

# **JPMORGAN ETFS (IRELAND) ICAV**

## **USD Emerging Markets Sovereign Bond UCITS ETF**

**22 May 2026**

**(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 22 May 2026 (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 – USD Emerging Markets Sovereign Bond UCITS ETF (the “Sub-Fund”) which is a separate sub-fund of the ICAV.**

**The Sub-Fund is an Index Tracking 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.**

**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.

<b>Base Currency</b>	US Dollars.
<b>Dealing Deadline - Cash</b>	14:30 hrs (UK time) for Currency Hedged Share Classes on each Dealing Day.  15:00 hrs (UK time) for unhedged Share Classes on each Dealing Day.
<b>Dealing Deadline – In Specie</b>	14:30 hrs (UK time) for Currency Hedged Share Classes on each Dealing Day.  16:30 hrs (UK time) for unhedged Share Classes on each Dealing Day.
<b>Index</b>	J.P. Morgan Emerging Markets Risk-Aware Bond Index.
<b>Index Provider</b>	J.P. Morgan Securities LLC.
<b>Investment Manager</b>	J.P. Morgan Investment Management Inc., 270 Park Avenue, New York, NY 10017-2014, United States of America, whose business includes the provision of investment management services.
<b>Minimum Subscription Amount</b>	20,000 Shares (for in specie subscriptions) or cash equivalent (for cash subscriptions) for all Classes except for the MXN Hedged Share Classes. Minimum Subscription Amount for MXN Hedged Share Classes will be 5,000 Shares (for in specie subscriptions) or cash equivalent (for cash subscriptions).
<b>Minimum Redemption Amount</b>	20,000 Shares (for in specie redemptions) or cash equivalent (for cash redemptions) for all Classes except for the MXN Hedged Share Classes. Minimum Redemption Amount for MXN Hedged Share Classes will be 5,000 Shares (for in specie redemptions) or cash equivalent (for cash redemptions).
<b>Settlement Deadline</b>	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.
<b>Valuation</b>	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.
<b>Valuation Point</b>	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.
<b>Website</b>	<a href="http://www.jpmorganassetmanagement.ie">www.jpmorganassetmanagement.ie</a> .

## INVESTMENT OBJECTIVE AND STRATEGY

**Investment Objective.** The objective of the Sub-Fund is to provide an exposure to the performance of bonds issued by the governments or quasi-government entities of emerging markets countries globally which are denominated in US Dollars.

**Investment Policy.** The Sub-Fund aims to track the performance of the Index (or such other index determined by the Directors from time to time as being able to track substantially the same market as the Index), as closely as possible, regardless of whether the Index level rises or falls, while seeking to minimise as far as possible the tracking error between the Sub-Fund's performance and that of the Index. The Sub-Fund will invest at least 80% of its assets (excluding assets held for ancillary liquidity purposes) in securities included in the Index.

The Sub-Fund systematically includes ESG analysis in its investment decisions on at least 75% of non-investment grade and emerging market sovereign and 90% of investment grade securities. Pursuant to the Investment Manager's ESG analysis, at least 51% of the Sub-Fund's Net Asset Value (including securities which are not included in the Index) are invested in issuers with positive environmental and/or social characteristics that follow good governance practices as measured through the Investment Manager's proprietary ESG scoring methodology and/or third party data. The Sub-Fund promotes environmental and/or social characteristics. Further details on the environmental, social and governance ("**ESG**") analysis applied which the Sub-Fund promotes are provided below and in the Annex to the Supplement.

The Sub-Fund invests at least 10% of its Net Asset Value in Sustainable Investments, as defined under SFDR, contributing to environmental or social objectives.

The Index is comprised of debt securities issued by the governments or quasi-government entities of emerging markets countries, which are denominated in US Dollars and which may be rated investment grade or below by independent rating agencies (e.g. Fitch, Moody's, Standard & Poor's) or unrated. The components of the Index are selected from the components of the J.P. Morgan Emerging Market Bond Index Global Diversified (the "**Parent Index**") in accordance with the Index's rules-based methodology to represent a diversified set of factor characteristics as explained below. The Index's methodology analyses all of the components of the Parent Index using a proprietary methodology that applies the following multi-factor criteria to the Parent Index: (i) the liquidity of components is considered to ensure that the Index is comprised of liquid securities, and (ii) certain components of the Parent Index which are issued by issuers that are domiciled in certain countries that are deemed by the Index's proprietary methodology to pose higher risks are removed. As of the date of this Supplement, the Parent Index comprises bonds issued by the governments or quasi-government entities of 67 countries across Latin America, Asia, Eastern Europe, Africa and the Middle East. The list of countries and the weightings of the countries in the Parent Index and therefore the Index, will be subject to change over time. The Index is rebalanced semi-annually across countries while each country basket is reconstituted on a

monthly basis. Further details on the Index, including its components and performance, are available at <https://www.jpmorgan.com/insights/research/index-research/composition>.

The Index includes securities which promote environmental and/or social characteristics. 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 to 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-usd-emerging-markets-sovereign-bond-ucits-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 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 issuer is a producer, distributor or service provider) which are derived from certain industries such as tobacco production: >5%, thermal coal power generation and expansion: >20%, thermal coal extraction and expansion: >20%, above which issuers are also excluded. "Revenue Threshold" is the percentage of an issuer's maximum revenue derived from the source indicated unless noted otherwise. Exceptions are allowed for certain exclusions where the issuer is not expanding in thermal coal business and 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 where the issuance is a use-of-proceeds instrument.

Norms based screening assesses companies against internationally accepted principles. The Sub-Fund excludes issuers that do not meet, and are unlikely to meet in the near future, 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 a 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 issuer.

The Investment Manager's ESG assessment evaluates whether ESG factors could have a material negative or positive impact on the cash flows, policy choices 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 or capital formation. 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. 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 selected through the optimisation process.

The Sub-Fund uses an optimisation methodology to select securities in order to build a representative portfolio that provides a return that is comparable to that of the Index whilst also ensuring that the portfolio meets the minimum asset holdings described above. The optimisation methodology may also be used to reflect changes to the Index in advance of it rebalancing. Consequently, the Sub-Fund will only hold a certain sub-set of the Index Securities. Further information on the use of the optimisation methodology can be found under “*Index Tracking Sub-Funds*” in the “*Investment Objectives and Policies*” section of the Prospectus.

The Sub-Fund may hold up to 20% of its Net Asset Value in securities that are not constituents of the Index, where such securities provide similar sovereign exposure characteristics to the relevant Index Securities.

**Instruments / Asset Classes.** The Sub-Fund will invest primarily in securities listed or traded on Recognised Markets globally.

The Sub-Fund may hold up to 10% of its Net Asset Value in ancillary liquid assets (deposits, certificates of deposit, commercial paper and money market funds) in accordance with the UCITS Regulations. Subject to the following paragraph, the Sub-Fund may hold a higher percentage of its Net Asset Value in such ancillary liquid assets following large cash flows into or out of the Sub-Fund, as it may be inefficient and contrary to Shareholders’ best interests to seek to invest cash received as subscriptions, or realise assets to meet large redemptions, solely on the relevant Dealing Day. The Sub-Fund will seek to reduce the percentage of its Net Asset Value held as ancillary liquid assets to below 10% of Net Asset Value as quickly as practicable, acting in the best interests of Shareholders.

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 and investment purposes, use financial derivative instruments (“**FDI**”) primarily to gain exposure to less liquid markets, reduce the Sub-Fund’s cash balances, hedge specific risks, and/or manage the cash flows and trading across multiple time-zones. Any use of FDI by the Sub-Fund shall be limited to (i) interest rate futures which will be used primarily to manage the Sub-Fund’s duration exposure and/or manage the cash flows and (ii) credit default swaps which will be used primarily to gain exposure to less liquid markets in which lower levels of liquidity may make direct investments difficult or cost inefficient. The Sub-Fund will primarily be the seller of protection under credit default swaps. In the event that the issuer of a debt security in respect of which the Sub-Fund has sold protection under a credit default swap defaults, the Sub-Fund will pay the buyer of the credit default swap the value of security, together with any interest payments that would have been made between that time and the security’s maturity date. 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%.

For information in relation to the difficulties associated with tracking indices, please refer to “*Index Tracking Risk*” in the “*Risk Information*” section of the Prospectus. It is currently anticipated that the tracking error of the Sub-Fund will be up to 200 bps under normal market conditions. The causes of tracking error can include but are not limited to the following: holdings/size of the Sub-Fund, cash flows, such as any delays in investing subscription proceeds into the Sub-Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index, or the exclusion of securities resulting from the ESG analysis and criteria described above.

**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.

To the extent that the Sub-Fund uses FDI, the risk profile and the volatility of the Sub-Fund may increase. That notwithstanding, the risk profile of the Sub-Fund is not expected to significantly deviate from that of the Index as a result of its use of FDI. For information in relation to risks associated with the use of FDI, please refer to “*Derivative Risks*” in the “*Risk Information*” section of the Prospectus.

The value of debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. 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.

Emerging markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging market currencies may be subject to volatile price movements. Emerging market and below investment grade debt securities may also be subject to higher volatility and lower liquidity than non-emerging market and investment grade debt securities respectively.

The Sub-Fund is not expected to track the performance of the Index at all times with perfect accuracy. The Sub-Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of the Index.

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 exposure to the markets covered by the Index, with an overlay of ESG integration and values and norms-based screening of its investment universe and are prepared to accept the risks associated with an investment of this type, including the volatility of such market.

## **SUBSCRIPTIONS – PRIMARY MARKET**

Accumulating Share Classes and Distributing Share Classes are available for subscription in the Sub-Fund in the Base Currency of the Sub-Fund. Additional Share Classes, both unhedged and Currency Hedged, denominated in any currency listed in the “*Classes of Shares*” section of the Prospectus 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 25 May 2026 to 2:30 pm (UK time) on 24 November 2026 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 USD 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 0.39% 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.

## **INDEX DISCLAIMERS**

Information contained in this Supplement regarding the J.P. Morgan Emerging Markets Risk-Aware Bond Index has been obtained from sources believed to be reliable, but J.P. Morgan does not warrant its completeness or accuracy. The information regarding the J.P. Morgan Emerging Markets Risk-Aware Bond Index are used with permission of the index’s administrator, J.P. Morgan Securities LLC. The information regarding the J.P. Morgan Emerging Markets Risk-Aware Bond Index may not be copied, used, or distributed without J.P. Morgan’s or the index administrator’s prior written approval. “J.P. Morgan” and the “J.P. Morgan Emerging Markets Risk-Aware Bond Index” are trademarks of JPMorgan Chase & Co. and have been licensed for use for certain purposes by the Management Company. The Sub-Fund, which is based on the J.P. Morgan Emerging Markets Risk-Aware Bond Index, is not sponsored, endorsed, sold or promoted by J.P. Morgan Securities LLC, the administrator of the J.P. Morgan Emerging Markets Risk-Aware Bond Index, and the administrator makes no representation regarding the advisability of trading in the Sub-Fund.

## ANNEX II

**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 – USD Emerging Markets Sovereign Bond UCITS ETF  
**Legal entity identifier:** 5493009PTXUO2X663K23

### Environmental and/or social characteristics

#### Does this financial product have a sustainable investment objective?

**Yes**

**No**

It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: \_\_\_%

**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% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

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 among other characteristics, the following environmental or 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 Net Asset Value in such securities. It also promotes environmental or social characteristics by excluding particular issuers from the portfolio.

Through its inclusion criteria, the Sub-Fund promotes effective management of toxic emissions and waste as well as good environmental record. It also promotes effective sustainability disclosures, positive scores on labour relations and management of safety issues.

Through its exclusion criteria, the Sub-Fund promotes support for the protection of internationally proclaimed human rights and reducing toxic emissions, by fully excluding issuers that are involved in manufacturing controversial weapons and applying maximum revenue, production or distribution percentage thresholds to others that are involved in thermal coal and tobacco. Please refer to the exclusions policy for the Sub-Fund on [www.jpmorganassetmanagement.lu](http://www.jpmorganassetmanagement.lu) for further information by searching for your particular Sub-Fund and accessing the ESG Information section..

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.

The score is based on an issuers management of key relevant ESG issues. To be included in the 51% of the Sub-Fund's Net Asset Value promoting environmental and/or social characteristics, an issuer must score in the top 80% relative to the Index on either its environmental score or social score and follow good governance practices.

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, 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, or be linked to an environmental or social objective through the use of proceeds of the issue: 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 an issuer producing solar panels or clean energy technology that meets the Investment Manager's proprietary thresholds contributing to climate risk mitigation; (ii) the use of proceeds of the issue, if such use is designated as linked to a specific environmental or social objective, or (iii) 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 Index based on certain operational sustainability indicators. For example, scoring in the top 20% relative to the Index on total waste impact contributes to a transition to a circular economy. The test for supranational and sovereign issuers is to consider the issuer's mission or contributions, as peer group leaders or improvers, to positive environmental and social objectives subject to certain criteria.

***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.

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 in to account

**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.

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 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 Index.

- *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](http://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

- Seeks to provide returns that correspond to those of its Index by using the optimisation methodology.
- The Index is comprised of USD-denominated emerging markets sovereigns and quasi-sovereigns, and follows a rules-based methodology that aims to filter out the riskiest countries in the universe, while maintaining consistent exposure to the high yield segment of the EM market.
- Applies values and norms based screening and implements minimum investment thresholds on issuers 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 the Sub-Fund's Net Asset Value to be invested in positive ESG issuers / companies.
- At least 10% of the Sub-Fund's Net Asset Value to be invested in Sustainable Investments.
- All issuers / companies follow good governance practices.

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

**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 the Sub-Fund's Net Asset Value in securities with positive environmental and/or social characteristics.
- The values and norms based screening to implement full exclusions in relation to issuers that are involved in manufacturing controversial weapons and applying maximum revenue, production or distribution percentage thresholds to others that are involved in thermal coal and tobacco.
- The requirement for all issuers in the portfolio to follow good governance practices.

The Sub-Fund also commits to investing at least 10% of the Sub-Fund's Net Asset Value 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 its Net Asset Value 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 Index based on good governance indicators.

**What is the asset allocation planned for this financial product?**

The Sub-Fund plans to allocate at least 51% its Net Asset Value to issuers with positive environmental and/or social characteristics and a minimum of 10% its Net Asset Value 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.

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

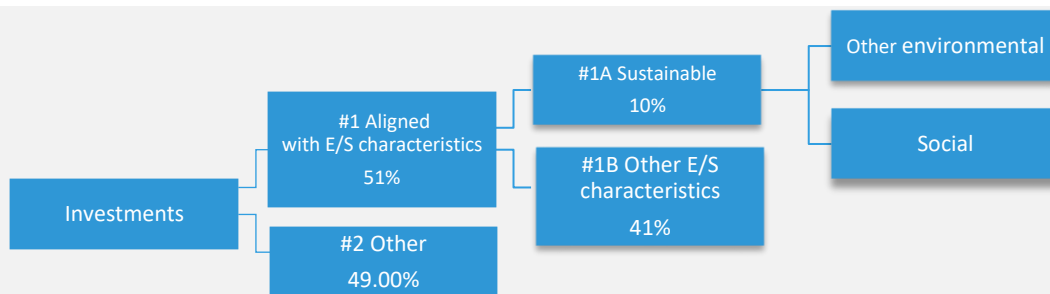
**Good governance practices** include sound management structures, employee relations, remuneration of staff and tax compliance.



**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.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments..

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

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

**Yes:**

 In fossil gas

 In nuclear energy

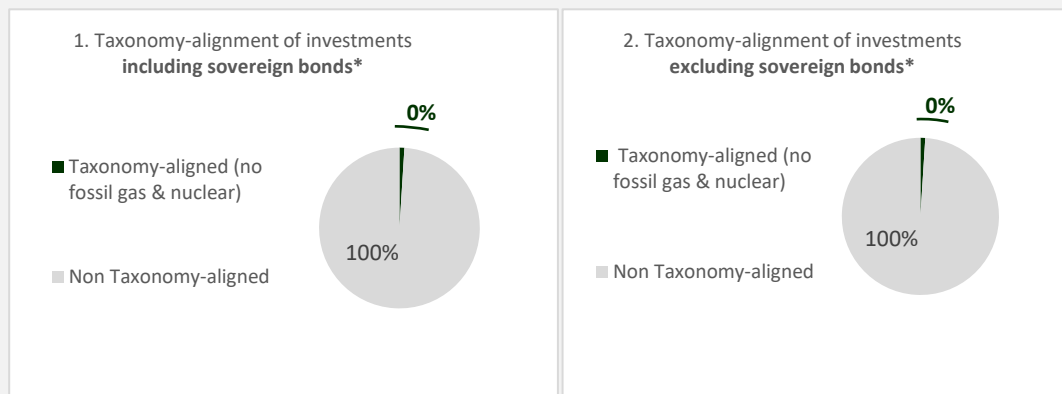
**No**

<sup>1</sup> 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.

**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.

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 its Net Asset Value 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 its Net Asset Value 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 its Net Asset Value 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.

#### 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 (which are investments for diversification purposes). In addition, ancillary cash, cash equivalents, money market funds and derivatives for efficient portfolio management and investment purposes are “other” investments.

“Other” investments, excluding ancillary cash, cash equivalents, money market funds and derivatives 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).

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

- Compliance with the Do No Significant Harm principle as prescribed under the definition of Sustainable Investment in EU SFDR.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**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](http://www.jpmorganassetmanagement.lu), by searching for your particular Sub-Fund and accessing the ESG Information section.

