

# JP MORGAN CHINA A-SHARES OPPORTUNITIES FAM FUND

## SUPPLEMENT DATED 1 DECEMBER 2022

This Supplement contains specific information in relation to **JPMORGAN CHINA A-SHARES OPPORTUNITIES FAM FUND** (the "Fund"), a sub-fund of **FAM SERIES UCITS ICAV** (the "ICAV"), an open-ended umbrella type Irish Collective Asset-management Vehicle with variable capital and segregated liability between sub-funds, authorised by the Central Bank on 1 August 2018 pursuant to the UCITS Regulations.

**This Supplement forms part of and should be read in the context of and in conjunction with the prospectus of the ICAV dated 1 December 2022 and the addendum thereto (together the "Prospectus").**

**Due to the Fund's ability to invest in emerging markets securities and financial derivative instruments the Fund may have a higher than average degree of risk. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

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### Investment Objective and Policies

The investment objective of the Fund is to provide long-term capital growth by investing primarily in companies of the People's Republic of China (PRC).

The Fund seeks to achieve this objective by investing in equities and equity-related securities of, or linked to, issuers that are in China. At least 67% of assets will be invested in China A Shares (as defined below) of companies that are domiciled, or carrying out the main part of their economic activity, in the PRC through the Shanghai Stock Exchange ("SSE") and/or the Shenzhen Stock Exchange (the "SZSE"), or such other shares that may in the future be defined as China A shares issued by companies in China on the SSE and/or SZSE ("China A Shares") and available for investment by using the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect respectively (each a "Stock Connect" and collectively the "Stock Connects") and through the Renminbi Qualified Foreign Institutional Investor ("RQFII") or Qualified Foreign Institutional Investor ("QFII") quotas (the QFII and RQFII program permits certain licensed international investors to participate in the PRC's mainland stock exchanges, allowing foreign investors access the SSE and SZSE). These investments may include small capitalisation companies. The Fund may be concentrated in a limited number of securities or sectors from time to time. The Fund may invest up to 15% of assets in participation notes to gain exposure to companies that are domiciled, or carrying out the main part of their economic activity, in the PRC. Please refer to "Direct Investment in China" below for further information.

The Fund's investment universe may be across a range of economic sectors, including, but not limited to financial services, real estate, industrials, utilities, consumer discretionary, energy, information technology, materials, health care, consumer staples, and communication services. Exposure to real estate may be achieved through investment in equities and equity-related securities issued by or linked to companies whose principal activities include development, ownership, construction, management or sale of real estate or companies with significant real estate holdings.

The equities and equity-related securities in which the Fund may invest will generally be listed on the recognised exchanges and markets set out in Schedule I of the Prospectus. However, the Fund may invest up to 10% of its Net Asset Value in unlisted equities which are not listed on recognised exchanges and markets but which are permissible investments for UCITS. The Fund has no restrictions as to the proportion of assets allocated to companies of any particular market capitalisation and may invest across a range of economic sectors.

The equities and equity-related securities in which the Fund may invest may include, without limitation, common stock, preferred stock, structured notes issued by financial institutions and offered in the open market and global depository receipts/American depository receipts. Investment in structured notes will not form a significant part of the investment policy of the Fund. To the extent that any structured notes in which a Fund may invest are leveraged or contain embedded derivatives, they will be managed by the Fund as FDI and will be utilized for investment purposes only up to a maximum of 10% of the Fund's Net Asset Value.

While the Fund will invest primarily in equities and equity-related securities, as referred to above, the Fund may, in circumstances of extreme volatility or if market factors require and if considered appropriate to the investment objective, invest on a short term basis in cash, cash equivalents, money market instruments (including, but not limited to, cash deposits, commercial paper and certificates of deposit) or government or corporate bonds (which may be fixed or floating rate and of investment grade).

The investment philosophy of the Fund is based on the domestic China market emphasizes higher growth, higher quality and higher return businesses with a favourable supply-side dynamic in their markets (i.e. with favourable tax, regulatory and monetary policies which encourage production of goods). The basis on which investment will be selected focuses on undervalued companies with durable franchises and strong management, which should generate consistent returns over the long term. Such companies are identified through the Investment Manager's comprehensive research process which involves input from its in-house "Greater China Investment Professionals Team" who have vast expertise and local knowledge to assess and identify such companies. The investment process is primarily driven by:

- (a) a bottom-up stock selection process to seek companies whose intrinsic value is greater than the current price of their securities. This approach includes fundamental analysis of a company's financial statements, profitability, management structure, operations, business strategy, product development, and its position within its industry, among other things. The Investment Manager evaluates investment opportunities on a company-by-company basis before considering the impact of general or industry economic trends on the income producing potential of such equities; and
- (b) a top-down macro analysis which consists of adapting the portfolio positioning to the Investment Manager's expectations regarding macroeconomic conditions such as growth, inflation and trends in corporate credit quality.

The primary objective of the investment philosophy and process is to deliver strong relative performance in a disciplined manner over the longer-term, which comes from investing, at the right time and price, in well-managed, high quality growth companies that return earnings and dividends fairly to minority shareholders. The Fund will measure its performance against the CSI 300 Net Total Return Index. The CSI 300 Net Total Return Index is a capitalization-weighted stock market index designed to replicate the performance of the top 300 stocks traded on the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

Cash and cash equivalents (such as money market funds, time deposits and treasury bills) may be held by the Fund on an ancillary basis. The Fund may also invest in other Underlying Funds authorised as UCITS by an EEA member state which provide exposures that are consistent with the investment policy of the Fund.

Other than permitted investment in unlisted securities and FDIs, the Fund's investments will be limited to securities and exchange traded FDIs that are traded on the markets listed in Schedule I of the Prospectus. No more than 10% of the Fund's Net Asset Value may be invested in units or shares of Underlying Funds within the meaning of Regulation 68(1)(e) of the UCITS Regulations and the purpose of such investment is to gain exposure to the types of investments described herein.

#### *Direct Investment in China*

As noted above, Fund may invest at least 67% of its Net Asset Value in shares denominated in Renminbi, issued by companies in China and listed on the SSE and/or the SZSE, or such other shares that may in the future be defined as China A Shares and available for investment by using the Stock Connects and through the RQFII or QFII quotas.

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("HKEX"), SSE and the China Securities Depository and Clearing Corporation Limited ("ChinaClear"). It is comprised of a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Fund), through their Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong (the "SEHK"), may be able to trade eligible China A Shares listed on the SSE by routing orders to the SSE. Under the Southbound Hong Kong Trading Link, investors in China may trade certain stocks listed on the SEHK.

The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, SZSE and ChinaClear. It is comprised of a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen-Trading Link, Hong Kong and overseas investors (including the Fund), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SZSE by routing orders to SZSE. Under the Southbound Hong Kong Trading Link, investors in China will be able to trade certain stocks listed on the SEHK.

There are specific risks associated with direct investment in China and investors' attention is drawn to the section titled "Risk Factors" in the Prospectus.

#### *Benchmark Information*

From time to time, the Investment Manager, considering the degree of representativeness of underlying markets and their liquidity, strategically selects a benchmark or index (the "Index") appropriate to the Fund's investment policies, in reference to which the Fund is then managed and compared to which the Fund will seek to achieve a similar rate of return, gross of fees. Currently, the Fund is actively managed in reference to the CSI 300 Net Total Return Index. Though the majority of its holdings (excluding derivatives) are likely to be components of the Index, the Investment Manager has broad discretion to deviate from its securities, weightings and risk characteristics. The degree to which the Fund may resemble the composition and risk characteristics of the Index will vary overtime and its performance may be meaningfully different.

The above Index is provided by an administrator, China Securities Index Company, Ltd., which was recognized under Article 34 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation").

#### *Use of Financial Derivative Instruments ("FDIs") and other Instruments and Techniques*

The Fund may engage in transactions in FDI for the purposes of efficient portfolio management and hedging.

The types of FDIs that the Fund may use are: futures and forwards. The expected effect of the use of these instruments will be to enhance returns and/or reduce inherent risks affecting the Fund's investments. For information in relation to the risks associated with the use of FDIs, please refer to the "Risk Factors" section of the Prospectus.

Futures and forwards: Futures and forwards may be used to hedge against downward movements in the value of the Fund's portfolio, either by reference to the equity securities in which it may invest or the markets to which it may be exposed, in accordance with its Investment Objective and Policy (see above). Futures may also be used for investment purposes or to allocate investments

within the Fund by taking exposure to specific markets or issuers or to increase the Fund's exposure to general market risk on a temporary basis, or on a long-term basis.

**Securities Lending Agreements:** Securities lending is the temporary transfer of securities by a lender to a borrower, with agreement by the borrower to return equivalent securities to the lender at pre-agreed time. These agreements will only be used for efficient portfolio management to enhance overall returns to the Fund through the receipt of finance charges for the lending of its securities and are subject to the conditions and limits set out on the Central Bank UCITS Regulations. The Fund's exposure to securities lending transactions is expected to be between 0% and 20% of the Fund's Net Asset Value, subject to a maximum exposure of 20% of the Fund's Net Asset Value.

*Risk Measurement - Global Exposure and Leverage*

Global exposure is calculated using the commitment approach. Global exposure and leverage as a result of FDIs, as measured using the commitment approach, shall not exceed 100% of the Fund's Net Asset Value.

**ESG Integration**

The Investment Manager strongly believes that ESG considerations (in particular, governance) should be a foundation of any investment process supporting long-term investing and that corporate policies at odds with environmental and social issues are not sustainable in the long term. The Investment Manager is confident that integration of ESG issues in investment analysis and investment decisions is critical to successful investing. To this purpose, the Investment Manager systematically includes ESG analysis in its investment decisions on at least 90% of securities purchased, by relying on the following ESG factors and screenings:

ESG factors

Examples of ESG factors considered by the Investment Manager are:

<b>Environmental Issues</b>	<b>Social Issues</b>	<b>Corporate Issues</b>	<b>Governance</b>
Air pollution	Workplace safety	Audit committee independence	
Noise pollution	Working conditions	Compensation independence	committee
Water pollution	Employee health	Political contribution	
Resource efficiency / management	Social value creation	Executive compensation	
Biodiversity / habitat protection	Child labour ban	Stakeholder engagement	
Resource efficiency / management	Emergency preparedness	Code of conduct	

Further examples and information on the above ESG factors can be found on the Investment Manager's website at the following link: <https://am.ipmorgan.com/lu/en/asset-management/adv/investment-themes/sustainable-investing/ESG-integration/>

ESG Screenings

This screening applied by the Investment Manager includes, for example, identifying issuers that are involved in the manufacturing of controversial weapons, thermal coal and tobacco.

The list of screens applied that may result in exclusions can be found on the <https://am.jpmorgan.com/lu/en/asset-management/adv/investment-themes/sustainable-investing/capabilities/> website.

Moreover, the Investment Manager will comply with the Manager's exclusion list which is based on the Manager's exclusion policy and compiled by the Manager, unless the Investment Manager's exclusions result in a more stringent rule than that or those provided for by the Manager and, in such case, the Investment Manager's more stringent rule(s) will apply. The Manager's exclusion policy may be obtained on the Manager's website at: <http://finecoassetmanagement.com/sustainability/>. The Manager's exclusion list may be obtained upon request from the Manager by reaching out to the contact details available on its website at: <http://finecoassetmanagement.com/contact/>. The Fund integrates the systematic inclusion of ESG issues in investment analysis and investment decisions. ESG integration for the Fund requires:

- sufficient ESG information on the Funds' investment universe to be available. In this regard, the Investment Manager will use a proprietary methodology to score companies that examines both the exposure to, and performance against, sustainability issues. The methodology focuses on those issues that are material to a firm's business activities on a company by company basis, using a combination of an in-house proprietary ESG framework, fundamental analysis, information gained from any company engagement activities and third-party research and data.
- the Investment Manager to consider proprietary research on the financial materiality of ESG issues on the Fund's investments; and
- the Investment Manager's research views and methodology to be documented throughout the investment process.

The ultimate inclusion of a security in the Fund portfolio, is determined via the Investment Manager's proprietary ESG scoring methodology which also incorporates third party data. Specifically, such process involves the Investment Manager assessing whether or not companies that have been identified as having positive environmental and/or social characteristics - which the Investment Manager considers investing in - also follow good governance practices (i.e. whether or not these companies meet "good ESG characteristics"). In order to determine a security to have "good" ESG characteristics, the following qualitative and, if needed, quantitative analysis is followed:

1. Qualitative analysis: the primary sources used to assess companies rely on the Investment Manager's proprietary 40 question ESG Checklist.
2. Quantitative analysis: Where the Investment Manager's ESG Checklist is not completed, a quantitative score using third party data (such as Bloomberg, MSCI, etc.) is used in the interim until the Investment Manager's analysts have been able to source the information.

ESG integration also requires appropriate monitoring of ESG considerations in ongoing research, risk management, portfolio monitoring and portfolio construction.

### Responsible Investing Information

For any additional information on the Investment Manager's sustainable investing approach, please refer to the website <https://am.jpmorgan.com/lu/en/asset-management/adv/investment-themes/sustainable-investing/>

### **Investor Profile**

The Fund is suitable for retail and institutional investors seeking long-term capital growth and who are willing to accept a high level of volatility. The Fund should be viewed as a medium to long term investment.

This is a value investment style equity fund designed to give exposure to value companies in China. Because value stocks tend to outperform at different times to growth stocks, investors should be prepared for periods of underperformance, although research shows that over the long-term both investment styles have outperformed. Therefore, this Fund can be used both to provide a value tilt to an existing diversified portfolio or as investment in its own right. Investors should understand the risks associated with emerging market equities and China and are willing to accept those risks in search of potential higher returns, including the risk of losing all capital invested and must evaluate the Fund objective and risks in terms of whether they are consistent with their own investment goals and risk tolerances. The Fund is not intended as a complete investment plan.

**Base Currency:** Chinese Yuan Renminbi (CNH).

### **Investment Manager**

The Manager has appointed JPMorgan Asset Management (UK) Limited of 60 Victoria Embankment, London, EC4Y0JP, to act as the investment manager pursuant to an investment management agreement as amended and restated on 24 August 2021. The Investment Manager will provide discretionary investment management services to the Fund subject to the overall supervision of the Manager. The Investment Manager's principal business and occupation is to provide investment management services to clients.

**SFDR Classification:** The Manager has categorised the Fund as meeting the provisions set out in Article 8 of SFDR, as further described in Annex II at the end of this Supplement.<sup>1</sup>

### **SFDR Disclosure**

The Investment Manager considers a wide range of environmental, social and governance characteristics on an ongoing basis for the Fund, as set out in the "ESG Integration" section above.

The Investment Manager has discretion to implement additional sustainable requirements and exclusions having regard to their applicable investment process from time to time.

When assessing the Sustainability Risk associated with the Fund's underlying investments, the Investment Manager is attempting to understand the likelihood of the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition (see definition of "Sustainability Risks" in the main body of the Prospectus).

While the Investment Manager integrates Sustainability Risk into the Fund's investment decision making process as described above, the output of such Sustainability Risk integration is not the determining factor, considered in the investment decisions of the Investment Manager in respect of the assets which the Fund may buy and/or hold. Accordingly, the Investment Manager may buy and/or hold assets which may expose the Fund to high or low levels of Sustainability Risk.

The Fund integrates Sustainability Risk into its investment decision making process as summarised below:

- (1) Prior to acquiring investments on behalf of the Fund, the Investment Manager uses Sustainability Risk metrics of a third party data service provider, and/or Sustainability Risk

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<sup>1</sup> The information contained in Annex II has been completed using information provided by the Investment Manager of the Fund.

metrics based on internal research, in order to assess the relevant investment against Sustainability Risk factors.

- (2) The Investment Manager will comply with its own exclusion policy and the Manager's exclusion list, whereby potential investments are removed from the investment universe on the basis that they pose a too great Sustainability Risk.

It has been determined that the Fund may have a lower prospect of being impacted by Sustainability Risks given that the Fund falls within the meaning of Article 8 of SFDR. To the extent that a Sustainability Risk occurs, there may be a sudden, material negative impact on the value of an investment, and hence there may be a material negative impact on the Net Asset Value of the Fund. Such negative impacts may result in an entire loss of value of an investment. The Manager and Investment Manager acknowledge that the Fund's exposure to Sustainability Risks is changeable and shall keep the Fund's exposure to these risks under periodic review. Where the Manager and/or the Investment Manager considers, as a result of such a review, that the Fund's approach to the management of Sustainability Risks is to materially change, these disclosures will be updated accordingly.

It is possible that an assessment of Sustainability Risk may influence a decision by the Investment Manager to not make an investment, or to dispose of an existing investment that would otherwise be considered as attractive to invest in or retain, when confining the factors considered to financial-related elements such as financial position, revenue, capital structure etc.

### Taxonomy Disclosure

While the Fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, it should be noted that as the investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation, the Fund's portfolio alignment with the Taxonomy Regulation is not calculated. It follows that the Fund does not currently commit to investing more than 0% of its assets in investments aligned with the Taxonomy Regulation. 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.

Please refer to the section of the Prospectus entitled "Sustainable Finance Disclosures" for further information.

### Offer of Shares

The following Classes of Shares are available for subscription:

Share Class	Initial Offer Price	Initial Offer Period	Currency Denomination and Hedged Class		Sales Charge	Minimum Initial Subscription and Minimum Subsequent Subscription	Distribution Type
Class L	€100	Closed	EUR	No	Yes/ max 5%	€ 1,000 /100	Accumulating
Class LH	€100	Closed	EUR	Yes	Yes, max 5%	€ 1,000 /100	Accumulating

Class A	€100	Closed	EUR	No	No	€ 1,000 /100	Accumulating
Class I	€100	Closed	EUR	No	No	€ 1,000,000 / 100	Accumulating
Class J Acc	€10,000	2 December 2022-1 June 2023	EUR	No	No	€ 1,000,000 / 100	Accumulating

During the initial offer period Shares are available for subscription at the initial offer price as indicated in the table above. Where the initial offer period has closed, Shares will be available at the prevailing Net Asset Value of each Class of Shares.

All Share Classes are offered during the initial offer period (as indicated in the above table).

### Application for Shares

Full details on how to purchase Shares are described in the Prospectus under the section titled "Application for Shares". Investors should note the following Business Day, Dealing Deadline and Valuation Point that shall apply in respect of applications for Shares of the Fund:

"**Business Day**" means every weekday on which retail banks and securities markets in Luxembourg, China & Hong Kong are normally open for business;

"**Dealing Deadline**" means 11:59am (Irish time) on the relevant Dealing Day; and

"**Valuation Point**" means 3:00pm (Irish time) on the relevant Dealing Day.

Applications for Shares may be made to the Paying Agent or the Administrator (whose details are set out in the Application Form). Applications received by the Paying Agent or the Administrator prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day, unless the Directors in their absolute discretion, in exceptional circumstances, otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day, provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

### Fees and Expenses

Fees and expenses are payable out of the Fund and details of how Fees are accrued and paid, and details of other general management and fund charges, are set out in the Prospectus under the heading "Fees and Expenses".

#### *Manager's Fee*

The Manager shall be entitled to a management fee of up to 3% per annum (plus VAT, if any) of the Net Asset Value of each Class of Shares. The fees of the Investment Manager shall be paid out of the Manager's fees and not out of the assets of the Fund.

#### *Investment Manager's Fee*

The Manager shall pay out of its management fee the fee of the Investment Manager.

#### *Administrator's Fee*

Up to 0.3% per annum (plus VAT, if any) of the Net Asset Value of each Class of Shares.

#### *Depositary's Fee*



Up to 0.2% per annum (plus VAT, if any) of the Net Asset Value of each Class of Shares.

*Sales Charge:* Up to 5% of the value of the gross subscription, except in respect of an Underlying Fund which is managed, directly or by delegation, by the Manager or by any other entity with which the Manager is linked by common management or control, or by a substantial direct or indirect holding; in which case, in order to avoid double-charging, either (i) the Underlying Fund will waive any sales charge, or (ii) any sales charge will be waived in respect of the Fund. In respect of scenario (ii) above, the principle of equal and fair treatment of the investors will at all times be met by the Fund in accordance with the Central Bank UCITS Regulations. If a sales charge fee is incurred, Shareholders should view their investment as medium to long-term.

#### *Establishment Costs*

The costs of establishing the Fund, obtaining approval from any authority, filing fees, the preparation and printing of this Supplement, marketing costs and the fees of all professionals relating to it, which are estimated not to exceed €25,000 will be borne by the Fund and amortised over the first two years of the Fund's operation (or such other period as may be determined by the Directors in their discretion).

#### **Risk Factors**

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.

While investors should read and consider the entire "Risk Factors" section of the Prospectus, the risks summarised in the sections entitled "Risks of Directly Investing in China" and "Risks relating to Stock Connects" are particularly relevant to the Fund's portfolio.

#### *Regulatory Risks Relating to the QFII and RQFII*

PRC investments by overseas institutions can be made by or through holders of a QFII/RQFII license, as approved under and subject to applicable Chinese regulations and regulatory requirements (the "**QFII/RQFII Regulations**"), which are governed by PRC authorities, including the China Securities Regulatory Commission ("**CSRC**"), the State Administration of Foreign Exchange ("**SAFE**") and the People's Bank of China ("**PBOC**").

The Investment Manager has been granted a QFII/RQFII license ("**QFII/RQFII License**") and, as such, the relevant requirements and restrictions under the QFII/RQFII Regulations apply to the Investment Manager (as the QFII/RQFII License holders) as a whole, and not simply to investments made by the Fund. Shareholders should be aware that violations of any QFII/RQFII Regulations arising from activities through the Investment Manager's QFII/RQFII status other than those conducted by the Fund could result in the revocation of, or other regulatory action in respect of, the Investment Manager's QFII/RQFII status as a whole. As a result, the ability of the Fund to make investments and/or repatriate monies through the Investment Manager's QFII/RQFII status may be affected adversely by the investments or performance by other investors utilizing the Investment Manager's QFII/RQFII status.

As the QFII/RQFII Regulations have a relatively short history and their application and interpretation remain relatively untested, there is uncertainty as to how they will be applied and interpreted by the PRC authorities or how regulators may exercise the wide discretionary powers given to them thereunder in future. Any changes to the relevant rules may have a material adverse impact on investors' investment.

Investors should further note that under the QFII/RQFII Regulations, the QFII/RQFII status could be suspended or revoked under certain circumstances where the PRC regulators have discretions. If the QFII/RQFII status is suspended or revoked, the Fund may be required to dispose of their securities held through the QFII/RQFII and may not be able to access the Chinese securities market via the QFII/RQFII, which may have an adverse effect on the Fund's performance.

#### *Liquidity Risk*

Certain securities the Fund may invest into may be difficult or impossible to sell at the time and the price that the seller would like. The seller may have to lower the price to effect a secondary market sale, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on the Fund's management or performance. The investor's attention is also drawn to the heading "Liquidity Risk" set out in "Risk Factors" section of the Prospectus.

**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**

**Product name:** JP MORGAN CHINA A-SHARES OPPORTUNITIES FAM FUND  
**Legal entity identifier:** 254900X39YSDFXAY5889

## Environmental and/or social characteristics

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

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

**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.



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

The Fund promotes a broad range of environmental and/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 assets in such securities. It also promotes certain norms and values by excluding particular companies from the portfolio.

Through its inclusion criteria, the 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.

Through its exclusion criteria, the Fund promotes certain norms and values such as support for the protection of internationally proclaimed human rights and reducing toxic emissions, by fully excluding companies 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 Fund on [www.jpmorganassetmanagement.lu](http://www.jpmorganassetmanagement.lu) and [FAM - Sustainability | Fineco FAM - Fineco FAM \(finecoassetmanagement.com\)](http://FAM - Sustainability | Fineco FAM - Fineco FAM (finecoassetmanagement.com)) for further information.

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

● ***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 Fund promotes.

The methodology is based on a company's management of relevant environmental or social issues such as its toxic emissions, waste management, labour relations and safety issues. To be included in the 51% of assets promoting environmental and/or characteristics, a company must score in the top 80% relative to its peers 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 promote certain norms and values, the Investment Manager utilises data to measure a company's participation in certain related activities. 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 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.

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

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 a 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 peers based on certain operational sustainability indicators. For example, scoring in the top 20% relative to peers 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 Fund partially intends to make are subject to a screening process that identifies and excludes, from qualifying as a Sustainable Investment, the worst offending companies, in relation to certain environmental considerations such as 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 to align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as provided for under the Minimum Safeguards in the EU Taxonomy Regulation.

**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.

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

Certain indicators for adverse impacts on sustainability factors as set out in the EU SFDR Regulatory Technical Standards are taken into account to demonstrate that an investment qualifies as a Sustainable Investment. In particular, adverse sustainability indicators 10 and 14 from the EU SFDR Regulatory Technical Standards in relation to violations of the UN Global Compact and controversial weapons have been taken into account through the values and norms-based exclusions described above in the answer to “What environmental and/or social characteristics are promoted by this financial product?”.

Further additional adverse sustainability indicators, such as indicators 3, 5, 6 and 9 as set out in the EU SFDR Regulatory Technical Standards in relation to GHG intensity, share of non renewable energy consumption and production, energy consumption and hazardous waste are considered as part of the do no significant harm screen described in the answer to the above question. Issuers below a predefined threshold using the relevant EU SFDR Regulatory Technical Standards metrics will be screened out.

The Investment Manager may consider a broader set of indicators for adverse impacts on sustainability factors at its discretion.

*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 portfolio 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 companies.

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

Information on how the principal adverse impacts were taken into account will be provided in the Fund’s annual report.

- No



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

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

- Uses a fundamental, bottom-up stock selection process.
- Uses a high conviction approach to finding the best investment ideas.
- Seeks to identify high quality companies with superior and sustainable growth potential. ESG approach: ESG Promote
- Excludes certain sectors, companies or practices based on specific values or norms based criteria.

- At least 51% of assets to be invested in companies with positive environmental and/ or social characteristics.
- At least 10% of assets to be invested in Sustainable Investments.
- All companies follow good governance practices.

● ***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.
- 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 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 Fund does not apply such a committed minimum rate.

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

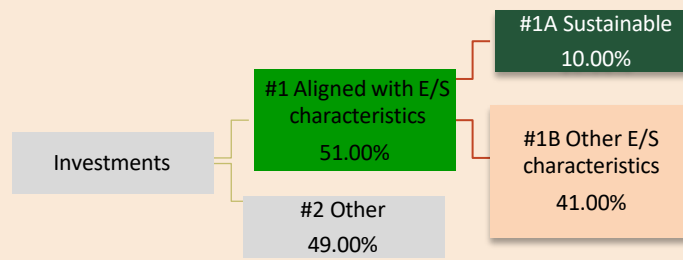
All investments (excluding cash and derivatives) are screened to exclude known violators of good governance practices. In addition, for those investments included in the 51% of assets promoting environmental and/or social characteristics or qualifying Sustainable Investments, additional considerations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

**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.



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



**#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.

**#2 Other** 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.

**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.

The Fund plans to allocate at least 51% of its assets to companies with positive environmental and / or social characteristics and a minimum of 10% of assets to Sustainable Investments. The Fund does not commit to investing any proportion of assets specifically in companies exhibiting positive environmental characteristics or specifically in positive social characteristics 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 Liquid Assets, Deposits with Credit Institutions, money market instruments / funds (for managing cash subscriptions and redemptions as well as current and exceptional payments) 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.

● **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 Fund.



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

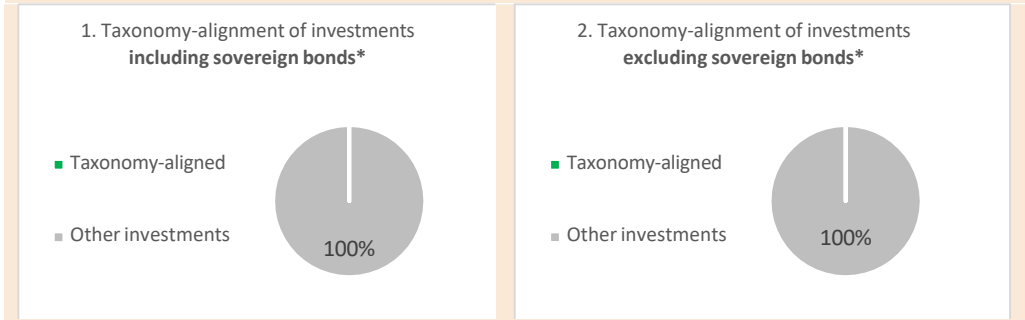
The Fund invests at least 10% of assets in Sustainable Investments, however, 0% of assets are committed to Sustainable Investments with an environmental objective aligned with the EU Taxonomy.



**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

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 investments in transitional and enabling activities?**  
 The 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 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 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 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 companies 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 and/or social characteristics. They are investments for diversification purposes.

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?**

An index has not been 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

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



**Where can I find more product specific information online?**

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

Further details on the Responsible Investment Policy, summary investment process and Exclusion Policy can be found on the Manager’s website at the following link [FAM - Sustainability | Fineco FAM - Fineco FAM \(finecoassetmanagement.com\)](https://www.finecoassetmanagement.com/fam-sustainability).