

JPMorgan Funds - Climate Change Solutions Fund

EU SFDR classification: Article 9

OBJECTIVE

To achieve a return through investing in companies with exposure to the theme of climate change solutions.

INVESTMENT APPROACH

- Uses the ThemeBot which, through natural language processing, determines textual relevance and revenue attribution to identify companies exposed to the theme of climate change solutions and its related sub-themes.
- Using the results of Themebot as the basis for company selection, applies an active, bottom-up investment approach to stock selection, drawing on a fundamental research-based investment process.

ENGAGEMENT

- Active ownership, supported and enabled by focused engagement, is a key component in our investment approach.
- We believe sustainable investing means much more than simply evaluating narrow corporate exposures to environmental, social and governance (ESG) risk factors; it is also about focusing on the long-term impact of businesses on the natural environment and its communities.
- We look beyond short-termism to bring about real, positive change in the companies in which we invest and the wider market.
- We also look for companies that are likely to help scale the solutions to global sustainability challenges and that drive positive, sustainable and systemic change, as well as companies that are beneficiaries of that change.

ESG Exclusions

THRESHOLD EXCLUSIONS (VALUES BASED) ²								FULL EXCLUSIONS (VALUES BASED)			(NORMS BASED) ^{1,8}
Conventional Weapons ³	Adult Entertainment	Tobacco	Conventional Oil & Gas ₂	Thermal Coal	Unconventional Oil & Gas	Power Generation ^{4,5}	Gambling	Controversial Weapons ⁶	Tobacco Production	Nuclear Weapons	Companies in breach of UN ⁷ Global Compact

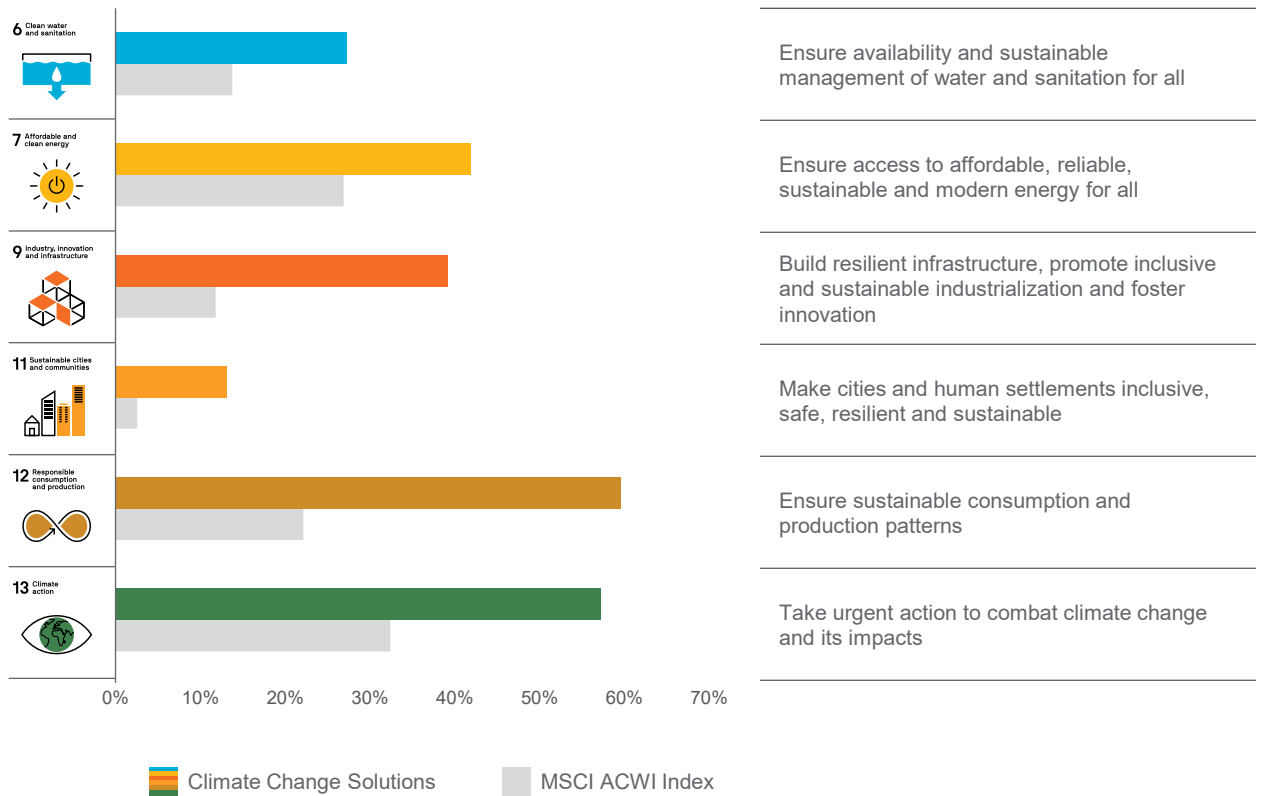
Portfolio exposure to sub-themes and alignment with key UN SDGs

Portfolio Sub-Theme	% of Portfolio in Sub-Theme	Description	Key UN SDGs Applicable to Sub-Theme
Renewables & Electrification	39.1%	Companies developing clean energy such as wind, solar, or hydro across the full production chain, and enabling electrification across the economy	7 9 12 13
Sustainable Construction	27.6%	Companies developing less carbon-intensive forms of construction, including energy efficiency of buildings and cement & steel production	9 11 12 13
Sustainable Food & Water	18.5%	Companies investing in less carbon-intensive forms of agriculture, sustainable food, or clean water	6 12
Sustainable Transport	5.1%	Companies investing in sustainable forms of transportation across automobiles, trains, and planes	12
Recycling & Re-Use	6.7%	Companies developing technologies to reduce waste, including equipment and materials recycling	9 11 12 13

¹ 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.
² Conditions include, but are not limited to, percentage of revenue generated, changes in absolute production of or capacity for related products or services and the absence of transition targets such as SBTi.
³ Including civilian firearms.
⁴ Generation of power from non-renewable energy sources including thermal coal, liquid fuel, nuclear and natural gas.
⁵ Eligible for a 'phase-out margin' where the total portfolio exposure to companies which are not aligned with specified conditions is < 5%. This margin will decrease by 1pp (percentage point) per year as of 1/1/2023. Additionally, companies in this margin shall be subject to a best-in-class selection that selects from the 25% highest ESG-rated companies.
⁶ Including cluster munitions, landmines, biological and chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, nondetectable fragments and white phosphorus.
⁷ 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.
⁸ The normative screens also include the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights

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

% Portfolio Alignment with UN Sustainable Development Goals (SDGs)



Ensure availability and sustainable management of water and sanitation for all

Ensure access to affordable, reliable, sustainable and modern energy for all

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Make cities and human settlements inclusive, safe, resilient and sustainable

Ensure sustainable consumption and production patterns

Take urgent action to combat climate change and its impacts

The percentage portfolio alignment with UN Sustainable Development Goals (SDGs) measures the percentage of stocks within the portfolio that align to the goals displayed above. It is important to note that a stock can align with more than one SDG, therefore the sum of the percentages in the chart for the fund and benchmark will not equal 100%.

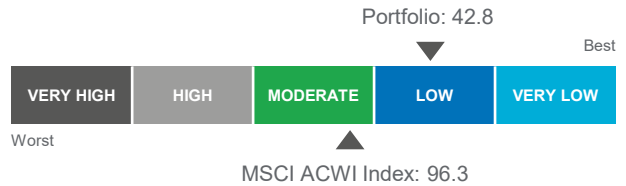
Source: MSCI, based on 97.0% coverage, holdings as at December 2022 unless otherwise stated. Reproduced by permission; no further distribution.

Sustainability profile

CARBON EMISSIONS

(tonnes CO₂e/USD mn invested) Scope 1+2⁶

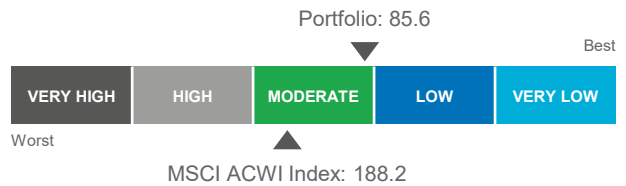
MSCI's ESG Carbon Emissions metric measures the carbon emissions, for which the fund is responsible, per USD million invested, by their equity ownership. Emissions are apportioned based on percentage market capitalisation.



CARBON INTENSITY

(tonnes CO₂e/USD mn sales) Scope 1+2⁶

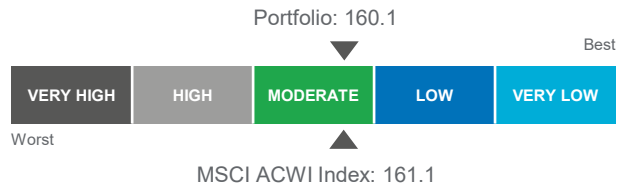
MSCI's ESG Carbon Intensity score represents the carbon efficiency of the fund, defined as the ratio of carbon emissions for which investors are responsible to the sales for which an investor has a claim by their ownership. Emissions and sales are apportioned based on % market capitalization.



WEIGHTED AVERAGE CARBON INTENSITY

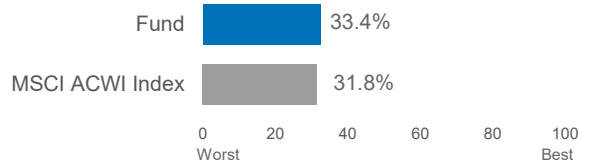
(tonnes CO₂e/USD mn sales) Scope 1+2⁶

MSCI's ESG Carbon Intensity score represents the funds exposure to carbon-intensive companies and economies, defined as the portfolio weighted average of Carbon / GHG Intensity (emissions/sales).



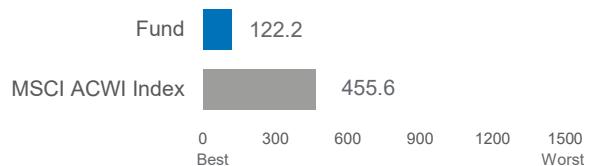
AVERAGE FEMALE BOARD REPRESENTATION

MSCI's Average Female Board Representation score shows the weighted average of the percentage of women on the board of directors for the companies that the fund has a holding in, with 100% being the maximum available.



AVERAGE WATER CONSUMPTION

MSCI's Average Water Consumption metric represents the weighted average of the total volume of freshwater diverted into a company's operations from freshwater sources that is not returned to the original source (converted to cubic meters) of the companies which the fund holds. Consumed water can be attributed to water that is evaporated, lost to leakage, and/or incorporated into the final product. Freshwater excludes seawater, brackish water, rainwater, and wastewater.



⁶ Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Source: MSCI, based on 96.7% coverage, holdings as at December 2022 unless otherwise stated. Reproduced by permission; no further distribution.

ESG Overview

ESG RATING

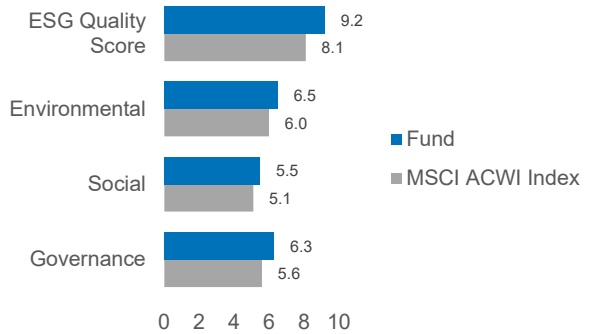
The MSCI ESG Rating is one measure of the potential resiliency of a fund’s aggregate holdings to long term risks and opportunities arising from environmental, social and governance factors. Ratings are provided on an alphabetical scale of AAA to CCC, where AAA is the highest.



ESG SCORES

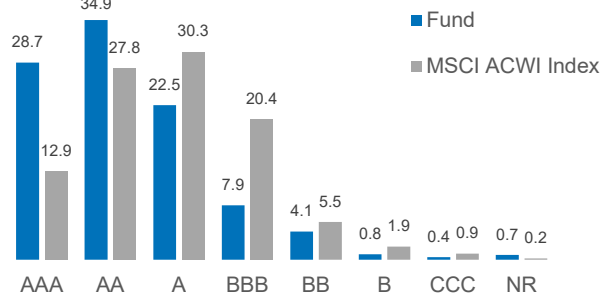
The overall MSCI ESG Quality Score aggregates Issuer-level ESG scores, to provide an indication of the overall fund-level ESG score. The ESG Quality score is based on the weighted average ESG score of the holdings of the fund. It is then adjusted based on MSCI’s assessment into the fund’s ESG track record - looking at exposure to holdings with a positive or worsening rating trend. Finally, MSCI review the fund’s exposure to holdings with worst-in-class to derive the overall ESG Quality Score.

The MSCI ESG Quality Score and individual Environment, Social and Governance pillar scores are provided on a 0-10 scale, with 0 being the lowest and 10 being the highest possible fund score.



ESG RATING DISTRIBUTION

The chart shows the MSCI ESG Rating Distribution based on the fund’s and benchmark’s underlying holdings. Issuer MSCI ESG ratings are mapped directly to the numerical ESG Quality Score. For illustration, leading AAA rated Issuers have an MSCI ESG Quality score of between 8.6 and 10.0 compared to CCC rated Issuers which have an MSCI ESG Quality Score of between 0.0 and 1.4. The chart includes a breakdown of all fund’s and benchmark’s holdings. Some asset types are out of scope for MSCI’s ESG analysis, e.g. Cash. They are removed from a fund’s or benchmark’s holdings prior to calculating both the ESG Coverage (%) and ESG analysis but are reflected above under ‘Not Rated’.



It is important to remember that the MSCI ESG metrics provided in this report may not fully reflect future economic reality. At J.P. Morgan Asset Management, our ESG specialists collaborate closely with our research analysts to understand when that may be the case, and where appropriate we engage with companies to improve disclosure and enhance policies. Where we think climate risk may be material, we review fossil fuel exposure, disclosed reduction targets going forward and other relevant information.

For more information on ESG integration and our approach to sustainable investing at J.P. Morgan Asset Management visit www.jpmm.com/sustainable

Source: MSCI, based on 99.3% coverage, holdings as at December 2022 unless otherwise stated. Reproduced by permission; no further distribution.

DISCLAIMERS

The methodology and calculations used by companies that provide awards and ratings are not verified by J.P. Morgan Asset Management and therefore are not warranted to be accurate or complete. All data is based on past holdings information and is not a guide as to how the fund may be scored by MSCI in the future. The ESG Coverage (%) relates to the percentage of a fund's holdings in scope for MSCI's ESG analysis. Some assets, such as cash, are out of scope for analysis and are removed from a fund's holdings prior to calculating both the ESG Coverage (%) and ESG Analysis.

Before investing, obtain and review the current Prospectus, Key Investor Information Document (KIID) and the Key Features Document/Terms & Conditions for this fund which are available from JPMorgan Asset Management (UK) Limited.

This material should not be considered as advice or an investment recommendation. Fund holdings and performance are likely to have changed since the report date. No provider of information presented here, including index and ratings information, is liable for damages or losses of any type arising from use of their information. No warranty of accuracy is given and no liability in respect of any error or omission is accepted.

GENERAL DISCLOSURES

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 www.jpmorgan.com/emea-privacy-policy

For additional information on the fund's target market please refer to the Prospectus. These documents, as well as the annual and semi-annual reports and the articles of incorporation, are available free from your financial adviser, your J.P. Morgan Asset Management regional contact, the fund's issuer (see below) or at www.jpmm.lu. This material should not be considered as advice or an investment recommendation. Fund holdings and performance are likely to have changed since the report date. No provider of information presented here, including index and ratings information, is liable for damages or losses of any type arising from use of their information. No warranty of accuracy is given and no liability in respect of any error or omission is accepted. 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 www.jpmorgan.com/emea-privacy-policy. For additional information on the sub-fund's target market please refer to the Prospectus.

This report contains certain information (the "Information") sourced from MSCI ESG Research LLC, or its affiliates or information providers (the "ESG Parties"). The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. Although they obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

LV-JPM53466 | 01/22
