

J.P. MORGAN (SUISSE) SA

ESG Preferences Summary



J.P. Morgan Sustainable Investment mission statement

In our ever-changing world, we believe sustainability is a growing concern for our clients, many of whom have twin goals: to generate returns, and to do so in a way that aligns with their values. We believe in the power of sustainable investing to do just that - drive long term growth and positive impact.

At J.P. Morgan, our clients' interests come first as we help you preserve and grow your wealth. We believe that consideration of relevant environmental, social and governance (ESG) factors adds value to the investment process, through mitigating risks, capturing opportunities, and benefitting from sustainability megatrends. In addition, should you wish to express your views related to ESG in your investments, we offer innovative and flexible products to reflect your preferences.

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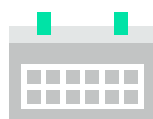
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How do we invest sustainably at J.P. Morgan?

Clients looking to align their portfolios with their intentions, manage risk or simply understand how their investment decisions can affect the world around them, may find themselves caught in an array of confusing acronyms and terminology.

“Sustainable investing” is an umbrella term used to describe investment approaches that incorporate financial as well as social and environmental objectives. To help simplify and clarify implementation options for you, we define a number of approaches that can be used alone or in concert in your account relationship to help you achieve/meet your goals that can range from broad market strategies, diversified across sectors and geographies down to strategies solving for a specific environmental or social theme. Over time, we expect to grow our number of sustainable solutions available across all services and asset classes.



We will now ask you a number of questions about your ESG preferences.

What is changing now?

We are keen to help you align your investments with your ESG preferences where we can.

We will now ask you a number of questions about your ESG preferences through the accompanying form. Our focus will be how you would like your investments aligned with those preferences and to what extent.

Your ESG preferences will not take precedence over your suitability requirements. There is no obligation for you to define any ESG preferences and you are welcome to change your ESG preferences at any time. If you choose to provide ESG preferences, **it will not limit the investment universe** that we can offer you.

You can also decide which service those preferences should apply to:

- ENTRUST - Discretionary Investment Management Service
- ENGAGE - Non-Discretionary Advisory Service
- EXECUTE - Advisory Service Covered by a Special Advisory Agreement

Kindly note that we will **not** consider your ESG preferences in the context of the following services:

- when providing investment advice on a transaction-by-transaction basis as part of our Execute - Dealing and Advisory service; and in relation to any execution-only (non-advised) transaction.

Over time, we expect companies and asset managers to increase transparency by their Environmental, Social and Governance disclosures. This will enable us to provide you more investment solutions better aligned with your ESG preferences.

We will endeavour to take your ESG preferences into consideration when making investment decisions on your behalf or giving you investment advice.

What are ESG Preferences?

At J.P. Morgan Private Bank, we consider ESG preferences in two parts: (i) by the incorporation of ESG characteristics in the investment process - how investment managers utilize ESG data throughout their investment process, and (ii) sustainability contributions - how investments align to certain sustainability categories, such as Climate Change, Natural Capital, Basic Needs and Human Development. We will walk you through each of them.



**Investment Process:
Incorporation of ESG
Characteristics**



**Sustainability Contributions:
Alignment to Sustainability
Categories**



Investment Process: Incorporation of ESG Characteristics

Our investment solutions, i.e. collective investment schemes¹ (the “**Funds**”) and discretionary investment management mandates, are considered to incorporate ESG characteristics in their investment process if they satisfy our internal ESG criteria². An ESG investment solution may or may not align to sustainability categories (covered in the next section).

The ways and degree to which ESG characteristics are incorporated may differ from one investment solution to another. We are currently able to match your ESG preferences to a subset of our products below, based on our internal ESG criteria. We evaluate investment solutions based on these criteria, including regulatory disclosures and manager assessments. This process is applicable to Mutual Funds, Exchange Traded Funds (ETFs), Exchange Traded Notes (ETNs), Exchange Traded Commodities (ETCs), discretionary investment managed accounts and certain alternative investment funds.

¹ Collective investment schemes include but is not limited to mutual funds, exchange-traded funds, private equity and hedge funds.

² J.P. Morgan internal ESG criteria for investment solutions is grounded on regulatory requirements with an additional assessment by J.P. Morgan Private Bank’s due diligence team.



Sustainability Contributions: Alignment to certain Sustainability Categories

An investment can be aligned to certain sustainability categories, based on relevant data on business activities, policies, and corporate conduct. This alignment is based on underlying holdings and may change over time due to changes in data, portfolio composition, and because the methodology used to classify investments into sustainability categories may not form part of the investment process for investment solutions. Investment solutions that do not claim to incorporate ESG characteristics in their investment process (covered in the previous section) can still have a positive sustainability alignment based on their underlying holdings, and vice-versa.

Currently, we assess our products' alignment to various sustainability categories by using MSCI data on alignment to the United Nations Sustainable Development Goals (SDGs). The SDGs are a key part of the United Nations' framework for sustainable development, indicating specific action areas for improving the prosperity of people and the planet.

Alignment is based on a combination of revenue and corporate conduct data that determine a company's positive and/or negative contribution to each SDG³. Below is an example of a sample of relevant datapoints that inform **positive** or **negative** alignment to SDG 7 - Affordable and Clean Energy (please refer to each colour for the relevant alignment):

- Revenue from **alternative energy generation and turbine manufacturing**, as well as revenue from **oil & gas production and coal mining**
- Company operational targets for **carbon reduction or using energy from renewable sources**, as well as **company ownership of fossil fuel reserves or controversies related to energy and climate change**

At the company-level, MSCI uses this broad collection of datapoints to determine a net alignment assessment for each SDG. At the fund-level, MSCI aggregates the underlying company alignments to determine how much of the fund's market value (%) is aligned or misaligned to each SDG. We determine a fund's net alignment to each SDG by calculating the difference between its aligned and misaligned market value %; this SDG net alignment (market value %) is then used to inform the alignment to sustainability categories.

SDG NET ALIGNMENT CALCULATION						
	SDG 07 POSITIVE ALIGNMENT (%MV)	SDG 07 NEGATIVE ALIGNMENT (%MV)	SDG 07 NET ALIGNMENT (%MV)	SDG 13 POSITIVE ALIGNMENT (%MV)	SDG 13 NEGATIVE ALIGNMENT (%MV)	SDG 13 NET ALIGNMENT (%MV)
FUND A	60	20	40	50	0	50
FUND B	10	10	0	15	15	0
FUND C	20	50	-30	35	45	-10

3 MSCI's SDG Alignment Methodology is described here: <https://www.msci.com/documents/1296102/15233886/MSCI+SDG+Alignment+Methodology.pdf>

Alignment to a certain sustainability category is calculated by using an average of the fund's net alignment to each relevant SDG. If this average is positive, the fund is determined to be aligned to the category, otherwise we do not consider the fund to be aligned. Funds can be aligned to multiple sustainability categories.

SUSTAINABILITY CATEGORY ALIGNMENT CALCULATION (EXAMPLE: CLIMATE CHANGE)				
	SDG 07 NET ALIGNMENT (%MV)	SDG 13 NET ALIGNMENT (%MV)	CLIMATE CHANGE ALIGNMENT (%MV)	CLIMATE CHANGE ALIGNMENT TAG (Y/N)
FUND A	40	50	45	Y
FUND B	0	0	0	N
FUND C	-30	-10	-20	N

Below is an overview of the mapping between the SDGs and our sustainability categories:

SUSTAINABILITY CATEGORIES	CORRESPONDING UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)
1 CLIMATE CHANGE	7. Affordable & Clean Energy 13. Climate Action
2 NATURAL CAPITAL	12. Responsible Consumption & Production 14. Life Below Water 15. Life on Land
3 BASIC NEEDS	1. No Poverty 2. Zero Hunger 3. Good Health & Well-Being 6. Clean Water & Sanitation 11. Sustainable Cities & Communities
4 HUMAN DEVELOPMENT	4. Quality Education 5. Gender Equality 8. Decent Work & Economic Growth 9. Industry, Innovation, & Infrastructure 10. Reduced Inequality

We have excluded SDG 16 - Peace, Justice and Strong Institutions and SDG -17 Partnerships for the Goals, as those are less relevant to corporates.

How are we going to use your ESG preferences?

- In the ESG Preferences Form, you can provide us with your ESG preference on whether you would like to invest (i) in investment solutions that incorporate ESG characteristics in the investment process (Question One) and (ii) in investments that are aligned to one or more of our four sustainability categories (Question Two).
- If you answer both Question One and Question Two, we will consider your ESG preferences have been met if the recommended investment considers ESG characteristics in the investment process (Question One) where applicable, and it is aligned to at least one of the sustainability categories you have selected (Question Two) where applicable.
- If you only answer Question One, we will consider your ESG preferences have been met if the recommended investment solution considers ESG characteristics in the investment process.
- If you only answer Question Two, we will consider your ESG preferences have been met if the recommended investment is aligned to at least one of the sustainability categories you have selected.

What products are available for matching?

This table sets out J.P. Morgan's position regarding the matching of ESG preferences. This position is subject to change as more financial product data becomes available on the market.

SERVICE	INVESTMENT	QUESTION 1 (ESG characteristics in the investment process)	QUESTION 2 (Alignment to sustainability categories)
ENTRUST	DISCRETIONARY MANAGED SOLUTIONS	Matching possible	Matching not possible
ENGAGE	EQUITIES	Matching not possible	Matching possible
	CORPORATE FIXED INCOME		
	MUTUAL FUNDS		
	ETFs		
	ETCs		
	ETNs		
	HEDGE FUNDS	Matching not possible	
	SEPARATELY MANAGED ACCOUNTS (SMA)		
EXECUTE (ADVISORY SERVICE)	MUTUAL FUNDS	Matching possible	Matching possible
	ETFs		
	ETCs		
	ETNs		
	STRUCTURED PRODUCTS	Matching not possible	
	DERIVATIVES		
	ALTERNATIVE INVESTMENT FUNDS		Matching possible



If you have any questions...

While the details of Sustainable Investing are evolving, we believe this investment philosophy is here for the long term. We will work with you to provide advice as well as recommendations for implementing strategies that meet your investment goals and align with your values.

If you have any questions, please contact your J.P. Morgan team. We are happy to assist you.