

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Valid as of 20 June 2025

Product name: Balanced ESG (the “Strategy”)

Legal entity identifier: 549300ZK53CNGEEI6A29

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 \_\_\_\_% 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<sup>1</sup>



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

The Strategy invests primarily in funds that promote environmental and/or social characteristics (have an Article 8 designation under SFDR<sup>2</sup>) or have a sustainable investment objective (have an Article 9 designation under SFDR). These underlying funds may promote a variety of environmental and social characteristics that they disclose in line with the requirements under SFDR, as applicable.

<sup>1</sup> This financial product does not commit to make a minimum proportion of sustainable investments, but may invest in underlying funds which make sustainable investments.

<sup>2</sup> Sustainable Finance Disclosure Regulation

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

*The proportion of the Strategy invested in funds with an SFDR Article 8 or 9 designation will be utilised to measure the attainment of the promoted environmental and social characteristics.*

- **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?**

*Not applicable*

- **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?**

*Not applicable*

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

*Not applicable*

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

*Not applicable*

*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.*

**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.



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

☐ Yes, \_\_\_\_\_

☒ No



### What investment strategy does this financial product follow?

The financial product seeks to achieve long-term capital appreciation by investing primarily in equity and fixed income funds with the flexibility to invest globally across sectors and capitalisations, with a preference for funds that promote environmental, social, and governance (“ESG”) factors into their investment process and/or focus on sustainable themes. The investment strategy is implemented via the maintenance of at least 80% of the Strategy’s investments in funds with an SFDR Article 8 or 9 designation.

Environmental, social, and governance factors promoted by such funds may include:

- Environment: Environmental sustainability and innovation including a reduction of carbon emissions and protecting natural capital
- Social: Respect for stakeholders including shareholders, employees, customers, suppliers, and communities
- Governance: Fair, transparent, and accountable governance, as well as sound risk management

The Strategy aims to incorporate ESG analysis into the investment process in the following areas:

- Economic Analysis: The Strategy’s portfolio management team evaluates the effects of economic cycle and financial conditions on the Strategy and its investments.
- Market Analysis: The portfolio management team’s perspectives on earnings, valuations, secular trends, and market sentiment including ongoing analysis of trends in ESG-related investment and valuation disparities, are incorporated into the Strategy.
- Portfolio Construction: The Strategy’s portfolio management team flexibly adjusts the Strategy’s asset allocation to reflect their views, leveraging financial and ESG data. ESG metrics are utilised to assess e.g., controversial activities associated with investments or carbon intensity of investments. Comparisons are made relative to traditional indices and views on ESG metrics may be considered alongside traditional considerations such as sector, size, region, volatility, etc.
- Vehicle Selection: The Strategy seeks to invest in funds that have the people, philosophy, and process in place to deliver financially, while promoting factors consistent with the aforementioned principles.

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**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 Strategy seeks to maintain at least 80% of its investments in funds with an SFDR Article 8 or 9 designation.*

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

*Not applicable*

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

*The Strategy seeks to have at least 80% of its investments in funds with an Article 8 or 9 designation, and whose underlying investments resultantly follow good governance practices, as required by SFDR. Our manager selection process includes consideration of third-party provider classifications complemented by our own due diligence on the funds' own SFDR designation and disclosures.*

#### Good governance

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



#### Asset allocation

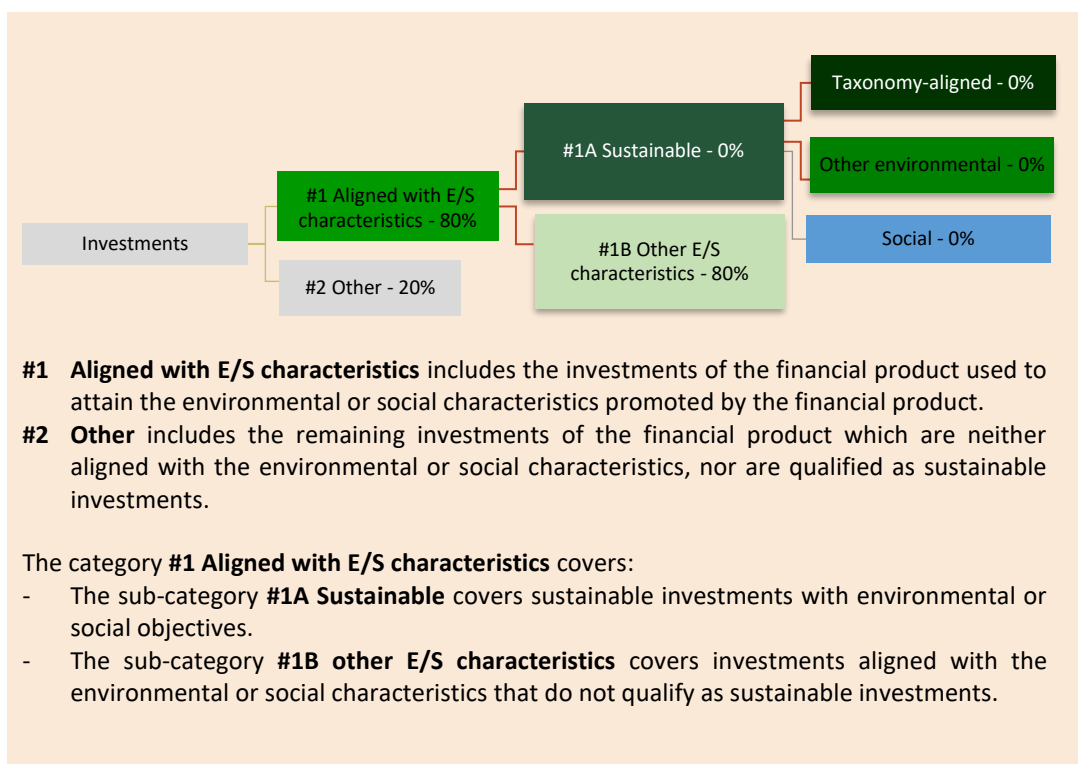
describes the share of investments in specific assets.

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.

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

The Strategy seeks to maintain a minimum of 80% of the portfolio in investments that are aligned with the promoted environmental and social characteristics.



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

Not applicable



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

Not applicable

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>3,4</sup>?**



Yes:



In fossil gas

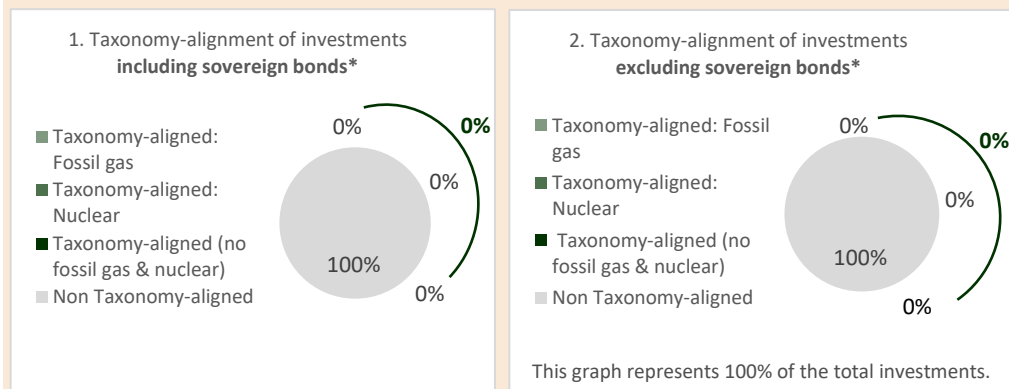


In nuclear energy



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.

<sup>3</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 Regulation (EU) 2022/1214.

<sup>4</sup> Whilst the Strategy has not made any minimum commitments around EU Taxonomy alignment or in Taxonomy-aligned fossil gas and/or nuclear energy related activities, it may have exposure to fossil gas and/or nuclear energy related activities via other investments.

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

*Not applicable*



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



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

*Not applicable*



- What is the minimum share of socially sustainable investments?**

*Not applicable*



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

Cash and investments that are not classified as Article 8 or Article 9 SFDR products are included under “other”. These were held for diversification and liquidity purposes as well as for risk management.



- 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?**

*Not applicable*

- ***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?***

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*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:**

Please refer to the 'SFDR Product Disclosure' section of our website:

<https://privatebank.jpmorgan.com/eur/en/disclosures/sustainability-related-disclosures>

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