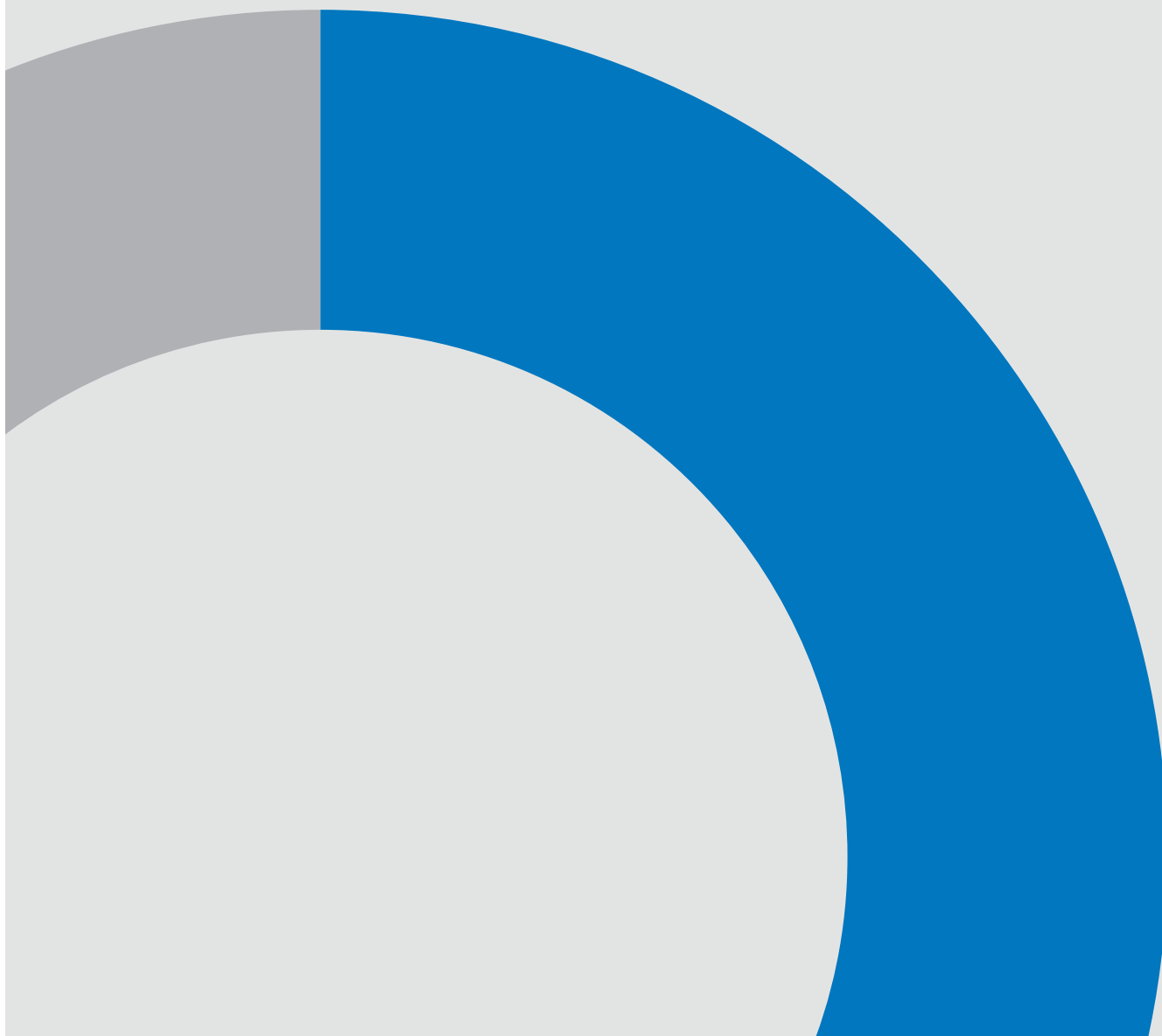


PROSPECTUS – 15 DECEMBER 2023

# JPMorgan Fund II ICVC

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A UK open-ended investment company (OEIC)



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# Using This Prospectus

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This Prospectus is designed so that it can be read as a narrative as well as a reference document in which information on particular topics can easily be found. The information on this page indicates where to find the most commonly used information.

## Fund Characteristics

Investment objectives and policies For investment management information relating to each Fund, see [Fund Descriptions](#); for general information including what is permissible under law and regulation applicable to UK UCITS, see [Investment Restrictions and Powers](#).

### Understanding investment policies

This is a guide to understanding investment policy terms and descriptions. Unless stated otherwise in the [Fund Description](#), the following interpretations apply:

- Cash and near cash Can be held by any Fund on a temporary basis to facilitate efficient management of the Fund. Other investments in cash and near cash for any specific purpose will be described in Fund Descriptions.
- Equities Includes investments in shares, depositary receipts, warrants and other participation rights. Convertible securities, index and participation notes, and equity linked notes may each be held to a limited extent to gain equity exposure.
- Debt securities Includes investments in bonds and other securities such as debentures, capital notes and any other obligations paying fixed or floating (variable) interest.
- Domicile When a domicile is stated, it refers to the country in which the company is incorporated and has its registered office, even if listed elsewhere.

Derivatives See [Fund Descriptions](#) for derivatives usage for each Fund. See [Investment Restrictions and Powers](#) for general information, including what is permissible under the COLL Sourcebook and law and regulation applicable to UK UCITS, and for details on derivatives usage and purposes for the Funds.

Risks See [Fund Descriptions](#) for a list of the risks for each Fund including a general note on risk; individual risks are described in [Risk Descriptions](#).

Environmental, Social and Governance integration and sustainable investing See [ESG Integration and Sustainable Investing Approaches](#) for details of how environmental, social and governance information is integrated into the investment decision making process and how Funds with sustainable investing objectives go beyond such integration.

## Costs

One-time charges Stated in [Share Classes and Costs](#).

Annual fees and expenses Stated in [Fund Descriptions](#); explained in [Share Classes and Costs](#).

Performance fees Rate and mechanism used stated in [Fund Descriptions](#); calculations and examples set out in [Share Classes and Costs](#).

Recent actual expenses See applicable KIIDs or the most recent Shareholder Reports.

## Share Classes

Eligibility See [Share Classes and Costs](#).

Investment minima See [Share Classes and Costs](#).

Characteristics and naming conventions See [Share Classes and Costs](#).

Distributions See [Share Classes and Costs](#).

Currently available See [Fund Descriptions](#).

ISIN See applicable KIID.

## Dealing

Cut-off time See [Fund Descriptions](#).

Placing dealing requests See [Investing in the Funds](#).

Transfers to another party See [Investing in the Funds](#).

General tax considerations See [Considerations for Investors](#).

## Contact and Ongoing Communications

Queries and complaints See [Ongoing Communication](#).

Notices and publications See [Ongoing Communication](#).

## Meanings of Various Terms

Defined terms See [Glossary 1](#).

General investment terms See [Glossary 2](#).

### Client Administration Centre

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PO Box 12272

Chelmsford, CM99 2EL

UK: 0800 20 40 20

Overseas: +44 1268 44 44 70

Fax: 0845 246 1852

# Fund Descriptions

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## Introduction to the Funds

The Company offers investors a range of Funds with different objectives and strategies and offers the potential benefits of diversification and professional management to both retail and professional investors. The Funds are intended for long-term investment.

Before investing in any Fund, an investor should understand the risks, costs, and terms of investment of that Fund and of the relevant Share Class and how the investment would align with their own financial circumstances and tolerance for investment risk. Investors, including insurance undertakings (as defined under UK law), have sole responsibility for being aware of, and complying with, all laws and regulations which apply to them. The ACD recommends that every investor obtain legal, tax and financial advice before investing initially, as they maintain and/or increase their investment and under any other circumstances where legal, tax or investment concerns may be relevant.

## Before Making any Investment

### WHAT TO KNOW ABOUT RISK

While each Fund takes risks that its Investment Manager considers to be appropriate in light of that Fund's stated objective and policies, investors must evaluate Fund risks in terms of whether they are consistent with their own investment goals and risk tolerances. Risk is an integral component of a Fund's return.

With these Funds, as with most investments, future performance will differ from past performance. There is no guarantee that any Fund will meet its objectives or achieve any particular level of performance.

The value of an investment in any Fund can go up and down, as can the level of income, and a Shareholder could lose money. No Fund is intended as a complete investment plan for any Shareholder.

All of the Funds are valued in GBP. Where the currency of the underlying assets of the Fund are denominated in currencies other than GBP and are not hedged back to GBP, Shareholders will be exposed to currency risk. The exchange rates between the relevant currencies can have a significant impact on the returns of a Share Class.

The main risks of each Fund are listed on the following pages. By consulting the list of risks and their definitions which appear in [Risk Descriptions](#), Shareholders can better understand the overall risk to an investment in a Fund.

### WHO CAN INVEST IN THESE FUNDS

Distributing this Prospectus or offering Shares for sale is legal only where the Shares are registered for public sale or where offer or sale is not prohibited by local law or regulation.

Currently, Shares are registered for sale only in the UK and Jersey.

The consent of the Jersey Financial Services Commission pursuant to Article 8 of the Control of Borrowing (Jersey) Order 1958 (as amended) has been obtained for the circulation of this Prospectus in Jersey. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947 (as amended) against liability arising from the discharge of its functions under that Law.

This Prospectus is not an offer or solicitation in the US or to US investors, or in any jurisdiction or to any investor where such a solicitation is not legally permitted. In addition, the ACD will, in principle, not accept any direct subscription from, or direct holding of Shares in a Fund by, any individual who is a US citizen or a US tax resident or any non-US partnership, non-US trust or similar tax transparent non-US entity that has any partner, beneficiary or owner that is a US Person, US citizen or US tax resident.

Funds may be permitted to purchase or hold securities which are subject to sanctions laws in certain jurisdictions. Investors from these jurisdictions should seek professional advice regarding local sanction laws. Investors from these jurisdictions may need to redeem their holdings in the relevant Fund.

### WHO CAN INVEST IN WHICH SHARE CLASSES

Investors should consult [Share Classes and Costs](#) to see which Share Classes they are eligible to hold. Some Shares are available to all investors, others are available only to investors who meet specific requirements. In all cases, there are minimum investment requirements which the ACD may waive at its discretion.

### WHICH INFORMATION TO USE

In deciding whether to invest in a Fund, prospective investors should read this Prospectus including the relevant Fund Descriptions, the relevant KIID, the application form, the Supplementary Information Document (SID), the Instrument and the Company's most recent annual report. These documents are made available, together with any more recent semi-annual report, as described in [Notices and Publications](#) under [Ongoing Communication](#). By buying Shares in a Fund, an investor is considered to have accepted the terms described in any of these documents. Together, all these documents contain the only approved information about the Funds and the Company. Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon.

The ACD believes that it has taken all reasonable care to ensure that the information contained in this Prospectus is accurate, is current at the date of this Prospectus, and does not omit any material information.

This Prospectus is prepared in accordance with the FCA Handbook of Rules and Guidance (including the COLL Sourcebook), and the ACD has approved it for the purpose of section 21 of the Financial Services and Markets Act 2000. Information in this Prospectus may have changed since the date of publication and investors should check with the ACD that this is the most recently published Prospectus.

In case of any inconsistency in translations of this Prospectus, the English version will prevail.

For a guide to interpreting certain key investment policy terms, see [Understanding investment policies](#) under [Using This Prospectus](#).

# JPMorgan Fund II ICVC- JPM Europe Smaller Companies Fund

## Objective, Process, Policies and Risks

### OBJECTIVE

To provide capital growth over the long-term (5-10 years) by investing at least 80% of the Fund's assets in small capitalisation European companies (excluding the UK).

### INVESTMENT PROCESS

#### Investment approach

- Uses a bottom-up stock selection process.
- Uses the full breadth of the eligible equity investment universe through a combination of fundamental research insights and quantitative analysis.
- Uses a best ideas approach to finding the most attractive investment ideas with minimal constraints.

#### ESG approach [ESG Integrated](#)

ESG determinations may not be conclusive and securities of companies / issuers may be purchased and retained, without limit, by the Investment Manager regardless of potential ESG impact.

**Benchmark** MSCI Europe ex UK Small Cap Index (Net)

#### Benchmark uses and resemblance

- The Fund is actively managed. The Benchmark is a Performance Comparator and the Fund may bear little resemblance to its Benchmark. The Benchmark has been chosen as it reflects the main investment universe and strategy for the Fund.

### POLICIES

**Main investment exposure** At least 80% of assets invested in equities of small capitalisation companies that are domiciled, or carrying out the main part of their economic activity, in a European country (excluding the UK). The Fund may have significant positions in specific sectors or markets from time to time.

**Other investment exposures** Cash and near cash on an ancillary basis.

**Derivatives** Used for: efficient portfolio management; hedging. Types: see [Fund Derivative Usage](#) table under [How the Funds Use Derivatives, Instruments and Techniques](#). TRS including CFD: none. Global exposure calculation method: commitment.

**Techniques and instruments** Securities lending: 0% to 20% expected; 20% maximum.

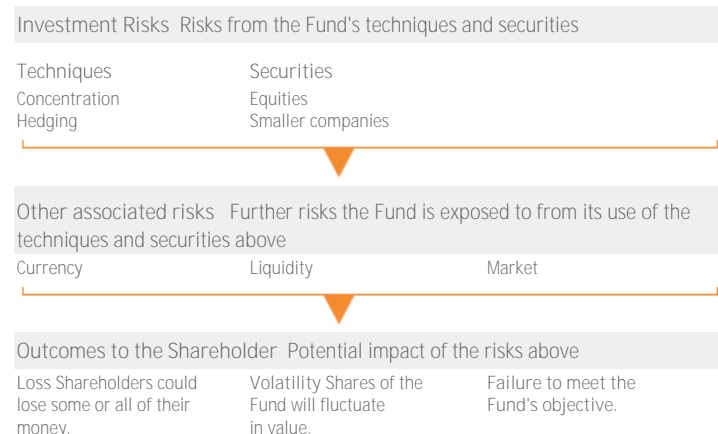
**Currencies** *Fund Base Currency:* GBP. *Currencies of asset denomination:* typically EUR. *Hedging approach:* typically unhedged.

### MAIN RISKS

The Fund is subject to Investment risks and Other associated risks from the techniques and securities it uses to seek to achieve its objective.

The table below explains how these risks relate to each other and the Outcomes to the Shareholder that could affect an investment in the Fund.

Investors should also read [Risk Descriptions](#) for a full description of each risk.



## Investor Considerations

**Investor profile** Investors who understand the risks of the Fund, including the risk of capital loss, and:

- seek investment return through exposure to European smaller companies (excluding the UK);
- understand the risks associated with smaller companies and are willing to accept those risks in search of potential higher returns;
- are looking to use it as part of an investment portfolio and not as a complete investment plan.

**Distributions** Type: dividend. Frequency: Annually (28 February).

**Dealing** Requests received before 12:00 p.m. UK time on any Dealing Day will be processed that day.

**Dilution adjustment** Bid: 0.15%. Offer: 0.20%. (As at 17 November 2023)

**Fund launch date** 09 Feb 1990.

Share Class	Type of Share	Annual ACD Fee	Operating Expenses (Max)	Currently Available
B	Accumulation	1.00%	0.15%	Y
B	Income	1.00%	0.15%	Y
C	Income	0.75%	0.15%	Y
C	Accumulation	0.75%	0.15%	Y
C2	Accumulation	0.60%	0.15%	N
C2	Income	0.60%	0.15%	N

See [Share Classes and Costs](#) for more complete information including charges, investment minimums and eligibility.

See [Performance Table](#) for past performance.

# JPMorgan Fund II ICVC- JPM UK Equity Income Fund

## Objective, Process, Policies and Risks

### OBJECTIVE

The Fund aims to generate a yield, after fees, over a 3 year rolling period, in excess of the FTSE™ All-Share Index and to provide capital growth over the long-term (5-10 years).

### INVESTMENT PROCESS

#### Investment approach

- Uses a bottom-up stock selection process.
- Uses the full breadth of the eligible equity investment universe through a combination of fundamental research insights and quantitative analysis.
- Uses a best ideas approach to finding the most attractive investment ideas with minimal constraints.

#### ESG approach [ESG Integrated](#)

ESG determinations may not be conclusive and securities of companies / issuers may be purchased and retained, without limit, by the Investment Manager regardless of potential ESG impact.

#### Benchmark FTSE All-Share Index (Net)

#### Benchmark uses and resemblance

- The Fund is actively managed. The Benchmark is a Performance Target. The Fund seeks a yield in excess of the Benchmark but its holdings in securities are not constrained by the Benchmark. The Benchmark has been chosen as it reflects the Fund's investment strategy and income yield objective.

### POLICIES

**Main investment exposure** At least 80% of assets invested in equities of companies that are domiciled, or carrying out the main part of their economic activity, in the UK. The Fund may invest in small capitalisation companies.

In search of income, the Fund may have significant positions in specific

sectors from time to time.

**Other investment exposures** Cash and near cash on an ancillary basis.

**Derivatives** Used for: efficient portfolio management; hedging. Types: see [Fund Derivative Usage](#) table under [How the Funds Use Derivatives, Instruments and Techniques](#). TRS including CFD: none. Global exposure calculation method: commitment.

**Techniques and instruments** Securities lending: 0% to 20% expected; 20% maximum.

**Currencies** *Fund Base Currency:* GBP. *Currencies of asset denomination:* typically GBP. *Hedging approach:* not applicable.

### MAIN RISKS

The Fund is subject to Investment risks and Other associated risks from the techniques and securities it uses to seek to achieve its objective.

The table below explains how these risks relate to each other and the Outcomes to the Shareholder that could affect an investment in the Fund.

Investors should also read [Risk Descriptions](#) for a full description of each risk.



## Investor Considerations

**Investor profile** Investors who understand the risks of the Fund, including the risk of capital loss, and:

- seek a combination of income and long-term capital growth through exposure to UK equity markets;
- understand the risks associated with a concentrated portfolio of equities and are willing to accept those risk in search of potential high returns;
- are looking to use it as part of an investment portfolio and not as a complete investment plan.

**Distributions** Type: dividend. Frequency: Quarterly (28 February, 31 May, 31 August, 30 November).

**Dealing** Requests received before 12:00 p.m. UK time on any Dealing Day will be processed that day.

**Dilution adjustment** Bid: 0.15%. Offer: 0.60%. (As at 17 November 2023)

**Fund launch date** 31 May 2017.

Share Class	Type of Share	Annual ACD Fee	Operating Expenses (Max)	Currently Available
B	Income	0.80%	0.15%	Y
B	Accumulation	0.80%	0.15%	Y
C	Income	0.60%	0.15%	Y
C	Accumulation	0.60%	0.15%	Y
C2	Income	0.50%	0.15%	N
C2	Accumulation	0.50%	0.15%	N
S	Income	0.30%	0.15%	N
S	Accumulation	0.30%	0.15%	N

See [Share Classes and Costs](#) for more complete information including charges, investment minimums and eligibility. See [Performance Table](#) for past performance. Note: S Share Classes will be closed to new investors when the total assets in the S Share Classes within the Fund reach £100,000,000 or a greater amount at the discretion of the ACD where this is considered to be in the best interests of investors.

# JPMorgan Fund II ICVC-

# JPM UK Equity Plus Fund

## Objective, Process, Policies and Risks

### OBJECTIVE

To provide capital growth over the long-term (5-10 years) through exposure to UK companies by direct investments in securities of such companies and through the use of derivatives.

### INVESTMENT PROCESS

#### Investment approach

- Uses a bottom-up stock selection process.
- Uses the full breadth of the eligible equity investment universe through a combination of fundamental research insights and quantitative analysis.
- Uses an active extension approach, buying securities considered attractive and selling short securities considered less attractive to improve potential returns without increasing the overall net exposure to the market.

#### ESG approach [ESG Integrated](#)

ESG determinations may not be conclusive and securities of companies / issuers may be purchased and retained, without limit, by the Investment Manager regardless of potential ESG impact.

#### Benchmark FTSE All-Share Index (Net)

#### Benchmark uses and resemblance

- The Fund is actively managed. The Benchmark is a Performance Comparator and the Fund may bear little resemblance to its Benchmark. The Benchmark has been chosen as it reflects the main investment universe and strategy for the Fund.
- Basis for [relative VAR](#) calculations.
- Performance fee calculation.

### POLICIES

**Main investment exposure** At least 80% of assets invested, either directly or through derivatives, in equities of companies that are domiciled, or carrying out the main part of their economic activity, in the UK. Small capitalisation companies may also be held.

The Fund will normally hold long positions of approximately 130% of its net assets and short positions of approximately 30% of its net assets but may vary from these targets depending on market conditions.

**Other investment exposures** Cash and near cash on an ancillary basis.

**Derivatives** Used for: investment purposes; efficient portfolio management; hedging. Types: see [Fund Derivative Usage](#) table under [How the Funds Use Derivatives, Instruments and Techniques](#). TRS including CFD: 70% expected, 180% maximum. Global exposure calculation method: Relative VAR. Expected level of leverage from derivatives: 85% indicative only. Leverage may significantly exceed this level from time to time.

**Techniques and instruments** Securities lending: 0% to 20% expected; 20% maximum.

**Currencies** *Fund Base Currency:* GBP. *Currencies of asset denomination:* typically GBP. *Hedging approach:* not applicable.

### MAIN RISKS

The Fund is subject to Investment risks and Other associated risks from the techniques and securities it uses to seek to achieve its objective.

The table below explains how these risks relate to each other and the Outcomes to the Shareholder that could affect an investment in the Fund.

Investors should also read [Risk Descriptions](#) for a full description of each risk.





## Investor Considerations

**Investor profile** Investors who understand the risks of the Fund, including the risk of capital loss, and:

- seek long-term capital growth through exposure to UK equity markets;
- seek an equity investment with scope for additional returns;
- are looking to use it as part of an investment portfolio and not as a complete investment plan.

**Distributions** Type: dividend. Frequency: Annually (28 February).

**Performance fee** Method: Claw-back. Cap: none.

**Dealing** Requests received before 12:00 p.m. UK time on any Dealing Day will be processed that day.

**Dilution adjustment** Bid: 0.15%. Offer: 0.65%. (As at 17 November 2023)

**Fund launch date** 08 Sep 2015.

Share Class	Type of Share	Annual ACD Fee	Operating Expenses (Max)	Performance Fee	Currently Available
C	Income	0.75%	0.15%	-	Y
C	Accumulation	0.75%	0.15%	-	Y
C (perf)	Income	0.46%	0.15%	10.00%	Y
C (perf)	Accumulation	0.46%	0.15%	10.00%	Y
C2	Accumulation	0.60%	0.15%	-	N
C2	Income	0.60%	0.15%	-	N
S	Income	0.38%	0.15%	-	Y
S	Accumulation	0.38%	0.15%	-	Y
S (perf)	Accumulation	0.23%	0.15%	10.00%	N
S (perf)	Income	0.23%	0.15%	10.00%	N

See [Share Classes and Costs](#) for more complete information including charges, investment minimums and eligibility. See [Performance Table](#) for past performance. Note: S Share Classes will be closed to new investors when the total assets in the S Share Classes within the Fund reach £100,000,000 or a greater amount at the discretion of the ACD where this is considered to be in the best interests of investors.

# JPMorgan Fund II ICVC- JPM UK Smaller Companies Fund

## Objective, Process, Policies and Risks

### OBJECTIVE

To provide capital growth over the long-term (5-10 years) by investing at least 80% of the Fund's assets in small capitalisation UK companies.

### INVESTMENT PROCESS

#### Investment approach

- Uses a bottom-up stock selection process.
- Uses the full breadth of the eligible equity investment universe through a combination of fundamental research insights and quantitative analysis.

#### ESG approach [ESG Integrated](#)

ESG determinations may not be conclusive and securities of companies / issuers may be purchased and retained, without limit, by the Investment Manager regardless of potential ESG impact.

**Benchmark** Numis Smaller Companies plus AIM (excluding Investment Companies) Index

#### Benchmark uses and resemblance

- The Fund is actively managed. The Benchmark is a Performance Comparator and the Fund may bear little resemblance to its Benchmark. The Benchmark has been chosen as it reflects the main investment universe and strategy for the Fund.

### POLICIES

**Main investment exposure** At least 80% of assets invested in equities of small capitalisation companies that are domiciled, or carrying out the main part of their economic activity, in the UK. This may include companies listed on AIM or included in the FTSE 250 index.

**Other investment exposures** Cash and near cash on an ancillary basis.

**Derivatives** Used for: efficient portfolio management; hedging. Types: see [Fund Derivative Usage](#) table under [How the Funds Use Derivatives, Instruments and Techniques](#). TRS including CFD: none. Global exposure calculation method: commitment.

**Currencies** *Fund Base Currency:* GBP. *Currencies of asset denomination:* typically GBP. *Hedging approach:* not applicable.

### MAIN RISKS

The Fund is subject to Investment risks and Other associated risks from the techniques and securities it uses to seek to achieve its objective. The table below explains how these risks relate to each other and the Outcomes to the Shareholder that could affect an investment in the Fund. Investors should also read [Risk Descriptions](#) for a full description of each risk.



## Investor Considerations

**Investor profile** Investors who understand the risks of the Fund, including the risk of capital loss, and:

- seek long-term capital growth through exposure to UK small cap equity markets;
- understand the risks associated with smaller companies and are willing to accept those risks in search of potential higher returns;
- are looking to use it as part of an investment portfolio and not as a complete investment plan.

**Distributions** Type: dividend. Frequency: Annually (28 February).

**Dealing** Requests received before 12:00 p.m. UK time on any Dealing Day will be processed that day.

**Dilution adjustment** Bid: 0.30%. Offer: 0.80%. (As at 17 November 2023)

**Fund launch date** 16 Jul 1987.

Share Class	Type of Share	Annual ACD Fee	Operating Expenses (Max)	Currently Available
B	Accumulation	0.93%	0.15%	Y
B	Income	0.93%	0.15%	Y
C	Accumulation	0.70%	0.15%	Y
C	Income	0.70%	0.15%	Y
C2	Accumulation	0.56%	0.15%	N
C2	Income	0.56%	0.15%	N
I	Accumulation	0.56%	-	Y
X	Income	-	0.06%	N

See [Share Classes and Costs](#) for more complete information including charges, investment minimums and eligibility.

See [Performance Table](#) for past performance.

# JPMorgan Fund II ICVC-

## JPM US Small Cap Growth Fund

### Objective, Process, Policies and Risks

#### OBJECTIVE

To provide capital growth over the long-term (5-10 years) by investing at least 80% of the Fund's assets in a growth style biased portfolio of small capitalisation US companies.

#### INVESTMENT PROCESS

##### Investment approach

- Uses a fundamental, bottom-up stock selection process.
- Targets companies with strong fundamentals that have the ability to deliver higher earnings growth than market expectations.

##### ESG approach [ESG Integrated](#)

ESG determinations may not be conclusive and securities of companies / issuers may be purchased and retained, without limit, by the Investment Manager regardless of potential ESG impact.

**Benchmark** Russell 2000 Growth (Net of 15% withholding tax)

##### Benchmark uses and resemblance

- The Fund is actively managed. The Benchmark is a Performance Comparator and the Fund may bear little resemblance to its Benchmark. The Benchmark has been chosen as it reflects the main investment universe and strategy for the Fund.

#### POLICIES

**Main investment exposure** At least 80% of assets invested in a growth style biased portfolio of equities of small capitalisation companies that are domiciled, or carrying out the main part of their economic activity, in the US.

**Other investment exposures** Canadian companies. Cash and near cash on an ancillary basis.

**Derivatives** Used for: efficient portfolio management; hedging. Types: see [Fund Derivative Usage](#) table under [How the Funds Use Derivatives, Instruments and Techniques](#). TRS including CFD: none. Global exposure calculation method: commitment.

**Techniques and instruments** Securities lending: 0% to 20% expected; 20% maximum.



**Currencies** *Fund Base Currency:* GBP. *Currencies of asset denomination:* typically USD. *Hedging approach:* typically unhedged.

#### MAIN RISKS

The Fund is subject to Investment risks and Other associated risks from the techniques and securities it uses to seek to achieve its objective.

The table below explains how these risks relate to each other and the Outcomes to the Shareholder that could affect an investment in the Fund.

Investors should also read [Risk Descriptions](#) for a full description of each risk.

Investment Risks Risks from the Fund's techniques and securities		
Techniques	Securities	
Hedging	Equities	
Style bias	Smaller companies	
		
Other associated risks Further risks the Fund is exposed to from its use of the techniques and securities above		
Currency	Liquidity	Market
		
Outcomes to the Shareholder Potential impact of the risks above		
Loss Shareholders could lose some or all of their money.	Volatility Shares of the Fund will fluctuate in value.	Failure to meet the Fund's objective.

# Investor Considerations

**Investor profile** Investors who understand the risks of the Fund, including the risk of capital loss, and:

- seek long-term capital growth through exposure to US small cap equity markets;
- understand the risks associated with a small cap growth-biased strategy and are willing to accept those risks in search of potential higher returns;
- are looking to use it as part of an investment portfolio and not as a complete investment plan.

**Distributions** Type: dividend. Frequency: Annually (28 February).

**Dealing** Requests received before 12:00 p.m. UK time on any Dealing Day will be processed that day.

**Dilution adjustment** Bid: 0.10%. Offer: 0.10%. (As at 17 November 2023)

**Fund launch date** 01 May 1987.

Share Class	Type of Share	Annual ACD Fee	Operating Expenses (Max)	Currently Available
B	Income	0.87%	0.15%	Y
B	Accumulation	0.87%	0.15%	Y
C	Income	0.65%	0.15%	Y
C	Accumulation	0.65%	0.15%	Y

See [Share Classes and Costs](#) for more complete information including charges, investment minimums and eligibility.

See [Performance Table](#) for past performance.

JPMorgan Fund II ICVC-

# JPM Global Bond Opportunities Fund

## Objective, Process, Policies and Risks

### OBJECTIVE

To provide income and capital growth over the long-term (5-10 years) by investing opportunistically in an unconstrained global portfolio of debt securities and currencies, using derivatives as appropriate.

### INVESTMENT PROCESS

#### Investment approach

- Uses a globally integrated research driven investment process that focuses on analysing fundamental, quantitative and technical factors across countries, sectors and issuers.
- Uses an unconstrained approach to finding the best investment ideas across multiple fixed income sectors and countries, with a focus on generating long-term total returns.
- Dynamically shifts among sectors and countries and adjusts duration depending on market conditions.

#### ESG approach [ESG Integrated](#)

ESG determinations may not be conclusive and securities of companies / issuers may be purchased and retained, without limit, by the Investment Manager regardless of potential ESG impact.

**Benchmark** Bloomberg Multiverse Index hedged to GBP

#### Benchmark uses and resemblance

- The Fund is actively managed. The Benchmark is a Performance Comparator however the Fund will be managed without reference to its Benchmark. The Benchmark has been chosen as it reflects the main investment universe for the Fund.

### POLICIES

**Main investment exposure** At least 80% of assets invested in debt securities of governments and their agencies, corporations, MBS/ABS (including covered bonds) and currencies. Issuers may be located anywhere in the world, including emerging markets, and may be rated investment grade, below-investment grade or unrated. The Fund may invest up to 10% in convertible bonds and 10% in contingent convertible bonds.

The Fund may use long and short positions (through derivatives) to vary exposure to countries, sectors, currencies and credit ratings which may be concentrated from time to time. The Fund may invest up to 100% in government and public securities and may hold up to 100% in cash and near cash until suitable investment opportunities are found.

The Fund may invest in onshore debt securities issued within the PRC through China-Hong Kong Bond Connect.

**Other investment exposures** Credit linked notes and structured products. Up to 10% in equity securities typically as a result of events relating to its debt securities such as conversions or restructures. The Fund may also use equity derivatives for hedging the equity exposure and reducing risk or volatility derived from certain exposure e.g. high yield which may at times be efficiently hedged using equity derivatives as certain fixed income and equity exposures can be correlated.

**Derivatives** Used for: investment purposes; efficient portfolio management; hedging. Types: see [Fund Derivative Usage](#) table under [How the Funds Use Derivatives, Instruments and Techniques](#). TRS including CFD: none. Global exposure calculation method: absolute VaR. Expected level of leverage from derivatives: 400% indicative only. Leverage may significantly exceed this level from time to time.

**Techniques and instruments** Securities lending: 0% to 20% expected; 20% maximum.

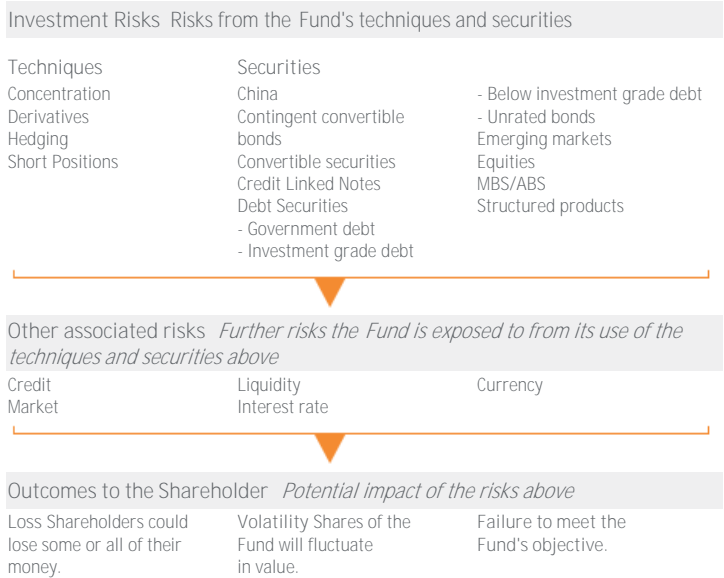
**Currencies** *Fund Base Currency:* GBP. *Currencies of asset denomination:* any. *Hedging approach:* predominantly hedged to Base Currency.

### MAIN RISKS

The Fund is subject to Investment risks and Other associated risks from the techniques and securities it uses to seek to achieve its objective.

The table below explains how these risks relate to each other and the Outcomes to the Shareholder that could affect an investment in the Fund.

Investors should also read [Risk Descriptions](#) for a full description of each risk.



## Investor Considerations

**Investor profile** Investors who understand the risks of the Fund, including the risk of capital loss, and:

- seek investment return through an unconstrained portfolio of debt securities and currencies;
- understand the portfolio may have significant exposure to higher risks assets (such as high yield and emerging market debt) and are willing to accept those risks in search of potential higher returns;
- are looking to use it as part of an investment portfolio and not as a complete investment plan.

**Distributions** Type: interest. Frequency: Quarterly (28 Feb, 31 May, 31 August, 30 November).

**Dealing** Requests received before 12:00 p.m. UK time on any Dealing Day will be processed that day.

**Dilution adjustment** Bid: 0.30%. Offer: 0.30%. (As at 17 November 2023)

**Fund launch date** 30 Jan 2015.

Share Class	Type of Share	Annual ACD Fee	Operating Expenses (Max)	Currently Available
B	Gross Income	0.65%	0.15%	Y
B	Gross Accumulation	0.65%	0.15%	Y
C	Gross Income	0.50%	0.15%	Y
C	Gross Accumulation	0.50%	0.15%	Y
C2	Gross Income	0.40%	0.15%	N
C2	Gross Accumulation	0.40%	0.15%	N
S	Gross Income	0.25%	0.15%	N
S	Gross Accumulation	0.25%	0.15%	N
X	Gross Accumulation	-	0.06%	Y
X	Gross Income	-	0.06%	N

See [Share Classes and Costs](#) for more complete information including charges, investment minimums and eligibility. See [Performance Table](#) for past performance. Note: S Share Classes will be closed to new investors when the total assets of the S Share Classes within the Fund reach £100,000,000 or a greater amount at the discretion of the ACD where this is considered to be in the best interests of investors..

# Risk Descriptions

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While this Prospectus identifies what the ACD believes to be the main risks of the Funds, a Fund could be affected by other risks. The [Risk Descriptions](#) form an integral part of the Prospectus and should be read in conjunction with the Prospectus as a whole. Investors should note that any risks relevant to individual Share Classes can be found in [Share Classes and Costs](#). For an investor in a Fund, all of the risks described below could give rise to one or more of the three basic outcomes described in each Fund description: loss, volatility and failure to achieve its objective. Other direct effects on investors could include a Fund performing less well than its peers or than the overall market(s) in which it invests.

## INVESTMENT FUND RISKS

Investing in any Fund of the Company involves certain risks:

### Company structure risks

- The ACD may decide to terminate a Fund under certain circumstances (see [Winding Up, Termination or Merger](#) under Considerations for Investors). It is possible that the net proceeds of any termination for a Shareholder may be less than the amount they initially invested.
- In the event the ACD decides to suspend the calculation of NAV per Share or to defer redemption and switch requests for a Fund, Shareholders may not receive the proceeds of their investment at the desired time or price.
- If a large proportion of the Shares of a Fund are held by a small number of Shareholders, or a single Shareholder, including funds or mandates over which the Investment Managers or their affiliates have investment discretion, the Fund is subject to the risk that these Shareholder(s) redeem their Shares in large amounts. These transactions could adversely affect the Funds ability to implement its investment policies and/or the Fund could become too small to operate efficiently and need to be terminated or merged.

### Regulatory risks

- The Company is domiciled in UK. Therefore any protections provided by the regulatory framework of other jurisdictions may differ or may not apply.
- The Company qualifies as a UK UCITS and is subject to the investment laws, regulations and guidance set down by the FCA. As a result of the Funds being managed by an affiliate of JPMorgan Chase & Co. or being registered in other jurisdictions, they may be subject to narrower investment restrictions which could limit their investment opportunities. Further, Funds could be precluded from holding or purchasing particular securities or financial instruments, even if the securities or financial instruments would otherwise meet the Funds' objectives.
- The ACD is a member of JPMorgan Chase & Co. and is therefore subject to additional banking rules and regulations in the US which may also impact the Company and its investors. For instance, under the Volcker Rule, a US regulation, JPMorgan Chase & Co., together with its employees and directors, cannot own more than 25% of a Fund beyond the permitted seeding period (generally three years from the date of the launch of a Fund); as a result, in cases where JPMorgan Chase & Co. continues to hold a seed position representing a significant portion of a Fund's assets at the end of the permitted seeding period, it may be required to reduce its seed position and the anticipated or actual redemption of Shares owned by JPMorgan Chase & Co. could adversely affect the Fund. This may require the sale of portfolio securities before it is desirable, resulting in losses to other Shareholders or could result in the termination of the Fund.

### Political risks

- The value of a Fund's investments may be affected by uncertainties such as international political developments, civil conflicts and war, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. For example, assets could be compulsorily re-acquired without adequate compensation. Events and evolving conditions in certain economies or markets may alter the risks associated with investments in countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in emerging market countries.

### Legal risks

- There is a risk that legal agreements in respect of certain derivatives, instruments and techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, a Fund may be required to cover any losses incurred. Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

### Management risk

- As the Funds are actively managed they rely on the skill, expertise and judgement of the relevant Investment Manager. There is no guarantee that the investment decisions made by the Investment Manager or any investment processes, techniques or models used will produce the desired results.
- For liquidity and to respond to unusual market conditions, a Fund, in accordance with its investment policy, may invest all or most of its assets in cash and near cash for temporary defensive purposes. Investments in cash and near cash may result in lower yield than other investments, which if used for temporary defensive purposes rather than an investment strategy, may prevent a Fund from meeting its investment objective.



## INVESTMENT RISKS

### *Techniques*

**Concentration risk** To the extent that the Fund invests a large portion of its assets in a limited number of securities, industries, sectors, or within a limited geographical area, it is likely to be more volatile and carry a greater risk of loss than a Fund that invests more broadly. When a Fund is concentrated in a particular country, region, or sector, its performance will be more strongly affected by any political, economic, environmental or market conditions within that area or affecting that economic sector.

**Derivatives risk** The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in such instruments may result in losses in excess of the amount invested by the Fund. The pricing and volatility of many derivatives sometimes diverges from strictly reflecting the pricing or volatility of their underlying reference asset(s). In difficult market conditions, it might be impossible or unfeasible to place orders that would limit or offset the market exposure or financial losses created by certain derivatives. Changes in tax, accounting, or securities laws could cause the value of a derivative to fall or could force the Fund to terminate a derivative position under disadvantageous circumstances.

#### *OTC derivatives*

As OTC derivatives are private agreements between the Company on behalf of a specific Fund and one or more counterparties, they are less regulated than market-traded derivatives. OTC derivatives carry greater counterparty risk and liquidity risk, and it could be more difficult to force a counterparty to meet its obligations to the Company. If a counterparty ceases to offer a derivative that a Fund is using or is planning to use, the Fund might not be able to find a comparable derivative elsewhere. This in turn could cause the Fund to miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

It may not always be possible for the Company to divide its OTC derivative transactions among a wide variety of counterparties and the inability to trade with any one counterparty could cause significant losses.

Conversely, if any Fund experiences any financial weakness or fails to meet an obligation, counterparties might become unwilling to do business with the Company, which could leave the Company unable to operate efficiently and competitively.

#### *Exchange-traded derivatives*

While exchange-traded derivatives are generally considered lower-risk than OTC derivatives, there is still the risk that a suspension of trading in derivatives or in their underlying assets could make it impossible for a Fund to realise gains or avoid losses, which in turn could cause a delay in handling redemptions of Shares. There is also a risk that settlement of exchange-traded derivatives through a transfer system might not happen when or as expected.

Risks relating to specific derivative instruments

- **Warrants** The value of warrants are likely to fluctuate more than the prices of the underlying securities. This is due to the effect of leverage within their structure so that a relatively small movement in the price of the underlying security typically results in a larger movement in the price of the warrant.
- **Futures and options** The amount of initial margin relative to the value of a futures contract is small so transactions may be “leveraged” or “geared” in terms of market exposure. A relatively small market movement will therefore have a proportionately larger impact which may work for or against the investor. The selling (“writing” or “granting”) of an option by

the Company on behalf of a Fund generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is “covered” by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

- **CDS** The price at which a CDS trades may differ from the price of the CDS’s referenced security. In adverse market conditions, the basis (difference between the spread on bonds and the spread of CDS) can be significantly more volatile than the CDS’s referenced securities.

**Hedging risk** Any measures that the Fund takes that are designed to offset specific risks could work imperfectly, might not be feasible at times, or could fail completely. The Fund can use hedging within its portfolio to mitigate currency, duration, market or credit risk, and, with respect to any designated Share Classes, to hedge either the currency exposure or the effective duration of the Share Class. Hedging involves costs, which reduce investment performance.

**Reverse repurchase transactions risk** The counterparty of reverse repurchase transactions may fail to meet its obligations which could result in losses to the Fund. The default of a counterparty with which cash has been placed together with any fall in value of the collateral received below that of the value of the cash lent may result in a loss to the Fund and may restrict the Fund’s ability to fund security purchases or redemption requests.

**Security exclusion risk** Exclusion of companies from a Fund’s portfolio that do not meet certain ESG criteria or are not considered socially responsible may cause the Fund to perform differently compared to similar Fund’s that do not have such a policy.

**Securities lending risk** The use of securities lending exposes the Fund to counterparty risk and to liquidity risk. The default of a counterparty, together with any fall in value of the collateral (including the value of any reinvested cash collateral) below that of the value of the securities lent, may result in a loss to the Fund and may restrict the Fund’s ability to meet delivery obligations under security sales or redemption requests.

**Short position risk** Taking a short position (a position whose value moves in the opposite direction from the value of the security itself) through derivatives creates losses for the Fund when the underlying security’s value rises. These losses are theoretically unlimited as there is no restriction on the price to which a security may rise, whereas the loss from a cash investment in the security cannot exceed the amount invested. Using short positions to achieve net short exposure to a particular market, sector or currency may increase the volatility of the Fund. The short selling of investments may be subject to changes in regulations, which could create losses or the inability to continue using short positions as intended or at all.

**Style bias risk** Funds that are concentrated in a value or growth investment style may be subject to periods of underperformance as value stocks and growth stocks tend to outperform at different times.

**Thematic risk** To the extent that a Fund invests a large portion of its assets in a single theme it is likely to be more volatile and carry a greater risk of loss than Fund that invests more broadly. Funds that are concentrated in investments exposed to a single theme may be subject to periods of underperformance and could be disproportionately affected by political, taxation, regulation, or government policy prejudicial to the theme which could lead to decreased liquidity and increased volatility in the value of the relevant securities.

### *Securities*

**AIM stocks** The AIM is a sub market of the London Stock Exchange primarily designed for small and early stage companies who may have less diversified

business models than larger companies or may not yet have the track record to qualify for the main market of the London Stock Exchange. An AIM company may therefore be a higher risk investment than larger more established companies.

**Catastrophe bond risk** If a trigger event occurs (such as a natural disaster or financial or economic failure), the bonds may lose part or all of their value. The loss amount is defined in the terms of the bond and may be based on losses to a company or industry, modelled losses to a notional portfolio, industry indices, readings of scientific instruments or certain other parameters associated with a catastrophe rather than actual losses. The modelling used to calculate the probability of a trigger event may not be accurate or may underestimate the likelihood of the trigger event occurring which may increase the risk of loss.

Catastrophe bonds may provide for extensions of maturity which may increase volatility.

Catastrophe bonds may be rated by credit ratings agencies on the basis of how likely it is that the trigger event will occur and are typically rated below investment grade (or considered equivalent if unrated).

**China risk** Investing in the domestic (onshore) market of the People's Republic of China (PRC) is subject to the risks of investing in emerging markets (see [Emerging markets risk](#)) and additionally risks that are specific to the PRC market.

Investments in domestic securities of the PRC denominated in CNY are made through the QFII/RQFII license, under which the Investment Adviser has been granted an investment quota, or through the China-Hong Kong Stock Connect Programmes which are subject to daily and aggregate quotas.

**QFII/RQFII investments risk** The QFII status could be suspended, reduced or revoked, which may affect the Fund's ability to invest in eligible securities or require the Fund to dispose of such securities and this could have an adverse effect on the Fund's performance. The RQFII status could be suspended, reduced or revoked, which may have an adverse effect on the Fund's performance.

**QFII/RQFII** Regulations impose strict restrictions on investments (including rules on investment restrictions, minimum holding periods and repatriation of capital or profits) that are applicable to the Investment Adviser as well as to the investments made by the Fund. It is uncertain whether a court would protect the Fund's right to securities held for it by a licensed QFII if the QFII came under legal, financial or political pressure. The Investment Adviser has been granted a QFII/RQFII quota by SAFE, but each of the relevant Funds may not have exclusive use of the entire quota as the Investment Adviser may at its discretion allocate such quota to other Funds. As a result a Fund may be adversely impacted if there is insufficient QFII/RQFII quota to make investments. A Fund may suffer substantial losses if any of the key operators or parties (including the PRC Custodian and broker) is bankrupt or in default and/ or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

#### *Risk of investing via China-Hong Kong Stock Connect Programmes*

Investments in China A-Shares through the China-Hong Kong Stock Connect Programmes are subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.

The China-Hong Kong Stock Connect Programmes establish mutual trading links between the markets of mainland China and Hong Kong. These programmes allow foreign investors to trade certain China A-Shares through their Hong Kong based brokers. To the extent a Fund invests in China A-Shares through the China-Hong Kong Stock Connect Programmes it will be subject to the following additional risks:

- **Regulatory Risk** Current rules and regulations may change and have potential retrospective effect which could adversely affect the Fund.
- **Legal/Beneficial Ownership** China A-Shares purchased through the China-Hong Kong Stock Connect Programmes are held in an omnibus account by

the Hong Kong Securities Clearing Company Limited ("HKSCC"). HKSCC, as the nominee holder, does not guarantee the title to securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. The rights of beneficial owners are not clear under PRC law and untested in PRC courts.

- **Quota Limitations** The programmes are subject to quota limitations which may restrict the Fund's ability to invest in China A-Shares through the programmes on a timely basis.
- **Investor Compensation** The Fund will not benefit from investor compensation schemes either in mainland China or Hong Kong.
- **Operating Times** Trading through China-Hong Kong Stock Connect Programmes can only be undertaken on days when both the PRC and Hong Kong markets are open and when banks in both markets are open on the corresponding settlement days. Accordingly the Fund may not be able to buy or sell at the desired time or price.
- **Suspension Risk** Each of the stock exchanges involved with the China-Hong Kong Stock Connect Programmes may suspend trading which could adversely affect the Fund's ability to access the relevant market.

**China Interbank Bond Market risk** The China Interbank Bond Market is an OTC market, executing the majority of CNY bond trading. Market volatility and potential lack of liquidity due to low trading volumes may cause prices of bonds to fluctuate significantly.

#### *Risk of investing via China-Hong Kong Bond Connect*

Investments in onshore debt securities issued within the PRC through China-Hong Kong Bond Connect is subject to regulatory change and operational constraints which may result in increased counterparty risk.

China-Hong Kong Bond Connect establishes mutual trading links between the bond markets of mainland China and Hong Kong. This programme allows foreign investors to trade in the China Interbank Bond Market through their Hong Kong based brokers. To the extent a Fund invests through China-Hong Kong Bond Connect it will be subject to the following additional risks:

- **Regulatory Risk** Current rules and regulations may change and have potential retrospective effect which could adversely affect the Fund.
- **Investor Compensation** The Fund will not benefit from investor compensation schemes either in mainland China or Hong Kong.
- **Operating Times** Trading through China-Hong Kong Bond Connect can only be undertaken on days when both the PRC and Hong Kong markets are open and when banks in both markets are open on the corresponding settlement days. Accordingly the Fund may not be able to buy or sell at the desired time or price.

**PRC tax provision risk** The ACD reserves the right to provide for appropriate Chinese tax on gains of any Fund that invests in PRC securities thus impacting the valuation of the Fund. With the uncertainty over whether and how certain gains on PRC securities are to be taxed, coupled with the possibility of the laws, regulations and practice in the PRC changing, and also the possibility of taxes being applied retrospectively, any provision for taxation made by the ACD may be excessive or inadequate to meet final PRC tax liabilities on gains derived from the disposal of PRC securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and/or redeemed their Shares in/from the Funds.

**Investments in CNY** CNY is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC. If such policies change in future, the Fund's position may be adversely affected. There is no assurance that CNY will not be subject to devaluation, in which case the value of the investments may be adversely affected. Under exceptional circumstances, payment of redemptions and/or distributions in CNH may be delayed due to foreign exchange controls and repatriation restrictions.

**Commodities risk** The value of securities in which the Fund invests may be influenced by movements in commodity prices which can be very volatile.

Commodities and other materials are often disproportionately affected by political, economic, weather and terrorist- related events, and by changes in energy and transportation costs. To the extent that the financial health of any company, industry, country or region is linked to commodity or materials prices, the value of its securities can be affected by trends in those prices.

**Contingent convertible bonds risk** Contingent convertible bonds are likely to be adversely impacted should specific trigger events occur (as specified in the contract terms of the issuer). This may result in the bond converting to equity at a discounted share price, the value of the bond being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.

Contingent convertible bonds can perform poorly even when the issuer and/or its equities are performing well. Contingent convertible bonds are structured such that the occurrence of a trigger event (such as the issuer's capital ratio or share price falling to a particular level for a certain period of time) may render the bond worthless or may trigger a conversion to equity that is likely to be disadvantageous to the bondholder. With contingent convertible bonds, the date and amount of any repayment of principal is uncertain as their termination and redemption require regulatory approval, which may not be granted in certain circumstances.

**Convertible securities risk** Convertible securities have characteristics of both debt and equity securities and carry credit, default, equity, interest rate, liquidity and market risks.

A convertible security acts as a debt security and generally entitles the holder to receive interest paid or accrued until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities generally have characteristics similar to both debt and equity securities. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities. Convertible securities are usually subordinated to comparable nonconvertible securities. Convertible securities generally do not participate directly in any dividend increases or decreases of the underlying securities, although the market prices of convertible securities may be affected by any dividend changes or other changes in the underlying securities.

**Credit Linked Notes risk** Credit Linked Notes (CLNs) are exposed to the risk of the underlying reference asset (such as a bond) being downgraded or defaulting and also to the risk that the issuer defaulting or become bankrupt which could result in the loss of the full market value of the note.

**Debt securities risk** All debt securities (bonds) including those issued or guaranteed by governments and their agencies carry credit risk and interest rate risk.

- **Government debt** Government debt securities, including those issued by local governments and government agencies, are subject to market risk, interest rate risk and credit risk. Governments may default on their sovereign debt and holders of sovereign debt (including the Fund) may be requested to participate in the rescheduling of such debt and to extend further loans to the governmental entities. There is no bankruptcy proceeding by which sovereign debt on which a government has defaulted may be collected in whole or in part. Global economies are highly dependent on one another and the consequences of the default of any sovereign state may be severe and far reaching and could result in substantial losses to a Fund.

Investment in local government debt may include debt securities issued by the US municipalities (municipal securities). The risk of a municipal security generally depends on the financial and credit status of the issuer. Changes in a US municipality's financial health may make it difficult for the municipality to make interest and principal payments when due. Under some

circumstances, municipal securities might not pay interest unless the state legislature or municipality authorises money for that purpose. Municipal securities may be more susceptible to downgrades or defaults during recessions or similar periods of economic stress. Such a downward revision or risk of being downgraded may have an adverse effect on the market prices of the municipal securities and thus the value of the Fund's investments. These risks could decrease the Fund's income or hurt the ability to preserve capital and liquidity. In addition to being downgraded, an insolvent municipality may file for bankruptcy. The reorganisation of a municipality's debts may significantly affect the rights of creditors and the value of the securities issued by the municipality and the value of the Fund's investments.

- **Investment grade debt** With investment grade debt securities, the likeliest form of credit risk is a credit downgrade, which typically will cause a security's value to fall. It is unlikely, though not unknown, for an investment grade bond to go into default. The downgrading of debt securities may affect the liquidity of investments in bonds. Other market participants may be attempting to sell debt securities at the same time as a Fund, causing downward pricing pressure and contributing to illiquidity. The ability and willingness of bond dealers to "make a market" in debt securities may be impacted by both regulatory changes as well as the growth of bond markets. This could potentially lead to decreased liquidity and increased volatility in the debt markets. Bonds are particularly susceptible to interest rate changes and may experience significant price volatility. If interest rates increase, the value of a Fund's investments typically declines. In a historically low interest environment, risks associated with rising interest rates are heightened. On the other hand, if interest rates fall, the value of the investments generally increases. Securities with greater interest rate sensitivity and longer maturities tend to produce higher yields, but are subject to greater fluctuations in value.

- **Below investment grade debt** Below investment grade debt securities are typically more volatile and less liquid than investment grade debt and have significantly greater risk of default. They are typically lower rated and will usually offer higher yields to compensate for the reduced creditworthiness of the issuer. Credit downgrades are more likely than for investment grade bonds, and can lead to more significant changes in value, for below investment grade bonds. Below investment grade bonds are sometimes less sensitive to interest rate risk, but are more sensitive to general economic news, as issuers of below investment grade bonds tend to be in weaker financial health and therefore are presumed to be more vulnerable in a deteriorating economy.

- **Subordinated debt** Subordinated debt securities are more likely to suffer a partial or complete loss in the case of any default or bankruptcy of the issuer, because all obligations to holders of senior debt must be satisfied first. Certain subordinated bonds are callable meaning the issuer has the right to buy it back at a specified date and price. If the bond is not "called", the issuer can extend the maturity date further or defer or reduce the coupon payment.

- **Unrated bonds** The credit quality of bonds that have not been rated by an independent rating agency will be determined by the Investment Adviser at the time of the investment. Investments in unrated bonds are subject to those risks of a rated security of comparable quality.

- **Distressed debt** Distressed debt and securities in default carry a high risk of loss as the issuing companies are either in severe financial distress or in bankruptcy.

**Emerging markets risk** Investments in emerging markets involve higher risks than those of developed markets and can be subject to greater volatility and lower liquidity.

■ Emerging market countries may experience political, economic and social instability which can lead to legal, fiscal and regulatory changes affecting returns to investors. These may include policies of expropriation and

nationalization, sanctions or other measures by governments and international bodies.

- The legal environment in certain countries is uncertain. Legislation may be imposed retrospectively or may be issued in the form of non-public regulations. Judicial independence and political neutrality cannot be guaranteed and state bodies and judges may not adhere to the requirements of the law.
- Existing legislation may not yet be adequately developed to protect shareholder rights and there may be no concept of fiduciary duty to Shareholders on the part of management.
- High interest rates and inflation rates can mean that businesses have difficulty in obtaining working capital and local management may be inexperienced in operating companies in free market conditions.
- Custody and settlement practices may be less developed and it may be difficult to prove beneficial ownership or to protect ownership rights. Investment may carry risks associated with delayed registration of securities and delayed or failed settlement. There may be no secure method of delivery against payment (meaning payment may have to be made prior to receipt of the security).
- The securities markets in some countries lack the liquidity, efficiency and regulatory or supervisory controls of more developed markets.
- The absence of reliable pricing information may make it difficult to assess reliably the market value of a security.
- Emerging market currencies can be extremely volatile and may become subject to exchange control regulations. It may not always be practical or economical to hedge the exposure of certain currencies.
- Many emerging market economies are heavily dependent on commodities or natural resources and are therefore vulnerable to market demand and world prices for these products.
- Tax laws in certain countries are not clearly established. Taxes may be imposed suddenly and may change with retrospective effect subjecting the Fund to additional charges.
- Accounting, auditing and financial reporting standards may be inconsistent or inadequate.

For purposes of risk, the category of emerging markets includes markets that are less developed, such as most countries in Asia, Latin America, Eastern Europe, the Middle East and Africa as well as countries that have successful economies but whose investor protections are questionable, such as Russia, Ukraine and China. Broadly developed markets are those of Western Europe, the US, Canada, Japan, Australia and New Zealand.

**Equities risk** The value of equities may go down as well as up in response to the performance of individual companies and general market conditions, sometimes rapidly or unpredictably.

If a company goes through bankruptcy or a similar financial restructuring, its shares in issue typically lose most or all of their value.

Equity exposure may also be obtained through equity related securities such as warrants, Depositary receipts, convertible securities, index and participation notes and equity-linked notes, which may be subject to greater volatility than the underlying reference asset and are also exposed to the risk of counterparty default.

**Frontier markets risk** Investing in frontier markets involves the risks of investing in emerging markets (see Emerging markets risk) but to a greater extent as frontier markets tend to be smaller, more volatile and less liquid than other emerging markets. Frontier markets may experience greater political, social and economic instability, restrictions on foreign investment and currency repatriation, less developed custody and settlement practices and may have weaker investor protections and corporate governance standards compared to other emerging markets.

**Inflation-linked securities risk** Inflation-linked debt securities are subject to the effects of changes in market interest rates caused by factors other than inflation (real interest rates). In general, the price of an inflation-linked security tends to decrease when real interest rates increase and can increase when real interest rates decrease. Interest payments on inflation-linked securities are unpredictable and will fluctuate as the principal and interest are adjusted for inflation. In the case of inflation-indexed bonds, their principal value is periodically adjusted according to the rate of inflation. If the index measuring inflation falls, the principal value of inflation-indexed bonds will be adjusted downward, and consequently the interest payable on these securities (calculated with respect to a smaller principal amount) will be reduced. There can also be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. A Fund's investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different than the rate of the inflation index.

**Investment trust risk** Market prices for shares of investment trusts can be lower than the value of their net assets and the shares can have liquidity risk. Investment trusts may use leverage, which exaggerates market movements, and some investment trusts may have warrants in issue, which if exercised may negatively affect share values of the investment trust.

**MBS / ABS risk** Mortgage-backed and asset-backed securities (MBS and ABS) depend on the cash flows from a specified pool of financial assets and are subject to greater credit, liquidity and interest rate risk and may be more volatile than other bonds. MBS / ABS prices and yields typically reflect the assumption that they will be paid off before maturity. When interest rates fall, these securities are often paid off early, as the borrowers of the underlying debt refinance at lower interest rates (prepayment risk). Subsequently the Fund may have to reinvest in lower-yielding securities. When interest rates rise, the underlying debt tends to be repaid later than expected, and can therefore increase the duration, and hence the volatility, of these securities. In addition investments in MBS / ABS may be less liquid than other bonds. To-be-announced (TBA) securities, which are MBS or ABS that are purchased 48 hours before they are issued, can fall in value between the time the Fund commits to the purchase and the time of delivery.

**Participation notes risk** Participation notes are exposed not only to movements in the value of the underlying equity, but also to the risk of counterparty default, both of which could result in the loss of the full market value of the participation note.

**Preferred securities risk** Preferred equities are susceptible to interest rate and credit risk as they comprise certain characteristics of bonds. They are often less liquid than other securities of the same issuer, and their right to receive dividends before other shareholders still does not guarantee that any dividends will be paid. In certain instances, preferred securities may be redeemed by the issuer prior to a specified date, which may negatively impact the return of the security.

**REITs risk** REITs and real estate related investments are subject to the risks associated with the ownership of real estate which may expose the relevant Fund to increased liquidity risk, price volatility and losses due to changes in economic conditions and interest rates.

**Russia risk** The relatively undeveloped nature of Russia's governmental and regulatory framework may expose investors to various political and economic risks (including civil conflicts and war). The Russian Securities Market may also suffer from a lack of market efficiency and liquidity, which may cause higher price volatility and market disruptions.

**Smaller companies risk** Stocks of smaller companies may be less liquid, more volatile and tend to carry greater financial risk than stocks of larger companies.

**Structured products risk** Structured products are exposed not only to movements in the value of the underlying assets, but also to the risk that the issuer of the structured product defaults or becomes bankrupt. Certain



structured products may embed leverage, which can cause their prices to be more volatile and their value to fall below the value of the underlying asset.

UK UCITS, EEA UCITS, UCIs and ETFs Investments in units of underlying funds (such as UK UCITS, EEA UCITS, UCIs and ETFs) subjects the Fund to the risks associated with the investments of these underlying funds. Investment decisions in respect of the underlying funds are made independently of the Fund, therefore there can be no assurance that effective diversification of the Fund's exposure will always be achieved.

Certain underlying funds traded on exchanges may be thinly traded and experience large spreads between the "ask" price quoted by a seller and the "bid" price offered by a buyer.

The price and movement of an ETF and/or closed-end fund designed to track an index may not track the underlying index and may result in a loss. In addition, ETFs and closed-end funds traded on an exchange may trade at a price below their NAV (also known as a discount).

#### OTHER ASSOCIATED RISKS

**Credit risk** A bond will generally lose value if the issuer's financial health deteriorates, or appears likely to. An issuer could go into default (become unwilling or unable to make payments on their bonds), which often will make the bond illiquid or worthless.

**Cyber security risk** As the use of technology has become more prevalent in the course of business, funds have become more susceptible to operational and financial risks associated with cyber security, including: theft, loss, misuse, improper release, corruption and destruction of, or unauthorised access to, confidential or highly restricted data relating to the Company and the Shareholders; and compromises or failures to systems, networks, devices and applications relating to the operations of the Company and its service providers. Cyber security risks may result in financial losses to the Company and the Shareholders; the inability of the Company to transact business with the Shareholders; delays or mistakes in the calculation of the Net Asset Value or other materials provided to Shareholders; the inability to process transactions with Shareholders or other parties; violations of privacy and other laws; regulatory fines, penalties and reputational damage; and compliance and remediation costs, legal fees and other expenses. The Company's service providers (including, but not limited to, the ACD, any Investment Advisers, the Administrator and the Depositary or their agents), financial intermediaries, companies in which a Fund invests and parties with which the Company engages in portfolio or other transactions also may be adversely impacted by cyber security risks in their own businesses, which could result in losses to a Fund or the Shareholders. While measures have been developed which are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Company does not directly control the cyber security defences or plans of its service providers, financial intermediaries and companies in which the Fund invests or with which it does business.

**Currency risk** Movements or changes in currency exchange rates could adversely affect the value of the Fund's securities and the price of the Fund's Shares. Where the underlying assets of a Fund are denominated in currencies other than the currency of the Share Class, and are not hedged back to that currency, investors will be exposed to the risk of fluctuations between the Share Class currency and the currency of the underlying assets. Exchange rates can change rapidly and unpredictably for a number of reasons including changes in interest rates or in exchange control regulations.

**Interest rate risk** When interest rates rise, bond prices tend to fall. This risk is greater the longer the maturity or duration of the bond. It also can affect investment grade bonds more than below investment grade bonds.

**Liquidity risk** Certain securities, especially those that trade infrequently or on comparatively small markets, may be hard to buy or sell at a desired time and price, particularly in respect of larger transaction sizes.

In extreme market situations, there may be few willing buyers and the

investments cannot be readily sold at the desired time or price, and those Funds may have to accept a lower price to sell the investments or may not be able to sell the investments at all. Trading in particular securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or supervisory authority and a Fund may incur a loss as a result. An inability to sell a portfolio position can adversely affect those Funds' value or prevent those Funds from being able to take advantage of other investment opportunities.

Liquidity risk also includes the risk that those Funds will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, those Funds may be forced to sell investments at an unfavourable time and/or conditions.

Investment in debt securities, small and mid-capitalisation stocks and emerging market issuers will be especially subject to the risk that during certain periods, the liquidity of particular issuers or industries, or all securities within a particular investment category, will shrink or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse investor perceptions whether or not accurate. The ACD has implemented certain tools to manage liquidity risk including, but not limited to:

- Temporarily suspending or deferring the calculation of NAVs or deals in a Fund and/or Share Class, as set out in Rights related to suspension of dealing.
- Adjusting a Fund's NAV to compensate for dilutions that can arise in connection with large net flows of cash into or out of a Fund, as set out in [Dilution Adjustment](#).
- Applying alternative valuation methods when it believes the interests of Shareholders or the Fund justify it, as set out in Company Rights Related to NAV Calculation and Dealing Arrangements

The ACD has also implemented a liquidity risk management framework in order to manage liquidity risk. For more information on the liquidity risk management framework, please see [https://am.jpmorgan.com/blob-gim/1383626231214/83456/Our Commitment to Liquidity Management.pdf](https://am.jpmorgan.com/blob-gim/1383626231214/83456/Our+Commitment+to+Liquidity+Management.pdf).

Further information about the Fund's liquidity estimates is available on request from the ACD.

**Market risk** The value of the securities in which a Fund invests changes continually and can fall based on a wide variety of factors affecting financial markets generally or individual sectors.

Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. Furthermore, global events such as war, terrorism, environmental disasters, natural disasters or events, country instability, and infectious disease epidemics or pandemics could also negatively affect the value of the Fund's investments.

For example, an outbreak of COVID-19, a coronavirus disease, has negatively affected economies, markets and individual companies throughout the world. The effects of this pandemic, and other epidemics and pandemics that may arise in the future, may presently and/or in the future have a significant negative impact on the value of the Fund's investments, increase the Fund's volatility, negatively impact the Fund's pricing, magnify pre-existing risks to the Fund, lead to temporary suspensions or deferrals on the calculation of NAVs' and interrupt the Company's operations. The duration and extent of COVID-19 and associated economic and market conditions and uncertainty over the long-term cannot be reasonably estimated at this time. The ultimate impact of COVID-19 and the extent to which the associated conditions impact a Sub-Fund will also depend on future developments, which are highly uncertain, difficult to accurately predict and subject to frequent changes.

**Sustainability Risk** Sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the risk arises from an adverse sustainability impact. The ACD considers sustainability risk as risks that are reasonably likely to materially negatively impact the financial condition or operating performance of a company or an issuer and therefore the value of that investment. In addition to a material negative impact on the value of a Fund, sustainability risk may increase a Fund's volatility and / or magnify pre-existing risks to the Fund.

Sustainability risk may be particularly acute if it occurs in an unanticipated or sudden manner and it may also cause investors to reconsider their investment in the relevant Fund and create further downward pressure on the value of the Fund.

Evolving laws, regulations and industry norms may impact on the sustainability of many companies / issuers, particularly in respect of environmental and social factors. Any changes to such measures could have a negative impact on the relevant companies / issuers which may result in a material loss in value of an investment in them.

Sustainability risk may impact a specific country, region, company or issuer or have a broader impact regionally or globally and adversely impact markets or issuers across several countries or regions.

Assessment of sustainability risk requires subjective judgements, which may include consideration of third party data that is incomplete or inaccurate. There can be no guarantee that the Investment Manager will correctly assess the impact of sustainability risk on the Fund's investments.

The ACD has adopted a policy in respect of the integration of sustainability risks in the investment decision-making process for all actively managed

strategies, including all Funds, with the purpose (at a minimum and where reasonably possible / practicable) of identifying and acting to manage and mitigate these risks.

All Funds are exposed to sustainability risks to a varying degree. The likely impacts of sustainability risks on the returns of a Fund are assessed in reference to the Investment Manager's approach to sustainability risk management in the Fund's investment process. The results of this assessment are set out below.

- For those Funds which have sustainability risks integrated in their investment decision-making process or include sustainable in their name as set out under "ESG Integration and Sustainable Investing Approaches", sustainability risk is considered to have a lower likely impact on their returns relative to other Funds. This is due to the sustainability risk mitigating nature of their investment strategies which may implement exclusions, forward looking investment policies seeking sustainable financial return and active engagement with companies / issuers.
- For those Funds which do not have sustainability risks integrated in their investment decision-making process, sustainability risk is considered to have the highest likely impact on their returns relative to other Funds.

While the portfolio managers and analysts are provided with information on sustainability risks, and are expected to take sustainability risks into account when making an investment decision, sustainability risk would not by itself prohibit an investment. Instead, sustainability risk forms part of the overall risk management processes, and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of overall risk.

# Investment Restrictions and Powers

## GENERAL INVESTMENT POLICIES

Each Fund, and the Company itself, must comply with all applicable UK laws and regulations, notably limits on investment for UK UCITS under Chapter 5 of the COLL Sourcebook, relevant parts of which are summarised below, as well as certain circulars, guidelines and other requirements.

This section describes the types of assets, techniques and instruments that are permitted as a matter of law and regulation, as well as the applicable limits, restrictions and requirements. In case of any discrepancy with COLL Sourcebook itself, the latter will prevail. In the case of any detected violation of the investment restrictions applicable to a Fund, the Investment Manager must make compliance with these restrictions a priority in its securities trades and management decisions, while taking due account of the interests of Shareholders.

Except where noted, all percentages and restrictions apply to each Fund individually, and all asset percentages are measured as a percentage of its total net assets.

## PERMITTED ASSETS, TECHNIQUES AND INSTRUMENTS

The table below describes the types of assets, techniques and instruments that the Company and its Funds can invest in and use. The Funds may set limits that are more restrictive in one way or another, based on their investment objectives and policies as more fully described under [Fund Descriptions](#). A Fund's usage of any asset, technique or transaction must be consistent with its investment policies and restrictions. No Fund can acquire assets that come with unlimited liability attached.

Security /Transaction	Requirements	
1. Transferable securities and Money Market Instruments	Must be listed or traded on an Eligible Market.	Recently issued securities must include in their terms of issue a commitment to apply for official listing on an Eligible Market and such admission must be received within 12 months of issue. Nil and partly paid securities must not contravene COLL 5.
2. Money Market Instruments that do not meet the requirements in row 1	<p>Must be subject (at the instrument or issuer level) to regulation aimed at protecting investors and savings and must meet one of the following:</p> <ul style="list-style-type: none"> <li>be issued or guaranteed by a central, regional or local authority, the Bank of England, a central bank of an EEA state, the European Central Bank, the European Investment Bank, the EU, a public international body to which the UK or one or more EEA state belongs, a non-EEA state, or a member state of a federation</li> <li>be issued by an undertaking of any securities that qualify under row 1 (with exception of recently issued securities)</li> <li>be issued or guaranteed by an establishment subject to prudential supervision that accords with criteria defined by UK or EU law</li> </ul>	<p>Can also satisfy the requirements directly to the left if it subject to and complies with prudential rules, and meets one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>it is located in the UK or the EEA or in an OECD country belonging to the Group of Ten</li> <li>it has at least investment grade rating</li> <li>the prudential rules applicable to that issuer can be shown to be at least as stringent as those laid down by the UK or the EU law</li> </ul>
3. Transferable securities and Money Market Instruments that do not meet the requirements in rows 1 and 2	Limited to 10% of Fund assets.	Any securities listed or traded on a market that ceases to be an Eligible Market immediately become subject to this 10% limit.
4. Units of collective investment schemes that are not linked to the Company*	<p>Must be limited by constitutional documents to investing no more than 10% of assets in aggregate in other collective investment schemes, and must be one of the following:</p> <ul style="list-style-type: none"> <li>A collective investment scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UK UCITS Rules or, in the case of an EEA UCITS, the UCITS Directive</li> <li>a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met)</li> <li>authorised as a Non-UCITS Retail Scheme (NURS) (provided the requirements of COLL 5.2.13AR(1),(3) and (4) are met)</li> </ul>	<ul style="list-style-type: none"> <li>authorised in an EEA state (provided the requirements of COLL 5.2.13AR are met)</li> <li>authorised by the competent authority of an OECD member country (other than an EEA state) that has signed the IOSCO Multilateral Memorandum of Understanding and approved the scheme's management company, rules and depositary/custody arrangements (provided the requirements of COLL 5.2.13AR are met)</li> </ul> <p>With respect to the last four bullets above, the collective investment scheme must be an undertaking with the sole object of collective investment in transferable securities or in other liquid financial assets, as referred to in COLL 5, of capital raised from the public and which operate on the principle of risk-spreading; and with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a collective investment scheme to ensure that the price of its units or an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption). Unless it is authorised as a Non-UCITS Retail Scheme, it must be authorised under laws</p>

which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the United Kingdom, and that cooperation between the FCA and the supervisory authorities of the collective investment scheme is sufficiently ensured. In addition it, must be subject to a level of investor protection equivalent to that provided under the UK UCITS Rules or the UCITS Directive (especially regarding asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments), and must issue annual and semi-annual financial reports.

5. Units of collective investment schemes that are linked to the Company*	<p>Must meet all requirements in row 4. The ACD must reimburse the Fund within 4 business days of the Fund's acceptance of any transaction request, as follows:</p> <ul style="list-style-type: none"> <li>for purchases, any amount above the price that would have been paid if the units were newly issued or sold by the collective investment scheme; or if the ACD is unable able to ascertain this amount, the maximum the seller could have charged</li> </ul>	<ul style="list-style-type: none"> <li>for redemptions, any charge that would accrue to the authorised fund manager or operator or any of its associates</li> </ul> <p>For these purposes, any dilution adjustment, SDRT provision or similar price adjustment is considered part of the price and not a charge, as is any exchange fee or similar charge.</p>
6. Shares of other Funds of the Company	Must meet all requirements in row 5. The target Fund cannot invest in any other Fund	
7. Real estate, immovable property and commodities, including precious metals	Direct ownership of precious metals and other commodities, or certificates representing them, is prohibited. Indirect Investment exposure is allowed through permitted investments outlined in this table.	The Company cannot directly purchase real estate, immovable property or other tangible property.
8. Deposits with credit institutions	With an Approved Bank and must be repayable on demand or has the right to be withdrawn; and matures in no more than 12 months.	
9. Cash and near cash	May be held only where reasonably necessary to help the Fund pursue its objective, handle redemptions, pursue Efficient Portfolio Management or for other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund	A Fund may make unlimited use of cash and near cash during its initial offering period.
10. Derivatives	Underlying assets must be those described in rows 1, 2, 4, 5, 6 and 8 or must be financial indices, interest rates, foreign exchange rates or currencies consistent with the Fund's investment objectives and policies. Any indices must be sufficiently diversified, adequate as a benchmark for its stated market and published in an appropriate manner. A transaction in an Approved Derivative must be effected on or under the rules of an Eligible Derivatives Market. All usage must be adequately captured by the risk management process described in <a href="#">Management and Monitoring of Derivatives Risk</a> below.	<p>OTC derivatives must meet all of the following criteria:</p> <ul style="list-style-type: none"> <li>be subject to reliable and verifiable independent daily valuations</li> <li>be able to be sold, liquidated or closed by an offsetting transaction at their fair value at any time at the Company's initiative</li> <li>be with counterparties that are an Eligible Institution, Approved Bank or institutions subject to prudential supervision and that belong to categories approved by the FCA</li> </ul> <p>See also <a href="#">How the Funds Use Derivatives, Instruments and Techniques</a>.</p>
11. Securities lending, repurchase transactions and reverse repurchase transactions	<p>Must be used for efficient portfolio management only. The volume of transactions must not interfere with a Fund's pursuit of its investment policy or its ability to meet redemptions. With loans of securities and with repurchase transactions, the Fund must ensure that it has sufficient assets to settle the transaction. All counterparties must be subject to UK or EEA prudential supervision rules or belong to categories approved by the FCA. A Fund may lend securities:</p> <ul style="list-style-type: none"> <li>directly to a counterparty</li> <li>through a lending system organised by a financial institution that specialises in this type of transaction</li> <li>through a standardised lending system organised by a recognised clearing institution</li> </ul>	For each transaction, the Fund must receive and hold collateral that is at least equivalent, at all times during the lifetime of the transaction, to the full current value of the securities lent plus a premium. The Fund must have the right to terminate any of these transactions at any time and to recall the securities that have been lent or are subject to the repurchase agreement. See also <a href="#">How the Funds Use Derivatives, Instruments and Techniques</a> .
12. Borrowing	The Company is not allowed to borrow in principle except if it is on a temporary basis and represents no more of 10% of a Fund's assets and borrowing must not exceed three months without the prior consent of the Depositary	The Company may however acquire foreign currency by means of back-to-back loans.
13. Short sales	Direct short sales are prohibited.	Short positions may be acquired only through derivatives.
14. Underwriting	Underwriting and sub underwriting contracts and placings may be entered into for the account of the Company.	Subject to certain conditions set out in COLL



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\*A collective investment scheme is considered to be linked to the Company if both are managed or controlled by the same ACD or another affiliated entity. The ACD has implemented a policy that seeks to restrict investments in securities issued by companies that have been identified by third party providers as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour or anti-personnel mines. More information on the ACD's policy on restrictions applying to cluster munitions is available from the ACD.

## ELIGIBLE MARKETS

### Eligible Securities Markets

UK	All UK Stock Exchanges
EEA*	All EEA Members Stock Exchanges except for Malta and Iceland
Australia	The Australian Securities Exchange (ASX Limited)
Bahrain	Bahrain Bourse
Brazil	BM&F BOVESPA
Canada	the over-the-counter market in Canadian Government Bonds, regulated by the Investment Industry Regulatory Organisation of Canada, Toronto Stock Exchange (TMX Group), TSX Venture Exchange (TMX Group)
Chile	Santiago Stock Exchange
China	China Interbank Bond Market China, Shanghai Stock Exchange China, Shenzhen Stock Exchange
Colombia	Bolsa de Valores de Colombia
Hong Kong	The Hong Kong Exchanges and Clearing Ltd Hong Kong, Hong Kong/Shanghai Stock Connect
ICMA	the OTC market organised by the International Capital Market Association (ICMA)
India	The National Stock Exchange of India, The Bombay Stock Exchange Ltd
Indonesia	Indonesia Stock Exchange
Israel	The Tel Aviv Stock Exchange
Japan	Nagoya Stock Exchange, The Osaka Securities Exchange (Japan Exchange Group) Japan, JASDAQ Securities Exchange, The Tokyo Stock Exchange (Japan Exchange Group) Japan, TSE Mothers
Kenya	Nairobi Securities Exchange
Korea	Korea Exchange Incorporated
Kuwait	Kuwait Stock Exchange
Malaysia	Bursa Malaysia
Mexico	The Mexican Stock Exchange
Morocco	Casablanca Stock Exchange
New Zealand	The New Zealand Stock Exchange
Oman	Muscat Securities Market
Pakistan	Karachi Stock Exchange Peru, Lima Stock Exchange
Philippines	The Philippine Stock Exchange, Inc-
Qatar	Qatar Exchange
Saudi Arabia	Tadawul
Singapore	Catalist (the second tier on the Singapore Stock Exchange), The Singapore Exchange
South Africa	JSE Securities Exchange
Sri Lanka	Colombo Stock Exchange
Switzerland	SIX Swiss Exchange
Taiwan	Gre Tai Securities Market, Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
United Arab Emirates	Abu Dhabi Securities Exchange, Dubai Financial Market, NASDAQ Dubai
USA	NASDAQ (and PORTAL), the OTC market in US government securities conducted by primary dealers selected by the Federal Reserve Bank of New York, The New York Stock Exchange, The OTC Bulletin Board Market operated by NASD, The New York Stock Exchange Arca, NASDAQ OMX PHLX

### Eligible Derivatives Markets

Australia	The Australian Securities Exchange (ASX Limited),
Brazil	BM&F BOVESPA
Canada	The Montreal Exchange (TMX Group)
EEA	Euronext Brussels, Athens Derivatives Exchange (ADEX), BME Spanish Exchanges, Eurex Germany, Euronext Amsterdam, Euronext Lisbon, Euronext Paris, IDEM, Euronext Dublin, NASDAQ OMX (Helsinki), NASDAQ OMX Copenhagen, NASDAQ OMX Stockholm , Vienna Stock Exchange, Warsaw Stock Exchange
Hong Kong	The Hong Kong Exchanges and Clearing Ltd
India	The National Stock Exchange of India, The Bombay Stock Exchange
Japan	The Osaka Securities Exchange, The Tokyo Stock Exchange Japan, Tokyo Financial Exchange
Korea	Korea Exchange Incorporated
Malaysia	Bursa Malaysia Derivatives Berhad (BMD)
Mexico	Mexican Derivatives Exchange
New Zealand	New Zealand Futures and Options Exchange
Singapore	The Singapore Exchange
South Africa	JSE Securities Exchange
Switzerland	EUREX (Zurich)
Taiwan	Taiwan Futures Exchange
Thailand	Thailand Futures Exchange (TFEX)
Turkey	Turkish Derivatives Exchange (TurkDEX)
UK	Euronext LIFFE, ICE Futures Europe
USA	Chicago Board Options Exchange, CME Group, ICE, Kansas City Board of Trade, The New York Stock Exchange Arca, NASDAQ OMX PHLX, Box Exchange LLC, Cboe Exchange Inc, Cboe BZX Exchange Inc, Cboe C2 Exchange Inc, Cboe EDGX Exchange Inc, Miami International Securities Exchange, MIAx Emerald LLC, MIAx Pearl LLC, Nasdaq BX Inc, Nasdaq GEMX LLC, Nasdaq ISE LLC, Nasdaq MRX LLC, Nasdaq PHLX LLC, NYSE American LLC, NYSE Arca Inc, Cboe Futures Exchange LLC, OneChicago LLC.

## DIVERSIFICATION REQUIREMENTS

To ensure diversification, a Fund cannot invest more than a certain percentage of its assets in one issuer or single body, as defined below. These diversification rules do not apply during the first six months of a Fund's operation, but the Fund must observe the principle of risk spreading.

For purposes of this table, companies that share consolidated accounts in accordance with section 399 of the Companies Act 2006, Directive 2013/34/EU or with recognised international accounting rules are considered to be a single body.

Category of securities	In any one issuer	In aggregate	Maximum investment, as a % of Fund net assets (except where noted)	
			Other restrictions	Exceptions
A. Government and public securities issued or guaranteed by: the UK, an EEA State, a UK local authority, a local authority of an EEA State, a non-EEA State or a public international body to which the UK or one or more EEA States belong.	35%	35%		A Fund may invest up to 100% of its assets in as few as six issues, from as few as one issuer (or having one guarantor), if it is investing in accordance with the principle of risk spreading and meets both of the following criteria: <ul style="list-style-type: none"> <li>it invests no more than 30% in any one issue</li> <li>the Depositary deems the investment appropriate</li> </ul> The exception described for row C applies to this row as well.
B. Covered Bonds issued by a credit institution whose registered office is in the UK or in an EEA state and which is subject by law to special public supervision designed to protect bondholders *.	25%		80% in any issuer in whose bonds a Fund has invested more than 5% of assets	
C. Any transferable securities and money market instruments other than those described in rows A and B above.	10%	20%	20% in transferable securities and money market instruments within the same group. 40% in aggregate in all issuers in which a Fund has invested more than 5% of its assets (does not include Covered Bonds). 5% in Warrants unless otherwise specified in Fund Descriptions.	For index-replicating Funds, the 10% increases to 20% in the case of a published, sufficiently diversified index that is adequate as a benchmark for its market and is recognised by the FCA. This 20% increases to 35% (but for one issuer only) in exceptional circumstances, such as when the security is highly dominant in the regulated market in which it trades.
D. Deposits with credit institutions.	20%			
E. OTC derivatives with a counterparty that is a credit institution as defined in row 8 above (first table in section).	Max risk exposure 10%			
F. OTC derivatives with any other counterparty.	Max risk exposure 5%	10%		
G. Units of collective investment schemes as defined in rows 4 and 5 above (first table in section).	<p>With no specific statement in the Fund's objective and policies, 10% in aggregate in one or more collective investment schemes.</p> <p>With a specific statement:</p> <ul style="list-style-type: none"> <li>20% in any one collective investment scheme</li> <li>30% in aggregate in all collective investment schemes other than UK UCITS or EEA UCITS</li> <li>100% in aggregate in all UK UCITS or EEA UCITS</li> </ul>		Target funds of an umbrella structure whose assets and liabilities are segregated are considered as a separate collective investment scheme. Assets held by the UK UCITS, EEA UCITS or other UCIs do not count for purposes of complying with rows A - F of this table.	

\* In particular, all sums deriving from their issuance must be invested in accordance with the law in assets that, for the life of the bonds, are capable of covering all claims attaching to the bonds and in case of issuer bankruptcy would be used, on a priority basis, to reimburse principal and accrued interest.

## GOVERNMENT AND PUBLIC SECURITIES

Up to 100% of the value of the Scheme Property of each of the Funds listed below may be invested in such securities issued or guaranteed by or on behalf of the Government of the following regions.

Funds	Regions
JPM Global Bond Opportunities Fund	United Kingdom (including the Scottish Executive, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales) Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United States or by one of the following international organisations: African Development Bank, Asian Development Bank (ADB), Council of Europe Development Bank, Deutsche Ausgleichsbank (DTA), Eurofima, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KfW), LCR Finance plc, and Nordic Investment Bank (NIB).

## LIMITS TO PREVENT CONCENTRATION OF OWNERSHIP

These limits are intended to prevent the Company from the risks that could arise (for itself or an issuer) if it were to own a significant percentage of a given security or issuer.

Category of securities	Maximum ownership, as a % of the total value of the securities issued
Securities carrying voting rights	Less than would enable the Company to significantly influence the conduct of business of an issuer, defined as the power to exercise or control the exercise of 20% or more of the voting rights in the issuer (not counting any temporary suspension of voting rights)
Non-voting securities of any one issuer	10%
Debt securities of any one issuer	10%
Money market instruments of any one issuer	10%
Shares of any UK UCITS, EEA UCITS or other collective schemes	25%

These limits can be disregarded, if at the time of acquisition, the net amount of the instruments in issue, cannot be calculated.

A Fund does not need to comply with the investment limits described above under [Diversification Requirements](#) and [Limits to Prevent Concentration of Ownership](#) when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets, so long as any violations of the investment restrictions resulting from the exercise of subscription rights are corrected as described above under [General Investment Policies](#).

## MANAGEMENT AND MONITORING OF DERIVATIVES RISK

The ACD uses a risk-management process, approved and supervised by the ACD, to monitor and measure at any time the overall risk profile of each Fund, including the risk of each position in OTC derivatives, securities lending and reverse repurchase agreements, as well as reinvestments of cash collateral. Risk calculations are made every dealing day.

Any derivatives embedded in transferable securities or money market instruments count as derivatives held by the Fund, and any exposure to Transferable Securities or Money Market Instruments gained through derivatives (except certain index-based derivatives) counts as investment in those securities or instruments. However, where a Fund invests in a derivative that is based on an index which satisfies COLL Sourcebook requirements, the ACD does not have to look through to the underlying components of the index so long as the Fund in question remains within the rules on risk spreading.

Global exposure is a measure designed to monitor the Company's use of derivatives and is used as part of the overall risk management process. The Company must ensure that the global exposure of each Fund relating to derivatives does not exceed 100% of the total net assets of that Fund. The Fund's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings so that the Fund's overall risk exposure may not exceed 210% of any Fund's total assets under any circumstances.

**Risk monitoring approaches** There are two main risk measurement approaches – Commitment and Value at Risk ("VaR"). The VaR approach in turn has two forms (absolute and relative). The Commitment approach and the two forms of the VaR approach are described below. The approach used for each Fund is based on the Fund's investment policy and strategy, the complexity of the derivatives used, and the overall extent of derivatives usage.

Approach	Description
Absolute Value at Risk (Absolute VaR)	The Fund seeks to estimate the potential loss it could experience in a month (20 trading days) under normal market conditions. The estimate is based on the previous 36 months of the Fund's performance, and requires that 99% of the time, the Fund's worst outcome is no worse than a 20% decline in NAV.
Relative Value at Risk (Relative VaR)	The relative VaR of the Fund is expressed as a multiple of a benchmark or reference portfolio and cannot, under the same circumstances as above, exceed twice the VaR of the relevant benchmark or reference portfolio. The reference portfolio may be different from the benchmark stated in <a href="#">Fund Descriptions</a> .

Commitment	The Fund calculates its global exposure by taking into account either the market value of an equivalent position in the underlying asset or the derivative's notional value, as appropriate. This approach allows the Fund to reduce its global exposure by taking into account the effects of any hedging or offsetting positions. Note that with the commitment approach, certain types of risk-free transactions, leverage-free transactions and non-leveraged swaps can be excluded from the calculation.
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Leverage Any Fund that uses the Absolute or Relative VaR approach must also calculate its expected level of leverage, which is stated in [Fund Descriptions](#). A Fund's expected level of leverage is an indicative level not a regulatory limit and the actual level may exceed the expected level from time to time. However, a Fund's use of derivatives will remain consistent with its investment objective and policies and risk profile and will comply with its VaR limit.

Leverage is a measure of total exposure of all derivatives and is calculated as the "sum of the notionals" without any netting of opposing positions. As the leverage calculation considers neither sensitivity to market movements nor whether it increases or decreases the overall Fund risk, it may not be representative of the actual investment risk level within a Fund.

Further information about the Company's risk management process (including quantitative limits, how those limits are derived and recent levels of risks and yields for various instruments) is available upon request from the registered office of the ACD.

## HOW THE FUNDS USE DERIVATIVES, INSTRUMENTS AND TECHNIQUES

### WHY THE FUNDS MAY USE DERIVATIVES

A Fund may use derivatives for any of the following purposes as described below in accordance with its objective and policies and with the COLL Sourcebook.

#### Investment purposes

A Fund that intends to use derivatives to achieve its investment objective may employ derivatives to facilitate a variety of investment techniques including, but not limited to:

- as a substitute for investing directly in securities
- enhancing returns for the Fund
- implementing investment strategies that can only be achieved through derivatives, such as a “long-short” strategy
- managing duration, yield curve exposure or credit spread volatility
- gaining or adjusting exposure to particular markets, sectors or currencies

#### Hedging

Derivatives used for the purpose of hedging seek to reduce risk such as credit, currency, market and interest rate (duration) risk. Hedging can take place at a portfolio level or, in respect of currency hedging, at Share Class level. Hedging is considered part of EPM (see below).

#### Efficient portfolio management (EPM)

Efficient portfolio management means the cost-effective use of derivatives, instruments and techniques to reduce risks or costs or to generate additional capital or income. The techniques and instruments will relate to transferable securities or money market instruments, and the risks generated will be consistent with the Fund's risk profile, will not materially change that profile, and be adequately captured by the risk management process.

To understand how a particular Fund may use derivatives, see [Fund Descriptions](#) and the Fund Derivatives Usage table at the end of this section.

### TYPES OF DERIVATIVES A FUND CAN USE

A Fund may use a range of derivatives to achieve a particular investment outcome such as:

- Options A Fund may invest in call or put options on equities, interest rates, indices, bonds, currencies, commodity indices or other instruments.
- Futures A Fund may enter into listed futures contracts on equities, interest rates, indices, bonds, currencies, or other instruments or options on such contracts.
- Forwards Typically foreign exchange contracts.
- Swaps These may include total return swaps (TRS), contracts for difference (CFDs), foreign exchange swaps, commodity index swaps, interest rate swaps and swaps on baskets of equities, volatility swaps and variance swaps.
- Mortgage TBAs

Futures and certain options are exchange-traded. All other types of derivatives are generally over the counter (OTC) meaning they are in effect private contracts between the Company on behalf of a relevant Fund and a counterparty. The Depositary verifies the ownership of the OTC derivatives of the Funds and maintains an updated record of these derivatives.

For any index-linked derivatives, the index provider determines the rebalancing frequency, and there is no cost to the relevant Fund when the index itself rebalances.

When a Fund invests in TRSs or other derivatives with similar characteristics, the underlying assets and investment strategies to which exposure will be

gained are described in the [Fund Descriptions](#).

If usage of TRSs (including CFDs) is permitted for a Fund, the expected and maximum proportion of the NAV on which exposure will be gained is disclosed in the [Fund Derivatives Usage](#) table. This is disclosed as 0% if these instruments are permitted but are not currently used as at the date of this Prospectus. The [Fund Derivatives Usage](#) table will be updated before the Fund can start using TRSs.

Any Fund engaging in short positions through derivatives must always hold sufficient liquid assets to cover its obligations arising from these positions.

Funds may be required to place initial and/or variation margin with its counterparty. As a result it may need to hold a proportion of its assets in cash or other liquid assets to satisfy any applicable margin requirements for the Fund or any currency hedged Share Classes. This may have a positive or negative impact on the performance of the Fund or any currency hedged Share Classes.

### TYPES OF INSTRUMENTS AND TECHNIQUES A FUND CAN USE

A Fund may also use the following instruments and techniques for the purposes of efficient portfolio management (as described above):

- Securities lending The lending of any Transferable Securities or Money Market Instruments a Fund holds to counterparties approved by the ACD (which may include affiliates of JPMorgan Chase & Co). All securities lent will be held in custody by the Depositary (or a sub-custodian acting on the Depositary's behalf) in a registered account open in the Depositary's books for safekeeping. The generally low levels of counterparty risk and market risk associated with securities lending are further mitigated by, respectively, counterparty default protection from the lending agent and the receipt of collateral as described below.
- Reverse repurchase transactions Agreements to buy a security and sell it back to the original owner at a specified time and (typically higher) price.

### DISCLOSURES OF USE OF INSTRUMENTS AND TECHNIQUES

- Securities lending The expected and maximum proportion of the NAV that can be lent out is disclosed for each Fund in Fund Descriptions. If securities lending is not disclosed in Fund Descriptions for a particular Fund, it may still engage in securities lending up to 20% and the relevant Fund Description will be updated at the next opportunity.
- Reverse repurchase transactions The expected and maximum proportion of the NAV subject to reverse repurchase transactions is disclosed for each Fund in Fund Descriptions. Where use is permitted in the Fund's investment policy but the proportion of assets subject to reverse repurchase transactions is 0% as at the date of this Prospectus, the maximum proportion of assets that can be subject to reverse repurchase transactions is 20% and the Prospectus will be updated as above at the next opportunity.

### COUNTERPARTIES TO DERIVATIVES AND TECHNIQUES

The ACD must approve counterparties before they can serve as such for the Company. To be approved a counterparty must:

- be considered creditworthy by the ACD
- undergo analysis applicable to the counterparty's intended activity, which can include a review of such aspects as company management, liquidity, profitability, corporate structure, capital adequacy and asset quality, as well as the regulatory framework in the relevant jurisdiction
- be an Eligible Institution, an Approved Bank or belong to a category approved by the FCA

No counterparty to a Fund derivative can serve as an Investment Manager of

a Fund or otherwise have any control or approval over the composition or management of a Fund's investments or transactions or over the assets underlying a derivative. When calculating the exposure of a Fund to a counterparty for purposes of compliance with the COLL Sourcebook, the Company must use positive mark- to-market values. All exposures with a given counterparty can be netted against each other to reduce the net exposure to that counterparty, provided there are agreements in place that would allow legal enforcement of netting.

## COLLATERAL POLICIES

These policies apply to assets received from counterparties in connection with transactions in securities lending, reverse repurchase transactions and OTC derivatives other than currency forwards. Such collateral must meet the requirements of ESMA guidelines 2014/937 including the standards for liquidity, valuation, issue, credit quality, correlation and diversification. Collateral received from a counterparty in any transaction may be used to offset the overall exposure to that counterparty, provided there are agreements in place that would allow legal enforcement of netting.

In general, for collateral received in connection with efficient portfolio management and OTC derivatives, no single issue, measured across all counterparties, should account for more than 20% of a Fund's NAV.

Collateral in connection with securities lending will be acceptable if it is in the form of cash, equity securities or securities that are issued by certain governments or local authorities and that may have different maturities. Collateral is typically 102% to 105% of the value of the lent securities, except in the case of equity securities where collateral is typically 110% of the value of the lent securities.

Given the high quality nature of the counterparties to the reverse repurchase transactions, collateral is viewed as a secondary source of repayment. In addition, for securities lending, the collateral received is of high quality and the risks are mitigated by the lending agent's agreement to indemnify against counterparty default. As a result, no maturity constraints apply to the collateral received.

Collateral will be valued on each Dealing Day, using the last available market prices and taking into account appropriate discounts determined for each asset class based on the relevant haircut. The collateral will be marked to market daily and may be subject to daily variation margin requirements.

## LENDING AGENT, COLLATERAL AGENT AND COLLATERAL MANAGER

For securities lending the current lending agent and collateral agent is JPMorgan Chase Bank, N.A., an affiliate of the ACD. In addition, affiliates of the ACD may act as borrowers of securities under the stock lending programme.

## REINVESTMENT OF COLLATERAL

To mitigate the risk of losses on reinvestment of collateral, Cash collateral will either be placed in bank deposits or invested in high quality government bonds, reverse repurchase transactions or short-term money market funds (as defined in Regulation (EU) 2017/1131 of the European Parliament and of

the Council of 14 June 2017 on Money Market Funds) that calculate a daily NAV and are rated AAA or equivalent. To the extent required by the FCA, reinvestment of cash collateral must be taken into account for the calculation of a Fund's global exposure. All investments will meet diversification requirements disclosed above.

As of the date of this Prospectus, the Funds do not reinvest cash collateral associated with OTC derivatives in reverse repurchase transactions. If a Fund reinvests cash collateral from securities lending in reverse repurchase transactions, the limits that apply to securities lending will extend to reverse repurchase transactions as disclosed in [How the Funds Use Derivatives, Instruments and Techniques](#).

Non-cash collateral will not be sold, reinvested or pledged.

## CUSTODY OF COLLATERAL

Collateral the ownership of which is transferred to the Fund will be held by the Depositary (or sub-custodian on behalf of the Depositary on behalf of the relevant Fund in accordance with the Depositary's safekeeping duties under its Depositary Agreement). With other types of collateral arrangements, collateral can be held by a third party custodian that is subject to prudential supervision and is unrelated to the collateral provider.

### Counterparty and collateral risk

Collateral is received from counterparties in connection with transactions in securities lending, reverse repurchase transactions and OTC derivatives other than currency forwards. A counterparty may become unable or unwilling to meet its obligations to the Fund, resulting in losses to the Fund.

In the event of default, the counterparty would forfeit its collateral on the transaction. However if a transaction is not fully collateralised, the collateral may not cover the credit exposure to the counterparty. Collateral may be held either by the Depositary or by a third party custodian and there is a risk of loss if the custodian or sub-custodian are negligent or become insolvent.

## REVENUES PAID TO THE FUNDS

In general, any net revenues from the use of derivatives and techniques will be paid to the applicable Fund, in particular:

- From total return swaps: all revenues, as the ACD will not take any fees or costs out of those revenues additional to the Annual ACD Fee.
- From reverse repurchase transactions: all revenue. Collateral management fees may apply to the services relating to tri-party service arrangements entered into between the Company, the counterparties and the collateral manager and which are required to ensure optimal transfer of collateral between the Company and its counterparties. The collateral management fees (if any) are part of the operating expenses.
- From securities lending: the lending agent is authorised to receive 10% of the gross revenue, with the remaining 90% of the gross revenue being received by the relevant Fund.

The revenue received by the Funds arising from securities lending and reverse repurchase transactions is disclosed in the Shareholder Reports.

## FUND DERIVATIVES USAGE

While a Fund may use a range of derivatives, the table below sets out the main types of derivatives used for each Fund, what they are used for and the expected level of leverage for those Funds that use VaR to measure risk.

The investment exposure gained through the use of derivatives must not cause a Fund to deviate from its investment objective and policies and must comply with the limits set out in [Investment Restrictions and Power](#).

	Investment Purposes	EPM	Hedging	Forwards	Futures	Options	Swaps		Mortgage TBAs	Expected Leverage (%)
							TRS & CFD	All Other Swaps		
Equity Funds										
JPM Europe Smaller Companies Fund	-	✓	✓	•	•	-	-	-	-	-
JPM UK Equity Income Fund	-	✓	✓	-	•	-	-	-	-	-
JPM UK Equity Plus Fund	✓	✓	✓	-	•	-	•	-	-	85
JPM UK Smaller Companies Fund	-	✓	✓	-	•	-	-	-	-	-
JPM US Small Cap Growth Fund	-	✓	✓	•	•	-	-	-	-	-
Bond Funds										
JPM Global Bond Opportunities Fund	✓	✓	✓	•	•	•	-	•	•	400



# ESG Integration and Sustainable Investing Approaches

This section describes what Environmental, Social and Governance information is and how it may be integrated into the investment decision making process. It does this by defining ESG Integration as well as how Funds with sustainable investing objectives, which go beyond integration, fit into categories to achieve that.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental, Social and Governance (“ESG”) issues are non-financial considerations that may positively or negatively affect a company’s / issuer’s revenues, costs, cash flows, value of assets and/or liabilities.

- Environmental issues relate to the quality and functioning of the natural environment and natural systems such as carbon emissions, environmental regulations, water stress and waste.
- Social issues relate to the rights, wellbeing and interests of people and communities such as labour management and health and safety.
- Governance issues relate to the management and oversight of companies and other investee entities such as board, ownership and pay.

ESG issues can erode the value of assets and limit access to financing. Companies / issuers that address these issues by adopting sustainable business practices seek to manage the risks and to find related opportunities to create long-term value.

Below outlines the definitions of ESG Integration and Sustainable Investing.

ESG Integration	<p>ESG Integration is the systematic inclusion of financially material ESG factors in investment analysis and investment decisions with the goals of managing risk and improving long-term returns. ESG Integration for a Fund requires:</p> <ul style="list-style-type: none"><li>■ sufficient ESG information on the Funds' investment universe to be available, and</li><li>■ the Investment Manager to consider proprietary research on the financial materiality of ESG issues on the Fund's investments, and</li><li>■ the Investment Manager's research views and methodology to be documented throughout the investment process.</li></ul> <p>ESG Integration also requires appropriate monitoring of ESG considerations in ongoing risk management and portfolio monitoring.</p> <p>While the Investment Manager includes financially material ESG factors alongside other relevant factors in the portfolio construction process, ESG determinations may not be conclusive and securities of individual companies / issuers may be purchased, retained and sold without limit, by the Investment Manager regardless of potential ESG impact. The impact of ESG Integration on a Fund's performance is not specifically measurable as investment decisions are discretionary regardless of ESG considerations.</p> <p>The Fund Descriptions indicate that a Fund is integrated by including "ESG Integrated" in the Investment Process section in <a href="#">Fund Descriptions</a> and unless otherwise described in its Objective or Investment Process, ESG integration does not change its objective, exclude specific types of companies / issuers or constrain its investable universe. ESG Integrated Funds are not designed for Investors who are looking for Funds that meet specific ESG goals or wish to screen out particular types of companies or investments, other than those required by applicable laws.</p>			
Sustainable Investing – Going Beyond ESG Integration	<p>All sustainable Funds are ESG Integrated by definition, and, in addition, are in one of the Sustainable Fund Categories as set out below. Funds with specific sustainable investing objectives go beyond ESG Integration through a forward looking investment approach, active engagement with companies, where possible, and seek to positively influence business practices to improve sustainability. This aims to deliver long-term sustainable financial returns while also serving as the foundation to align investment decisions with investor values. The Company offers a range of Funds to align with investors' objectives and values as set out in the Sustainable Fund Categories table below.</p> <p>The Fund Descriptions indicate that a Fund is sustainable by including the relevant category in the Investment Process section in <a href="#">Fund Descriptions</a>.</p>			
	Sustainable Fund Categories			
		Positive Tilt	Best-in-Class	Thematic
	Definition	An investment style in which the portfolio will be tilted towards companies / issuers with positive ESG characteristics.	An investment style that focuses on companies / issuers that lead their peer groups in respect of sustainability performance.	An investment style with a thematic focus on a UN Sustainable Development Goal or other specific ESG theme.
	Criteria	<p>Has a measurable tilt towards companies / issuers with positive ESG characteristics as disclosed in the relevant Fund Descriptions.</p> <p>Excludes certain sectors, companies / issuers or practices based on specific values or norms based criteria. Exclusion standards can be found on <a href="https://am.jpmorgan.com">https://am.jpmorgan.com</a></p>	<p>Ensures a defined percentage of portfolio positions are "sustainable" as disclosed in the relevant Fund Descriptions.</p> <p>Excludes certain sectors, companies / issuers or practices based on specific values or norms based criteria. Exclusion standards can be found on <a href="https://am.jpmorgan.com">https://am.jpmorgan.com</a></p>	<p>Ensures portfolio positions are issued by thematically selected issuers as disclosed in the relevant Fund Descriptions.</p> <p>Excludes certain sectors, companies / issuers or practices based on specific values or norms based criteria. Exclusion standards can be found on <a href="https://am.jpmorgan.com">https://am.jpmorgan.com</a></p>

	Funds	No Funds as at the date of this Prospectus	No Funds as at the date of this Prospectus	No Funds as at the date of this Prospectus

# Share Classes and Costs

## Share Classes

Within each Fund, the ACD can create and issue Share Classes with various characteristics and investor eligibility requirements. If you are unsure which Share Class you are eligible to invest in, contact your financial adviser or the ACD.

### SHARE CLASSES AND THEIR CHARACTERISTICS

Minimum investment and balance amounts					
Share Class	Eligible investors	Initial Investment/holding	Additional Investment	Redemption	Additional features
A	<ul style="list-style-type: none"> <li>This share class is no longer available.</li> </ul>	GBP 1,000	GBP 100	GBP 100	Minimum investment for Monthly Savings is GBP 100
A Monthly Income	<ul style="list-style-type: none"> <li>This share class is no longer available.</li> </ul>	GBP 3,000	GBP 500	GBP 500	None
B	<ul style="list-style-type: none"> <li>All investors</li> </ul>	GBP 1 million	GBP 100,000	GBP 25,000	None
C	<ul style="list-style-type: none"> <li>All investors</li> </ul>	GBP 5 million	GBP 100,000	GBP 25,000	None
C2	<ul style="list-style-type: none"> <li>Investors at the discretion of the ACD and who meet certain eligibility criteria as determined by the ACD from time to time. In addition, where the investor is not aggregating assets on behalf of others and meets Minimum Amount of Assets Under Management</li> </ul>	GBP 100 million	GBP 1,000	GBP 25,000	If an investor ceases to meet the eligibility criteria, as determined by the ACD from time to time, the ACD reserves the right to compulsorily convert the Shares of that investor to a different Share Class of the same Fund.
E	<ul style="list-style-type: none"> <li>All investors</li> </ul>	GBP 1,000	GBP 100	GBP 100	Minimum investment for Monthly Savings is GBP 100
I	<ul style="list-style-type: none"> <li>All investors</li> </ul>	On application	On application	On application	None
S	<ul style="list-style-type: none"> <li>All Investors at the discretion of the ACD and who meet certain eligibility criteria as determined by the ACD from time to time</li> </ul>	GBP 2 million	GBP 100,000	GBP 25,000	Will be permanently closed to new investors (but open to top-ups from existing S Share Class holders) when total assets reach the level specified in the Fund Description, subject to any increase in that amount at the discretion of the ACD. The ACD can change this level at any time without notice. Where closures to new investors occur, the website <a href="http://www.jpmorgan.co.uk/investor">www.jpmorgan.co.uk/investor</a> will be updated to indicate the change in status of the applicable S Share Classes. Contact the ACD or check the website for current status.
X	<ul style="list-style-type: none"> <li>Clients of JPMorgan Chase &amp; Co. approved by the ACD who pay a fee directly to the relevant JPMorgan Chase &amp; Co. entity</li> </ul>	On application	On application	On application	None
X2	<ul style="list-style-type: none"> <li>Clients of JPMorgan Chase &amp; Co. approved by the ACD who pay a fee directly to the relevant JPMorgan Chase &amp; Co. entity and who have a significant investment, as determined by the ACD, which can be aggregated across the Company, JPMorgan Fund ICVC and JPMorgan Fund III ICVC.</li> </ul>	On application	On application	On application	None

### WAIVERS AND REDUCED MINIMUMS

The ACD can, at its discretion, reduce or waive the minimums described above (initial investment, additional investment and holding amounts), with respect to any Fund, Share Class or Shareholder. In particular, waivers are often applied or minimums do not apply to specific Share Classes as set out below.

A, B and C Share Classes The ACD may waive investment minimums for a new or existing investor who is a:

- firm which places deals via an automated process known as straight-

through processing

- platform service provider, discretionary fund manager including fund of funds managers and insurance company
- a nominee of a firm described in the bullet immediately above

A Share Class This share class is no longer available.

B Share Class The ACD may waive investment minimums for new or existing investors who are clients of intermediaries who recommend Shares but are ineligible, or do not wish, to receive commissions. The investment minimums will also be waived for Shareholders compulsorily converted from A Share

Classes by the ACD.

C Share Class The ACD may waive the minimum lump sum investment and holding amounts in relation to C Share Classes for intermediaries and their agents who place manual aggregated deals for their underlying investors. The investment minimums will also be waived for Shareholders compulsory converted from A Share Classes by the ACD.

## SHARE CLASS NAMING CONVENTIONS

Share Class names are structured as follows: "JPM" + Fund designation + Share Class + one or more suffixes, as appropriate. All of these elements are explained below.



1 JPM All Share Classes begin with this prefix.

2 Fund designation All Share Classes include the designation of the relevant Fund. For example, a Share Class of the JPM Global High Yield Bond Fund will be denoted "JPM Global High Yield Bond Fund A – Gross Accumulation".

3 Share Class One of the Share Classes shown in the table on the previous page.

4 (perf) If present, indicates that the Share Class has a performance fee. For additional information on the performance fee, see [Performance Fee – Description](#)

5 Distribution Policy

*No physical distributions made:*

(Accumulation) These Share Classes automatically reinvests income, which may vary and is not guaranteed, back into the Fund and increases the value of the Share Class. Whilst no income is paid it is subject to tax.

*Distributions made:*

(Income) These Share Classes, including net income, net quarterly income, gross income and monthly gross income, all intend to pay distributions which may vary and are not guaranteed.

Distributions will be paid only to the Shareholder(s) identified in the register of Shareholders, and only according to the bank account details on file for a Shareholder's account. Shareholders who wish to reinvest dividends must make their own arrangements to do so. Shareholders are entitled to distributions for Shares held on the distribution record date. Distributions due on Shares for which payment has not yet been received will be withheld until the purchase has been settled. Distribution payments remaining unclaimed six years after the distribution record date will be forfeited and returned to the relevant Fund. The ACD may carry out authentication procedures which could result in the delay of any distribution payment. Neither the ACD nor the Company will be responsible if it delays or declines to make distribution payments in these circumstances.

Distributions are made out of available income, which for the distribution period is calculated taking net revenue after taxation and adjusting it by the net amount of any transfers between income and capital. Net revenue after taxation is determined in accordance with the current version of the Statement of Recommended Practice for financial statements of authorised funds issued by the Investment Association (IA SORP). These transfers are made as follows:

- to address amortisation, provided that it does not reduce the amount available for income distributions
- to account for stock dividends
- to comply with the COLL Sourcebook

C2 Share Class The ACD may, at its discretion, waive the minimum lump sum investment and holdings amounts initially in relation to C2 Share Classes for clients of financial intermediaries or distributors who have represented to the Management Company that they will reach a sufficient level of assets in the C2 Share Class within a specified period of time.

- to adjust for taxation

- to allow for the aggregate amount of income included in Shares issued, cancelled or converted during the period

- to allow for amounts determined by the ACD to be the reportable income of other collective investments in the Fund's portfolio

- for Funds that invest predominantly in index-linked securities, to cancel out the change in the Retail Prices Index during the period: the transfers relate only to amounts associated with index-linked gilt-edged securities

Income earned in an interim accounting period may be retained and used to ensure that distributions paid throughout the year are broadly similar.

Net or Gross

*Gross* refers to Share Classes that make interest distributions and are paid gross, without tax being deducted. It applies to JPM Global Bond Opportunities Fund,

*Net* refers to Share Classes that make dividend distributions and applies to all other funds.

Equalisation

The Company operates a mechanism called "equalisation" which helps to ensure new Shareholders receive distributions in line with the time they own Shares and not before. For example, if a new Shareholder purchases Shares in a Fund paying an annual distribution half way through the year then the first distribution paid will represent 50% income (i.e. the income the Shareholder is entitled during the period the Shares are owned) and 50% a return of capital which is the equalisation payment. Being capital it is not liable to income tax but must be deducted from the cost of Shares for capital gains tax purposes.

6 Currency Code Only currency hedged Share Classes have a three-letter code that indicates the Share Class Currency of the hedged Share Class, which is the same as the Base Currency of the Fund (GBP).

7 Hedging Share Classes may be unhedged or currency hedged.

Hedged Indicates that the Shares use one of the two currency hedging models explained below. These Shares can only be denominated in GBP, or in any other currency subject to the agreement of the ACD. Note that the ACD reserves the right to redeem all Shares in any Hedged Share Class whose overall size falls below £2,000,000, on 60 days' notice to affected Shareholders. Hedging will generally be achieved via currency derivatives. If any underlying currency is not liquid or is closely correlated to another currency, the hedging may take place in another currency provided that the alternative currency is likely to fluctuate in the same manner as the underlying currency.

To see which hedging model a Fund uses, see [Fund Descriptions](#).

NAV Hedged Share Class This Share Class seeks to minimise the effect of

exchange rate fluctuations between the Fund's Base Currency and the hedged Share Class Currency. It is typically used when most portfolio assets are either denominated in, or hedged back to, the Fund's Base Currency. In the NAV Hedged Share Classes, the Fund's Base Currency is systematically hedged to the Share Class Currency of the Hedged Share Class. In the NAV Hedged Share Classes the Shareholder receives an excess return or loss similar to that of Shares issued in the Base Currency of the Fund.

**Portfolio Hedged Share Classes** This Share Class seeks to minimise the effect of exchange rate fluctuations between the currency exposures of the assets in the Fund's portfolio and the Hedged Share Class Currency. It is typically used when most portfolio assets are neither denominated in, nor hedged back to, the Fund's Base Currency. In these Share Classes, the currency exposures are systematically hedged back to the Share Class Currency of the Hedged Share Class in proportion to the currency Hedged Share Classes' share of the NAV of the Fund, unless for specific currencies it is impractical or not cost effective to hedge the exposure. In the portfolio Hedged Share Classes the Shareholder will not benefit or suffer loss caused by exchange rate fluctuations between the currencies of the portfolio assets being hedged and the Share Class Currency, whereas Shares in the Base Currency of the Fund will.

**Risks associated with certain Share Classes**

Risk of currency Hedged Share Classes The currency hedging used to minimise the effect of exchange rate fluctuations will not be perfect.

Shareholders may have exposure to currencies other than the Hedged Share Class Currency and are also exposed to the risks associated with the instruments used in the hedging process.

Over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the ACD, however, over-hedged positions will not exceed 105% of the NAV of the currency Hedged Share Class and under-hedged positions will not fall below 95% of the NAV of the currency Hedged Share Class. The hedged positions will be kept under review to ensure that under-hedged positions do not fall below the level set out above and are not carried forward from month to month and that over- hedged positions materially in excess of 100% will not be carried forward from month to month.

Certain Funds may also invest in currency derivatives, with the aim of generating returns at the portfolio level. This is indicated in the Fund's investment policy and only occurs where the Currency Hedged Share Class uses NAV hedge.

Accordingly, while the hedging seeks to minimise the effect of exchange rate fluctuations between the Base Currency of the Fund and the Hedged Share Class Currency, there may be currency risk in the portfolio.

Risk of lower capital growth or capital erosion where Annual ACD Fee is allocated against capital Certain Funds charge the Annual ACD Fee against capital. This increases the income available for distribution but makes capital growth lower than it would otherwise be, and may have tax implications for certain Shareholders as well. The following Funds allocate the Annual ACD Fee in this manner:

JPM UK Equity Income Fund.

**Spill-over risk relating to Hedged Share Classes** As there is no legal segregation of assets and liabilities between different Share Classes in the same Fund, there is a risk that, under certain circumstances, hedging transactions relating to currency Hedged Share Classes could have an adverse impact on other Share Classes in the same Fund. Although spill-over risk will be mitigated, it cannot be fully eliminated, as there may be circumstances where it is not possible or practical to do so. For example, where the Fund needs to sell securities to fulfil financial obligations specifically related to a currency Hedged Share Classes which may adversely affect the NAV of the other Share Classes in the Fund.

Costs

This section describes the various fees and charges that a Shareholder pays and how they work. The ACD may, at its sole discretion and subject to the FCA's Rules and the recipient's eligibility, pay some or all of the amounts received for certain charges and fees as commission, retrocession, rebate or discount to some or all investors, financial intermediaries or distributors, on the basis of factors such as the size, nature, timing or commitment of their investment, among others.

One-off charges taken before or after investing				Fees and expenses taken from the fund over a year		
Share class	Preliminary charge	Switch charge	Redemption charge	Annual ACD fee	Operating expenses	Performance fee
A	0.00%	0.00%	0.00%	1.50%	0.15%	—
C	0.00%	0.00%	0.00%	0.50%	0.15%	—

**A ONE-OFF CHARGES TAKEN BEFORE OR AFTER INVESTING**

These charges include preliminary, switch, and redemption charges. They are calculated as a percentage of, and deducted from, the amount being invested, switched, converted or redeemed, respectively. These fees, including any rounding adjustments, are paid to the ACD which may waive them in whole or in part at its sole discretion.

No Fund or Share Class currently imposes any such charges on transactions in Shares.

**FEES AND EXPENSES TAKEN FROM THE SHARE CLASS OVER A YEAR (ANNUAL FEES)**

These fees and expenses are deducted from the Share Class NAV, and are the same for all Shareholders of a given Share Class. The amount charged varies depending on the value of the NAV and does not include portfolio transaction costs. Fees and expenses borne by the Company may be subject to VAT and other applicable taxes.

Most of the ongoing business expenses of the Company are covered by these fees and expenses. Details of the fees and expenses paid can be found in the

Shareholder Reports.

These fees and expenses are calculated for each Share Class of each Fund, as a percentage of average daily net assets being accrued daily and paid monthly in arrears.

Each Fund and each Share Class pays all liabilities, expenses, costs and charges it directly incurs and also pays its pro rata share of liabilities, expenses, costs and charges not attributable to a specific Fund or Share Class based on its total net assets although the ACD has the discretion to allocate these liabilities, expenses, costs and charges in a manner which it considers fair to Shareholders generally. Transaction costs associated with operating the currency hedged Share Classes will be borne by the relevant Share Class.

**B Annual ACD fee** This fee remunerates the ACD for its services relating to the management of the Funds' assets. When a Fund invests in any UK UCITS, EEA UCITS, UCI or closed-end investment undertaking qualifying as Transferable Securities within the meaning of the UK UCITS Rules (including investment trusts) managed by any affiliate of JPMorgan Chase & Co., double-charging of management fees will either be avoided or rebated,

except for JPM Multi-Manager Growth Fund, where the fee is remuneration of managing the entire Fund including investments in JPMorgan investment trusts.

Note that if the underlying investment charges a higher management fee, the difference may be charged to the investing Fund. If the underlying affiliate undertaking combines management and other fees and charges into a single total expense ratio, such as in exchange traded funds, the whole total expense ratio will be waived. Where a Fund invests in undertakings not affiliated with JPMorgan Chase & Co. the fee shown in [Fund Descriptions](#) may be charged regardless of any fees reflected in the price of the shares or units of the underlying undertaking.

For Class X and X2 Shares, this fee is not charged at the Share Class level; instead, the applicable JPMorgan Chase & Co. entity collects a fee for these services directly from the Shareholder.

**c** Operating expenses The ACD is entitled to be reimbursed out of the Company's assets for all reasonable and properly documented out-of-pocket expenses incurred in performing its duties. For I Shares these expenses are not charged to the Share and instead are met by the ACD.

This fee is capped for each Share Class and will not exceed the amount stated in [Fund Descriptions](#). The ACD will bear any operating and expenses that exceed the maximum rate specified.

Operating expenses which are capped

These are deducted from the Company's assets and include:

- custodian, Depositary and Registrar fees
- legal, audit, tax and other professional advisory fees, and their associated expenses, incurred by the Company, the ACD and the Depositary
- any insurance purchased against any liability incurred by any Directors of the Company in the performance of their duties
- regulatory fees from the FCA and from regulatory authorities in other countries or jurisdictions where the funds may be marketed including translation expenses
- stock exchange listing and quotation fees
- any costs incurred in respect of meetings of the Shareholders (including meetings of Shareholders in any particular Fund or Class)
- documentation costs and expense, such as preparing, maintaining, printing and distributing the Prospectus, KIIDs or any other offering document, as well as Shareholder Reports, the Instrument and any other regulatory documents made available to Shareholders
- the cost of publication of the Share prices, yields and any other information which must be published by law
- collateral management costs

Other expenses

These are not part of the capped expenses but are paid from the relevant Fund. These are:

- brokerage fees and commissions
- transaction costs associated with buying and selling Fund assets, including interest, taxes, governmental duties, charges and levies
- other transaction related costs and expenses

- interest and full amount of any duty, levy and tax or similar charge imposed on a Fund
- costs associated with securities lending.
- where a Fund merges into another Fund and subsequently a cost arises that, if known on merger and permitted under the Instrument and Prospectus, would have been provided for

These payments will include any applicable VAT.

Changes to charges, fees and expenses

The ACD may at any time modify the level or applicability of any of these charges, fees and expenses. For any increase the ACD must first give 60 days' written notice of the changes to all Shareholders. However, if such an increase is deemed by the ACD and the Depositary to be fundamental, it will require the approval of Shareholders of the relevant Class or Fund in a general meeting.

The ACD may not introduce a new category of remuneration fee for its services payable out of Fund assets without obtaining the approval of Shareholders in a general meeting and revising and making available a revised Prospectus describing the charges and when they go into effect.

## PERFORMANCE FEE

General description With certain Share Classes of certain Funds, a performance fee is deducted from the NAV and paid to the ACD. This fee is designed to reward Investment Managers who have achieved performance over a benchmark during a period, while also ensuring that investors pay comparatively lower fees when investment management has contributed less value.

The performance fee has been designed so that no performance fee is paid merely for making up for earlier underperformance against the benchmark in the reference period (that is, for making up ground that was lost to earlier underperformance against the benchmark). Note, however, that a performance fee can in some cases be charged even when performance is negative, if the benchmark has decreased more than the Share Class. Also there is no maximum performance fee that can be applied.

When a Share Class that is subject to a performance fee has outperformed a designated benchmark identified in [Fund Descriptions](#), a performance fee will be charged in the NAV. Depending on the type of Fund, the benchmark will either be a cash benchmark or a non-cash benchmark (equity, bond, etc.).

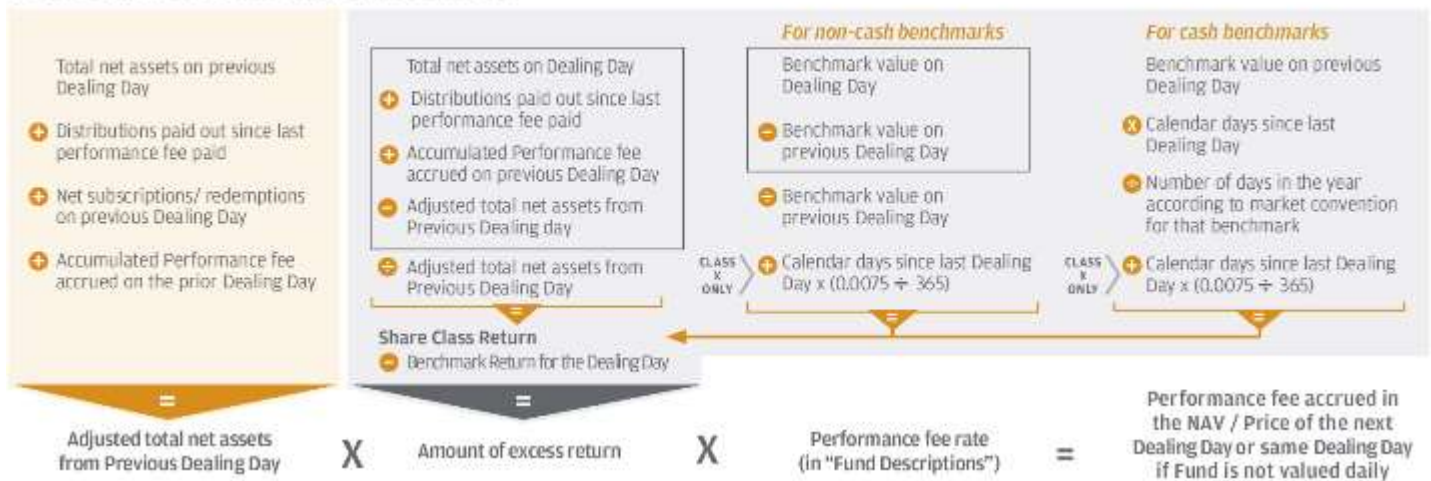
Funds may invest in UK UCITS, EEA UCITS and other UCIs managed by any affiliate of JPMorgan Chase & Co. which may charge performance fees. Such fees will be reflected in the NAV of the relevant Fund.

As different Share Classes of a given Fund will usually have different NAVs (and may in addition have different measurement periods), the actual performance fee charged often varies by Share Class. For distributing Shares, any distributions paid out are counted as part of performance for purposes of performance fee calculation. Dilution adjustments or other adjustments intended to mitigate the effects of transaction volumes or costs are not counted in performance fee calculations.

To find out if a Share Class has a performance fee, which model is used, the performance fee rate and if an outperformance fee cap applies, see [Fund Descriptions](#).



## PERFORMANCE FEE DAILY CALCULATION



Measurement period Performance is measured over the Company's Financial Year. Calculations are performed every Dealing Day, are reflected in the NAV and are cumulative.

If a performance fee has been charged in the NAV as of the end of the last Dealing Day of the year, it will be paid to the ACD, the measurement period ends, the reference points of the NAV and of the benchmark are reset and a new measurement period begins. If no performance fee has been charged, the measurement period is extended for another Financial Year. These extensions will continue until there is a payable performance fee at the end of a Financial Year.

If a Fund or Share Class adds a performance fee, or is launched during the Financial Year, its first measurement period will be the remainder of that Financial Year or, if the ACD waives the application of a performance fee, a minimum of 60 days after the ACD has notified Shareholders of its intention to begin applying a performance fee.

How the performance fee is calculated

There are two models for calculating performance fees, as described below.

- Claw-back model** On every day that is a Dealing Day for a Fund, the fee is calculated using the performance fee daily calculation formula above. When the resulting number is positive, the Share Class has outperformed its benchmark for that day and the corresponding amount is added to the performance fee accrual. When the resulting number is negative, the Share Class has failed to outperform its performance standard for that day, and the corresponding amount is subtracted from any performance fee accrual (to a point no lower than zero). Under the Claw-back model a performance fee can typically be charged even if the Share Class performance is negative, so long as the benchmark has decreased more than the NAV.
- High water mark model** With this model, the fees are calculated exactly as they are for the Claw-back model, except that in addition to exceeding the performance of its benchmark, a Share Class NAV must be higher than it was the last time a performance fee was paid, or than it was at inception. When that is not true, no performance fee is accrued. Under the high water mark model a performance fee cannot be charged if the Share Class performance is negative. For Funds with a cash benchmark, the high water mark model is used.

**Who calculates the Performance Fee** Performance Fee computations are made by the Administrator and are subject to review as part of the annual statutory audit of the Fund. The ACD may make such adjustments of accruals as it considers appropriate to ensure that the accrual represents fairly and accurately the Performance Fee liability that may eventually be payable by the Fund or Class to the ACD.

**Adjustment for X and X2 Share Classes** In the calculation shown below, the adjustment of 0.75% as applying to X and X2 Share Classes exists because

Shareholders in these Shares pay an Annual ACD fee separately rather than as a Share Class fee. Without this adjustment, investors in X and X2 Share Classes would pay a higher performance fee than is warranted.

**Fee limits** Unless otherwise stated there is no cap on the amount of performance fee that may be charged. Certain Share Classes might have an outperformance cap. This type of cap can reduce performance fees that would otherwise be charged. With the cap, a limit is set on how much outperformance will be eligible to earn a performance fee (for example, 2% above the Benchmark).

**Crystallisation** A performance fee accrual crystallises (becomes payable to the ACD and is no longer affected by the future performance of the Share Class) under any of the following circumstances:

- on the last Dealing Day of the Financial Year
- on very significant orders for switching or redemption (applies to these Shares only)
- when a Fund is merged or terminated.

**EU Benchmarks Regulation** Accordingly, the ACD is working with applicable administrators, for the benchmark indices used by the relevant Funds for which a Performance Fee is calculated, to confirm that they are, or will be included in the UK Benchmarks Register. As at the date of this Prospectus, the only relevant benchmark administrator included in the register is FTSE International Limited which is the benchmarks administrator of the FTSE benchmarks.

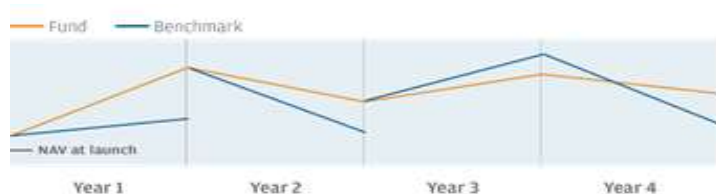
The ACD has Benchmark Selection Procedures that apply to new benchmarks and in the event that benchmarks materially change or cease to be provided. The procedures include an assessment of the suitability of a Fund's benchmark, the proposed communication of changes in benchmark to Shareholders and approvals by internal governance committees and boards. The suitability assessment of a new benchmark includes its historic investment performance, asset allocation and securities, which are compared, where relevant, to equivalent data for the performance of the Fund and to the existing benchmark.

A benchmark change will require an amendment to the Prospectus and will be communicated to Shareholders in line with applicable regulatory requirements. The ACD is responsible for approving all benchmark changes.

## PERFORMANCE FEE - EXAMPLES

Examples are illustrative only, and are not intended to reflect any actual past performance or potential future performance.

### Claw-back



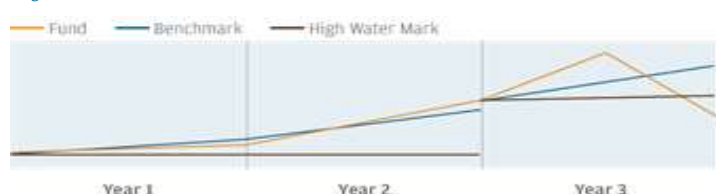
**Year 1** Share Class outperforms benchmark. *Performance fee payable; a new measurement period begins.*

**Year 2** Share Class performance is negative, but still outperforms benchmark. *Performance fee payable; a new measurement period begins.*

**Year 3** Share Class underperforms benchmark. *No performance fee payable; measurement period extended for another Financial Year.*

**Year 4** Share Class goes from underperforming benchmark to outperforming it. *Performance fee payable; a new measurement period begins.*

#### High water mark



**Year 1** Share Class outperforms the high water mark (has positive absolute performance) but not the benchmark. *No performance fee payable; measurement period extended for another Financial Year.*

**Year 2** Share Class goes from underperforming benchmark to outperforming it; also remains above high water mark. *Performance fee payable; a new measurement period begins.*

**Year 3** Share Class outperforms high water mark and benchmark for first half of year, but falls below both by year-end. *No performance fee payable; measurement period extended for another Financial Year.*

#### COMPARISON WITH A SHARE CLASS THAT DOES NOT HAVE A PERFORMANCE FEE

Some Funds offer Share Classes with performance fees and without performance fees. Share Classes with no performance fee will have a higher

#### EFFECT ON PERFORMANCE FEE ACCRUALS

On each Dealing Day, an accrual is made for the previous Dealing Day's Performance Fee, this may cause, during periods of market volatility, unusual fluctuations in the Net Asset Value per Share of each Class for which a Performance Fee is charged. These fluctuations may happen where the impact of a Performance Fee causes the Net Asset Value per Share to be reduced whilst the returns from underlying assets have increased. Conversely, the impact of a negative Performance Fee can cause the Net Asset Value per Share to be increased whilst the underlying assets have decreased.

annual ACD fee. Which Share Class provides the greater net return to Shareholders will vary and is dependent on whether there is outperformance or underperformance. The tables below show examples of the net return of Share Classes with and without a performance fee under different scenarios.

#### Outperformance scenario

The Share Class without a performance fee may generate a higher return even though it has a higher annual fee.

	Share Class with a performance fee	Share Class without a performance fee
Share Class return	7.00%	7.00%
Minus annual ACD fee and operating expenses	- 1.20%	- 1.40%
	= 5.80%	= 5.60%
Minus benchmark return	2.00%	N/A
Outperformance	= 3.80%	= 5.60%
Minus 10% performance fee	0.38%	N/A
Net return	5.42%	5.60%

#### Underperformance scenario

The Share Class with a performance fee generates a higher return than the Share Class with a higher annual fee.

	Share Class with a performance fee	Share Class without a performance fee
Share Class return	1.50%	1.50%
Minus annual ACD fee and operating expenses	- 1.20%	- 1.40%
	= 0.30%	= 0.10%
Minus benchmark return*	2.00%	N/A
Outperformance	= 0.00%	= 0.10%
Minus 10% performance fee	0.00%	N/A
Net return	0.30%	0.10%

\*Only the portion necessary to bring the result to zero is subtracted.



# Investing in the Funds

## MAKING AN INVESTMENT

### Buying, Selling, Converting, Switching and Transferring Shares

The information in this section describes the terms and conditions generally in effect for transactions in Shares. For information on terms and conditions that apply in exceptional conditions or at the ACD's discretion, such as suspensions of redemptions, compulsory redemptions and transactions in specie, see [Rights Related to Shares](#).

#### INFORMATION THAT APPLIES TO ALL DEALS EXCEPT TRANSFERS

**Available Share Classes** Not all Share Classes are currently available for investment. All information in this Prospectus about Share Class availability is as at the Prospectus date. For the most current information on available Share Classes (including initial launch date), contact the [Client Administration Centre](#).

**Placing requests** Shareholders can place requests to buy, switch, convert or sell Shares as follows:

- if you are investing with the assistance of a financial adviser or other intermediary, by contacting your adviser
- if you are investing directly with the ACD:
- by fax or post to the [Client Administration Centre](#)
- by phoning the [Client Administration Centre](#) between 9:00 am and 5:30 pm UK time on any Dealing Day (or at other times at the ACD's discretion); in some cases, Shareholders may be required to follow up with written confirmation of their request
- by using our online portal at <https://jpmorgan.myaccountonline.co.uk/> (please note this only applies to buying, switching or selling shares on a direct account held by a single investor).

Shares can also be held and transferred through approved electronic clearing platforms but e-mail instructions from direct clients are typically not accepted. If requested, the ACD may deal as agent between the investor and the Company.

When placing any dealing request by fax or by post, in addition to the dealing instruction, Shareholders must include their account number and signature(s) and instructions as to the Fund, Share Class (including characteristics such as Income or Accumulation share class, etc.), size and type of deal (buying, selling, switching or converting). Shareholders can indicate the request either as a Share amount (including fractional Shares up to three decimal places) or a Sterling amount. The Funds of the Company deal on the basis of single pricing. Subject to any initial charge, any switching charge, any redemption charge and/or dilution adjustment, the price payable by an investor buying Shares will be the same as when a Shareholder sells Shares.

Any requests that are incomplete or unclear will typically be delayed or rejected. Neither the Company nor the ACD will be responsible for any losses or missed opportunities arising from unclear requests.

Once a Shareholder has placed a request, it cannot normally be withdrawn. However, if a request for a withdrawal is received before 12:00 pm UK time on the day the request would normally be processed, it will usually be honoured but there is no obligation to do so. At any time when trading in Shares is suspended, the request may be withdrawn during the period of suspension.

Written requests to purchase, switch, convert or sell Shares held in joint accounts must be signed by all joint owners.

**Cut-off times** Unless otherwise stated in [Fund Descriptions](#), requests will be processed on the Dealing Day they are received, provided they are received by 12:00 pm UK time on that Dealing Day. Requests received and accepted after that time will be processed the next Dealing Day. Under normal circumstances, no processing date, time or instructions contrary to the terms in this Prospectus will be acted upon. A contract note will normally be provided on the business day after the request is processed. The Company uses a Forward Pricing model; thus the Share price at which any deal is processed cannot be known at the time a dealing request is placed.

**Charges and costs** Shareholders are responsible for all charges associated with their purchases, switches, conversions and sales of Shares, as described in [Fund Descriptions](#). Shareholders are also responsible for paying any bank fees, taxes, and any other fees or costs incurred in connection with their dealing requests.

**Settlement** The contractual settlement date for purchases, sales, conversions and switches will normally be three business days after the deal has been placed (the "Settlement Date"). Any day within the settlement period that is not a Dealing Day for a Fund may be excluded when determining the Settlement Date.

In all cases, the contractual settlement dates are confirmed on the relevant contract note.

Under the FCA's 'delivery versus payment' (DvP) exemption, the ACD may, for one business day, treat money held for settling Share transactions as not being 'client money', so long as payments for buying Shares are passed to the Depositary within one business day of receipt from the investor and proceeds from redemptions are paid out within one business day of receipt from the Depositary.

**Client money** All cash held as client money under the FCA Rules will be held in a segregated non-interest bearing client money bank account. If the bank where client money is held becomes insolvent JPMorgan Funds Limited will have a claim on behalf of its clients against the bank. If however the bank cannot repay all of its creditors, any shortfall may have to be shared pro rata between them. An investor may also be entitled as an individual to claim from the Financial Services Compensation Scheme (FSCS) up to £85,000 in respect of the total cash held directly and indirectly with the failed bank. To the extent JPMorgan Funds Limited is permitted to exclude liability under law or regulation, it is not responsible for losses incurred by banks who it may appoint to hold client money. Where cash is held as client money, it is held in accordance with the FCA Rules which require JPMorgan Funds Limited to have in place adequate record keeping, accounts and reconciliation procedures to safeguard it. There are also procedures in place to cover the selection, approval and monitoring of the bank(s) used to hold client money.

**BUYING SHARES** Also see [Information That Applies to All Deals Except Transfers](#) above

You can invest either a lump sum or make regular investments, or a combination of both.

You can make lump sum investments:

- by telephone using a debit card (see [Client Administration Centre](#))
- by completing an application form (downloaded from [www.jpmorgan.co.uk/investor](http://www.jpmorgan.co.uk/investor)) and returning it to us with a personal cheque

You can make regular saving investments:

- by sending us an application form and direct debit mandate by post. Please note that we will ask you to provide a cheque for the first payment.

In the event that a deal is accepted that does not meet the minimum investment amount for the relevant Class, the ACD may convert the holding into an appropriate Class of the same Fund and will notify the Shareholder accordingly.

Normally, Shares are issued upon acceptance of a purchase request and cleared payment must be received from the investor by the Settlement Date. If full payment by the investor for Shares does not arrive by the Settlement Date, or if the prior to the Settlement Date the ACD becomes aware of any reason why, in its opinion, full and timely payment will not occur the ACD has the right to cancel (redeem) the Shares without prior notice to the investor at the investor's cost.

Any net surplus, after costs incurred, that remains after such cancellation will be credited to the relevant Fund. The ACD will seek to recover any losses, including costs, remaining after any shares are cancelled. The investor agrees to reimburse the Company for any costs, losses, claims and expenses suffered or incurred by the Fund and/or the ACD as a result of the non-payment by the investor of the purchase price by the Settlement Date.

If the redemption proceeds and any amounts effectively recovered from the investor are less than the purchase price, the difference will be borne by the ACD.

**Cancellation rights** An investor who has received advice in respect of his deal (an 'advised investor') has a right to cancel the purchase at any time within 14 days of receiving a notice of this right from the ACD. However, if the value of the investment has fallen below the net investment amount at the time the ACD receives the completed cancellation notice, any fall in value will be deducted from the returned investment. This right does not extend to switches.

**Regular Savings Plan** Certain Shares, as indicated in [Share Classes and Costs](#), can be used in a Regular Savings Plan, under which investments of a specified amount are automatically debited from a bank account at regular monthly intervals. The timing and the amount of the contributions can be modified or suspended, or the entire plan cancelled, at any time simply by notifying the ACD, in writing or by telephone.

Note that the ACD reserves certain rights. It may decline overly frequent changes in the contribution amount. If payments to the plan are missed for more than three consecutive months, and if the value of plan Shares is less than the minimum described in [Share Classes and Costs](#), then the ACD may buy back the plan Shares at the price per Share applicable at that time.

Instead of contract notes, Regular Savings Plan participants are sent a statement detailing the Shares purchased since the last statement, the price paid per Share (including dilution adjustment where applicable).

**CONVERTING SHARES** Also see [Information That Applies to All Deals Except Transfers](#) above

As permitted by the rules below and at the ACD's discretion, Shareholders can convert Shares (exchange from one Share Class to another in the same Fund).

Conversions are subject to the following conditions:

- Shareholders must meet all eligibility requirements for the Shares into which Shareholders are requesting to convert
- any conversion must meet the minimum investment amount of the Shares being converted into, or the request typically will be rejected
- any partial conversion should leave at least the minimum investment amount in the Class being converted out of; if it does not, the request can be processed as a full conversion, or the ACD can decline the conversion request

A conversion generally is not considered a redemption and a purchase for UK tax purposes, except that conversions between Hedged and non-Hedged Shares, or between Hedged Shares of different currencies, may be considered such and may therefore be subject to UK capital gains tax. If Shareholders convert between Share Classes within the same Fund which have different income allocation periods in order to obtain a UK tax advantage, HM Revenue and Customs has indicated that any such tax advantage could possibly be retrospectively reversed. With conversions, once a request has been received and accepted, it will be processed at the next Valuation Point for the Fund involved. Conversions can also occur on a date mutually agreed to by the ACD and the Shareholder.

**SWITCHING SHARES** Also see [Information That Applies to All Deals Except Transfers](#) above

As permitted by the rules below and at the ACD's discretion, shareholders can switch Shares (exchange from one Fund to another). Switches are subject to the following conditions:

- Shareholders must meet all eligibility requirements for the Shares into which Shareholders are requesting to switch
- any switch must meet the minimum investment amount of the Shares being switched into, or the request typically will be rejected
- any partial switch should leave at least the minimum investment amount in the Class being switched out of; if it does not, the request can be processed as a full switch, or the ACD can decline the switch request
- any switch must not violate any restrictions of either Fund involved (as stated in this Prospectus in [Fund Descriptions](#) and, as applicable, the prospectus for another JPMorgan ICVC)
- cancellation rights will not be given on switches

For processing considerations and for UK tax considerations, a switch is considered two separate transactions: a sale and a purchase. All terms and conditions described for sales apply also to switches, and Shareholders are responsible for understanding and satisfying any tax considerations associated with both transactions, in particular capital gains tax.

Once a request for a switch has been received and accepted, the switch will be processed on the next day that is a Dealing Day for both Funds involved in the switch.

**SELLING SHARES** Also see [Information That Applies to All Deals Except Transfers](#) above

You can sell your Shares by telephone, fax, post or electronically (see [Client Administration Centre](#)).

You can withdraw money from your account at any time by asking us to sell your investments and transfer the proceeds to a bank or building society account in your name.

Payments of proceeds, after deduction of any applicable redemption charge, are generally sent out within three business days after the Dealing Day on which the deal was processed. All payment periods can be extended by weekends and any other day that is not a Dealing Day for a Fund. In exceptional circumstances, it may not be possible to deliver proceeds on schedule, but in all cases payment will be sent as soon as reasonably practicable.

Sale proceeds will be paid only to the Shareholder(s) identified in the register of Shareholders, and normally only according to the bank account details on file for a Shareholder's account.

Note that sale proceeds will not be paid until the ACD has received and processed an original application and all investor documentation that the ACD considers necessary. Sale proceeds will not be paid unless payment has been received for any Shares purchased. Any delays associated with these verification measures will not delay the processing of a Shareholder's sale request, but they will affect the timing of when proceeds are released.

Neither the ACD nor the Company will be responsible if it delays execution or declines to execute selling instructions in these circumstances.

## TRANSFERRING SHARES

Shareholders can transfer ownership of Shares to another investor, by submitting a properly executed stock transfer form to the Client Administration Centre. Each Class requires its own transfer instruction. Note that Shares cannot be transferred to more than 4 joint account holders. Before initiating a transfer, Shareholders are recommended to contact the Client Administration Centre to ensure they have the right documentation completed.

The receiving investor is subject to all applicable eligibility requirements and holding restrictions including those that relate to prohibited investors. The ACD can reject the request if the necessary requirements are not met.

## Shareholder Obligations

Notify us of changes in information. Shareholders must promptly inform the ACD of any changes in personal or bank information. The ACD will require adequate proof of authenticity for any request to change information held on record, including any bank account details, associated with a Shareholder's investment. Shareholders must provide the ACD with any changes to personal details so that we can keep in contact with you. This includes post address, email address and telephone numbers. Failure to keep personal details up to date could result in the ACD not being able to carry out Shareholder instructions and manage Shareholder accounts in the most effective way possible and ultimately Shareholders losing contact with their accounts.

Inform us of changes in circumstances that could affect eligibility to own Shares. Shareholders must promptly inform the ACD of any circumstances that change or come to light that result in a Shareholder being ineligible to own any Shares, put a Shareholder in violation of the laws or regulations of UK or any other applicable jurisdiction, or create a risk of any loss, cost, or other burden (financial or otherwise) for the Fund, other Shareholders, or any individuals or entities associated with the management and operations of the Fund.

## Privacy of Personal Data and Confidential Information

Potential investors and Shareholders must provide information that is personal and/or confidential for various purposes, such as to process requests, provide Shareholder services, and to comply with applicable laws and regulations. The Privacy Policy is designed to comply with all applicable laws or regulations (EU or otherwise).

The Privacy Policy is available at [jpmorgan.com/emea-privacy-policy](http://jpmorgan.com/emea-privacy-policy). Hard copies are available on request from the ACD.

## Measures to Protect Shareholders and Prevent Crime and Terrorism

To comply with UK laws aimed at preventing crime and terrorism, including the crime of money laundering, investors must provide certain types of account documentation.

### CUSTOMER IDENTIFICATION

As a company conducting investment business we are required to comply with all applicable money laundering requirements, and in particular the Money Laundering Regulations 2007 (the "Regulations"). Should we need to verify your identity we may use a reference agency (this should not affect your credit rating) and we may need to contact you to obtain further information and/or documentation about you. Until satisfactory proof of identity is provided we reserve the right to refuse

instructions or release any dealing proceeds to you.

## Share Issuance and Ownership

Registered Shares Currently, Shares are issued in registered form only and no certificates are issued, meaning that the Shareholder's name is recorded in the Company's register of Shareholders. No notice of any trust will be entered in the Register.

The Register is authoritative as to ownership of Shares.

Whole and Fractional Shares The Company issues two denominations of Shares: larger denomination Shares, which evidence ownership of Shares in whole numbers only, and smaller denomination Shares, which evidence ownership of fractions of a Share only. Each Shareholder is issued as many of each denomination as corresponds, in total, to their investment in a given Share Class. Smaller denomination Shares are rounded (upwards) to three decimal places.

ACD's policy on holding Shares The ACD's policy in relation to holding Shares in the Funds as principal is for administration purposes and does not actively seek to make a profit on the holding.

## Rights Related to Shares

The Company and the ACD, at their sole discretion, reserve the right to do any of the following at any time:

### *Rights related to Shares and dealing requests*

- Accept a request to switch or convert Shares into Share Classes that are identical except for having lower fees when a Shareholder's holding meets the investment minimum and any other conditions for the Class with the lower fees.
- Delay or reject any request to buy Shares — in part or in full, for an initial or additional investment — on reasonable grounds relating to the circumstances of the applicant. In particular, this applies to requests from anyone who is not eligible to be a Shareholder, such as a US Person. Neither the Company nor the ACD will be held liable for any gain or loss associated with a delayed or rejected request.
- Limit the issue of Shares if further issuance would materially prejudice existing Shareholders.
- Accept securities as payment for Shares, or fulfil proceeds of sales with securities ('subscription in specie' or 'redemption in specie'). In cases where Shareholders wish to request a subscription or redemption in specie, they must obtain advance approval from the ACD. Shareholders must pay all costs associated with the subscription or redemption in specie (broker fees, etc.). The Shareholder will also be responsible for paying any stamp duty reserve tax or stamp duty on a redemption in specie unless the assets are transferred pro rata.

For subscriptions in specie, the ACD will ensure that beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares, and will, by the close of business on the fourth business day following the issue of the Shares, ensure transfer to the Depositary of the assets taken in exchange.

If a Shareholder wishes to receive a redemption in specie in respect of a holding which is less than 5% of the NAV of the Fund, the Shareholder must request ACD approval and this approval is at the discretion of the ACD. However, if a sale instruction from a Shareholder represents more than 5% of the NAV of the Fund, the ACD can require that the Shareholder accepts a redemption in specie. In this instance, the Shareholder can require the ACD to transfer the securities or to liquidate them and transfer the proceeds. In either case, the ACD will provide written notice to the Shareholder before the Settlement Date of the sale.

The ACD will seek to fulfil the redemption with a selection of securities that

closely or fully matches the overall composition of the Fund's portfolio at the time the transaction is processed.

The ACD will take reasonable care not to approve any requests for subscription or redemption in specie that it believes would be inconsistent with the interests of shareholders generally, and the Depositary will not approve a subscription in specie involving any assets that are inconsistent with the objective or policy of the Fund in question.

#### *Rights related to suspension of dealing*

- Temporarily suspend the calculation of NAVs or deals in a Fund and/or Share Class. The ACD may, with prior agreement of the Depositary, or must if the Depositary so requires, temporarily suspend dealing in the Shares of a Fund where it is in the interests of that Fund's Shareholders generally. The ACD, or the Depositary if it has required the ACD to suspend dealings in Shares, must notify the FCA of its action and the reasons for it.

The ACD and the Depositary must formally review the suspension at least every 28 days and inform the FCA of the results of this review and any change to the information provided to Shareholders. Dealing in Shares in the Fund or Class will recommence at the first Valuation Point after the end of the suspension.

A suspension will apply to all types of deals in Shares (except transfers) and will apply at the Fund or Share Class level as applicable.

In connection with suspensions the ACD will refuse to accept requests to buy, switch, convert or redeem Shares following the decision by the ACD to suspend the calculation of the NAV of a Fund. Any requests submitted for that Fund prior to the suspension will be cancelled. Once the suspension is over, clients will need to resubmit any deals they wish to proceed with as they will not be held to be dealt with on the next Dealing Day following the lifting of the suspension.

Shareholders will be informed of any suspension as soon as practicable. This notification will include the reasons for the suspension and details of where Shareholders can obtain information on the suspension, including its likely

duration if known.

#### *Rights related to accounts and ownership*

- Compulsorily convert all Shares of one Class of a Fund to a different Share Class of the same Fund if it is in the interests of Shareholders generally, for example, if a Share Class is being terminated for reasons of economic efficiency.
- Compulsorily convert all Shares of one Class of a Fund to a different Share Class of the same Fund if a Shareholder's holding is below the minimum investment amount for that Share Class.
- Compulsorily redeem a Shareholder's Shares and send them the proceeds, or convert a Shareholder's holding to another Share Class, if it appears the Shareholder is precluded from owning the Shares. This applies to any investor who, whether investing alone or with others, appears (i) to be a US Person or other ineligible investor, (ii) to be holding Shares in violation of law or regulation or requirement of any country or governmental authority, or (iii) where it appears that such holding might result in the Company (including its Shareholders) or any of its delegates incurring any liability to taxation or suffering any sanction, penalty, burden or other disadvantage (whether pecuniary, administrative or operational) which the Company (including its Shareholders) or its delegates might not otherwise have incurred or suffered. The Company will not be held liable for any gain or loss associated with such actions.

Shareholders will be given thirty days prior notice to either document their eligibility to own or be the beneficiary of the Shares or to dispose of the Shares whether by redemption, transfer to an eligible owner or cancellation. If after thirty days the ACD believes the situation not to have been remedied, it may forcibly redeem the Shares or take other action as it may believe necessary and appropriate. The ACD will require that intermediaries compulsorily redeem Shares held by a US Person or other ineligible investors.

# CONSIDERATIONS FOR INVESTORS

## Taxation

This summary does not purport to be a comprehensive description of all UK tax laws and considerations that may be relevant to a decision to invest in, own, hold, or dispose of Shares and is not intended as tax advice to any particular investor or potential investor. Tax treatment depends on the individual circumstances of each Shareholder and may be subject to change in the future.

### *Taxation of the Company and its investments*

- **Capital gains** The Company is not subject to corporation tax on chargeable gains.
- **Income** Each Fund is chargeable to corporation tax at the applicable rate, currently 20% on income net of allowable expenses (including the gross amount of interest distributions). Dividends from UK companies and most overseas companies are not taxable.
- **Taxation of income and capital gains** Income is allocated to all Shares (whether distributed or credited to capital) without any UK income tax being deducted or accounted for. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The ACD reserves the right to provide for appropriate tax on gains thus impacting the valuation of the Fund. With the uncertainty over whether and how certain gains are to be taxed, any such provision for taxation made by the ACD may be excessive or inadequate to meet final tax liabilities on gains.
- **Tax treaties** The Funds benefit from UK double tax treaties that reduce rates of withholding tax in many countries where the Funds invest. In some cases, whether a Fund is eligible for favorable tax treatment depends on the makeup of its Shareholders. For example, under the UK / US treaty, a Fund's withholding tax on US equity dividends can be reduced to 15% from 30%, but only if at least 50% of the relevant Fund is owned by qualifying UK persons. Because of this, the relevant Fund may not always be eligible for the lower tax rate, which would reduce the performance of Funds receiving US equity dividends accordingly.
- **Taxation of Chinese assets** The PRC Enterprise Income Tax Law (EITL) imposes an Enterprise Income Tax (EIT) of 20% on the PRC-sourced income derived by a foreign enterprise without a permanent establishment in China. The rate is reduced to 10% for sources of income including profit, dividend and interest. Funds that invest in PRC securities may be subject to EIT withholding and other taxes imposed in the PRC, including the following:- Dividends and interest paid by PRC companies are subject to a 10% tax. The paying entity in China will be responsible for withholding such tax when making a payment. A full tax provision of 10% is made for PRC-sourced dividends and interest where tax has not yet been withheld by the paying entity. Interest from government bonds is specifically exempt from EIT whereas interest derived from bonds traded in PRC local bond market are temporarily exempt from EIT for the period from 7 November 2018 to 6 November 2021. Gains from the disposal of PRC securities would normally be subject to a 10% EIT under EITL. However, currently gains from the disposal of China A-Shares (including those on the China-Hong Kong Stock Connect Programmes) and interest derived by foreign institutional investors from bonds traded on PRC bond market are subject to a temporary exemption from EIT. Generally, there is no withholding mechanism for EIT on gains from PRC securities. A full PRC tax provision of 10% is made for certain gains from disposal of PRC securities that are currently not specifically exempt from EIT.

### *Taxation and reporting of individual Shareholders subject to UK income tax*

Individual shareholders whom the UK considers to be tax residents, currently or in the past, typically will be subject to UK taxes.

- **Interest and dividend distributions** Where Shareholders receive, from all their investments (not just Company investments) total interest and dividend distributions that are greater than the personal savings allowance (for interest) and dividend allowance (for dividends), they are responsible for any taxes owed on those interest and dividend distributions to HM Revenue & Customs at their prevailing marginal tax rate.
- **Capital gains** Capital gains realised by individual Shareholders on disposals from all chargeable sources of investment (which may include switches, conversions from Hedged Shares of one currency to those of another, conversions between non-Hedged Shares and Hedged Shares) will be tax-free if they fall within an individual's annual capital gains exemption. Gains in excess of this amount will be subject to capital gains tax at the individuals prevailing marginal tax rate for capital gains.
- **Inheritance tax** If a Shareholder transfers shares during their lifetime at less than market value, the estate may be liable for inheritance tax on the difference between transfer value and market value. Transfer following the death of the individual may also be liable. Reliefs and exemptions may apply.

### *Taxation and reporting of Shareholders subject to UK corporation tax*

- **Interest distributions** Under the Corporation Tax Act 2009 Investments in certain Funds that pay interest distributions must be treated as a creditor loan relationship. All distributions received from these Funds, whether attributable to interest or not, as well as all changes in investment value, must be brought into account for corporation tax purposes on a fair value basis. Due to the fact that they qualify to pay interest distributions, this legislation will always be of relevance to Shareholders of the following:
  - JPM Global Bond Opportunities Fund
- **Dividend distributions** Dividend distributions will be streamed into franked, unfranked and foreign income for Shareholders chargeable to UK corporation tax, according to the underlying gross income of the Fund. The unfranked element will be treated as an annual payment that has been subject to a 20% income tax. The Shareholder can treat this presumed deduction as UK or foreign tax (as appropriate) deducted from a gross payment.
- **Capital gains** Shareholders chargeable to UK corporation tax must include all chargeable gains realised on the disposal of Shares, minus indexation allowances in their taxable profits. This does not apply to gains realised on holdings of Funds subject to the loan relationships legislation (described above) for the periods that they are subject to that legislation.
- **Stamp Duty Reserve Tax (SDRT)** There is no SDRT liability on issues or redemptions of Shares, but investors directly transferring Shares to one another may be liable for 0.5% SDRT.
- **Conversions between Share Classes with different income allocation periods** Any tax advantage gained by such a conversion could be reversed retroactively.

### *Tax reporting of Shareholders to authorities outside the UK*

- **CRS and FATCA** To comply with legislation implementing the OECD Common Reporting Standard (CRS), the US Foreign Account Tax Compliance Act (FATCA) and other intergovernmental agreements and UK laws concerning the automatic exchange of information to improve international tax compliance, the Company (or its agent) will collect information about Shareholders and their identity and tax status, and will report this information to the relevant UK authorities. Under UK law, the Company or each Fund as the case may be is a Reporting UK Financial Institution, and the Company intends to comply with the UK laws that



apply to such entities.

- Shareholders must provide all tax certifications or other information requested. Shareholders that are Reportable persons (and Controlling Persons of certain entities that are Passive Non-Financial Entities) will be reported to the relevant UK tax authority, and by that tax authority to any relevant overseas tax authorities.
- Additionally, US Persons, US citizens and US tax residents are subject to reporting to the US Internal Revenue Service and may be subject to US withholding tax.

#### *Taxation of Shareholders who are not UK taxpayers*

- Taxpayers in other countries Shareholders who are tax residents of other countries are generally not subject to any UK capital gains, income, withholding, gift, estate, inheritance or other taxes. However, an investment in a Fund will typically have tax implications in any jurisdiction that considers Shareholders to be taxpayers.

## Conflicts of Interest

An investment in the Company or a Fund is subject to a number of actual or potential conflicts of interest. The ACD, the Investment Manager, the Administrator, the registrar, the Custodian, the sales agents (where relevant) and other relevant members of JPMorgan Chase & Co. (a multi-service banking group, providing its clients all forms of banking and investment services) have adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest. In addition, these policies and procedures are designed to comply with applicable law where the activities that give rise to conflicts of interest are limited and/or prohibited by law, unless an exception is available.

The ACD and/or its affiliates provide a variety of different services to the Company, for which the Company compensates them. As a result, the ACD and/or its affiliates have an incentive to enter into arrangements with the Company and face conflicts of interest when balancing that incentive against the best interests of the Company. The ACD, together with affiliates to which it delegates responsibility for investment management, also face conflicts of interest in their service as Investment Manager to other funds or clients, and, from time to time, make investment decisions that differ from and/or negatively impact those made by the Investment Manager on behalf of the Company. The Funds are authorized to trade with affiliates of JPMorgan Chase & Co.

In addition, affiliates of the ACD (collectively, "JPMorgan") provide a broad range of services and products to their clients and are major participants in the global currency, equity, commodity, fixed-income and other markets in which the Company invests or will invest. In certain circumstances by providing services and products to their clients, JPMorgan's activities may disadvantage or restrict the Company and/or benefit these affiliates.

The Depositary is independent from the Company, the Shareholders, the ACD and its associated suppliers, custodians and sub-custodians. As such, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties. The Depositary will at all times have regard to its obligations under applicable laws including obligations laid down in regulation 15(8) of the Open Ended Investment Companies Regulations 2001(87) and rules 6.6B.2 and 6.6B.3 of COLL.

Potential conflicts of interest may arise as a consequence of the Custodian (which is part of JPMorgan) providing custody services to the Company as the Depositary's delegate. For example, potential conflicts of interest may arise where the Custodian is providing a product or service to the Company and has a financial or business interest in such product or service or where the Custodian receives remuneration for other related custodial products or services it provides to the Company, such as foreign exchange, stock lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the Custodian will at

all times have regard to its obligations under applicable laws. The ACD and the Custodian ensure that they operate independently within JPMorgan.

The ACD or the Investment Manager may acquire material non-public information which would negatively affect the Company's ability to transact in securities affected by such information.

For more information about conflicts of interest, see

[www.jpmorgan.co.uk/investor](http://www.jpmorgan.co.uk/investor).

## Winding Up, Termination or Merger

### WINDING UP/TERMINATION

The Company can only be wound up under Chapter 7.3 of the COLL Sourcebook or as an unregistered company under Part V of the Insolvency Act 1986.

A Fund can only be terminated under Chapter 7.3 of the COLL Sourcebook or under Part V of the Insolvency Act of 1986 (as modified by regulation 33C of the OEIC Regulations) as an unregistered company.

Where the Company is to be wound up or a Fund terminated under the COLL Sourcebook, such winding up or termination may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company or Fund) either that the Company or Fund will be able to meet its liabilities within 12 months of the date of the statement or that the Company or Fund will be unable to do so. The Company may not be wound up, or a Fund terminated, under the COLL Sourcebook if there is a vacancy in the position of the ACD at the relevant time.

The Company may be wound up, or a Fund terminated, in any of the following circumstances:

- Shareholders have passed an extraordinary resolution to that effect
- a pre-defined winding-up or termination date has been reached, (currently, no Fund nor the Company itself is subject to such a date)
- the FCA has approved a request for the winding-up or termination from the ACD
- the share capital of the Company is below its prescribed minimum or the net asset value of an individual Fund is less than GBP 5 million)
- the winding-up or termination is justified by a change in applicable laws and regulations

Shareholders will be notified of the decision to wind up the Company or terminate a Fund, and the timing. As soon as practicable after winding up or termination has commenced, the ACD will realise the assets and meet the liabilities of the Company or Fund and, if adequate monies remain after paying out or retaining adequate provision for properly payable liabilities and for the costs of winding up or termination, arrange for the Depositary to make one or more interim distributions to Shareholders, in proportion to their holdings of relevant Shares as at the commencement of the winding up or termination.

The ACD will instruct the Depositary how the proceeds must be held prior to being used to meet liabilities or make distributions to Shareholders with a view to the prudent protection of creditors and Shareholders against loss.

Shareholders of any relevant terminating Fund can continue to redeem or switch their Shares, free of any redemption and switch charges up to the commencement of termination.

Where the Company is being wound up, it will retain its full corporate status and powers until it is dissolved, but will cease all business activities except those necessary to the winding up. On completion of the winding up of the Company, the Company will be dissolved and the ACD shall arrange that any money (including unclaimed distributions) standing to the account of the Company, will be paid by the Depositary into court within one month of

dissolution.

When the ACD has caused all the Scheme Property to be realised and all the liabilities of the Company or the particular Fund to be realised, the ACD will arrange for all Shares in issue to be cancelled and for the Depositary to make a final distribution to Shareholders on or before the date on which the final account is sent to Shareholders of any balance remaining to them.

As soon as is reasonably practicable after the completion of the winding up or termination, the ACD will notify the FCA that it has done so. The ACD must also prepare a final account stating the date on which the winding-up or termination was completed and showing how the winding up or termination took place and Scheme Property was distributed. The Company's auditors will make a report stating their opinion as to whether the final account has been properly prepared. Within four months of the completion of the winding-up or termination this final account and the auditors' report must be sent to the FCA and to each person who was a Shareholder immediately before the winding up or termination commenced.

As the Company is an umbrella company, any liabilities attributable or

allocated to a particular Fund under the COLL Sourcebook will be met out of the Scheme Property attributable or allocated to that particular Fund.

The costs and expenses of any winding-up or termination may be borne by the Company or relevant Fund or Share Class up to the capped level of operating expenses as specified in the Prospectus for the relevant Share Class or may be borne by the ACD.

## MERGER OF A FUND

Within the limits of the COLL Sourcebook and subject to FCA and shareholder approval, any Fund may merge with any other (whether within the Company or in a different ICVC). The ACD will approve the merger and seek FCA consent to contact Shareholders in any merging Fund to give them advance notice of an extraordinary general meeting and the proposed effective date of the merger. Shareholders will be invited to vote on an extraordinary resolution proposing the merger which requires 75% of those who vote to be in favour for the merger to proceed.

## Calculation of Share Prices

### TIMING AND FORMULA

The NAV for each Share Class of each Fund is calculated at the Valuation Point every day that is a Dealing Day unless specified otherwise in [Fund Descriptions](#). Each NAV is stated in Sterling, and is calculated to four significant figures. The NAV for each Share Class of each Fund is calculated using the formula below.

$$\frac{(\text{assets} - \text{liabilities})}{\text{number of outstanding Shares}} \pm \text{any dilution adjustment} = \text{NAV}$$

Appropriate provisions will be made to account for the costs, charges and fees attributable to each Fund and class as well as accrued income on investments.

### DILUTION ADJUSTMENT

To protect the interests of Shareholders, a Fund's NAV may be adjusted to compensate for dilutions that can arise in connection with large flows of cash into or out of the Fund. They will be applied with respect to each share class.

These adjustments are normally applied on any Dealing Day when net purchases or net redemptions of Shares exceeds 1.00% of Fund assets. They may also be applied to reflect the expanding or contracting trend of a Fund, or at any other time the ACD considers that failing to apply the dilution adjustment will materially affect the interests of Shareholders. For a list of Funds to which the ACD has decided to apply the dilution adjustment for these reasons, see the Dilution Adjustment Guide at <https://am.jpmorgan.com/gb/en/asset-management/per/funds/administrative-information/>.

The ACD may review the dilution adjustment threshold without prior notification, for the purpose of ensuring that the threshold does not have the effect of materially prejudicing existing shareholders.

The adjustments will seek to reflect the anticipated prices at which the Fund will be buying and selling assets, as well as estimated transaction costs. The rates of dilution adjustment at 17 November 2023 are given below. The "Bid" adjustment is applied where there is a net cancellation of Shares and "Offer" adjustment is applied where there is a net creation of Shares.

Dilution adjustments are normally applied to a merging Fund to minimise the impact of the incoming cash into the receiving Fund.

	Bid (%)	Offer (%)
<b>Equity Funds</b>		
JPM Europe Smaller Companies Fund	0.15	0.20
JPM UK Equity Income Fund	0.15	0.60
JPM UK Equity Plus Fund	0.15	0.65
JPM UK Smaller Companies Fund	0.30	0.80
JPM US Small Cap Growth Fund	0.10	0.10

#### Bond Funds

JPM Global Bond Opportunities Fund	0.30	0.30
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The ACD makes, and periodically reviews, the operational decisions about dilution adjustments, including the thresholds that trigger them, the extent of the adjustment in each case, and which Funds will and will not be subject to dilution adjustments at any given time.

Dilution adjustments are normally applied to a merging Fund to minimise the impact of the incoming cash into the receiving Fund.

Note that the ACD can decide not to apply dilution adjustments to purchases

when it is trying to attract assets so that a Fund can reach a certain size. In this case, the ACD will pay the dealing costs and other costs from its own assets in order to prevent dilution of Shareholder value. Note that in this circumstance, investors placing redemption requests will not receive the price for their Shares that they would have if a dilution adjustment were being applied. For a list of Funds to which the ACD has decided not to apply the dilution adjustment, see the Dilution Adjustment Guide at

<https://am.jpmorgan.com/gb/en/asset-management/per/funds/administrative-information/>.

It is not possible to accurately predict how often a dilution adjustment will be applied in the future.

However, for illustrative purposes, during 2020 a dilution adjustment was made, on average, on 21.26% of the Dealing Days. The dilution adjustment is not intended to protect against the ordinary dilution created by the costs of portfolio trading and the difference, however wide, between bid and ask prices in any market.

Where dilution adjustment is not made this may have an adverse impact on the NAV of a Fund.

### NAV ERROR CORRECTION

Any NAV that experiences a calculation error of 0.50% and above (positive or negative) will be addressed in conjunction with the Depositary. The ACD or the Depositary may also consider, at its discretion, corrective action in instances of incorrect pricing where the error is less than 0.50%.

## Valuation of Fund's Assets

In general, the ACD determines the value of each Fund's assets, as of each NAV calculation, as follows:

- Cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued but not yet received. Valued at full value, minus any appropriate discount the ACD applies based on its assessments of any circumstances that make full payment unlikely.
- Transferable Securities and derivatives that are quoted or dealt in on any stock exchange or traded in any other regulated market. Generally valued at the most recent quoted price. Where these assets trade on more than one market, the ACD can choose to use the prices of the primary market.
- Money market instruments and liquid assets. Generally valued at nominal value plus interest or amortised cost. Where practice allows, all other assets can be valued in the same manner.
- Derivatives that are not listed on any official stock exchange or are traded over the counter. Valued independently in a reliable and verifiable manner on a daily basis, consistent with market practice.
- Shares or units of a collective investment schemes. For single priced funds valued at the most recent reported price and for dual-priced funds valued at the average of the most recent reported offer and bid prices.
- Assets or liabilities in currencies other than Base Currency. Valued at the applicable spot rate (applies to currencies held as assets and when translating values of securities denominated in other currencies into the Base Currency of the Fund).
- Swaps. Valued at their fair value based on the underlying securities (at the close of business or intraday) as well as on the characteristics of the underlying commitments
- Non-listed securities, listed securities or any other assets for which the price determined according to the above methods is not representative of fair market value. Valued in good faith at a prudent



estimate of their mid-market price.

- All other Scheme Property will be priced at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.

Any asset or liability not attributable to a particular Fund will be allocated as determined by the ACD, but generally pro-rata to the NAV of each Fund. All liabilities attributable to a particular Fund are binding solely on that Fund.

## Company Rights Related to NAV Calculation and Dealing Arrangements

- Calculate a NAV more often than once a day, whether temporarily or permanently, or less often, on a regular schedule or not. Examples of circumstances that might lead to additional NAV calculations include where the ACD considers that there has been a material change to the market value of the investments in one or more Funds, or where there is an in-specie subscription and the ACD believes it is in the interests of the Shareholders to value such a subscription separately. If the ACD decides to alter the frequency of the NAV calculation permanently, the Prospectus

will be amended and Shareholders informed accordingly.

- Alter dealing arrangements, whether temporarily or permanently. If the ACD decides to alter the dealing arrangements permanently, the Prospectus will be amended and Shareholders informed accordingly.
- Apply alternative valuation method. Where no price is available, at a price which in the opinion of the ACD is a fair and reasonable price. The ACD will only use the alternative valuation methods when it believes such a step is warranted in light of unusual market volatility or other circumstances. Any fair value adjustments will be applied consistently to all Share Classes within a Fund.

## Best Execution

In choosing broker-dealers to execute trades involving portfolio securities, the Investment Adviser and the Company have fiduciary and regulatory requirements to seek the broker-dealer that offers the "best execution".

For details of the best execution policy, go to [www.jpmorgan.co.uk/investor](http://www.jpmorgan.co.uk/investor).

## Notices and Publications

The following table shows which official material (in its most recent version) is typically made available through which channels:

Information/document	Sent	Media	Online	Office
KIIDs	•		•	•
SID	•		•	•
Prospectus	•		•	•
Application form	•		•	•
NAVs (Share prices)			•	•
Distribution announcements		• *	•	•
Shareholder Reports			•	•
Shareholder meeting notices	•	• *	•	•
Other notices from the ACD	•	• *	•	•
Statements/contract notes	•			
Instrument of Incorporation				•
Core service provider agreements				•

### KEY

\* In respect of bearer shares in issue only

Sent Sent to Shareholders at the address on the register (physically, electronically, or as an emailed link if appropriate).

Online Posted online on [www.jpmmorgan.co.uk/investor](http://www.jpmmorgan.co.uk/investor).

Office Available free upon request from the [Client Administration Centre](#) or available for inspection at the registered office of the Company

"Other notices from the ACD" includes notices of Prospectus changes, the merger or termination of Funds or Shares (along with the rationale for the decision), suspension of trading in Shares, and all other items for which notice is required. Notices will be sent to Shareholders where required by UK law or FCA regulation or practice.

"Core service provider agreements" include those with the ACD, the Investment Manager and the Depositary.

Contract notes are sent when there are transactions in a Shareholder's account. Other items are sent when issued. An audited annual report is issued within four months of the end of each Financial Year. An unaudited semi-annual report is issued within two months of the end of the period it covers.

Information on past performance appears in this document, the KIID for each Fund, by Share Class, and in the Shareholder Reports.

Additional information is made available at the registered office of the Company or where indicated below on line at [www.jpmmorgan.co.uk/investor](http://www.jpmmorgan.co.uk/investor), upon request, including

- complaints handling
- best execution (see [Best execution](#))
- the strategy followed for the exercise of voting rights of the Fund

[www.jpmmorgan.co.uk/investor](http://www.jpmmorgan.co.uk/investor)

- the policy for placing orders to deal on behalf of the Company with other entities

## Shareholder Meetings

The Company does not hold an annual general meeting. The ACD may convene a general meeting of Shareholders at any time, and must schedule such a meeting within 8 weeks if requested by Shareholders holding more than 10% in value of all Shares in issue of the Company. Notices of Shareholder meetings will be distributed to Shareholders at least 14 days in advance and will be published as required by law.

Resolutions concerning the interests of all Shareholders generally will be taken in a general meeting; those concerning the rights of the Shareholders of a specific Fund/Share Class will be discussed in a meeting of that Fund's/Share Class' Shareholders. The quorum for a meeting is 2 Shareholders, present in person or by proxy. In the event of an adjourned meeting, if a quorum is not present after a reasonable time from the time of the meeting, the quorum is one Shareholder. Notices of the meetings and adjourned meetings will be sent to the Shareholders. To be eligible to vote in a meeting (in person or by proxy), a Shareholder must hold Shares on the record date indicated in the meeting notice and must also still own shares (in any amount) as of the meeting date.

On a show of hands every Shareholder who is present in person or by its authorised representative has one vote. On a poll vote, a Shareholder may vote either in person or by proxy. Each share has voting rights in proportion to the value it had as compared to the total value of applicable shares in issue as of the record date indicated in the meeting notice. A Shareholder entitled to more than one vote does not have to vote all their shares the same way.

Except where the COLL Sourcebook or the Instrument require an extraordinary resolution (which needs 75% of the votes validly cast at the meeting to carry), any resolution will be passed by a simple majority of the votes validly cast.

The ACD may not be counted in the quorum for a meeting. Neither the ACD nor any associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares that the ACD or an associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

The above provisions, unless the context otherwise requires, apply to Fund meetings and Class meetings as they apply to general meetings of Shareholders, but by reference to Shares of the Fund or Class concerned and the Shareholders and prices of such Shares.

## Queries and Complaints

Any person who would like to receive information about the Company or who wishes to make a complaint about the operation of the Company should contact the [Client Administration Centre](#). If you are dissatisfied with the response you receive to your complaint, you may contact the Financial Ombudsman Service at Harbour Exchange Square, London E14 9SR.

# Company Business Operations

## Operations and Business Structure

Company name JPMorgan Fund II ICVC

Client Administration Centre

PO Box 12272

Chelmsford CM99 2EL

Tel 0800 20 40 20

Fax 0845 246 1852

[www.jpmorgan.co.uk/investor](http://www.jpmorgan.co.uk/investor)

<https://jpmorgan.myaccountonline.co.uk/>

Copies of printed documents can be obtained by contacting the [Client Administration Centre](#)

Head Office and Registered Office

60 Victoria Embankment

London EC4Y 0JP

This is also the address where notices, or other documents, can be served

Duration Indefinite.

Regulatory authority

Financial Conduct Authority (FCA)

12 Endeavour Square London E20 1JN,

Tel +0300 500 0597

FCA authorisation 29 August 2001.

FCA product reference number (PRN) 196197.

Registered with Registrar of Companies for England and Wales, 17 September 2001.

Registration number IC000127

Financial year 1 December – 30 November. The year end date and the half-yearly accounting date (31 July) may be moved up to 7 days earlier or later with prior notice from the ACD to the Depositary.

Reports of the Company are published on [www.jpmorgan.co.uk/investor](http://www.jpmorgan.co.uk/investor)

Annual reports will be made available by 31 March

Half-yearly reports will be made available by 31 July

### Company's issued share capital

Maximum: GBP 50,000,000,000, Minimum: GBP 100

The shares have no par value. The share capital of the Company at all times equals the Net Asset Values of the Funds.

Accounting currency GBP.

## Structure and Governing Law

The Company is an “umbrella fund” under which the Funds are created and operate. The assets of each Fund are segregated from those of other Funds. This means the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or the claims against, any other person or body including the Company, or any other Fund, and shall not be available for any such purpose.

The Company is an open-ended investment company under the OEIC Regulations and is a UK UCITS scheme. The Shareholders are not liable for the debts of the Company.

Any legal disputes involving the Company, the ACD, the Depositary or any Shareholder will be subject to the jurisdiction of the competent UK court, although the Company can submit itself to the competent court of other

jurisdictions in disputes that concern activities or Shareholders in that jurisdiction. While the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under Foreign Law Contracts, it is not yet known how these foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

## The ACD (Authorised Corporate Director)

Name JPMorgan Funds Limited

Registered office

3 Lochside View

Edinburgh Park

Edinburgh EH12 9DH

Head office

60 Victoria Embankment

London EC4Y 0JP

Other contact information

Tel 0800 20 40 20

Legal form of company Limited liability company.

Incorporated 27 November 1936 (as Scottish Bank Insurance and Trust Shares Limited).

Registration number in Scotland SC019438

Duration Indefinite.

Ultimate holding company JPMorgan Chase & Co., a US corporation.

Regulatory authority

Authorised and regulated by the Financial Conduct Authority (FCA) 12

Endeavour Square London E20 1JN,

Tel 0300 500 0597

Share capital

The ACD is a private limited company with issued share capital of 250,000 ordinary shares of £1 each fully paid.

The ACD is the sole director of the Company. The ACD typically serves for an indefinite period, although under the ACD Agreement it can resign or be terminated on 12 months' notice, or in certain cases immediately, although it must remain in place until a replacement approved by the FCA has been appointed.

The ACD is responsible for the Company's investment activities and other operations and has broad powers to act on its behalf, including:

- appointing and supervising the service providers indicated below
- setting investment policies and approving the appointment of the Investment Manager that are not JPMorgan entities
- making all determinations regarding the launch, modification, merger or termination of Funds and Share Classes, including such matters as timing, pricing, fees, Dealing Days, distribution policy and other conditions
- determining whether to list a Fund's Shares on any stock exchange (currently there are no such listings)
- determining how requests for transactions in Fund shares may be transmitted to the ACD
- determining when and in what manner the Company will exercise any of the rights reserved in this Prospectus or by statute, and making any

associated Shareholder communications

- ensuring that the appointment of the Depositary is consistent with the COLL Sourcebook and any applicable contracts of the Company

The ACD has delegated the day-to-day management of the Company and its Funds to the Investment Manager. The ACD remains responsible for the delegated duties and acts.

The ACD is responsible for the information in this Prospectus and has taken all reasonable care to ensure that it is materially accurate and complete. The ACD is responsible for preparing, getting regulatory approval for, and making available a new version of this Prospectus whenever there is a change of a Fund's investment objective, investment policy or fees, a change of Investment Manager or Depositary, the addition or closure of a Fund, and on other occasions as required by regulation. The ACD also produces, distributes and approves marketing material for the Funds.

The ACD Agreement provides indemnities from the Company to the ACD other than for matters arising by reason of its negligence, default, breach of duty or breach of trust in the performance of its duties and obligations. The ACD is under no obligation to account to the Depositary or the Shareholders for any profit it makes on the issue or re-issue of Shares or cancellation of Shares it redeem.

The ACD is entitled to its pro-rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or realising any outstanding obligations. No compensation for loss of office is provided for.

The ACD has assessed the fees and commissions that it pays or is paid. All fees and commissions are considered to be within the requirements of the rules on inducements set out in section 2.3 of the FCA Conduct of Business Sourcebook and no additional disclosure is required.

In addition to serving as ACD for the Company, the same entity serves as an ACD for a number of other open-ended investment companies, including JPMorgan Fund II ICVC and JPMorgan Fund III ICVC. It only advises on products and services that it offers.

#### Remuneration Policy

The ACD has a remuneration policy that is designed to:

- contribute to the achievement of short-term and long-term strategic and operational objectives at the same time avoiding excessive risk-taking inconsistent with the risk management strategy
- provide a balanced total remuneration package made up of a mix of fixed and variable components including base salary, cash incentives and long-term, equity based or fund-tracking incentives that vest over time
- promote proper governance and regulatory compliance

Key elements of the policy are intended to:

- tie remuneration of employees to long-term performance and align it with Shareholders' interests
- encourage a shared success culture amongst employees
- attract and retain talented individuals
- integrate risk management and remuneration
- have no remuneration perquisites or non-performance-based remuneration
- maintain strong governance around remuneration practices
- avoid conflicts of interest

The remuneration policy can be found at

<https://am.jpmorgan.com/gb/en/asset-management/gim/awm/legal/emea-remuneration-policy>. It applies to all employees, including employees whose professional activities materially impact the risk profile of the ACD or the Company, includes a description of how remuneration and benefits are

calculated, and sets out the responsibilities for awarding remuneration and benefits, including the composition of the committee that oversees and controls the policy. A copy can be requested free of charge from the ACD.

#### DIRECTORS OF THE ACD

[Kate Jones, Chair \(Non-Executive Director\)](#)

[Ruston Smith \(Non-Executive Director\)](#)

[O'B Bennett \(Executive Director\)](#)

[Nicholas Bloxham \(Executive Director\)](#)

Directors serve until their term ends, they resign, or they are revoked, in accordance with the Instrument. Any additional Directors will be appointed in accordance with the Instrument and UK law.

### Service Providers Engaged by the ACD

#### INVESTMENT MANAGER

[JPMorgan Asset Management \(UK\) Limited](#)

60 Victoria Embankment, London

EC4Y 0JP

Under the terms of the agreement with the ACD the Investment Manager is responsible for the management of the Funds' portfolios in accordance with the Prospectus, Instrument of Incorporation including the stated investment objectives and policies, FCA rules and regulation. The Investment Manager may, from time to time, sub-delegate part or all of the investment management function to one or more affiliates of JPMorgan Chase & Co. The agreement between the ACD and Investment Manager can be terminated on six months' notice by any party to the other party and under certain circumstances such as where the ACD considers this to be in the best interests of Shareholders.

The Investment Manager is authorised and regulated by the Financial Conduct Authority.

#### DEPOSITARY

[NatWest Trustee and Depositary Services Limited](#)

Registered office and Head office

250 Bishopsgate London

EC2M 4AA

The Depositary is incorporated in England and Wales as a private limited company. The ultimate holding company of the Depositary is NatWest Group plc which is incorporated in Scotland. The principal business activity of the Depositary is the provision of trustee and depositary services. The Depositary was appointed under a depositary agreement dated 2 October 2018 between the ACD, the Company and the Depositary (the "Depositary Agreement").

Under the Depositary Agreement, the Depositary is free to render similar services to others and the Depositary, the Company and the ACD are subject to a duty not to disclose confidential information. The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

The Depositary will be liable to the Company for any losses and liabilities suffered by the Company and Shareholders as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to applicable laws and the terms of the Depositary Agreement. It also provides that the Company will indemnify the Depositary for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence, bad faith, recklessness or breach of applicable laws by the Depositary.

The Depositary Agreement may be terminated on six months' notice by the

Company or the Depositary or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new depositary.

Details of the fees to which the Depositary is entitled are set out in section [Share Classes and Costs](#).

The Depositary is responsible for such services as:

- maintaining custody of the assets of the Company
- verifying the ownership, and maintaining an up-to-date record, of all assets held by the Company
- monitoring the cash flows of the Funds
- ensuring that various activities are carried out in accordance with the ACD's instructions and, above all, with law, regulation and the Articles; these activities include the calculation of NAV, the processing of dealing requests and the receipt and allocation of income and revenues to each Fund and Share Class, among others

The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company or a particular Fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

Nevertheless, as the Depositary operates independently from the Company, Shareholders, the ACD and its associated suppliers and the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

The Depositary is not allowed to carry out activities with regard to the Company that may create conflicts of interest between the Company, the Shareholders and the Depositary itself, unless it has properly identified these potential conflicts of interest, has functionally and hierarchically separated the performance of its Depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to Shareholders. To address conflicts of interest, the Depositary follows the policies and procedures that are outlined in [Considerations for Investors](#) under [Investing in the Funds](#) and that are available in full upon request to the ACD.

The Depositary must act independently from the Company and the ACD, solely in the interest of the Company and the Shareholders, and in compliance with the UK UCITS Rules.

The Depositary can, with the Company's consent, entrust the Company's assets to third-party banks, financial institutions or clearinghouses, and permit these entities to further delegate to sub-custodians, but this will not affect its liability.

The Depositary will exercise all due skill, care and diligence to ensure that any delegate is capable of providing an adequate standard of protection.

Where the law of a third country requires that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirement, the Depositary can delegate to a local entity, provided that the investors have been duly informed and that appropriate instructions to delegate to the relevant local entity have been given by or for the Company.

The Depositary must use reasonable care in exercising its duties and is liable to the Company and Shareholders for any loss of a financial instrument held in custody, whether held directly or by any of its delegates or sub-custodians. The Depositary shall, however, not be liable, and shall be indemnified by the Company, if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary is also liable for any losses resulting from negligent or intentional failure to properly perform its duties, including all duties under the UK UCITS Rules.

Full updated details regarding the Depositary, description of the Depositary's duties, information on the safekeeping function delegated by the Depositary, an up-to-date list of delegates and sub-delegates, any conflicts of interest that may arise between the Depositary and the Company or ACD or Shareholders or delegates and sub-delegates, are available on request from the ACD. Also see the section below on the Custodian.

Except for the information about itself as Depositary, the Depositary is not responsible for the information contained in this Prospectus and accordingly does not accept any responsibility under the COLL Sourcebook or otherwise.

## CUSTODIAN

[JPMorgan Chase Bank, N.A.](#)

25 Bank Street, Canary Wharf London

E14 5JP

The Depositary has delegated safekeeping of the Scheme Property to the Custodian, who in turn has delegated the custody of assets in certain markets to various sub-custodians. For a current list of sub-custodians, go to [am.jpmorgan.co.uk/investor/sub-custodian.aspx](http://am.jpmorgan.co.uk/investor/sub-custodian.aspx) or visit the ACD's office. The custodian, and by extension all sub-custodians, are contractually prohibited from releasing the Company's assets into the possession of a third party without the consent of the Depositary.

## REGISTRAR

[SS&C Financial Services Europe Limited](#)

SS&C House, Saint Nicholas Lane Basildon,

Essex,

SS15 5FS

The Registrar provides such services as maintaining the Company's register of shareholders, opening and closing accounts, processing requests for transactions in Fund shares, and providing documentation of these transactions to Shareholders.

The Register is kept at the above address. The Register may be inspected during normal business hours by any Shareholder or any Shareholder's duly authorised agent at the above address.

The Registrar typically serves for an indefinite period, although it can resign or be terminated at any time without prior notice. The Registrar cannot alter the manner in which it carries out its duties without the prior written consent of the Company or the ACD.

## ADMINISTRATOR

[JPMorgan Chase Bank, National Association, London Branch](#)

25 Bank Street

Canary Wharf,

London,

E14 5JP

The Administrator carries out pricing and valuation functions and prepares the accounts of the Company. The Administrator typically serves for an indefinite period, although it can resign or be terminated on 6 months notice.

## AUDITOR

PricewaterhouseCoopers LLP

Atria One, 144 Morrison Street

Edinburgh,

EH3 8EX

The auditor provides independent review of the financial statements of the Company and all Funds once a year.

# Past Performance

The returns below are based on the price per Share (including, for Income Shares, reinvestment of all distributions paid). Past performance is not a guide to future returns. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. Investment in Shares of these Funds should be regarded as a long-term investment.

Fund and Share Class	2022	2021	2020	2019	2018
Equity Funds*					
JPM Europe Smaller Companies Fund (A Acc for 2018-2021, C Acc for 2022)	-21.47	15	29.2	15.9	-14.0
JPM UK Equity Income Fund (A Acc for 2018-2021, C Acc for 2022)	-3.93	19.5	-8.3	23.3	-13.3
JPM UK Equity Plus Fund C Acc	-2.78	23.9	-7.8	27.7	-12.1
JPM UK Smaller Companies Fund (A Acc for 2018-2021, C Acc for 2022)	-24.69	23.3	8.6	39.2	-12.7
JPM US Small Cap Growth Fund (A Acc for 2018-2021, C Acc for 2022)	-24.07	-6.5	51.5	32.1	-2.9
Bond Funds**					
JPM Global Bond Opportunities Fund (A Acc for 2018-2021, C Acc for 2022)	-5.42	0.31	6.5	8.8	2.7

\*Performance returns are based on the price per Share for Accumulation Shares and for Income Shares based on the price per Share with the net distribution paid per Share re-invested.

\*\*Performance returns are based on the price per Share for Accumulation Shares and for Income Shares based on the price per Share with the gross distribution paid per Share re-invested.

Source: JPMorgan Asset Management.



# Glossaries

## GLOSSARY 1 DEFINED TERMS

The following terms have these specific meanings within this document. All references to laws and documents apply to those laws and documents as amended from time to time.

**ACD** JPMorgan Funds Limited, the authorised corporate director of the Company.

**AIM** Alternative investment market, a sub market of the London Stock Exchange.

**Approved Bank** As defined in the FCA Rules.

**Approved Derivative** A derivative that is traded or dealt in on an Eligible Derivatives Market.

**Money Market Instrument** An approved money market instrument normally dealt in on the money market, is liquid and has a value that can be accurately determined at any time.

**Approved Security** A transferable security that is admitted to an official listing in the UK or in an EEA State or is traded on, or under the rules of, an Eligible Securities Market (otherwise than by specific permission of the market authority).

**Base Currency** The currency in which a Fund maintains its financial statements and calculates its total net assets.

**Benchmark** An index or rate, or a combination of indices or of rates, specified as being a point of reference for a Fund. The particular purposes for which a Fund uses its benchmark are stated in [Fund Descriptions](#) and may be one of the following:

- Performance Target
- Constraining
- Performance Comparator

The choice and use of benchmark is determined by considering how benchmarks are referenced in the investment objective and policy for the Fund. Where a benchmark name is referenced in the objective or policy, such benchmark is typically classified as target or constraining; where there is no reference in the objective or policy the benchmark is typically classified as a performance comparator. The investment universe and strategy of the relevant Fund are also important considerations used to determine the choice and use of a benchmark. Benchmarks that are classified as performance comparators are chosen as a point of reference against which performance can be evaluated. The benchmark may also be used as a basis for relative VaR calculations or as a point of reference against which performance is measured for the purposes of calculating a performance fee.

With respect to benchmarks, "Net" means the return is quoted after any withholding tax on dividends. Unless a rate of withholding tax is specified alongside the benchmark name, or the benchmark relates solely to the UK Equity market, the rates of withholding tax used will be those of the standard published approach of the index vendor. Note that these may be higher than those that apply to some investors. For example, an index of German equities might be calculated assuming the German 26.375% tax rate on dividends from German companies, whereas a UK-domiciled fund would generally only be liable for a 15% withholding tax on such dividends. In such situations, this may make a Fund's performance relative to its benchmark appear slightly better than it actually is.

**Benchmarks Regulation** The UK version of 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 (and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) and which is part of UK

law by virtue of the EUWA.

**China-Hong Kong Bond Connect** China-Hong Kong Bond Connect is a bond trading and clearing linked programme through which investments are made in onshore debt securities issued within the PRC.

**China-Hong Kong Stock Connect Programmes** The Shanghai-Hong Kong Stock Connect Programme and any other similarly regulated securities trading and clearing-linked programmes through which investments are made in Chinese domestic securities.

**Class All** of the Shares related to a Fund or a particular class of Share related to a Fund, as context requires.

**COLL Sourcebook** or "COLL" The Collective Investment Schemes Sourcebook of the FCA Handbook, as amended from time to time. Citations mentioning "COLL" are citations to the relevant chapter or rule in the COLL Sourcebook.

**Company** JPMorgan Funds ICVC.

**CSRC** The China Securities Regulatory Commission.

**Dealing Day** Monday to Friday, except (unless the ACD decides otherwise):

- the last working day before Christmas Day or New Year's Day;
- a bank holiday in England and Wales;
- at the discretion of the ACD, a day or days on which any exchange or market on which a substantial portion of a Fund's investments are traded is closed; and
- other days at the ACD's discretion ("non-dealing days")

A list of non-dealing days will be included on [www.jpmorgan.co.uk/investor](http://www.jpmorgan.co.uk/investor). However, as the list is subject to change investors should contact the ACD for further details on any non-dealing days which may be relevant to their investment.

**Depository** NatWest Trustee and Depository Services Limited, the depository of the Company.

**Director** A Director of the ACD or the Company.

**Distributor** Any person or entity appointed by the ACD to distribute or arrange for the distribution of Shares.

**EEA States** Currently, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, the Republic of Ireland, Romania, the Slovak Republic, Slovenia, Spain and Sweden.

**Eligible Derivatives Market** A derivatives market that the ACD, after consultation with the Depository, has decided is appropriate for the purpose of investment of or dealing in the Scheme Property, in accordance with the COLL Sourcebook and other applicable FCA guidance. See [Eligible Markets](#).

**EEA UCITS** A collective investment scheme established in accordance with the UCITS Directive in an EEA State.

**Eligible Institution** As defined in the FCA Rules.

**Eligible Market** An Eligible Derivatives Market or Eligible Securities Market, a list of which appears in [Eligible Markets](#).

**Eligible Securities Market** A securities market that is a Regulated Market and is established in the UK or in an EEA State, and on which Transferable Securities and Approved Money Market Instruments admitted to official listing in that country are dealt or traded, or is one of the securities markets listed in [Eligible Markets](#) and permitted by the Fund's objective and policies.

**ESMA** The European Securities and Markets Authority, an independent EU

Authority that contributes to safeguarding the stability of the EU's financial system by ensuring the integrity, transparency, efficiency and orderly functioning of securities markets, as well as enhancing investor protection.

EU Member State A member state of the European Union.

EUWA The European Union (Withdrawal) Action 2018.

FCA The Financial Conduct Authority, of 12 Endeavour Square, London E20 1JN or any successor or replacement regulator.

FCA Handbook The FCA Handbook of Rules and Guidance, as amended from time to time.

FCA Rules The FCA Handbook, as amended from time to time, including for avoidance of doubt the COLL Sourcebook, excluding for the avoidance of doubt, any guidance or evidential provisions.

Financial Year The Company's fiscal year.

Foreign Law Contract Any contract other than a contract: (a) governed by the laws of any part of the United Kingdom; and (b) whose parties agree to the exclusive jurisdiction of the courts of any part of the United Kingdom.

Fund A sub-fund of the Company.

Hedged Shares A Class or Classes of Shares which allow the use of currency hedging transactions to reduce the effect of exchange rate fluctuations.

Instrument The instrument of incorporation of the Company, as amended from time to time, registered by the Company in accordance with the OEIC Regulations and the COLL Sourcebook.

The Instrument may be amended by resolution of the ACD to the extent permitted by the COLL Sourcebook. In the event of any conflict arising between any provision of the Instrument and either the OEIC Regulations or the COLL Sourcebook, the OEIC Regulations will prevail.

Investment Manager The entity that performs the investment management functions for a Fund.

ISA An individual savings account under The Individual Savings Account Regulations 1998, as amended from time to time.

JPMorgan Chase & Co. The ACD's ultimate holding company (principal office: 270 Park Avenue, New York, N.Y. 10017-2070, USA) and that company's direct and indirect subsidiaries and affiliates worldwide. These include all entities named in this Prospectus that contain the name "Morgan".

KIID The Key Investor Information Document, a two-page, legally required document describing in brief the objectives, policies, risks, costs, past performance and other relevant information for a given Share Class of a given Fund.

NAV Net asset value of the Scheme Property of the Company or any Fund.

OECD The Organisation for Economic Co-operation and Development, an intergovernmental economic organisation with 35 member countries.

OEIC Regulations The Open-Ended Investment Companies Regulations 2001, as amended or re-enacted from time to time.

PRC The People's Republic of China, not including Hong Kong, Macau or Taiwan.

Prospectus This document.

Privacy Policy The Privacy Policy issued by JPMorgan Asset Management International Limited on behalf of itself, its subsidiaries and its affiliates which is available at [jpmorgan.com/emea-privacy-policy](https://jpmorgan.com/emea-privacy-policy).

QFII An entity that meets the relevant PRC laws and requirements to be a qualified foreign institutional investor.

QFII/RQFII Eligible Securities Securities and other investments that a QFII or RQFII can hold or make under QFII/RQFII Regulations.

QFII/RQFII Regulations The laws and regulations governing the establishment and operation of the qualified foreign institutional investor's regime and the Renminbi qualified foreign institutional investor's regime in

the PRC.

Regulated Market A market that is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid, and has adequate arrangements for the unimpeded transmission of income and capital to or for the order of investors.

Retail Prices Index (RPI) An inflation indicator that measures the change in the general level of prices charged on a fixed basket of UK retail goods and services bought for the purpose of retail consumption in the UK. RPI is different from the Consumer Prices Index (CPI), the inflation rate targeted by the Bank of England in the UK in making interest rate decisions, in that RPI includes mortgage interest rates and other housing costs (and is therefore more sensitive to changes in mortgage rates).

RQFII A Renminbi qualified foreign institutional investor where an investment quota is granted to the Investment Adviser for the purposes of investing directly in domestic securities of the PRC under the RQFII Regulations.

SAFE The PRC State Administration of Foreign Exchange.

Share A share of any Fund.

Scheme Property The property of the Company, or of a Fund where appropriate, to be given for safe-keeping to the Depositary in accordance with the COLL Sourcebook.

Share Class A class of Shares.

Shareholder Any investor recorded as an owner of Shares in the register of the Company.

Shareholder Reports The annual and semi-annual reports of the Company.

Transferable Security A share, debenture, alternative debenture, government and public security, warrant, or Certificate Representing Certain Securities (the investment specified in article 80 of the Regulated Activities Order) whose title is transferable without the consent of a third party (noting that in the case of a share or debenture issued by a body corporate, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored).

An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

A Fund may invest in a transferable security only to the extent that the transferable security fulfils the criteria in COLL 5.2.7A R relating to potential loss, liquidity, reliable valuation, availability of information and negotiability.

A unit in a closed ended fund is a transferable security for the purposes of investment by a Fund provided it fulfils the criteria for Transferable

Securities set out in COLL 5.2.7AR and the rules relating to the constitution of such a closed ended fund as set out in COLL 5.2.7CR.

UCI An Undertaking for Collective Investment.

UCITS Directive Refers to Directive 2009/65/EC on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU and which applies to EEA UCITS.

UK The United Kingdom of Great Britain and Northern Ireland.

UK UCITS as defined in the FCA Rules.

UK UCITS Rules The COLL Sourcebook and the Collective Investment Schemes (Amendment etc) (EU Exit) Regulations 2019 No. 325.

US Person

- any individual person in the United States;
- any partnership, trust or corporation organised or incorporated under the laws of the United States;
- any agency or branch of a non-US entity located in the United States.

A US Person would also include:

- any estate of which any executor or administrator is a US Person;
- any trust of which any trustee is a US Person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- any partnership of which any partner is a US Person.

**Valuation Point** The point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Fund (as the case may be) for the purpose of determining the price at which Share may be issued, cancelled, sold or redeemed.

**Value at Risk (VaR)** A statistical estimate, made with a high degree of confidence, of the maximum potential loss that is likely to arise over a given time interval under normal market conditions.

## GLOSSARY 2 GENERAL INVESTMENT TERMS

While this glossary does reflect the meanings intended in this Prospectus, its definitions are primarily informational (as opposed to legal) and are intended to provide helpful general descriptions of common securities, techniques and other terms.

**absolute return** Performance that is positive in terms of an increase in NAV, as opposed to performance relative to a Benchmark or other measure.

**agency mortgage-backed security** A mortgage-backed security issued by a U.S. government-sponsored agency such as the Student Loan Marketing Association (Sallie Mae), the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac).

**alpha** The risk-adjusted performance of an investment.

**asset-backed security (ABS)** A debt security whose yield, credit quality and effective maturity derive from an interest in an underlying pool of debt assets, such as credit card debt, car loans, mortgages, student loans, equipment lease, collateralised repo loans and EETCs (Enhanced Equipment Trust Certificates).

**below investment grade** Debt securities from less creditworthy issuers. These securities are rated Ba1/BB+ or lower using the highest rating available from one of the independent ratings agencies e.g. Standard & Poor's, Moody's or Fitch. Also known as "high yield" securities, because they typically offer higher income in exchange for their higher level of default risk compared to investment grade debt securities.

**beta** A measure of the risk of a security in comparison to the market as a whole.

**China A-Shares and China B-Shares** Most companies listed on Chinese stock exchanges will offer two different share classes. China A-Shares are traded in Renminbi on the Shanghai and Shenzhen stock exchanges by companies incorporated in mainland China. China B-Shares are quoted in foreign currencies (such as the USD) on the Shanghai and Shenzhen stock exchanges and are open to both domestic and foreign investments.

**claw-back mechanism** A performance fee may accrue where there is negative return, provided that the performance exceeds the performance fee Benchmark return since the last time a performance fee was paid.

**collateral** Assets provided by a borrower as security to the lender in case the borrower fails to meet its obligations.

**commodities** Physical goods that fall into one of two categories: hard commodities such as metals (for example, gold, copper, lead, uranium), diamonds, oil and gas; and soft commodities such as agricultural products, wool, cotton and foodstuffs (for example, cocoa, sugar, coffee).

**commodity index instrument** A type of derivative Instrument (commonly a total return swap) which provides exposure to indices of commodity prices.

**contingent convertible security** A type of security that typically functions

as a bond so long as certain pre-determined conditions are not triggered. These triggers may include measures of the issuer's financial health remain above a certain level or the share price falling below a specified level.

**contracts for difference (CFD)** An arrangement made in a [futures contract](#) whereby differences in settlement are made through cash payments, rather than by the delivery of physical goods or securities. CFDs provide investors with the all the benefits and risks of owning a security without actually owning it.

**convertible security** A type of security that generally has characteristics similar to both debt and equity securities. These securities can, or must be, exchanged for a set number of shares (usually of the issuing company) once a predetermined price or date is reached.

**correlation** A statistical measure of how closely the values of two assets or markets move in relation to each other.

**counterparty** Any financial institution providing services or acting as a party to derivatives or other instruments or transactions.

**covered bond** A bond backed by assets (such as a pool of mortgages) that remain on the issuer's balance sheet, thus exposing the bondholder to the financial health of the issuer both directly and indirectly.

**credit default swap (CDS)** A derivative that functions like default insurance, in that it transfers the default risk of a bond to a third party, in exchange for premium payments. If the bond does not default, the seller of the CDS profits from the premiums. If the bond defaults, the seller of the CDS is obliged to pay the buyer some or all of the defaulted amount, which would likely be more than the value of the premiums received.

**Credit Linked Note (CLN)** A credit linked note is a structured product that provides credit exposure to a reference credit instrument (such as a bond).

**currency derivative** A derivative whose reference asset is a currency value or exchange rate.

**currency overlay** Active currency management with the aim of generating additional returns.

**derivative** An instrument or private contract whose value is based on the value and characteristics of one or more reference assets, such as a security, an index or an interest rate. A small movement in the value of the reference asset can cause a large movement in the value of the derivative.

**directional risk** The risk that a Fund could underperform a Benchmark by lacking direct exposure to a particular security or group of securities that experiences above-average increases in value.

**diversified** In connection with a Fund, investing in a wide variety of companies or securities.

**duration** A measure of the sensitivity of a debt security or a portfolio to changes in interest rates. An investment with a duration of 1 year can be expected to decline 1% in value with every 1% rise in interest rates.

**emerging markets** Countries with less established financial markets and investor protections. Examples include most countries in Asia, Latin America, Eastern Europe, the Middle East and Africa.

The list of emerging and less developed markets is subject to continuous change. Broadly, they include any country or region other than the United States of America, Canada, Japan, Australia, New Zealand and Western Europe. Specifically, emerging and developing countries are those that have an emerging stock market in a developing economy as defined by the International Finance Corporation, have low or middle income economies according to the World Bank, or are listed in World Bank publications as developing.

**Environmental, Social and Governance (ESG)** Non-financial considerations affecting an issuer such as carbon emissions and environmental regulations, accounting and tax policies, disclosure and investor communication, shareholder rights and remuneration policies.

**efficient portfolio management (EPM)** An investment technique aimed at

either reducing risk, reducing cost or generating additional capital or income with a level of risk consistent with the risk profile of the relevant Fund.

**equity-related security** A security that provides indirect ownership of, or results in the acquisition of, an equity. Examples include warrants, depositary receipts, convertible securities, index and participation notes and equity linked notes.

**equity swap** A form of derivative, generally one in which the parties exchange a fixed or floating interest rate return for the return on an equity security or index.

**Eurobond** A bond issued in a currency other than the currency of the country or market in which it is issued.

**exchange traded commodity** An investment that tracks the performance of either individual commodities or commodity indices and which is traded on a stock exchange.

**exchange traded fund (ETF)** An investment that represents a pool of securities – typically one that tracks the performance of an index – and which is traded on a stock exchange.

**extension risk** Risk that rising interest rates will slow the rate at which loans in a pool will be repaid, thereby delaying the repayment of the principal to investors.

**frontier markets** The least developed of the emerging market countries, such as those included in the MSCI Frontier Market Index or similar indices.

**government bond** Bonds issued or guaranteed by governments or their agencies, US municipalities, quasi-government entities and state sponsored enterprises. This would include any bank, financial institution or corporate entity whose capital is guaranteed to maturity by a government, its agencies or government-sponsored enterprises.

**growth** An investment approach that focuses on equity securities whose fundamentals (such as sales, earnings or assets) are expected to grow at an above-average rate relative to the market.

**high water mark mechanism** A performance fee may only be accrued where the NAV per Share is higher than the greater of the NAV per Share at launch of the Share Class, and the NAV per Share at which the last performance fee was paid.

**investment grade** Bonds that are considered by a credit rating agency as appearing generally capable of meeting their payment obligations. Bonds rated BBB-/Baa3 or higher using the highest rating available from one of the independent ratings agencies e.g. Standard & Poor's, Moody's or Fitch are considered investment grade. International investment grade ratings of Chinese bond issues/issuers by an independent international rating agency may be applied to the corresponding unrated onshore Chinese bond issue if determined to be equivalent.

**liquidity** The extent to which an asset can be bought or sold in the market without significantly affecting the asset's price or the time required to find a buyer or a seller.

**long exposure, long position** A market position that increases in value when the value of the asset(s) in question increases in value.

**maturity** The amount of time remaining before a bond is due to be repaid.

**money market instrument** A financial instrument that is liquid and has a value that can be accurately determined at any time, and that meets certain credit quality and maturity requirements.

**mortgage-backed security (MBS)** A debt security whose yield, credit quality and effective maturity derive from an interest in an underlying pool of mortgages. The underlying mortgages may include, but are not limited to, commercial and residential mortgages, and the mortgage-backed securities may be agency (created by quasi US government agencies) and non-agency (created by private institutions).

**NAV hedge** A hedging method whereby the Base Currency of the Fund is systematically hedged to the Share Class Currency of the currency hedged

Share Class.

**near cash Securities** that can be readily converted into cash, such as a treasury bill or other short-term government bond, a bank certificate of deposit or an approved money market instrument or fund.

**net exposure** A Fund's long positions minus its short positions, often expressed as a percentage of total net assets.

**OTC derivative** A derivative instrument traded solely over the counter.

**participation note** A type of instrument which derives its value from an underlying financial instrument such as an equity. Participation notes involve an OTC derivative transaction with a third party. Also known as "outperformance notes".

**portfolio hedge** A hedging method whereby the currency exposures of the Fund's portfolio holdings attributable to the currency hedged Share Class are systematically hedged back to the Share Class currency of the currency hedged Share Class unless for specific currencies it is impractical or not cost effective to apply the hedging.

**quantitative screening** Selection based on a mathematical analysis of the measurable figures of a company, such as the value of assets or projected sales. This type of analysis does not include a subjective assessment of the quality of management.

**rating agency** An independent organisation that rates the creditworthiness of debt security issuers. Examples are Standard & Poor's, Moody's and Fitch.

**real estate investment trust (REITs)** An investment vehicle that represents ownership in real estate (whether residential, commercial or industrial) or in an enterprise involved in real estate-related activities, such as the development, marketing, management or financing of real estate.

**reverse repurchase transactions** The purchase of securities and the simultaneous commitment to sell the securities back at an agreed price on an agreed date.

**risk-free rate of return** Generally understood as meaning the expected return from an investment that is perceived to be risk-free, such as U.S. Treasury bills.

**securities lending** A transaction by which a lender transfers securities subject to a commitment that a borrower will return equivalent securities on a stated future date or on request by the lender.

**security** A negotiable instrument representing financial value. The category includes equities, bonds and money market instruments, as well as futures, options, warrants and other negotiable securities which carry the right to acquire other transferable securities by subscription or exchange.

**short exposure, short position** A market position that increases in value when the value of the asset(s) in question decreases in value.

**structured product** An investment based on a basket of underlying securities such as equity and debt securities and derivatives, where the return is linked to the performance of the underlying securities or index.

**sustainable company** A company demonstrating effective governance and superior management of environmental and social issues.

**TBAs (to-be-announced securities)** A forward contract on a generic pool of mortgages. The specific mortgage pools are announced and allocated after the security has been purchased but prior to the delivery date.

**total return swap** A derivative in which one counterparty transfers the total economic performance (including income from interest and fees, gains and losses from price movements, and credit losses) of a reference obligation to another counterparty. See derivative.

**value** A strategy of investing mainly in equities that are trading at a discount with respect to their fundamentals (such as turnover, earnings and assets) and are therefore considered to be undervalued.

**volatility** Statistical measure of the variation of price for a given security or Fund. Commonly, the higher the volatility, the riskier the security or Fund.

warrant An investment that gives the owner the right, but not the obligation, to buy securities such as shares at an agreed price by a future date.



# Merged and Liquidating Funds

## IMPORTANT INFORMATION CONCERNING JPM BALANCED MANAGED FUND

Shareholders and potential investors in the JPM Balanced Managed Fund (the "Fund") should be aware that JPMorgan Funds Limited, the authorised corporate director, obtained confirmation from the FCA to terminate the Fund. As a result, termination of the Fund commenced on 13 December 2017.

For further information on any of the above changes please call the J.P. Morgan Investor Services Team free on 0800 20 40 20 (or +44 20 7742 9995 if calling from outside the UK).

Name	JPM Balanced Managed Fund
Note - this Fund commenced termination on 13 December 2017	
FCA product reference number (PRN)	637819
Investment objective and policy	<p>The Fund aims to provide long-term capital growth by investing in a global portfolio of assets.</p> <p>The Fund will primarily invest in Equity and Equity-Linked Securities (which may include smaller companies and Participation Notes) and Debt Securities (which may include Below-Investment Grade Bonds and Unrated Securities).</p> <p>Issuers of securities may be located in any country, including Emerging Markets and the Fund may invest in assets denominated in any currency. The Fund may use Financial Derivative Instruments (derivatives) and forward transactions for investment purposes and Efficient Portfolio Management, including hedging, where appropriate.</p> <p>Other instruments as permitted in the stated investment and borrowing powers of the Company including, but not limited to, cash and cash equivalents may be held on an ancillary basis, as appropriate.</p> <p>To enhance investment returns, the Investment Adviser may use Long and Short Positions (achieved through the use of derivatives) to vary asset, currency and market allocations in response to market conditions and opportunities. As a result the Fund may have net long or net short exposure to certain markets, sectors or currencies from time to time.</p> <p>Although most of the non-Sterling securities will be hedged back into Sterling, the Investment Adviser will also use opportunities in the foreign exchange market to maximise returns.</p>
Benchmark	70% MSCI World Index (Net) Hedged to GBP, 30% J.P. Morgan GBI Global Hedged to GBP. Note: The Fund will bear some resemblance to its Benchmark.
Risk Profile	<p>The value of your investment may fall as well as rise and you may get back less than you originally invested.</p> <p>The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions. Furthermore, Participation Notes run the risk of counterparty default which may result in the loss of the full market value of the Note.</p> <p>The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below-Investment Grade Bonds and certain Unrated Securities which may also be subject to higher volatility and be more difficult to sell than Investment Grade Bonds.</p> <p>Bonds and other Debt Securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.</p> <p>The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.</p> <p>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</p>

	<p>movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.</p> <p>The Fund invests in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.</p> <p>To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.</p> <p>The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.</p> <p>Please refer to Part 11 of this Prospectus for details of the general risk factors affecting this Fund in addition to the specific risk factors above.</p>
Profile of the typical investor	<p>The Fund may suit investors looking for a balanced fund with potentially higher returns than Bond funds, and who are prepared to take a higher level of risk in order to achieve this.</p> <p>The Fund is offered to investors who have financial market knowledge and experience and also to investors who have basic or no financial market knowledge and experience and is intended for long-term investment. Investors should understand the risks involved, 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.</p>
Global Exposure calculation method (see Section 3.28)	Relative VaR. The applied reference portfolio is the Fund's benchmark. The Fund's expected level of leverage is 250% of the Net Asset Value of the Fund, although it is possible that the leverage might significantly exceed this level from time to time. In this context leverage is calculated as the sum of the notional exposure of the financial derivatives used, as defined in Part 3.28 of this Prospectus.
Annual income distribution date	28 February
Interim income distribution date(s)	None
ISA Status	Qualifying investment for stocks and shares ISA



# Contacting us

At J.P. Morgan, we understand that all of our clients are unique and a one size fits all approach is not viable when communicating with you. Please see below for the various options available to help those who need some extra assistance.

**Correspondence** - If you would like to write to us, our address is shown below in the "Useful Links" section. We are also able to send all of our letters and prospectuses in braille or large print. Please let us know if you would like your prospectus or correspondence to be issued in a different format.

**Telephone** - Our client administration centre is open 9am - 5.30pm Monday to Friday where a number of experienced associates will be able to take your call. If you simply require a valuation of your account, we now have an automated service available for UK clients which will provide you with the most recent value. In order to use this, please call our number below and select option 1

If you are hard of hearing, you may wish to use the Text Relay service which is provided by BT. To use this service, please dial 18001 then our telephone number 0800 20 40 20. Your call will be directed to a relay assistant in a call centre who will act as an intermediary, you can then type your message to the assistant, who will then speak to us. For further information, please visit <https://rnid.org.uk/information-and-support/technology-and-products>.

**Email** -If you wish to email us with a query, our email address is:

accounts@uk.email.jpmorgan.com

however please do not send any personal or confidential information as this is not guaranteed to be a secure communication method

**Online** - We have an online service available for UK based clients. To access the service, please visit [jpmorgan.myaccountonline.co.uk](http://jpmorgan.myaccountonline.co.uk) and you will be able to:

- Manage your profile with the option of updating your address, email or phone number
- View your valuation and transaction history
- Place investments, switches and withdrawal transactions (please note you will be unable to place withdrawals on a joint account).

Alternatively, we have produced a number of support guides which cover frequently asked questions and provide additional information for your account. Please visit [https:// am.jpmorgan.com/gb/en/asset-management/per/contact-us/](https://am.jpmorgan.com/gb/en/asset-management/per/contact-us/) to access these documents.

## Useful Links

Whilst we are always happy to communicate with you directly, we encourage clients to work with a financial adviser. Among other things, a financial adviser can help you with all of the issues addressed here.

You can locate an adviser in your area at:

[financialplanning.org.uk](http://financialplanning.org.uk)

[vouchedfor.co.uk](http://vouchedfor.co.uk)

[unbiased.co.uk](http://unbiased.co.uk)

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