

Best ESG Investment Fund: Emerging markets

JPMorgan Funds – Emerging Markets Sustainable Equity Fund

The **JPMorgan Funds – Emerging Markets Sustainable Equity Fund** builds on the successful investment process established by our emerging markets team in 1994, which has incorporated ESG considerations through its ESG Checklist since 2013. The same experienced portfolio management team, in partnership with our Sustainable Investing team, has further enhanced the process to create one of our flagship sustainable equity offerings.

We believe the fundamental research insights of our 90+ emerging markets investment professionals located in eight locations around the world – many of whom are native speakers of the local languages – are essential to investing from a sustainable perspective given the limited correlations between third-party ESG ratings. Using a 98-question checklist, where three quarters of the questions assess environmental, social and governance risks, the ESG laggards (fifth quintile) are excluded from the portfolio. In addition, a fundamental materiality framework, which rates companies on the five most material ESG risks in 54 sub-sectors, is used to tilt the portfolio towards sustainable leaders.

Our fundamental, best-in-class approach to sustainable investing has four clear steps:

exclude unsustainable industries, exclude unsustainable businesses, identify sustainable leaders and engage with our companies.

This process results in a portfolio of 50 to 90 companies with significantly higher sustainability characteristics than the MSCI Emerging Markets Index:

- 80% in top-quintile companies, as ranked by our 98-question checklist and materiality framework, compared to close to 20% for the index.
- Carbon footprint that is 16% of the index's.

The portfolio has also consistently outperformed its benchmark, generating excess returns of:

- 1.13% annualised since inception in November 2019
- 6.53% for calendar year 2020
- 3.23% for calendar year 2020
- -3.68% past 12 months

Performance as of 30 September 2022 from C share class (EUR). Excess returns are geometric.

As of 30 September 2022, the fund has USD 643 million in assets under management.

Click here to **download** associated fund documents.

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