

JPMorgan Fund ICVC —

# JPM Global Macro ESG Fund

FCA Product Reference Number: 636398

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## NON-LABELLED ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) FUND

The Financial Conduct Authority’s Sustainability Disclosure Requirements (“UK SDR”) is a set of regulatory rules that requires enhanced sustainability disclosures for funds using sustainability-related terms in their name or marketing materials. It also introduces four discretionary sustainable investment labels for products and associated qualifying criteria that the fund must meet to achieve a label. Sustainable investment labels help investors find investment products that have a specific sustainability goal. This Fund does not have a UK sustainable investment label.

Among other, the qualifying criteria for a label requires the Fund to have a sustainability objective. This Fund does not have a sustainability objective but instead has a financial objective, which it seeks to achieve by investing in a portfolio that is positioned towards securities with positive ESG characteristics. It does not seek a specific or set of sustainability outcome(s), such as pursuing climate change mitigation or transition, in addition to its financial objective. Consequently the Fund does not currently have a UK sustainable investment label under UK SDR but may pursue one in future.

## SUSTAINABILITY APPROACH

### How the Investment Manager selects assets

#### Positive Inclusions – Only Applies to issuers with positive ESG characteristics

Through applying a defined set of ESG scoring criteria, the Investment Manager, invests at least 70% of long sovereign debt exposures and 70% of long individual company equity exposures, including through single stock options, in securities exhibiting positive ESG characteristics.

#### ESG Exclusions – applies to all assets

The Fund excludes certain sectors, companies / issuers or practices from the investment universe based on specific values or norms-based screening policies. Values-based screening assesses issuers against key ESG values, such as environmental damage and production of controversial weapons. Norms-based screening assesses issuers against minimum standards of business practice based on international norms.

These policies set limits or full exclusions on certain industries and companies based on specific ESG criteria and /or minimum standards of business practice based on international norms. Please refer to the website at <https://am.jpmorgan.com/content/dam/jpm-am-aem/emea/regional/en/policies/exclusion-policy/jpm-global-macro-esg-exclusion-policy.pdf> for the full exclusion policy, including exceptions applicable to certain thresholds.

Furthermore, the Investment Manager will not have long exposure in indices where 30% or more of the underlying securities are on the exclusions list. In addition to this rule, the aggregate long exposure via derivatives to excluded securities will not exceed 5% net equity exposure and this exposure will be monitored to ensure alignment to the exclusion policy. Measuring the exposure involves assessing the price sensitivity of the derivatives to changes in the price of the underlying securities.

## SUSTAINABILITY METRICS

Through applying a defined set of ESG scoring criteria, the Investment Manager, invests at least 70% of long sovereign debt exposures and 70% of long individual company equity exposures, including through single stock options, in securities exhibiting positive ESG characteristics. Please refer to the website, [jpmorgan.co.uk/investor](https://jpmorgan.co.uk/investor), for current portfolio holdings information. This assessment leverages third-party scoring from MSCI which considers data across E,S and G pillars such as:

- (E) – GHG emissions, pollution and waste management
- (S) – Health and safety record, labour management, community and social relations
- (G) – Board diversity and independence , tax transparency, business ethics

Issuers must score within the top 80% of the MSCI All Countries World Index for long individual company equity exposures and top 80% of the MSCI Country scores for developed and emerging (excluding frontier) for long sovereign debt exposures to qualify as exhibiting positive ESG characteristics.

In addition to this minimum requirement, the Investment Manager's proprietary assessment of a company / issuer's management of ESG issues relevant to the specific industry, activity or country and exposure can help to identify companies / issuers with positive ESG characteristics related to areas such as climate risk, green transport and infrastructure, social advancement and health and wellness.

The Investment Manager carries out a proprietary assessment of ESG criteria to identify any risks and opportunities of potential investments across debt securities and equities. The assessment is based on proprietary internal research and incorporates external insights as well as dedicated ESG analysis and scoring from third-party providers. Such assessment generally includes, without limitation, an analysis of issuer regulatory filings, annual reports, websites, direct and regular communication with issuers, media, third-party research and data providers and government officials, economic surveys and reports. This analysis and the relevant data is inputted into the Investment Manager's proprietary assessment and informs investment decisions. The proprietary assessment is ongoing and the Investment Manager continually reviews the holdings against the ESG criteria. Third party data may be subject to limitations in respect of its accuracy and / or completeness.

Assets underlying single stock short positions in the portfolio, interest rate swaps and FX forwards and options used for investment purposes and hedging are not subject to the ESG assessment.

## TO LEARN MORE

You can access pre-contractual disclosures, ongoing product-level disclosures, entity-level disclosures and non-sustainability-related information at [jpmorgan.co.uk/investor](https://jpmorgan.co.uk/investor).