reduction in carbon intensity** (at least 30%) compared to MSCI World
- Tracks a proprietary index that is compliant with the European Union's **Climate Transition Benchmark** framework for sustainable products
- **Competitively priced** at 0.19% TER

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# Preparing your portfolio for the carbon transition

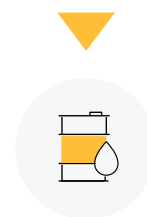
## Global Temperature Have Already Risen

Global Land and Ocean Temperature Anomalies  
(Degrees Celsius)



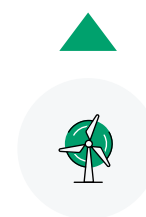
## Policy Response Will Impact Businesses

The transition to a low carbon economy will require:



### Fewer Fossil Fuels

Potentially by imposing carbon pricing or increased environmental regulation



### More Green Energy

Potentially through government subsidies for green energy

This will result in both risks and opportunities

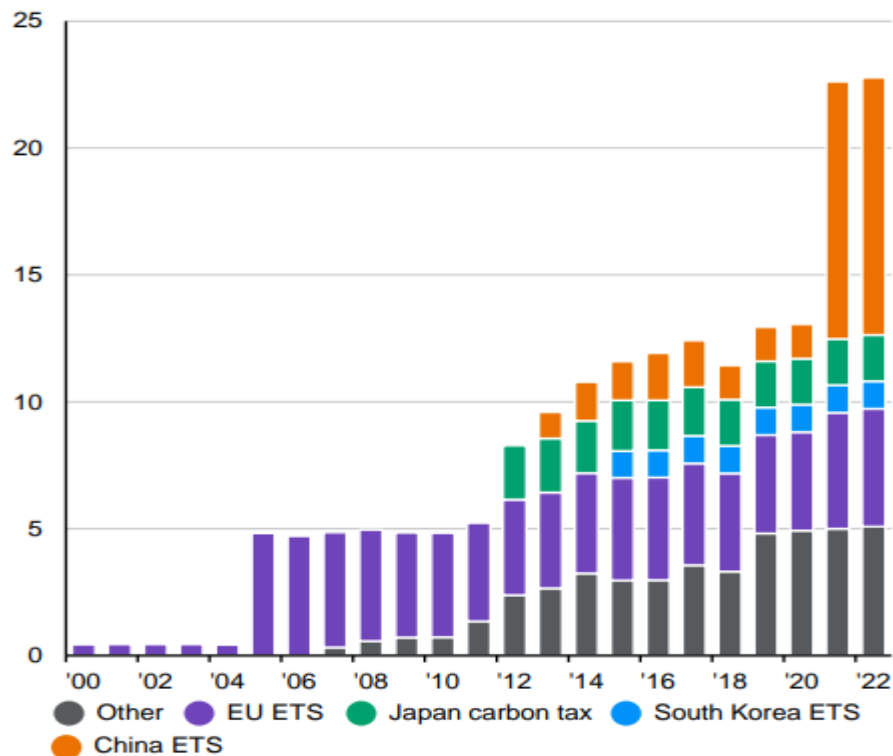
We can help investors consider the transition-readiness of their portfolios

Source: NOAA National Centers for Environmental Information, Climate at a Glance: Global Time Series, published April 2020, [ncdc.noaa.gov/cag](https://ncdc.noaa.gov/cag), J.P. Morgan Asset Management.  
Provided for information on macro and industry trends, not to be construed as research or investment advice. Investments involve risks. Risk management does not imply elimination of risks.

# Carbon pricing initiatives will have an impact well beyond the energy sector

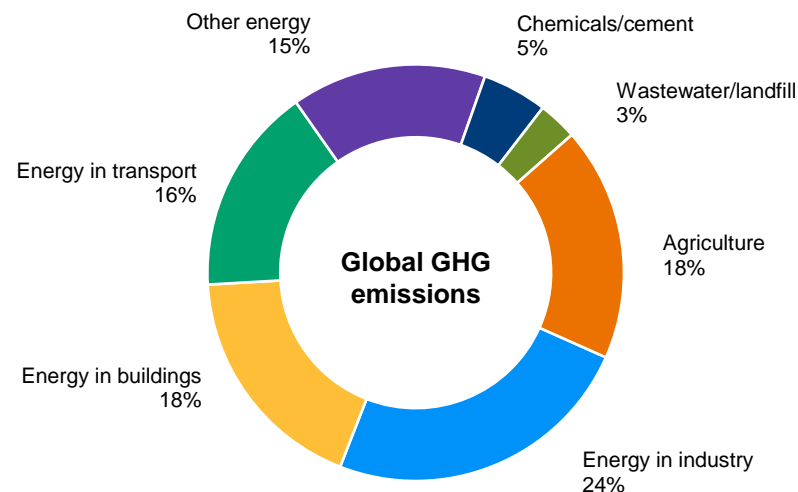
## Global emissions covered by carbon pricing initiatives

% of global greenhouse gas emissions



## Global greenhouse gases emissions by sector

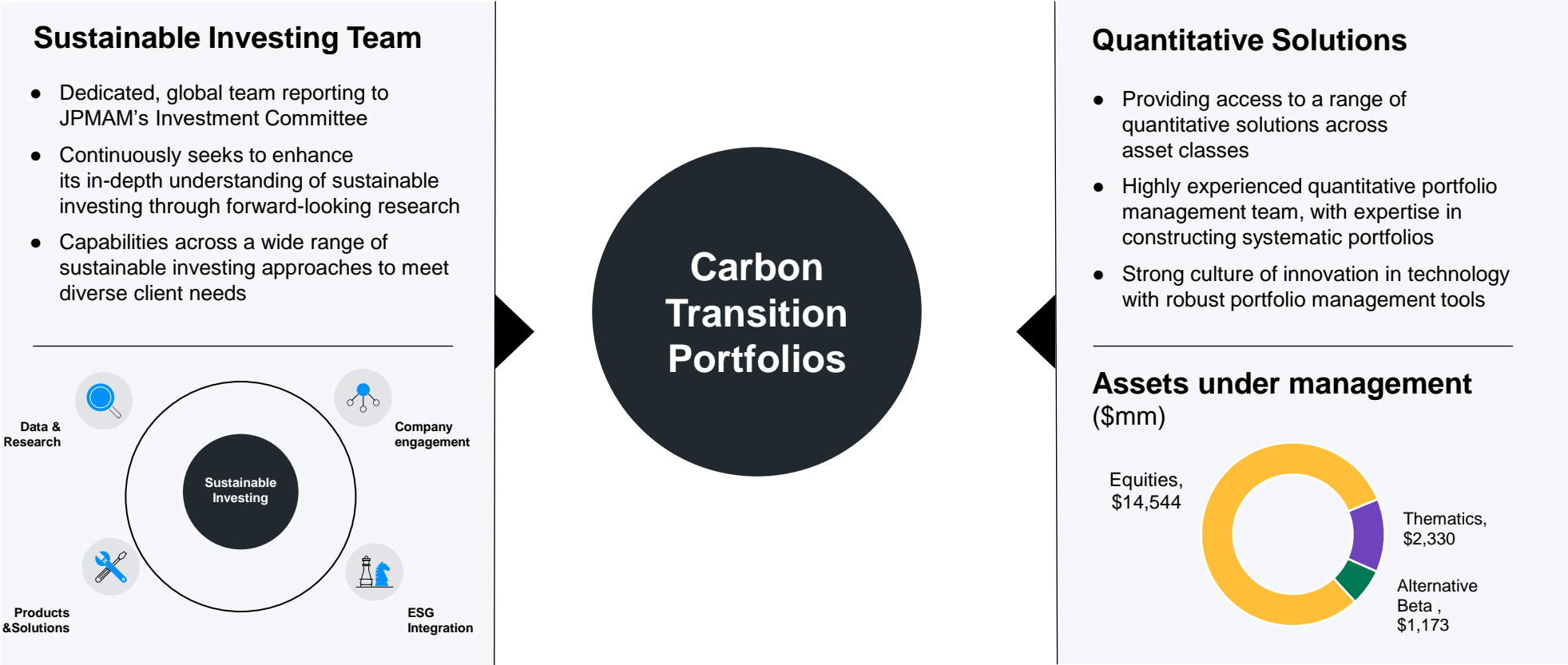
% of global greenhouse emissions (2016), CO2 equivalent tonnes



Source: (Left) World Bank, J.P. Morgan Asset Management. ETS is emissions trading system (Right) Climate Watch, Our World in Data, World Resource Institute, J.P. Morgan Asset Management.. China ETS price is the Shanghai ETS price up to July 2021, and the mainland price thereafter. CO2 equivalent tonnes standardise emissions to allow for comparison between gases. One equivalent tonne has the same warming effect as one tonne of CO2 over 100 years. Guide to the Markets - Europe. Data as of 31 March 2023. Provided for information on macro and industry trends, not to be construed as research or investment advice. Investments involve risks Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met.

# Bringing the key capabilities of JPMAM to carbon transition investing

J.P. Morgan’s Sustainable Investing and Quantitative Solutions teams partner closely in developing carbon transition solutions for clients



Source: J.P. Morgan Asset Management (JPMAM) as on 31 March 2023. ESG = Environmental, Social, Governance The manager seeks to integrate environmental, social and governance (“ESG”) factors in the investment process. ESG integration is the systematic integration of material ESG factors in company/issuer selection through research and risk management. It involves proprietary research on financial materiality of the ESG factors in relation to the relevant company/issuer and discretion to invest regardless of whether the company/issuer may be positively or negatively impacted by the ESG factors. Integration of ESG factors in does not imply ESG factors as the sole investment focus. Risk management does not imply elimination of risks.

# Building the portfolio

## Security Selection

Evaluate companies across the three pillars, backed by proprietary sustainable research



**Emissions**



**Resource  
Management**



**Risk  
Management**

Metrics based using data from companies, third-party providers, and indicators developed using machine learning via the ThemeBot



## Portfolio Construction

- > **Overweight**  
Companies that are positioned to benefit
- > **Underweight**  
Companies facing greater risks
- > **Maintain**  
Region and sector exposures in-line with a traditional index



Provided to illustrate team's current process, not to be construed as research or investment advice. Risk management does not imply elimination of risks.

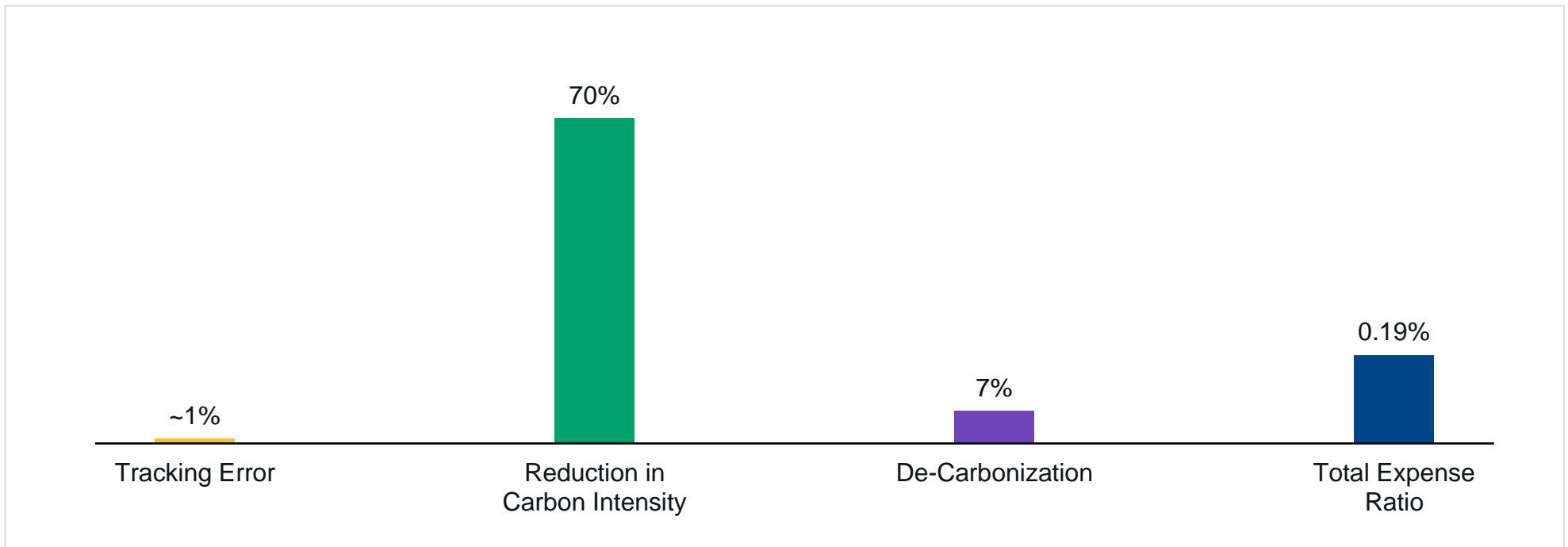
# What does JPCT\* aim to deliver?

**Low Tracking Error**  
Tracking Error of around  
1% to MSCI World

**Lower Carbon Intensity**  
At least a 30% reduction in carbon  
intensity vs. MSCI World

**De-carbonization**  
7% year-over-year  
self-decarbonisation

**Competitive Fees**  
TER of 0.19%



Source: J.P. Morgan Asset Management, as at 1 March 2023. In line with the EU Climate Transition Benchmark, the reduction in carbon intensity will be at least 30% vs. the MSCI World. Provided for information only, not to be construed as an offer, research or investment advice. Investments involve risks and are not similar or comparable to deposits. Not all investments are suitable for all investors. Please refer to the applicable offering documents for further details. The manager seeks to achieve its objectives, there is no guarantee they will be met.

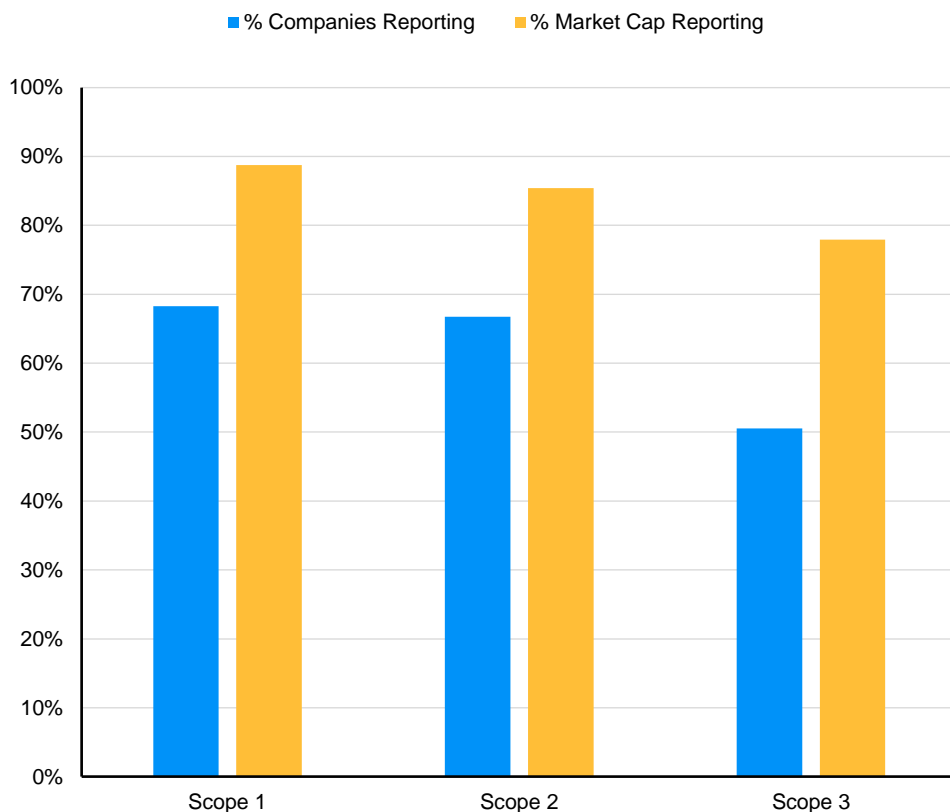
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# Portfolio



# Greenhouse Gas Emissions Reporting

## Emissions Reporting: MSCI ACWI Index



Source: J.P. Morgan Asset Management, as at 31 March 23

## Defining the Three Scopes

- Scope 1 Emissions: Direct emissions generated on site, for example, at company facilities or via company vehicles.
- Scope 2 Emissions: Indirect emissions generated from electricity purchased or used by an organization.
- Scope 3 Emissions: This is the broadest scope and includes all other indirect emissions – ranging from those generated upstream (via purchases of input goods, business travel, etc.) as well as downstream (via distribution, the use of sold products, etc.)

## Emissions Reporting

- Reporting of Scope 1 and 2 emissions tends to be slightly higher than reporting of Scope 3 emissions
- Larger companies tend to report emissions more frequently than smaller companies
- Reporting frequency tends to be highest in Europe, with less frequency in North America and Emerging Markets

# How can we identify companies well positioned for this transition?

Proprietary evaluation framework evaluates transition readiness across three key pillars



## Emissions



### Site Emissions

Reduce direct emissions and shift towards greener forms of energy



### Consumer Emissions & Opportunities

Benefit from a shift in consumer demands towards low carbon alternatives



## Resource Management



### Electricity Management

Reduce indirect greenhouse gas emissions from the usage of electricity



### Water Management

Improve the sustainability of water flow management



### Waste Management

Reduce waste materials, both hazardous and non-hazardous



## Risk Management



### Physical Risk

Reduce impact from physical risks from extreme weather conditions



### Reputational Risk

Improve climate stewardship

Provided to illustrate team's current process, not to be construed as research or investment advice. Risk management does not imply elimination of risks.

# Proprietary Scoring Framework: Example Metrics

## Proprietary Framework

- Identifies companies well positioned for the transition to a low carbon world
- Developed by J.P. Morgan Asset Management’s Sustainable Investing Team, in partnership with the Quantitative Solutions group
- Metrics based using data from companies, third-party providers, and indicators developed using machine learning via the ThemeBot



	Indicator	Example Metrics
Emissions	Site Emissions	Scope 1 Emissions
		Fossil Fuel Use
	Consumer Emissions & Opportunities	Scope 3 Emissions
Resource Management	Electricity Management	Low Carbon Patents
		Sustainable Food or Transport Production
	Water Management	Scope 2 Emissions
		Electricity Usage
	Waste Management	Purchased Renewable Energy
		Water Efficiency
Risk Management	Physical Risk	Water Recycling
		Hazardous Waste Production
	Reputational Risk	Waste Recycling & Reuse
		Extreme Heat Value at Risk
		Coastal Flooding Value at Risk
		ESG-linked Compensation
		Environmental Fines / Sales

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# Identifying climate change solutions providers

Using alternative data sources to identify opportunities

## Identify Less Carbon-Intense Alternatives



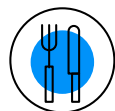
### Renewable Energy

Energy generated from clean and renewable resources with low emissions (hydro, wind, solar, biofuels, etc.)



### Sustainable Transportation

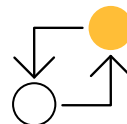
Low emission transport technologies including electric and alternative fuel vehicles



### Sustainable Food and Agriculture

Vegan and vegetarian friendly, low emission food and agriculture technologies, including meat substitutes and dairy alternatives

## Improve Resource Efficiency



### Recycling & Re-Use

Environment friendly technologies to reduce waste, including equipment and material recycling and reuse



### Sustainable Water

Water technologies focusing on wastewater treatment, water purification and filtration



### Emission Transition

Focuses on carbon offset and reduced emissions, including energy efficiency consulting, building efficiency, and LED lighting

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# ThemeBot: Combining Artificial Intelligence with Big Data

Use of machine learning capabilities via J.P. Morgan Asset Management's proprietary ThemeBot tool to identify companies focused on the technologies spearheading a low carbon economy – and potential opportunities for innovation and future growth



Shown for illustrative purposes only.

# Proprietary Materiality Framework

Not every sector is impacted by the carbon transition in the same way. We use a proprietary framework to evaluate the materiality of each metric across sub-sectors

Less Material  More Material

 **Emissions**
 **Resource Management**
 **Risk Management**

Sector	Site Emissions	Consumer Emissions & Opportunities	Indirect Emissions	Water Management	Waste Management	Physical Risk	Reputation Risk
Communication Services			Light Blue				Dark Blue
Consumer Discretionary		Light Blue	Dark Blue	Light Blue	Light Blue		Dark Blue
Consumer Staples	Light Blue	Light Blue	Dark Blue	Dark Blue	Light Blue		Dark Blue
Energy	Dark Blue		Dark Blue	Light Blue	Light Blue		Dark Blue
Financials		Light Blue				Light Blue	Dark Blue
Health Care			Light Blue		Light Blue	Light Blue	Dark Blue
Industrials	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue		Dark Blue
Information Technology		Light Blue	Dark Blue	Light Blue	Light Blue		Dark Blue
Materials	Dark Blue	Light Blue	Dark Blue	Dark Blue	Dark Blue		Dark Blue
Real Estate			Light Blue	Light Blue		Light Blue	Dark Blue
Utilities	Light Blue		Dark Blue	Light Blue	Light Blue	Light Blue	Dark Blue

For illustrative purposes. Note that materiality framework is done at the GICS (Global Industry Classification Standards) Level 3: Industry Level

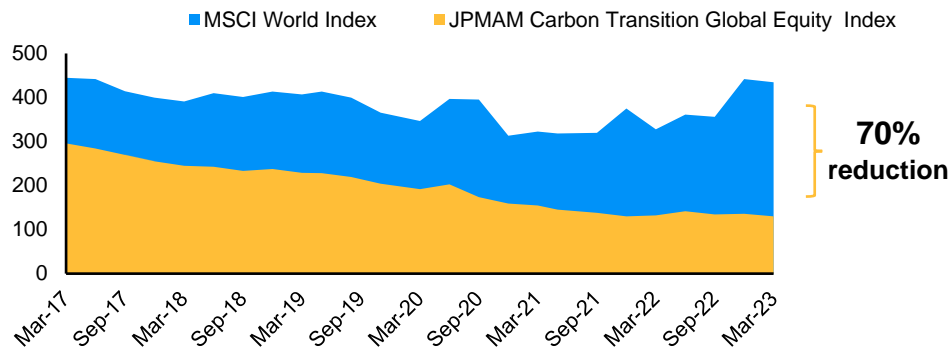
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# Results

# Carbon Transition Results

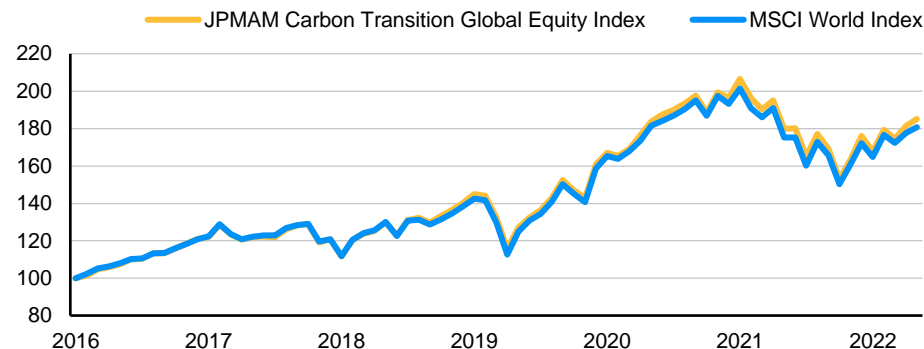
## Meaningful Reduction in Carbon Emissions

Weighted Average Carbon Intensity

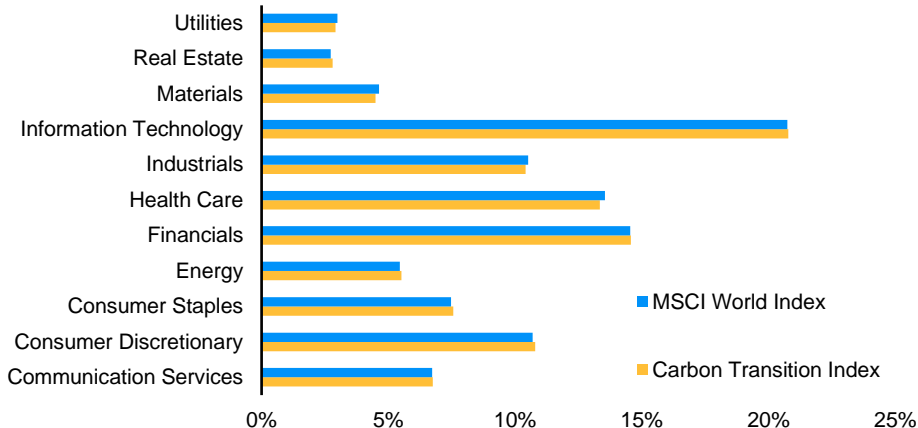


## Similar Returns: Core Equity Exposure

Cumulative Returns: Since December 2016 Inception



## Sector Exposures



## Returns Since Index Inception

Since Inception: December 2016	JPMAM Carbon Transition Global Equity Index	MSCI World Index
<b>Annualized Return</b>	10.2%	9.8%
<b>Risk (Monthly)</b>	16.3%	16.5%
<b>Return / Risk</b>	0.63	0.59
<b>Tracking Error</b>	1.3%	-

Source: J.P. Morgan Asset Management as of 30 April 2023 Carbon and Disclosure data as at the last index rebalance 1 March 2023. Weighted Average Carbon Intensity = metric tons CO2 equivalent emissions per USD million Enterprise Value including Cash. Provided for information only, not to be construed as an offer, research or investment advice. Investments involve risks and are not similar or comparable to deposits. Not all investments are suitable for all investors. Please refer to the applicable offering documents for further details. Risk management does not imply elimination of risks.

**Past performance is not a reliable indicator of current and future results.**



# Performance

JPMorgan ETFs (Ireland) ICAV - Carbon Transition Global Equity (CTB) UCITS ETF\*  
30 April 2023



**Market Value**  
USD 687.9m

## Performance (%)

	One Month	Three Months	YTD	One year	Three years	Five years	Since Inception**
<b>JPMorgan ETFs (Ireland) ICAV - Carbon Transition Global Equity (CTB) UCITS ETF</b>	2.0%	3.2%	10.3%	3.0%	-	-	8.7%
JPMorgan Asset Management Carbon Transition Global Equity Index	2.0%	3.2%	10.3%	2.9%	-	-	8.7%
Excess return (geometric)	0.0%	0.0%	0.0%	0.1%	-	-	0.0%
MSCI World Index	1.8%	2.4%	9.6%	3.2%	-	-	8.3%
Excess return (geometric)	0.3%	0.8%	0.6%	-0.2%	-	-	0.4%

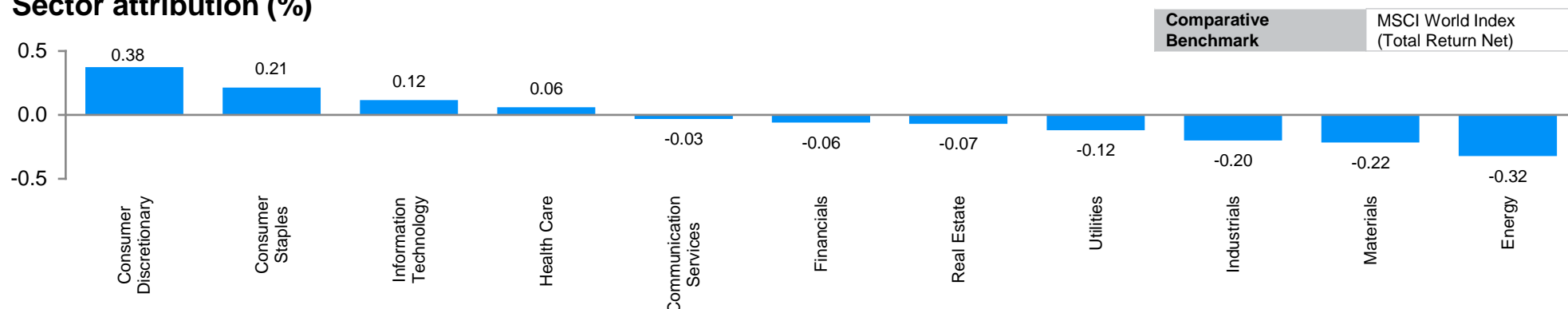
	2021	2022
<b>JPMorgan ETFs (Ireland) ICAV - Carbon Transition Global Equity (CTB) UCITS ETF</b>	23.6%	-18.7%
JPMorgan Asset Management Carbon Transition Global Equity Index	23.6%	-18.7%
Excess return (geometric)	0.0%	0.1%
MSCI World Index	21.8%	-18.1%
Excess return (geometric)	1.5%	-0.6%

Source: J.P. Morgan Asset Management. Share class performance is shown based on the NAV (net asset value) of the share class with income (gross) reinvested including actual ongoing charges excluding any entry and exit fees. Performance is shown based on the NAV which may not be the same as the market price of the ETF. Individual shareholders may realize returns that are different to the NAV based returns. Excess returns are calculated geometrically. Performance over one year is annualized.. \*\*Fund since inception date: 4th November 2020.

**Past performance is not a reliable indicator of current and future results.**

# Performance attribution for one year ending 30 April 2023

## Sector attribution (%)



## Stock attribution

Top contributors	Relative weight (%)	Stock return (%)	Impact (%)
Starbucks	0.46	55.65	0.18
Louis Vuitton	0.46	48.77	0.18
Eli Lilly & Co	0.53	36.70	0.16
NVIDIA	0.34	49.71	0.15
Total Energies	0.42	35.14	0.14

Note: stock attribution reflects relative vs. total. Stock return displayed as per benchmark, may or may not reflect the whole period

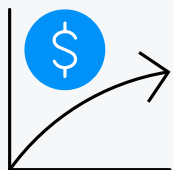
Top detractors	Relative weight (%)	Stock return (%)	Impact (%)
Exxon Mobil	-0.42	42.29	-0.15
Prologis	0.45	-20.34	-0.14
Novo Nordisk	-0.37	18.01	-0.14
NextEra Energy	0.12	2.41	-0.14
CVS Health	0.48	-22.28	-0.12

Note: stock attribution reflects relative vs. total. Stock return displayed as per benchmark, may or may not reflect the whole period

Source: Factset. Data is gross of fees in USD. Attribution results are for indicative purposes only. The portfolio is actively managed. Holdings, sector weights, allocations and leverage, as applicable, are subject to change at the discretion of the Investment Manager without notice. **Past performance is not a reliable indicator of current and future results.**

# JPMAM for Carbon Transition

Building stronger portfolios for a low carbon world



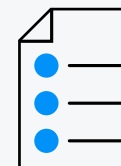
## Proprietary insights

- In-house sustainable investing insights
- Supplements traditional data with data accessed via machine learning with broader coverage



## Comprehensive approach

- EU Carbon Transition Benchmark compliant
- Considers both risks and forward-looking opportunities, beyond just emissions



## Portfolio outcome

- Meaningful reduction in carbon intensity – without exclusions or sector bets
- Returns that are similar to a traditional benchmark<sup>1</sup>
- TER of 0.19%

<sup>1</sup>Returns based on the returns of the J.P. Morgan Asset Management Carbon Transition Global Equity Index as at 31 December 2022. Provided for information only, not to be construed as a offer, research or investment advice. Investments involve risks and are not similar or comparable to deposits. Not all investments are suitable for all investors. Please refer to the applicable offering documents for further details.

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# J.P. Morgan's Commitment to Sustainability

# What is the Net Zero Asset Managers Initiative (NZAMI)?

The Net Zero Asset Managers Initiative (NZAMI) commits signatories to align emissions from their in-scope portfolios to net zero by 2050

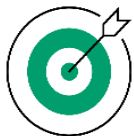
## Signatories commit to:



Work with asset owner clients on decarbonisation goals

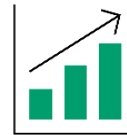


Set interim targets for portfolios to be managed in line with net zero by 2050 or sooner



Review interim target every five years with a view to including 100% of assets

## Three levers for J.P. Morgan Asset Management to fulfil this



Increasing client demand for Net Zero mandates



Increasing number of investee companies and governments committing to Net Zero – including via engagement

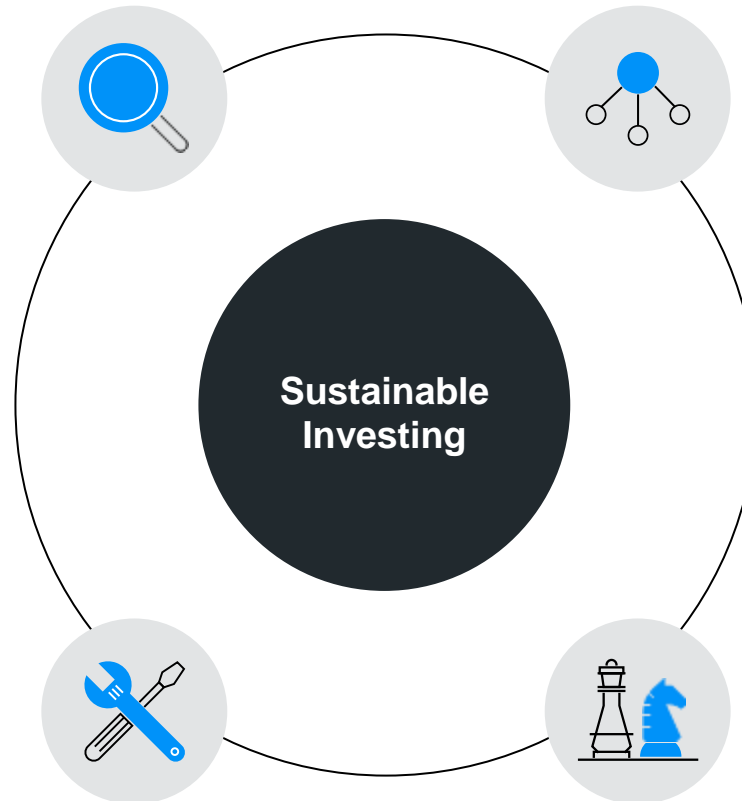


Increasing AUM in dedicated SI products with lower carbon footprint or intensity and reallocating portfolios

Source: J.P. Morgan Asset Management as of 5 May 2022. These targets are based on the realisation of assumptions made by the investment manager.

# Our sustainable investment platform is built around four key pillars

**Data & Research**  
We continuously seek to enhance our understanding of sustainable investing through forward-looking research



**Company engagement**  
Our corporate engagement work focuses on promoting good investment stewardship

**Products & Solutions**  
We offer capabilities across a wide range of sustainable investing approaches to meet a diverse client needs

**ESG Integration**  
We consider material ESG factors in portfolio-decision making across our Investment platform by using a proprietary forward-looking framework

# Exclusions

The fund reflects many of the shared environmental, social and governance values of our clients through the exclusion of certain industries and activities. As shown, we fully exclude some industries and apply maximum percentage thresholds to others, which can vary depending on whether the company is a producer, distributor or service provider.

	THRESHOLD EXCLUSIONS	FULL EXCLUSIONS
VALUES BASED	Conventional Weapons >10%* Tobacco production >5% Thermal Coal >30%* Revenue from connection to the nuclear weapons industry**** >2%	Controversial weapons White phosphorus Nuclear weapons*****
NORMS BASED**		Serious violations of UN*** Global Compact

\*Turnover from production and/or distribution

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

\*\*\*\*Applied to companies not already excluded through nuclear weapons. An example of a connection to the nuclear weapon industry includes, but is not limited to, weapon delivery systems.

\*\*\*\*\*Nuclear Fissile Materials, Nuclear Warheads and Missiles, or Nuclear Intended Use-Component Parts.

The above exclusion and inclusion criteria are subject to periodic changes without advanced notice. Any changes will be reflected in the policy document.

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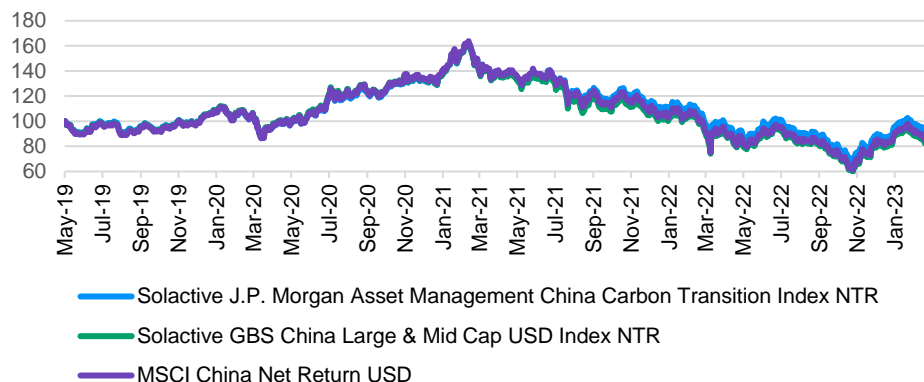
# Appendix



# Carbon Transition China Equity Index : Results

## CHINA EQUITY: CUMULATIVE RETURNS

### Cumulative Returns

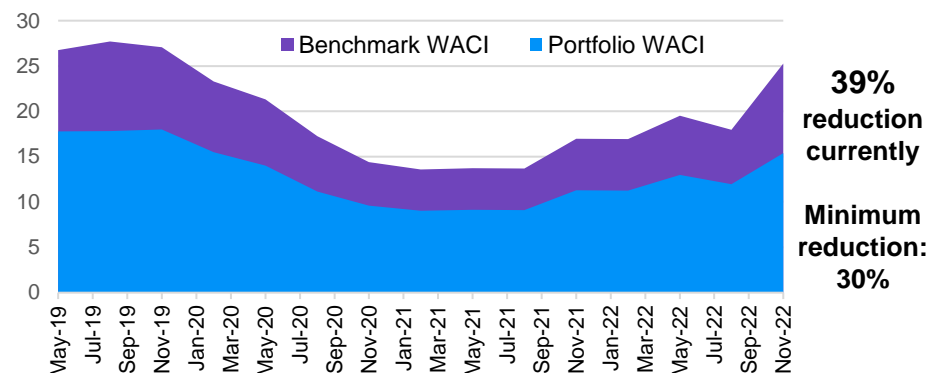


## RETURNS SINCE INDEX INCEPTION

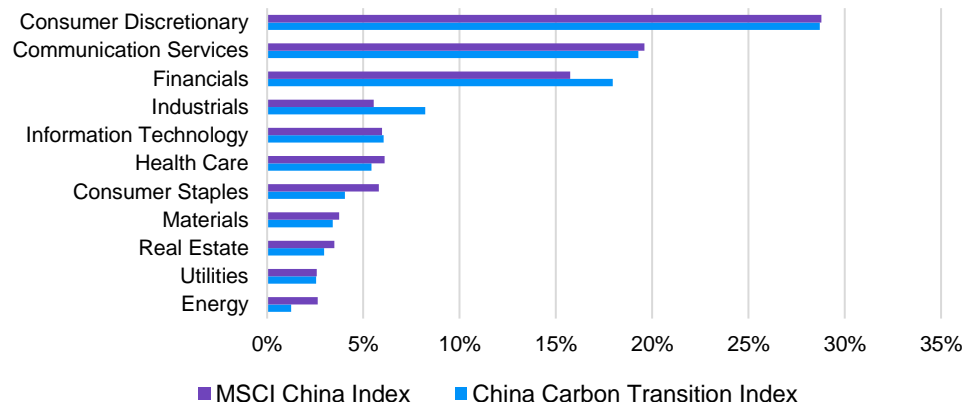
Since Inception: 7 May 2019	Solactive JPMAM China Carbon Transition Index	Solactive China GBS Index Net TR	MSCI China Index (Net Total Return)
Annualized Return	-2.8%	-5.1%	-4.5%
Risk	26.0%	28.0%	27.8%
Return / Risk	-0.11	-0.18	-0.16
Tracking Error (to Solactive China)	2.8%	-	-

## MEANINGFUL REDUCTION IN CARBON EMISSIONS

### Weighted Average Carbon Intensity



## SECTOR WEIGHTS RELATIVE TO MSCI CHINA




Source: J.P. Morgan Asset Management. Performance data as at 28 February 23. Carbon emissions data as at 02 November 2022. Weighted Average Carbon Intensity = metric tons CO<sub>2</sub> equivalent emissions per USD million Enterprise Value including Cash. Performance is gross of transaction-costs and gross of fees. Gross returns do not reflect the deduction of management fees or any other expenses that may be incurred in the management of the account. An investor should not expect to achieve actual returns similar to the returns shown above. The figures refer to simulated past performance.

**Past performance is not a reliable indicator of current and future results.**

# AMS Quantitative Solutions: Access to factor and quantitative solutions

**THEMATICS**  
Long-only


**Equities**



Utilizes artificial intelligence to build portfolios that provide access to specific themes

**STRATEGIC BETA**  
Long-only


**Equities**



Utilizes different weighting frameworks and/or factor screens to improve on traditional beta

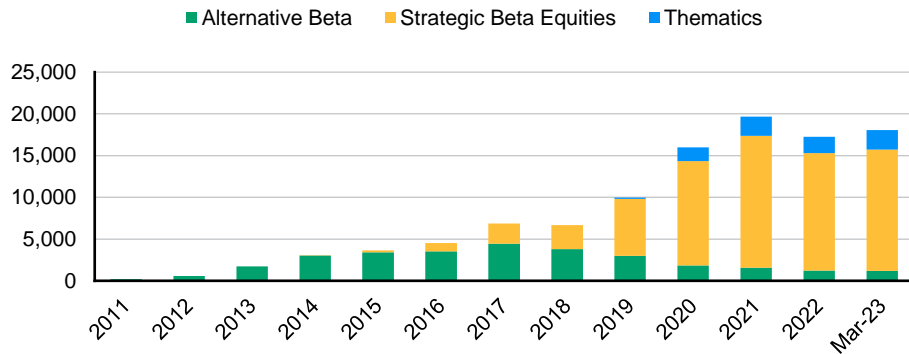
**ALTERNATIVE BETA**  
Long-short

**Risk Premia**  
(Style investing & Hedge Fund based)

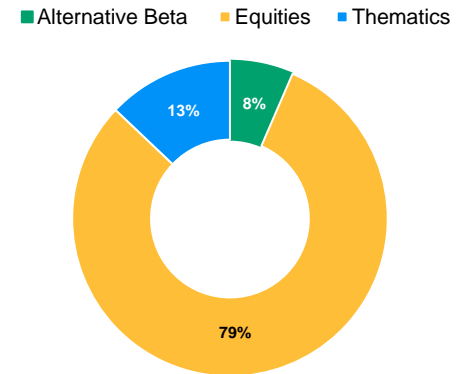


Provides long-short exposure to compensated factors across asset classes

**Growth of assets over time (USD mm):**



**Current AUM breakdown:**



Source: J.P. Morgan Asset Management, as at 31 March 2023.

# AMS Quantitative Solutions: Investment team

**George Gatch**, CEO, J.P. Morgan Asset Management

**Jed Laskowitz**, CIO and Global Head of Asset Management Solutions (AMS)

**Related Functions**

## AMS Quantitative Solutions

**Yazann Romahi, PhD**, Chief Investment Officer

**Victor Li, PhD**

Head of  
Quantitative Strategies Research

**Katherine Santiago**

Head of  
Asset Allocation Research

**Albert Chuang**

**Aijaz Hussain**

**Arpit Gupta**

**Jennifer Rabowsky**

**Joe Staines, PhD**

**Steven Wu**

**Kartik Aiyar**

**Mattia Giammarusto**

**Manu Jayawardana**

**Natalia Zvereva**

**Amarnath Jha**

**Grace Koo**

**Axelle Mabileau**

**Xiao Xiao**

## AMS Core Beta Solutions

**Ove Fladberg**

Chief Investment Officer

**Nick D'Eramo**

**Oliver Furby**

**Alex Hamilton**

**Mike Loeffler**

**Tian Xie**

## GFICC Quantitative Solutions

**Eric Isenberg**, Head of Quantitative Solutions

+ 8 researchers & portfolio managers

## Active Equity Research Team

**370+** equity investment professionals

in 9 locations

## JPMAM Trading

**Equity** - 40+ traders and analysts

**Fixed Income** - 20+ traders

**Currency** - 15+ currency managers

**Robert Stewart**, Global Head of AMS Investment Specialists

**Hanna Bach Nielsen**

**Keegan Ball**

**Katie Magee**

**Garrett Norman**

**Gareth Turner**

**Mia Yammine**

## Model Risk Governance and Review

**Ram Venkatachalam**, Model Governance Lead AM

+5 team members

## Middle Office

**Sarah Iacovou**, ETF & Beta Middle Office Lead

+7 team members dedicated to Beta

## Technology

**David Lin**, AM Solutions Chief Technology Officer

+12 team members dedicated to Quant Solutions

## Investment Director (Risk)

**Lukasz Styrna**, Head of team

+6 team members

## Independent Risk Management

**AM Counterparty Risk Group**

**Investment Risk Oversight**

Source: J.P. Morgan Asset Management, as at 31 March 2023.

# Key Climate-Related Terms and Definitions

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## WHAT ARE CARBON EMISSIONS?

- Greenhouse gases – such as carbon dioxide, methane, nitrous oxide, and others – make up a small percentage of Earth’s atmosphere but play a significant role in regulating the temperature of the planet. Because of their chemical make-up, these gases absorb heat radiated from Earth up towards space, trapping it in the atmosphere, and warming the planet.
- Greenhouse gas emissions are typically quoted in CO<sub>2</sub> (carbon dioxide) equivalent metrics – or “carbon emissions”

## HOW DO YOU MEASURE CARBON INTENSITY?

At a company level, carbon intensity is calculated as a company’s total carbon emissions relative to their enterprise value or sales. At a portfolio or index level, carbon intensity is calculated as a weighted sum of the individual companies’ carbon intensity as calculated above.

## WHAT IS THE PARIS AGREEMENT?

This global agreement, led by the United Nations, pursues efforts to limit the increase in global average temperatures to 1.5-2 °C above pre-industrial levels. It recommends that countries set reduced emissions targets (perhaps by instituting a tax on carbon which could impact a company’s bottom line) alongside other measures.

## WHAT ARE SCOPE 1, 2, AND 3 EMISSIONS?

In the late 1990s, the Greenhouse Gas Protocol was established to set accounting standards to measure and manage GHG emissions and encourage companies to report on their emissions via a corporate responsibility report. As part of this, the GHG Protocol defined three key “scopes” for categorizing emissions.

- Scope 1 Emissions: Direct emissions generated on site, for example at company facilities or via company vehicles.
- Scope 2 Emissions: Indirect emissions generated from electricity purchased or used by an organization.
- Scope 3 Emissions: This is the broadest scope and includes all other indirect emissions – ranging from those generated upstream (via purchases of input goods, business travel, etc.) as well as downstream (via distribution, the use of sold products, etc.)

## WHAT ARE SCIENCE BASED TARGETS?

The science based targets initiative advocates for and provides companies with guidance and a pathway to reduce greenhouse gas emissions. Companies who commit to science based targets seek to align their emissions reduction targets with the global carbon budget through transparent and credible action plans, and specify how much and how quickly they need to reduce their greenhouse gas emissions.


## WHAT IS SFDR?

SFDR is a new EU regulation introducing sustainability-related disclosure obligations for asset managers and financial advisers. Aims to provide more transparency on sustainability within the financial markets in a standardised way, thus preventing greenwashing and harmonizing ESG disclosures to ensuring comparability.

# Customising our Carbon Transition approach

## Scalable Investment Framework

Evaluate companies across the three pillars, backed by proprietary sustainable research



**Emissions**



**Resource Management**

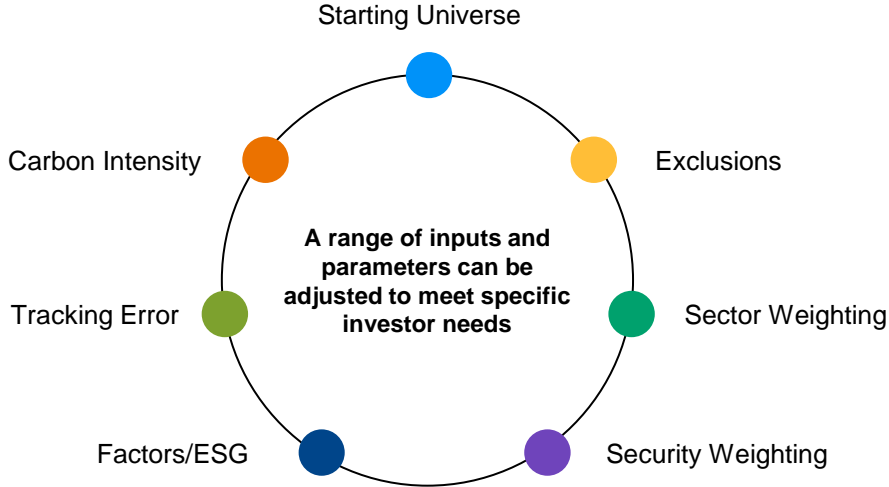


**Risk Management**

Metrics based using data from companies, third-party providers, and indicators developed using machine learning via the ThemeBot



## Ability To Customise



**Framework can be applied across Equities and fixed income**

# Key Facts and Trading Information

## JPMorgan ETFs (Ireland) ICAV - Carbon Transition Global Equity (CTB) UCITS ETF (JPCT\*)



### Expertise

Proprietary research framework developed by our Sustainable Investing Team and Quantitative Solutions group



### Portfolio

Leans into companies with lower emissions, strong resource management, and robust climate risk management



### Results

A core global equity exposure, with lower carbon emissions, without relying on exclusions or sector tilts

<b>Benchmark Index:</b>	JPMAM Carbon Transition Global Equity Index
<b>Benchmark Ticker:</b>	JPMIGCTN
<b>Investment Approach:</b>	Physical; Full Replication
<b>Domicile and Legal Structure</b>	Ireland, UCITS
<b>Total Expense Ratio:</b>	0.19%
<b>Inception Date:</b>	4 November 2020
<b>Base Currency</b>	USD
<b>ISIN:</b>	IE00BMDWYZ92
<b>Bloomberg Ticker (LSE)</b>	JPCT LN
<b>Bloomberg Ticker (Xetra)</b>	JPCT GY
<b>Bloomberg Ticker (Borsa Italiana)</b>	JPCT IM
<b>Bloomberg iNAV Ticker (USD)</b>	JPCTUSIV
<b>Reuters RIC (LSE)</b>	JPCT.L
<b>Reuters RIC (Xetra)</b>	JPCT.DE
<b>Reuters RIC (Borsa Italiana)</b>	JPCT.MI
<b>Bloomberg Ticker (LSE)</b>	JPCT LN

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# EU Sustainable Benchmark Regulations

The EU Commission has defined two standard benchmarks to benchmark assets for low-carbon and climate resilient economy

## Background

The European Commission has introduced minimum standards to help benchmark administrators design the 'EU climate transition' and 'EU Paris-aligned' benchmarks.

According to the European Commission, these are labels designed to **help investors looking to adopt a low-carbon investment strategy** and aim to:

- Improve transparency and comparability
- To benchmark assets for climate-friendly investments
- Prevent administrators from making misleading low-carbon claims ('greenwashing').
- The delegated regulation was adopted on 17 July 2020.

## J.P. Morgan Asset Management Global CTB Approach

- Incorporate Scope 3 across all sectors
- Include corporate evidence-based target setting as an explicit metric in portfolio construction

## Minimum Standards for EU Sustainable Benchmarks

	CTB Climate Transition Benchmark	PAB Paris Aligned Benchmark
<b>Exposure Constraints</b>	Minimum exposure to sectors highly exposed to climate change issues is at least equal to equity market benchmark value	
<b>GHG Emission Reduction target*</b>	30%	50%
<b>Baseline Exclusions</b>	-	Controversial Weapons Societal Norm Violators Tobacco
<b>Activity Exclusions</b>	-	Coal, Oil, Natural Gas and High Intensity Energy producers based on % revenues
<b>YoY decarbonisation of the benchmark</b>	7%	7%

\*Scope 3 emissions phased in. Source: J.P. Morgan Asset Management, as at 30 September 2020. Provided for information on macro and industry trends, not to be construed as research or investment advice. Investments involve risks

## Key personnel

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### Yazann Romahi

Yazann Romahi, PhD, CFA, managing director, is CIO for Quantitative Beta Strategies focused on further developing the firm's factor-based franchise across both alternative beta and strategic beta. Prior to that he was Head of Research and Quantitative Strategies in Multi Asset Solutions, responsible for the quantitative models that help establish the broad asset allocation reflected across Multi-Asset Solutions portfolios globally. Prior to joining J.P.Morgan in 2003, Yazann worked as a research analyst at the Centre for Financial Research at the University of Cambridge and undertook consulting assignments for a number of financial institutions including Pioneer Asset Management, PricewaterhouseCoopers and HSBC. Yazann holds a PhD in Applied Mathematics from the University of Cambridge and is a CFA charterholder.



### Victor Li

Wei (Victor) Li, PhD, CFA, executive director, is Head of Equity and Alternative Beta Research and a portfolio manager in the Quantitative Beta Strategies group, based in London. Victor's primary responsibilities include the oversight of the team's research agenda, model development and portfolio management for both Alternative beta and Strategic Beta suite of products. He was previously a member of the quantitative research team in Multi-Asset Solutions, focusing on quantitative asset allocation, systematic and factor-based investment strategies. Prior to joining the firm in 2010, Victor completed a PhD in Signal Processing at Imperial College London, where he was also employed as a research assistant. Victor additionally has an MSc with Distinction in Communications Engineering from the University of Manchester, a BEng in Information Engineering from the Beijing Institute of Technology, and is a CFA charterholder.



### Aijaz Hussain

Aijaz Hussain, Vice President, is a portfolio analyst in the Quantitative Solutions group, based in London. Prior to joining J.P. Morgan Asset Management in 2016, Aijaz worked as an Analytics Consultant at FactSet Research Systems. Aijaz graduated from Imperial College London with a BSc in Mathematics.

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# Investment objective and main risks

JPMorgan ETFs (Ireland) ICAV - Carbon Transition Global Equity (CTB) UCITS ETF (JPCT \*)

## INVESTMENT OBJECTIVE

The Sub-Fund seeks to provide returns that correspond to those of its Index.



## Summary Risk Indicator

The risk indicator assumes you keep the product for 5 year(s). The risk of the product may be significantly higher if held for less than the recommended holding period. In the UK, please refer to the synthetic risk and reward indicator in the latest available key investor information

## KEY RISKS

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of equities may go down as well as up in response to the performance of individual companies and general market conditions, sometimes rapidly or unpredictably. If a company goes through bankruptcy or a similar financial restructuring, its shares in issue typically lose most or all of their value.
- Since the instruments held by the Sub-Fund may be denominated in currencies other than the Base Currency, the Sub-Fund may be affected unfavourably by exchange control regulations or fluctuations in currency rates. For this reason, changes in currency exchange rates can affect the value of the Sub-Fund's portfolio and may impact the value of the Shares.
- The exclusion of companies that do not meet certain ESG criteria from the Sub-Fund's Investable Universe, through the screening performed as part of the index methodology described above, may cause the Sub-Fund to perform differently compared to similar funds that do not have such a policy.
- To the extent that the Sub-Fund uses financial derivative instruments, the risk profile and the volatility of the Sub-Fund may increase. That notwithstanding, the risk profile of the Sub-Fund is not expected to significantly deviate from that of the Index as a result of its use of financial derivative instruments.
- The Sub-Fund is not expected to track the performance of the Index at all times with perfect accuracy. The Sub-Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of the Index
- Further information about risks can be found in the "Risk Information" section of the Prospectus.

# Important information

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