

JPMORGAN ETFS (IRELAND) ICAV

EUR Ultra-Short Income UCITS ETF

2 April 2024

(A sub-fund of JPMorgan ETFS (Ireland) ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registered number C171821 authorised by the Central Bank of Ireland pursuant to the UCITS Regulations).

This Supplement (the “Supplement”) forms part of the prospectus dated 9 February 2024 (the “Prospectus”) in relation to JPMorgan ETFS (Ireland) ICAV (the “ICAV”) for the purposes of the UCITS Regulations. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the JPMorgan ETFS (Ireland) ICAV – EUR Ultra-Short Income UCITS ETF (the “Sub-Fund”) which is a separate sub-fund of the ICAV.

The Sub-Fund is an Actively Managed Sub-Fund.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. An investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. The value of Shares may go down as well as up and investors may not get back any of the amount invested.

Prospective investors should review this Supplement and the Prospectus carefully and in their entirety and consider the risk factors set out in the Prospectus and in this Supplement before investing in this Sub-Fund. If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant and/or financial adviser.

The Directors, as listed in the “*Management*” section of the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

Base Currency	Euro.
Benchmark	ICE BofA 3-Month German Treasury Bill Index.
Dealing Deadline	14:00 hrs (UK time) on each Dealing Day. Currency hedged versions of the Benchmark may provide a more relevant point of reference for the Currency Hedged Share Classes.
Investment Manager	JPMorgan Asset Management (UK) Limited, 60 Victoria Embankment, London EC4Y 0JP, the United Kingdom, whose business includes the provision of investment management services.
Minimum Subscription Amount	5,000 Shares (for in specie subscriptions) or cash equivalent (for cash subscriptions).
Minimum Redemption Amount	5,000 Shares (for in specie redemptions) or cash equivalent (for cash redemptions).
Settlement Deadline	Appropriate cleared subscription monies/securities must be received by the second Business Day after the Dealing Day, or such later date as may be determined by the ICAV and notified to Shareholders from time to time.
Valuation	The Net Asset Value per Share is calculated in accordance with the “ <i>Determination of Net Asset Value</i> ” section of the Prospectus, using closing bid prices for securities.
Valuation Point	Close of business on each Business Day on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
Website	www.jpmorganassetmanagement.ie .

INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective. The objective of the Sub-Fund is to provide current income while seeking to maintain a low volatility of principal.

Investment Policy. The Sub-Fund seeks to achieve its investment objective by primarily investing in investment grade, Euro-denominated, short term fixed, variable and floating rate debt securities as outlined in further detail in the “Instruments / Asset Classes” section below. For the avoidance of doubt, investors should note that the Sub-Fund will not seek to track the performance of the Benchmark, rather the Sub-Fund will hold a portfolio of actively selected and managed investments. The Benchmark has been included as a point of reference against which the performance of the Sub-Fund may be measured. The Sub-Fund will be managed without reference to its Benchmark.

At least 51% of the Sub-Fund’s assets are invested in issuers with positive environmental and/or social characteristics that follow good governance practices, as measured through the Investment Manager’s proprietary environmental, social and governance (“ESG”) scoring methodology and/or third party data. In addition, for some but not necessarily all issuers, the Sub-Fund incorporates a bespoke set of Employee Engagement and Diversity (“EE&D”) data inputs, such as an issuer’s gender breakdown, diversity programmes, ethnicity score and equal pay score into the investment process. The Sub-Fund invests at least 51% of those assets that have an EE&D rating in issuers scoring above a pre-defined threshold in relation to EE&D inputs. The Sub-Fund promotes environmental and/or social characteristics. Further details on the ESG analysis applied are provided below.

The Sub-Fund invests at least 10% of assets excluding cash, money market funds and derivatives for efficient portfolio management, in Sustainable Investments, as defined under SFDR, contributing to environmental or social objectives.

In addition, the Investment Manager evaluates and applies values and norms based screening to implement exclusions on certain industries and issuers based on specific ESG criteria and/or minimum standards of business practice based on international norms. To support this screening, the Investment Manager relies on third party provider(s) who identify an issuer’s participation in or the revenue which they derive from activities that are inconsistent with the values and norms based screens. Further details on the screening process can be found below and in the Sub-Fund’s full exclusion policy which can be found on <https://am.jpmorgan.com/content/dam/jpm-am-aem/emea/regional/en/policies/exclusion-policy/jpm-etf-icav-eur-ultra-short-income-ucits-etf-exclusion-policy-ce-en.pdf>.

Values based screening assesses issuers against key ESG values, such as environmental damage and production of controversial weapons.

The Investment Manager fully excludes issuers that are involved with certain industries (such as controversial weapons, (anti-personnel mines, biological/chemical weapons, cluster munitions, depleted uranium, white phosphorus and nuclear weapons) (excluding companies who support nuclear weapons programmes to states within [the Treaty on the Non-Proliferation of Nuclear Weapons](#), commonly known as the Non-Proliferation Treaty or “NPT”).

For certain other industries the Investment Manager applies maximum percentage thresholds typically based on revenue from production and/or distribution (which can vary depending on whether the company is a producer, distributor or service provider) which are derived from certain industries (such as conventional weapons: >10%, tobacco production: >5%, power generation from thermal coal: >20%, thermal coal extraction: >20%, above which issuers are also excluded. “Revenue Threshold” is the percentage of an issuer’s maximum revenue derived from the source indicated or, where noted

otherwise, the maximum percentage of the Sub-Fund's assets that the investments can represent, e.g. capital expenditure in coal-fired power generation applies a threshold of >0 of assets. Exceptions are allowed for certain exclusions where the issuer meets particular criteria, such as having an approved Science Based Target in respect of reducing greenhouse gas emissions, through the [Science Based Targets initiative](#), or generating above a particular threshold of revenue from renewables.

Norms based screening assesses issuers against minimum standards of business practice based on international norms. The Sub-Fund excludes companies that are deemed to have failed in respect of established norms such as those referenced in the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. To achieve this, the Sub-Fund uses third party data based on research that identifies corporate controversies and assesses how companies manage these controversies. The Sub-Fund may invest in an company that would have been excluded based on such data if, in the view of the Investment Manager the data is incorrect, or the company demonstrates progress to remediate the violation and the Investment Manager engages with the company.

The Sub-Fund systematically includes ESG analysis in its investment decisions on at least 75% of non-investment grade securities and on at least 90% of investment grade securities purchased.

The Investment Manager allocates the Sub-Fund's assets among a range of market sectors. In buying and selling investments for the Sub-Fund, the Investment Manager looks for market sectors and individual securities that it believes will assist in delivering the Sub-Fund's investment objective by providing stable income and price appreciation. The Investment Manager will buy securities of issuers that have sound fundamentals, including a strong ability and willingness to make repayments in respect of any short term debt purchased by the Sub-Fund. Additionally, the Investment Manager will look for opportunities for returns via price appreciation in securities that it believes are undervalued. The Investment Manager will make decisions with regard to sector allocation and security selection based on fundamental research, technical indicators, and relative value analysis (relative to other issuers in the market). This analysis involves an evaluation of the characteristics of each investment including income, interest rate risk, credit risk and the position of the debt within the capital structure of the issuer (e.g. senior versus subordinated debt).

The Sub-Fund will concentrate its investments in the banking industry and, under normal conditions, will invest more than 25% of its Net Asset Value in debt securities issued by companies which are in the banking industry. The Sub-Fund may, however, invest less than 25% of its Net Asset Value in this industry as a temporary defensive measure.

The Sub-Fund seeks to maintain a duration of one year or less. Duration is a measure of the price sensitivity of a debt security or a portfolio of debt securities to changes in relevant interest rates. For instance, a duration of "one" means that a security's or portfolio's price would be expected to decrease by approximately 1% with a 1% increase in interest rates.

It is important to note that the Sub-Fund is not a money market fund and is not subject to the special regulatory requirements (including maturity and credit quality constraints) designed to enable money market funds to maintain a stable share price.

As part of its principal investment strategy and for temporary defensive purposes, any portion of the Sub-Fund's Net Asset Value may be invested in cash and cash equivalents (such as treasury bills, certificates of deposit, commercial paper and other money market instruments).

The Investment Manager also evaluates whether ESG factors could have a material negative or positive impact on the cash flows or risk profiles of many issuers in which the Sub-Fund may invest. This impact is determined by identifying issuers which are negative outliers, based on the potential impact of ESG factors on the sustainability and redeployment of the issuers' cash flows. The Investment Manager's research analysts focus on key risk factors, including, for example, accounting and tax policies, disclosure and investor communications, shareholder rights, remuneration and social and environmental factors to seek to identify such negative outliers. Social factors include, but are not limited to, issues relating to labour management and health and safety. Environmental factors include, but are not limited to, issues relating to carbon emissions, environmental regulations, water stress and waste. The ESG assessment using these risk factors is integrated into the investment process described above to form a holistic view on whether ESG factors will affect the sustainability of issuers' cash flows. These determinations may not be conclusive and securities of issuers which may be negatively impacted by such factors may be purchased and retained by the Sub-Fund while the Sub-Fund may divest or not invest in securities of issuers which may be positively impacted by such factors where the Investment Manager believes that this is in the best interests of the Sub-Fund on the basis of the other elements of the investment policy.

Instruments / Asset Classes. The Sub-Fund may invest in debt securities and high quality money market instruments, such as commercial paper and certificates of deposit which have been issued by corporate issuers. The Sub-Fund may also invest in securities issued by governments or quasi-government entities, when-issued securities, delayed delivery securities, forward commitments, zero-coupon securities and privately placed securities. The Sub-Fund may also invest in instruments denominated in currencies other than EUR, however, any non-EUR exposure will be hedged into EUR.

The investment grade Euro-denominated, short-term fixed, variable and floating rate debt securities in which the Sub-Fund will primarily invest will (i) carry a minimum short-term rating of P-3, A-3 or F3 or better by Moody's Investors Service Inc. (Moody's), Standard & Poor's Corporation (S&P), or Fitch Ratings (Fitch), respectively, (ii) carry a minimum long-term rating of Baa3, BBB-, or BBB- by Moody's, S&P, or Fitch, respectively, or (iii) if such investments are unrated, be deemed by the Investment Manager to be of comparable quality at the time of investment.

The Sub-Fund also, on an ancillary basis, may invest in securities rated below investment grade (i.e., high yield bonds, also called junk bonds or non-investment grade bonds) or the unrated equivalent. These securities generally are rated in the fifth or lower rating categories (for example, BB+ or lower by S&P and Ba1 or lower by Moody's). These securities generally offer a higher yield than investment grade securities, but involve a high degree of risk. A security's quality is determined at the time of purchase and securities that are rated investment grade or the unrated equivalent may be downgraded or decline in credit quality such that subsequently they would be deemed to be below investment grade.

The Sub-Fund may invest to a limited extent in mortgage-related and mortgage-backed securities, at the discretion of the Investment Manager. The asset-backed securities in which the Sub-Fund may invest include "sub-prime" securities and collateralised loan obligations (CLOs), which will not embed derivatives or leverage.

The Sub-Fund will invest primarily in securities listed or traded on Recognised Markets globally.

The Sub-Fund will not invest more than 10% of its Net Asset Value in other regulated, open-ended collective investment schemes, including ETFs and money market funds, as described under "*Investment in Other Collective Investment Schemes*" in the "*Investment Objectives and Policies*" section of the Prospectus.

Use of FDI and Risk Management. In addition, the Sub-Fund may, for efficient portfolio management, use FDI in order to hedge various investments, for risk management purposes and/or to seek to increase income or gain to the Sub-Fund. Any use of FDI by the Sub-Fund shall be limited to using futures to take a long exposure to the securities described in the “*Instruments/Asset Classes*” section above. FDI are described under “*Use of Financial Derivative Instruments*” in the “*Investment Objectives and Policies*” section of the Prospectus.

The expected proportion of the assets under management of the Sub-Fund that could be subject to securities lending will fluctuate between 0% and 20%, subject to a maximum of 20%.

Portfolio Holding Disclosure Policy. The Sub-Fund will publicly disclose its complete holdings on a daily basis. Details of the Sub-Fund’s holdings and full disclosure policy may be found on the Website.

INVESTMENT 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 debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. Issuers of debt securities may fail to meet payment obligations or the credit rating of debt securities may be downgraded. These risks are typically increased for below investment grade debt securities which may also be subject to higher volatility and lower liquidity than investment grade debt securities. The credit worthiness of unrated debt securities is not measured by reference to an independent credit rating agency.

Asset-backed, collateralised loan obligations and mortgage-backed securities may be less liquid than other securities in which the Sub-Fund will invest, subject to adverse changes to interest rates and to the risk that the payment obligations relating to the underlying assets are not met.

The Sub-Fund may be concentrated in the banking industry and in the European sectors, markets and/or currency. As a result, the Sub-Fund may be more volatile than more broadly diversified funds.

Exclusion of issuers that do not meet certain ESG criteria from the Sub-Fund’s investment universe may cause the Sub-Fund to perform differently compared to similar funds that do not have such a policy.

Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that will be used to minimise the effect of currency fluctuations may not always be successful.

Further information about risks can be found in the “Risk Information” section of the Prospectus.

INVESTOR PROFILE

The Sub-Fund is intended for long-term investment. Investors should understand the risks involved, including the risk of losing all capital invested and must evaluate the Sub-Fund objective and risks in terms of whether they are consistent with their own investment goals and risk tolerances. The Sub-Fund is not intended as a complete investment plan.

Typical investors in the Sub-Fund are expected to be investors who want to take broad market exposure to short duration debt securities, with positive environmental and/or social characteristics that follow good governance practices, with an overlay of ESG integration and values and norms-based screening of its investment universe, and who are looking for potentially higher returns than a money market fund

and are prepared to incur a higher level of risk in order to achieve this, including the volatility of investments in such debt securities.

SUBSCRIPTIONS – PRIMARY MARKET

Accumulating Share Classes and Distributing Share Classes are available for subscription in the Sub-Fund in an unhedged EUR denominated class and in Currency Hedged Share Classes denominated in any currency listed in the “Classes of Shares” section of the Prospectus. Currency Hedged Share Classes are available to launch at the discretion of the Management Company. A complete list of Share Classes which have been launched in the Sub-Fund may be obtained from the Website, the registered office of the ICAV or the Management Company.

Shares that have not been launched as of the date of this Supplement will be available from 9 am (UK time) on 3 April 2024 to 2 pm (UK time) on 2 October 2024 or such earlier or later date as the Directors may determine (the “**Offer Period**”). During the Offer Period, the Initial Offer Price is expected to be approximately EUR 100 per Share (together with any applicable Duties and Charges) or its equivalent in the class currency of the relevant Share Class. The actual Initial Offer Price per Share may vary from its estimated price depending on movements in the value of the securities between the date of this Supplement and the date that the Offer Period closes. The actual Initial Offer Price per Share will be available from the Administrator and on the Website following the Closing Date.

After the Closing Date, and in respect of Share Classes that have been already launched, from the date of this Supplement, Shares will be issued on each Dealing Day at the appropriate Net Asset Value per Share with an appropriate provision for Duties and Charges in accordance with the provisions set out below and in the Prospectus. Investors may subscribe for Shares for cash or in kind on each Dealing Day by making an application by the Dealing Deadline in accordance with the requirements set out in this section and in the “*Purchase and Sale Information*” section of the Prospectus. Consideration, in the form of cleared subscription monies/securities, must be received by the applicable Settlement Deadline.

Currency Hedged Share Classes will use the NAV Hedge methodology. Please refer to the “*Currency Hedging at Share Class Level*” section in the “*Investment Objectives and Policies*” section of the Prospectus and “*Currency Hedged Share Classes*” section in the “*Risk Information*” section of the Prospectus for further information on Currency Hedged Share Classes.

REDEMPTIONS – PRIMARY MARKET

Shareholders may effect a redemption of Shares on any Dealing Day at the appropriate Net Asset Value per Share, subject to an appropriate provision for Duties and Charges, provided that a valid redemption request from the Shareholder is received by the Management Company by the Dealing Deadline on the relevant Dealing Day, in accordance with the provisions set out in this section and at the “*Purchase and Sale Information*” section of the Prospectus. Settlement will normally take place within two Business Days of the Dealing Day but may take longer depending on the settlement schedule of the underlying markets. In any event, settlement will not take place later than 10 Business Days from the Dealing Deadline.

FEES AND EXPENSES

The TER for all Share Classes will be up to 0.18% per annum of the Net Asset Value.

Further information in this respect is set out in the “*Fees and Expenses*” section of the Prospectus.

DISTRIBUTIONS

Accumulating Share Classes and Distributing Share Classes are available in the Sub-Fund. With respect to Distributing Share Classes, the Sub-Fund intends to distribute monthly in accordance with the provisions set out in the “*Distributions*” section of the Prospectus.

LISTING

Shares have been admitted to the Official List and to trading on the regulated market of Euronext Dublin. Shares may also be admitted to trading on other Listing Stock Exchanges as specified on the Website.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: JPMorgan ETFs (Ireland)
ICAV - EUR Ultra-Short Income UCITS
ETF

Legal entity identifier: 549300VLYW8C82SV8738

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes Environmental/ Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10.00% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product?



The Sub-Fund promotes a broad range of environmental and social characteristics through its inclusion criteria for investments that promote environmental and/or social characteristics. It is required to invest at least 51% of its assets in such securities. It also promotes certain norms and values by excluding particular issuers from the portfolio.

Through its inclusion criteria, the Sub-Fund promotes environmental characteristics which may include effective management of toxic emissions and waste as well as good environmental record. It also promotes social characteristics which may include effective sustainability disclosures, positive scores on labour relations and management of safety issues. In addition, for some but not necessarily all issuers, the Sub-Fund incorporates a bespoke set of Employee Engagement and Diversity (EE&D) data inputs into the investment process which considers an issuers gender breakdown, diversity programmes, ethnicity score and equal pay score. The inputs may evolve but will relate directly to EE&D. The Sub-Fund invests at least 51% of those assets that have an EE&D rating in issuers scoring above a pre-defined threshold in relation to EE&D inputs, as explained further in the question below.

Through its exclusion criteria, the Sub-Fund promotes certain norms and values such as support for the protection of internationally proclaimed human rights and reducing toxic emissions, by fully excluding issuers that are involved in particular activities such as manufacturing controversial weapons and applying maximum revenue, production or distribution percentage thresholds to others such as those that are involved in thermal coal and tobacco. Please refer to the exclusions policy for the Sub-Fund on

www.jpmorganassetmanagement.lu for further information.

No benchmark has been designated for the purpose of attaining the environmental or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

A combination of the Investment Manager's proprietary ESG scoring methodology and/or third party data are used as indicators to measure the attainment of the environmental and/ or social characteristics that the Sub-Fund promotes.

To be included in the 51% of assets promoting environmental and/or social characteristics, an issuer must score in the top 80% relative to the Sub-Fund's Benchmark on either its environmental score or social score and follow good governance practices. Please refer to "What is the policy to assess good governance practices of the investee companies?" below for further detail on good governance.

To be included in the 51% of good EE&D assets, an issuer must have an EE&D rating applied by the Investment Manager based on the relevant inputs and score in the top 80% relative to the Sub-Fund's Investment Universe.

To promote certain norms and values, the Investment Manager utilises data to measure an issuers participation in activities potentially contrary to the Sub-Fund's exclusion policy, as referenced in the answer to the question directly above, such as issuers manufacturing controversial weapons. The data may be obtained from investee issuers themselves and/or supplied by third party service providers (including proxy data). Data inputs that are self-reported by issuers or supplied by third-party providers may be based on data sets and assumptions that may be insufficient, of poor quality or contain biased information. Third party data providers are subject to rigorous vendor selection criteria which may include analysis on data sources, coverage, timeliness, reliability and overall quality of the information, however, the Investment Manager cannot guarantee the accuracy or completeness of such data.

Screening on that data results in full exclusions on certain potential investments and partial exclusions based on maximum percentage thresholds on revenue, production or distribution on others. A subset of the "Adverse Sustainability Indicators" as set out in the EU SFDR Regulatory Technical Standards is also incorporated in the screening and the relevant metrics are used to identify and screen out identified violators.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objectives of the Sustainable Investments that the Sub-Fund partially intends to make may include any individual or combination of the following: Environmental Objectives (i) climate risk mitigation, (ii) transition to a circular economy; Social Objectives (i) inclusive and sustainable communities - increased female executive representation, (ii) inclusive and sustainable communities - increased female representation on boards of directors and (iii) providing a decent working environment and culture.

Contribution to such objectives is determined by either (i) products and services sustainability indicators, which may include the percentage of revenue derived from providing products and / or services that contribute to the relevant sustainable objective, such as company producing solar panels or clean energy technology that meets the Investment Manager's proprietary thresholds contributing to climate risk mitigation; or (ii) being an operational peer group leader contributing to the relevant objective. Being a peer group leader is defined as scoring in the top 20% relative to the Sub-Fund's benchmark based on certain operational sustainability indicators. For example, scoring in the top 20% relative to the Benchmark on total waste impact contributes to a transition to a circular economy.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Sustainable Investments that the Sub-Fund partially intends to make are subject to a screening process that seeks to identify and exclude, from qualifying as a Sustainable Investment, those issuers which the Investment Manager considers the worst offending issuers, based on a threshold determined by the Investment Manager, in relation to certain environmental considerations. Such considerations include climate change, protection of water and marine resources, transition to a circular economy, pollution and protection of biodiversity and ecosystems. The Investment Manager also applies a screen that seeks to identify and exclude those issuers that the Investment Manager considers to be in violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights based on data supplied by third party service providers.

— **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The indicators for adverse impacts on sustainability factors in Table 1 of Annex 1 and certain indicators, as determined by the Investment Manager, in Tables 2 and 3 of Annex 1 of the EU SFDR Regulatory Technical Standards have been taken into account as further described below. The Investment Manager either uses the metrics in the EU SFDR Regulatory Technical Standards, or where this is not possible due to data limitations or other technical issues, it uses a representative proxy. The Investment Manager consolidates the consideration of certain indicators into a “primary” indicator as set out further below and it may use a broader set of indicators than referenced below.

The relevant indicators in Table 1 of Annex 1 of the EU SFDR Regulatory Technical Standards consist of 9 environmental and 5 social and employee related indicators. The environmental indicators are listed at 1-9 and relate to green-house gas emissions (1-3), exposure to fossil fuel, share of non-renewable energy consumption and production, energy consumption intensity, activities negatively affecting biodiversity sensitive areas, emissions to water and hazardous waste (4-9 respectively).

Indicators 10 – 14 relate to an issuers social and employee matters and cover violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles, unadjusted gender pay gap, Board gender diversity and exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons) respectively.

The Investment Manager also takes into account PAI 16 in relation to Investee countries subject to social violations.

The Investment Manager’s approach includes quantitative and qualitative aspects to take the indicators into account. It uses particular indicators for screening, seeking to exclude issuers that may cause significant harm. It uses a subset for engagement seeking to influence best practice and it uses certain of them as indicators of positive sustainability performance, by applying a minimum threshold in respect of the indicator to qualify as a Sustainable Investment.

The data needed to take the indicators into account, where available, may be obtained from investee issuers themselves and/ or supplied by third party service providers (including proxy data). Data inputs that are self-reported by issuers or supplied by third-party providers may be based on data sets and assumptions that may be insufficient, of poor quality or contain biased information. The Investment Manager cannot guarantee the accuracy or completeness of such data.

Screening

Certain of the indicators are taken into account through the values and norms-based screening to implement exclusions described above in the answer to “What environmental and/or social characteristics are promoted by this financial product?”

These exclusions take into account indicators 10, 14 and 16 in relation to UN Global Compact principles and OECD Guidelines for Multinational Enterprises, controversial weapons and investee countries subject to social violations.

The Investment Manager also applies a purpose built screen. Due to certain technical considerations, such as data coverage in respect of specific indicators, the Investment Manager either applies the specific indicator per Table 1 or a representative proxy, as determined by the Investment Manager to screen investee issuers in respect of the relevant environmental or social & employee matters. For example, greenhouse gas emissions are associated with several indicators and corresponding metrics in Table 1, such as greenhouse gas emissions, carbon footprint and greenhouse gas intensity (indicators 1-3). The Investment Manager currently uses greenhouse gas intensity data (indicator 3), data in respect of non-renewable energy consumption and production (indicator 5) and data on energy consumption intensity (indicator 6) to perform its screening in respect of greenhouse gas emissions.

In connection with the purpose built screening and in respect of activities negatively affecting biodiversity sensitive areas and the emissions to water (indicators 7 and 8), due to data limitations, the Investment Manager uses a third party representative proxy rather than the specific indicators per Table 1. The Investment Manager also takes into account indicator 9 in relation to hazardous waste in respect of the purpose built screen.

Engagement

In addition to screening out certain issuers as described above, the Investment Manager engages on an ongoing basis with selected underlying investee issuers. A subset of the indicators will be used, subject to certain technical considerations such as data coverage, as

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

the basis for engaging with selected underlying investee issuers in accordance with the approach taken by the Investment Manager on stewardship and engagement. The indicators currently used in respect of such engagement include indicators 3, 5 and 13 in relation to greenhouse gas intensity, share of non-renewable energy and board gender diversity from Table 1. It also uses indicators 2 in Table 2 and 3 in Table 3 in relation to emissions or air pollutants and number of days lost to injuries, accidents, fatalities or illness.

Indicators of sustainability

The Investment Manager uses indicators 3 and 13 in relation to GHG Intensity and board gender diversity as indicators of sustainability to assist in qualifying an investment as a Sustainable Investment. One of the pathways requires an issuer to be considered as an operational peer group leader to qualify as a Sustainable Investment. This requires scoring against the indicator in the top 20% relative to the Benchmark as detailed further in the answer above to the question, "What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives"?

— ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The norms based exclusions as described above under "What environmental and/or social characteristics are promoted by this financial product?" seek alignment with these guidelines and principles. Third party data is used to identify violators and prohibit relevant investments in these issuers.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes,

The Sub-Fund considers select principal adverse impacts on sustainability factors through values and norms-based screening to implement exclusions. Indicators 10, 14 and 16 in relation to violations of the UN Global Compact, controversial weapons and country level social violations from the EU SFDR Regulatory Technical Standards are used in respect of such screening.

The Sub-Fund also uses certain of the indicators as part of the "Do No Significant Harm" screen as detailed in the response to the question directly above to demonstrate that an investment qualifies as a Sustainable Investment.

Further information can be found in future annual reports in respect of the Sub-Fund and under "Approach to EU MiFID Sustainability Preferences" on www.jpmorganassetmanagement.lu.

No



What investment strategy does this financial product follow?

The Sub-Fund's strategy can be considered in respect of its general investment approach and ESG approach as follows: Investment approach

- Invests primarily in investment grade, Euro-denominated, short term fixed, variable and floating rate debt securities.
- Actively manages credit and duration exposure and targets a duration of one year or less.
- Selects individual securities after performing a risk/reward analysis that includes an

evaluation of their characteristics including income, interest rate risk, credit risk, ESG profile and legal and technical structure.

- Applies values and norms based screening and implements minimum investment thresholds on companies with positive ESG characteristics.

ESG approach: ESG Promote

- Excludes certain sectors, companies / issuers or practices based on specific values or norms based criteria.
- At least 51% of assets to be invested in positive ESG issuers / companies and at least 51% of those assets that have an EE&D rating to be invested in good EE&D issuers.
- At least 10% of assets to be invested in Sustainable Investments.
- All issuers / companies follow good governance practices.

Please refer to the Sub-Fund Supplement for further detail.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics are:

- The requirement to invest at least 51% of assets in companies with positive environmental and/or social characteristics and 51% of those assets with an EE&D rating in good EE&D issuers.
- The values and norms based screening to implement full exclusions in relation to companies that are involved in certain activities such as manufacturing controversial weapons and applying maximum revenue, production or distribution percentage thresholds to others such as those that are involved in thermal coal and tobacco.
- The requirement for all companies in the portfolio to follow good governance practices.

The Sub-Fund also commits to investing at least 10% of assets in Sustainable Investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The Sub-Fund does not apply such a committed minimum rate.

What is the policy to assess good governance practices of the investee companies?

All investments (excluding cash and derivatives) are screened to exclude known violators of good governance practices. In addition, for those investments included in the 51% of assets promoting environmental and/or social characteristics or qualifying Sustainable Investments, additional considerations apply. For these investments, the Sub-Fund incorporates a peer group comparison and screens out issuers that do not score in the top 80% relative to the Sub-Fund's investment universe based on good governance indicators.

What is the asset allocation planned for this financial product?

The Sub-Fund plans to allocate at least 51% of assets to issuers with positive environmental and/or social characteristics and a minimum of 51% of those assets that have an EE&D rating in good EE&D issuers. The Sub-Fund will also allocate at least 10% of assets to Sustainable Investments. The Sub-Fund does not commit to investing any proportion of assets specifically in issuers exhibiting positive environmental characteristics or specifically in positive social characteristics or both nor is there any commitment to any specific individual or combination of environmental or social objectives in respect of the Sustainable Investments. Therefore, there are no specific minimum allocations to environmental or social objectives referred to in the diagram below.

Ancillary cash, cash equivalents, money market funds and derivatives for EPM are not included in the % of assets set out in the table below. These holdings fluctuate depending on investment flows and are ancillary to the investment policy with minimal or no impact on investment operations.

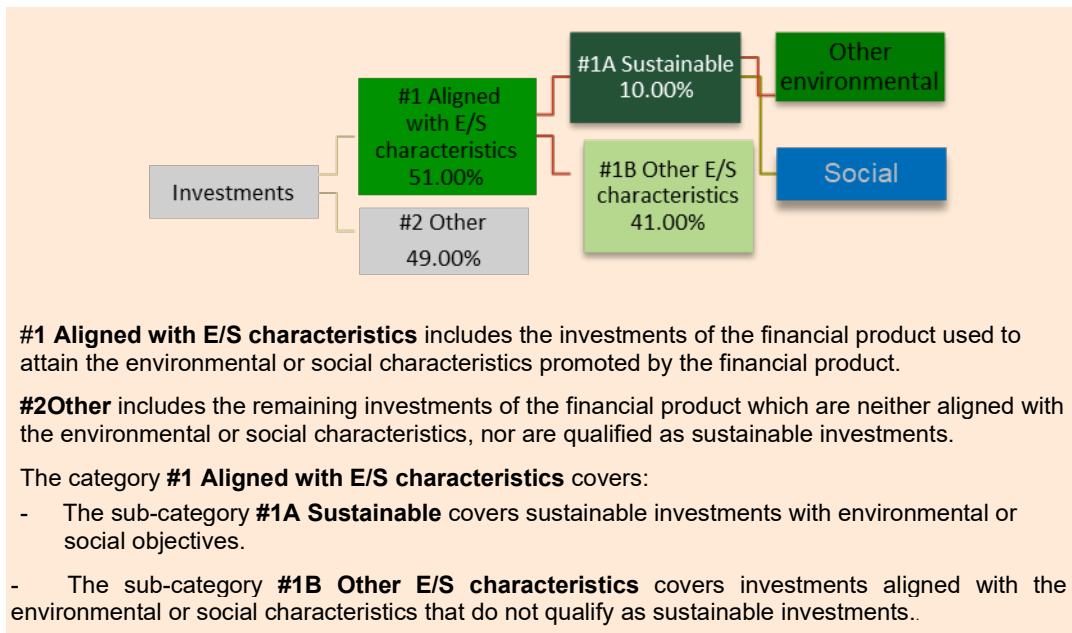
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the Sub-Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund invests at least 10% of assets in Sustainable Investments, however, 0% of assets are committed to Sustainable Investments with an environmental objective aligned with the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that

low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

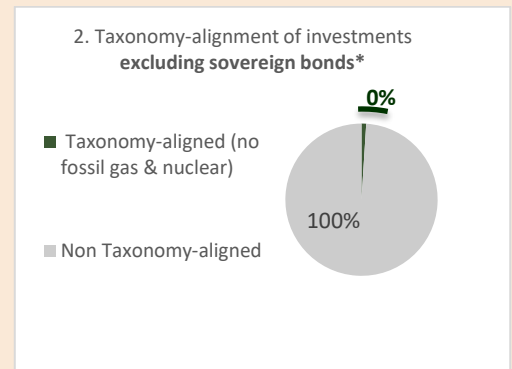
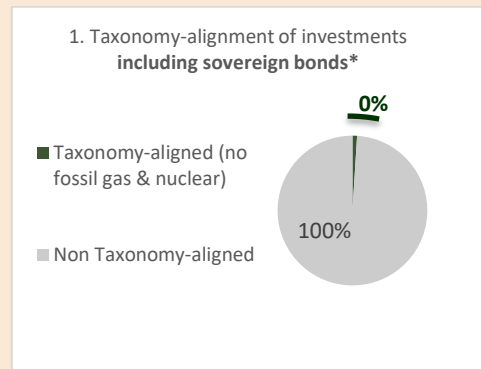
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

comply with the EU Taxonomy¹?

- Yes:**
 - In fossil gas
 - In nuclear energy
- ✓ **No**

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The Sub-Fund invests at least 10% of assets in Sustainable Investments, however, 0% of assets are committed to Sustainable Investments with an environmental objective aligned with the EU Taxonomy. Accordingly, 0% of assets are committed to transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund invests at least 10% of assets in Sustainable Investments, typically across both environmental and social objectives. It does not commit to any specific individual or combination of Sustainable Investment objectives and therefore there is no committed minimum share.

What is the minimum share of socially sustainable investments?

The Sub-Fund invests at least 10% of assets in Sustainable Investments, typically across both environmental and social objectives. However, it does not commit to any specific individual or combination of Sustainable Investment objectives and therefore there is no committed minimum share.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The “other” investments are comprised of issuers that did not meet the criteria described in response to above question entitled, “What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?” to qualify as exhibiting positive environmental or social characteristics. They are investments for diversification purposes. Ancillary cash, cash equivalents, money market funds and derivatives for EPM are not included in the % of assets included in the asset allocation diagram above, including under “other”. These holdings fluctuate depending on investment flows and are ancillary to the investment policy with minimal or no impact on investment operations.

All investments, including “other” investments are subject to the following ESG Minimum Safeguards/principle:

- The minimum safeguards as outlined by Article 18 of the EU Taxonomy Regulation (including alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights).
- Application of good governance practices (these include sound management structures, employee relations, remuneration of staff and tax compliance).
- Compliance with the Do No Significant Harm principle as prescribed under the definition of Sustainable Investment in EU SFDR.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.jpmorganassetmanagement.lu