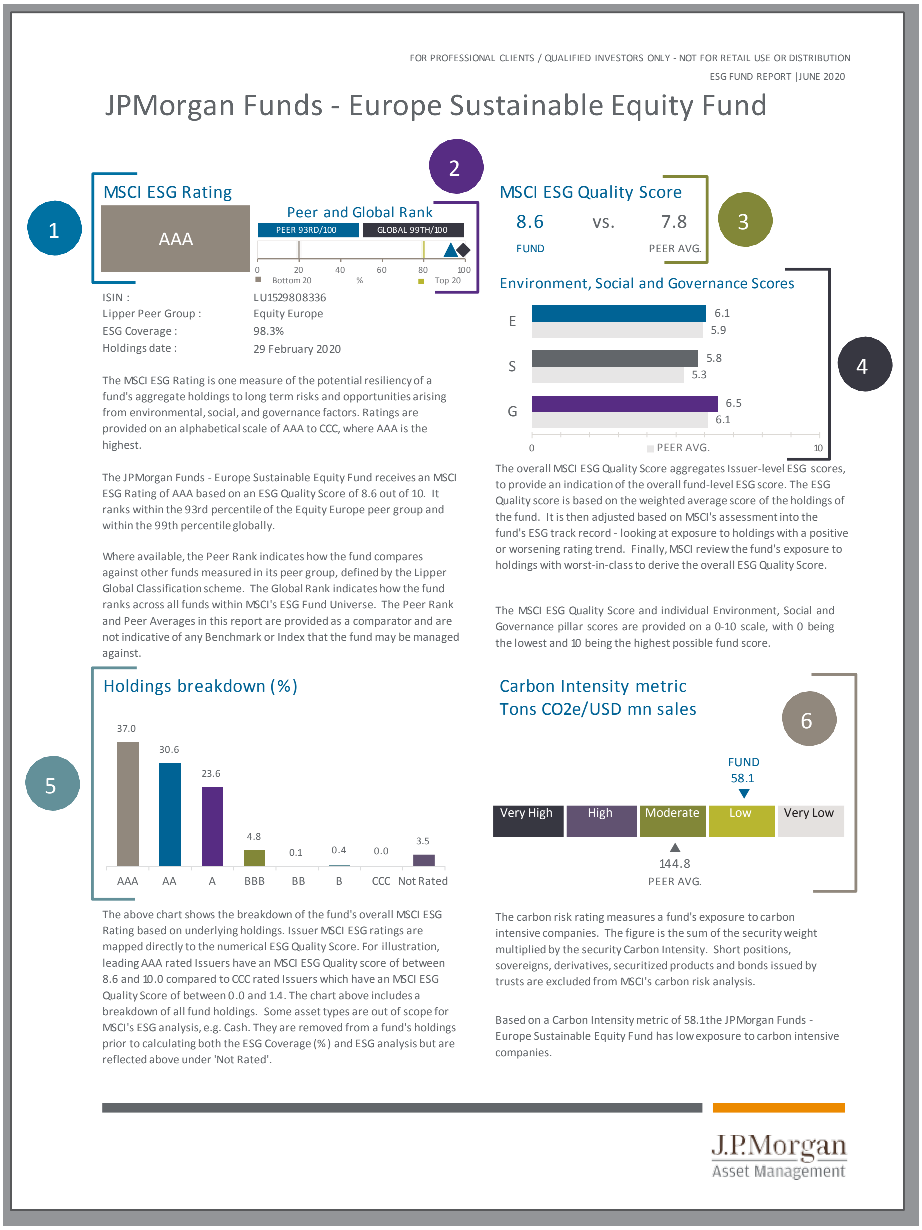
Understanding the ESG Fund Report

Our ESG Fund Report is a standalone, comprehensive report covering key environmental, social and governance (ESG) metrics for our OEIC, SICAV, Investment Trust and ETF ranges. Reports for each fund are published quarterly on our website. All ratings and metrics are sourced directly from MSCI.



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ESG FUND REPORT |JUNE 2020

JPMorgan Funds - Europe Sustainable Equity Fund

MSCI ESG Rating: AAA

Peer and Global Rank: PEER 93RD/100, GLOBAL 99TH/100

ISIN : LU1529808336
Lipper Peer Group : Equity Europe
ESG Coverage : 98.3%
Holdings date : 29 February 2020

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.

The JPMorgan Funds - Europe Sustainable Equity Fund receives an MSCI ESG Rating of AAA based on an ESG Quality Score of 8.6 out of 10. It ranks within the 93rd percentile of the Equity Europe peer group and within the 99th percentile globally.

Where available, the Peer Rank indicates how the fund compares against other funds measured in its peer group, defined by the Lipper Global Classification scheme. The Global Rank indicates how the fund ranks across all funds within MSCI's ESG Fund Universe. The Peer Rank and Peer Averages in this report are provided as a comparator and are not indicative of any Benchmark or Index that the fund may be managed against.

MSCI ESG Quality Score: 8.6 (FUND) vs. 7.8 (PEER AVG.)

Environment, Social and Governance Scores: E 6.1 / 5.9; S 5.8 / 5.3; G 6.5 / 6.1 (PEER AVG.)

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 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.

Holdings breakdown (%): AAA 37.0; AA 30.6; A 23.6; BBB 4.8; BB 0.1; B 0.4; CCC 0.0; Not Rated 3.5

The above chart shows the breakdown of the fund's overall MSCI ESG Rating based on 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 above includes a breakdown of all fund holdings. Some asset types are out of scope for MSCI's ESG analysis, e.g. Cash. They are removed from a fund's holdings prior to calculating both the ESG Coverage (%) and ESG analysis but are reflected above under 'Not Rated'.

Carbon Intensity metric
Tons CO2e/USD mn sales

Very High | High | Moderate | Low | Very Low — FUND 58.1; PEER AVG. 144.8

The carbon risk rating measures a fund's exposure to carbon intensive companies. The figure is the sum of the security weight multiplied by the security Carbon Intensity. Short positions, sovereigns, derivatives, securitized products and bonds issued by trusts are excluded from MSCI's carbon risk analysis.

Based on a Carbon Intensity metric of 58.1 the JPMorgan Funds - Europe Sustainable Equity Fund has low exposure to carbon intensive companies.

1. *The MSCI ESG Rating measures the fund's resiliency to long-term ESG risks and opportunities. Ratings range from CCC (laggard) to AAA (leader).*

2. *These rankings compare the fund to its Lipper peer group (Peer Rank) and MSCI's global Fund Ratings universe (Global Rank). The score shows the percentage of funds with an ESG Quality Score lower than, or equal to, that of the fund. A higher score is better.*

3. *The ESG Quality Score assesses the resilience of a fund's aggregate holdings to long-term ESG risks. Highly rated funds consist of issuers with leading or improving management of key ESG risks. Scores range from 0 (lowest) to 10 (highest).*

4. *The individual E, S and G scores measure the fund's exposure to and management of key risks and opportunities in each category. Scores range from 0 (lowest) to 10 (highest).*

5. *This chart breaks down the fund's overall MSCI ESG Rating by holding. Assets that are out of scope for MSCI's analysis are shown as 'not rated'.*

6. *The Carbon Intensity metric measures the fund's exposure to carbon intensive companies.*

Frequently asked questions

Why are we showing MSCI ESG Ratings, as opposed to an alternative?

MSCI ESG Ratings provide among the broadest issuer coverage, with over 7,500 companies (+subsidiaries) and more than 650,000 equity and fixed income securities covered, allowing the creation of ESG Ratings, scores and metrics for approximately 32,000 mutual funds and ETFs across asset classes, globally.

Our agreement with MSCI enables direct sourcing of ESG data points and onward distribution of these metrics. This underpins our ability to provide timely, scalable reporting of ESG ratings across our funds.

How does MSCI approach ESG ratings?

The MSCI ESG Ratings model seeks to answer four key questions about companies:

- What are the most significant ESG risks and opportunities facing a company and its industry?
- How exposed is the company to those key risks and/or opportunities?
- How well is the company managing key risks and opportunities?
- What is the overall picture for the company and how does it compare to industry peers?

MSCI looks at 37 key risks, aligned under the E,S and G pillars. These are reviewed annually and weighted based on industry risks.

How often is the ESG Fund Report available?

The ESG Fund Report will be made available on a quarterly basis, mid-quarter.

How current is the data reported?

MSCI sources fund holdings from Lipper on a monthly basis. Due to fund holding embargoes and the timing/frequency of holdings feeds, underlying holdings may be subject to a timing lag.

MSCI's ESG research data is refreshed on a daily basis. ESG Fund Reports source the latest published MSCI ESG Ratings and Scores, based on the most recent fund holdings available. The date of the fund holdings is clearly labelled on the report.

What assets are included in MSCI's ESG coverage?

MSCI's ESG analysis covers over 7,500 companies and more than 650,000 equity and fixed income securities globally. However, some asset types, including cash, are out of scope for MSCI's ESG analysis. These are removed from a fund's holdings, prior to calculating both coverage and ESG analysis, so that the results reflect only the portion of the fund relevant to ESG considerations.

How are short positions treated by MSCI?

Short positions are included in a fund's gross weight calculation, but are treated as uncovered for ESG data.

Why is weighted average carbon intensity the chosen carbon metric?

Weighted average carbon intensity is fairly simple to calculate, not sensitive to share price movements (since it is not based on equity ownership), and can be measured across asset classes, including fixed income.

What are the limitations of the weighted average carbon intensity metric?

Weighted average carbon intensity relies on carbon footprint analysis. It applies only one lens and is backward-looking – it doesn't encompass company policies and other forward-looking information that may change. Short positions, sovereigns, derivatives, securitised products and bonds issued by trusts are excluded from analysis.