

JPMorgan Investment Funds – Global Macro Sustainable Fund

April 2023

The JPMorgan Investment Funds – Global Macro Sustainable Fund reflects many of the shared environmental, social and governance values of our clients through the exclusion of certain industries and activities. The exclusions are applied to individual company exposures through equity (physical and single stock options) and credit. Please see below for details of how exclusions are applied to our long derivatives exposure to indices. As shown, we fully exclude some industries and apply maximum revenue percentage thresholds to others, which can vary depending on whether the company is a producer, distributor or service provider. To the extent that this sub-fund invests in underlying funds, in accordance with the Prospectus, these underlying funds may not be bound by the same or similar exclusions as this sub-fund and therefore may indirectly hold securities prohibited by this exclusion policy.

	REVENUE-BASED EXCLUSIONS		FULL EXCLUSIONS
VALUES BASED	Alcohol	Military equipment	Controversial weapons
	Cannabis	Pornography	Unconventional oil and gas
	Fossil Fuel	Power generation	
	Gambling	Tobacco	
NORMS BASED			Companies in breach of the UN* Global Compact

*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 our exclusionary framework we seek 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, we anticipate that power generation companies will continue to place increased focus on climate change and emissions as a strategic consideration. As such, we have developed an inclusion policy to identify power generation companies that are actively transitioning towards sustainable power generation and placing emissions reduction at the forefront of their business strategy.

In addition to our qualitative assessment, which includes consideration of the company's investment in renewable energy capacity, companies considered for inclusion must at a minimum meet the following criteria:

- The company's planned development of its business should be in line with a global warming of below 2°C
- The company's current operations must not consist mainly of energy from fossil fuels

Treatment of index derivatives

The above exclusions are also applied to any long exposure to indices via derivatives where more than 30% of the exposure of the underlying index is captured by our exclusion criteria. When we do implement long exposure to indices via permitted derivatives (which meet the aforementioned 30% rule), the aggregate long equity exposure to the underlying excluded companies cannot exceed 5% equity delta. For example, if we invest at the same time in long S&P call options and long Eurostoxx futures – indices which each currently have less than 30% of their underlying exposure in excluded areas – then the combined exposure from those indices to excluded companies cannot exceed 5% equity delta in aggregate. We only permit netting of long and short exposures in the case of option hedging, when both are on the same underlying index.

The above exclusion and inclusion criteria are subject to periodic changes without advanced notice. Any changes will be reflected in this policy document. J.P. Morgan Asset Management is the brand name for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide. To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our [EMEA Privacy Policy](http://www.ipmorgan.com/emea-privacy-policy) www.ipmorgan.com/emea-privacy-policy. This communication is issued in Europe (excluding UK) by JPMorgan Asset Management (Europe) S.à r.l., 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, R.C.S. Luxembourg B27900, corporate capital EUR 10.000.000. This communication is issued in the UK by JPMorgan Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority. Registered in England No. 01161446. Registered address: 25 Bank Street, Canary Wharf, London E14 5JP.

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