# JPMORGAN GLOBAL STRATEGIC BOND FUND

## APIR: PER0727AU ARSN: 166 529 791 ISIN: AU60PER07279

Product Disclosure Statement ("PDS") dated 18 November 2021

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## CONTACT DETAILS

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This PDS is issued by Perpetual Trust Services Limited, ABN 48 000 142 049, AFSL 236648 (**"Responsible Entity"**, **"we"**, **"us"**, **"our"**), as responsible entity of the JPMorgan Global Strategic Bond Fund (**"Fund"**). The investment manager of the Fund is JPMorgan Asset Management (Australia) Limited, ABN 55 143 832 080, AFSL 376919 (**"Manager"**).

## IMPORTANT NOTES

This PDS provides a summary of significant information and contains a number of references to important information (each of which forms part of the PDS). You should consider all of this information before making a decision to invest in the Fund. The Fund's Reference Guide dated 18 November 2021 (**"Reference Guide"**) also forms part of the PDS. The information provided in this PDS is for general information only and does not take into account your objectives, financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

The Target Market Determinations ("TMD") for the Fund can be found at www.jpmorganam.com.au and include a description of who the financial product is appropriate for. You should refer to the TMD for this Fund before making any investment decisions.

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**Updated Information**

The information in this PDS is up to date at the time of preparation. This PDS may be updated with changes that are not materially adverse via disclosure on the Manager's website, at www.jpmorganam.com.au. Upon request, a paper copy of this information will be made available without charge by contacting the Manager. If you invest through an investor directed portfolio service (**"IDPS"**), IDPS-like scheme, a nominee or custody service or any other trading platform including brokers (collectively referred to in this PDS as a **"Service"**), updated information may also be obtained from your Service operator. If you invest through a financial adviser, you may also obtain updated information from your financial adviser. Where a change to this PDS is considered materially adverse, we will issue a replacement PDS.

This PDS may only be used by you, where you have received it (electronically or otherwise) in Australia. Applications from outside Australia will not be accepted. In particular, this PDS does not constitute an offer or recommendation to sell Units in the United States or to any **"U.S. Person"** (as defined in the Reference Guide), or in any jurisdiction, to any person to whom it would be unlawful to make such an offer. All amounts in this PDS are in Australian dollars (**"AUD"** or **"$"**) and all times quoted are Sydney time (unless otherwise stated). A **"Business Day"** referred to in this PDS is a day (other than a Saturday, Sunday or the day prior to Christmas Day) on which trading banks are opened for general banking business in Sydney and Luxembourg.

J.P.Morgan
Asset Management

## 1. About Perpetual Trust Services Limited

Perpetual Trust Services Limited, the responsible entity of the Fund, is part of the Perpetual Limited group of companies which has been in operation for over 135 years. The Responsible Entity holds Australian financial services licence number 236648 issued by ASIC, which authorises it to operate the Fund.

The Responsible Entity is responsible for the operation of the Fund and has the power to delegate certain of its duties in accordance with the Corporations Act and the constitution of the Fund (“**Constitution**”). The Responsible Entity has appointed JPMorgan Asset Management (Australia) Limited, as the investment manager of the Fund, Link Fund Solutions Pty Limited as the registrar (“**Registrar**”) and JPMorgan Chase Bank, N.A. (Sydney Branch) as the custodian (“**Custodian**”) and the administrative agent (“**Administrative Agent**”) for the Fund. The Responsible Entity, in its discretion, may change the Custodian, Registrar, and Administrative Agent from time to time or appoint additional service providers.

### About JPMorgan Asset Management (Australia) Limited

JPMorgan Asset Management (Australia) Limited, the Manager of the Fund, is part of J.P. Morgan Asset Management, a leading investment manager of choice for institutions, financial intermediaries and individual investors worldwide. J.P. Morgan Asset Management is the marketing name for the investment management business of JPMorgan Chase & Co. and its affiliates worldwide.

The Manager acts as our agent to manage the assets of the Fund consistently with the Fund’s investment policy and objectives. In turn, the Manager may delegate and sub-delegate any of its duties, responsibilities, functions or powers to manage the assets of the Fund to one or more affiliates of JPMorgan Chase & Co..

## 2. How the Fund works

### About the Fund

The Fund is an Australian domiciled, managed investment scheme that is registered with the Australian Securities and Investments Commission (“**ASIC**”) and is governed by the Constitution.

### How the Fund invests

The Fund will invest pursuant to its investment objective the majority of its assets, either directly or through derivatives, in debt securities issued or guaranteed by governments or their agencies, state and provincial governmental entities, supranationals, corporate debt securities, mortgage-backed securities and asset-backed securities, covered bonds and currencies. Issuers may be located anywhere in the world, including emerging markets.

### How the Fund intends to meet its Investment Objective

The Fund’s investment objective is to achieve a return in excess of the Bloomberg AusBond Bank Bill Index (“**Benchmark**”) by exploiting investment opportunities in, amongst others, the debt and currency markets, using derivatives where appropriate ("**Investment Objective**"). We will use our best endeavours to meet the Investment Objective, however the Investment Objective may change as a result of matters or changes beyond our control, including market conditions, change in law or applications and withdrawals made by investors. Where we believe it is in the best interests of investors as a whole, we may change the Investment Objective.

### How the Fund operates

When you invest in the Fund, your money is pooled with investments from other investors and used to buy assets for the Fund, which we manage on behalf of all investors.

### What is a Unit

Each unit (“**Unit**”) that you hold in the Fund represents an equal and undivided interest in the Fund, subject to the liabilities. However, we, rather than you, have control over the Fund’s assets, management and operation. Your investment is not a direct investment in any particular asset of the Fund and does not give you an interest in it.

### Applications and withdrawals

The minimum required initial investment, subsequent investment, holding and withdrawal amounts are set out below. We may change or waive these amounts at our discretion. If you are investing through a Service, you should read your Service operator’s offer document for minimum initial investment, subsequent investment, holding and withdrawal amounts.

*Please note that any application will be accepted only on a cleared-funds basis and that application and withdrawal requests are considered separate transactions, independent of one another. Should the minimum holding amount of Units fall below $1,000, you may be required to redeem the Units.*

| | |
|---|---|
| Minimum Initial Investment Amount | $25,000 |
| Minimum Subsequent Investment Amount | $5,000 |
| Minimum Holding Amount | $1,000 |
| Minimum Withdrawal Amount | $5,000 |

You may apply for Units or increase your investment at any time by completing the application form and sending it to the Registrar (please refer to "8. How to apply" below for details). You may make a withdrawal on your Units or decrease all or part of your investment in the Fund at any time by completing the withdrawal form and sending it to the Registrar. These forms are available on the Manager’s website, at www.jpmorganam.com.au.

If you are investing through a Service, you should follow the instructions of the Service operator when making an investment in, or withdrawing your investment from, the Fund.

### How we process applications and withdrawals

Generally, if the Registrar receives your correctly completed application or withdrawal request before 12 noon (Sydney time) on a Business Day, it will be processed using the application or withdrawal price calculated for that day. Where the Registrar receives such information after 12 noon (Sydney time) on a Business Day, it will be processed using the application or withdrawal price determined for the following Business Day. If the Registrar receives a withdrawal request by 12 noon (Sydney time) on a Business Day, the proceeds of that request will generally be paid within 5 Business Days but may take longer in some circumstances (up to 21 days). If the Registrar receives an incomplete application or withdrawal request, it will not be processed until the Registrar is subsequently provided with the correct and complete document. Application or withdrawal requests are subject to client identification procedures that the Responsible Entity and/or Registrar considers necessary to satisfy its obligations under the relevant anti-money laundering and counter terrorism act, being completed. We are not bound to accept an application.

If you are investing through a Service, you should seek advice from your Service operator as cut-off times for transacting and processing applications and withdrawals may vary due to the Service operator’s requirements.

### Investing through mFund

While the Fund is admitted as an mFund product, you will be able to make application and withdrawal requests through mFund by placing a buy or sell order with approved ASX brokers or your financial adviser who uses a stockbroking service on your behalf. Cut-off times for placing an application or withdrawal request via mFunds is 11am (Sydney time) on a Business Day. Go to section 2, "Transactions via mFund", of the Reference Guide, which forms part of this PDS, for further information.

Units will be issued to the nearest 3 decimal points.

### How Unit prices are calculated

In accordance with the Constitution, the Unit application (or withdrawal) price is generally calculated on each Business Day by:

- establishing the net asset value ("**NAV**") of the Fund which is generally based on the daily market value of the Fund’s assets, which includes undistributed income, after deducting liabilities such as fees and expenses and excluding the application money in respect of applications that have not been accepted[1];
- dividing the resulting amount by the number of Units in issue;
- increasing (or decreasing) the NAV of each Unit by the Transaction Costs[2] (as defined in the Reference Guide); and
- rounding the price up (or down) to the nearest 4 decimal points

At our discretion, we may accept an application payment in the form of property and we may, with your consent, transfer assets in lieu of cash in satisfaction of a withdrawal request.

*[1] Calculation and publication of Unit application (or withdrawal) prices may be delayed around distribution periods.*

*[2] Transaction Costs may include a buy or sell spread charged by the Fund. For more details refer to "Transaction costs" in the section "Additional explanation of fees and costs" in the Reference Guide.*

### How to find prices

Application and withdrawal prices for each Business Day are available on the Manager's website at www.jpmorganam.com.au on the following Business Day. The application and withdrawal prices will generally vary as the market value of the assets of the Fund rises and falls.

### Suspension of applications and withdrawals

We may suspend withdrawals of, or applications for, Units in certain circumstances set out in the Constitution, including where we consider that it is desirable for the protection of the Fund, or in the interests of investors (as a whole) during certain emergency situations where it is not reasonably practicable for us to acquire or dispose assets or to determine fairly the application or withdrawal price. In some circumstances, including, but not limited to, a suspension of withdrawals of Units, you may not be able to make additional investments into the Fund or withdraw your Units within the usual period upon request. We may, in certain circumstances, delay or stagger the settlement of large withdrawal requests. The Corporations Act 2001 ("**Act**") also contains provisions that may restrict withdrawals from the Fund in the event that the Fund becomes "not liquid" as is defined in the Act.

### Distributions

A distribution is the payment of the Fund's distributable income to investors at predetermined intervals.

Distribution of the Fund's distributable income to investors generally occurs quarterly including as at 30 June or more regularly at the discretion of the Responsible Entity. Distributions are generally paid within 14 days, but in any event within 90 days, after the end of the distribution period. The distributions you receive are generally assessable income and you may still have to pay tax on the distribution even if you choose to reinvest it. Your distribution is unlikely to include capital gains.

The distribution amount depends on the Fund's distributable income and is calculated in accordance with the Constitution. The amount you receive will be the pro-rata proportion of the distributable income, calculated according to the number of Units you hold relative to the number of Units in issue as at midnight on the last day of the distribution period. The amount will vary and sometimes there might not be any distribution.

Any distribution which is impractical to distribute in a distribution period becomes an asset of the Fund and is deemed to accrue to the next distribution period. You will be notified of the composition of your distribution and the types of income and capital. We may also make special distributions on an interim basis without prior notice to you. However, at 30 June each year, investors will generally be entitled to all distributable income that has not been distributed. In addition to any distributions, you may, at any time, receive any amount (capital or income) by way of cash, in specie or bonus Units pro rata to the number of Units you hold.

At the end of each distribution period, the Fund's Unit price will typically fall as it is adjusted to reflect the amount of any distribution paid. As the distribution amount you receive is based on the entire distribution period, the closer you invest before the end of a distribution period the greater the possibility is that you may receive back some of your capital as income in the distribution paid for that period.

If you are a direct investor, including an investor through mFund, you may choose to have your distributions reinvested in the Fund or deposited into your Australian bank, building society or credit union account. If you do not make a choice, we will reinvest your distribution. If you choose to reinvest your distribution in the Fund, it will be reinvested at the first Business Day of the month following the end of the distribution period. The reinvestment price will be based on the NAV (that is, excluding Transaction Costs) calculated on the last Business Day of the distribution period, adjusted for any distribution paid for that period. No buy spread is applied by the Manager when determining the reinvestment price.

We do not accept directions to pay distributions to third parties. If an attempted deposit is rejected, the deposit may be cancelled.

If you are investing through a Service, you may be subject to different conditions from those referred to in this PDS, particularly in relation to the timing of distributions. As well as reading this PDS, you should seek advice from your Service operator, including reading their offer document.

### Further information

We authorise the use of this PDS as disclosure to people who wish to access the Fund through a Service. In this circumstance, the Service operator becomes an investor in the Fund and acquires the rights of an investor and may exercise, or decline to exercise, these rights on your behalf.

Further details about how the Fund works, including detailed information about acquiring and disposing of Units, are contained in a separate document, the Reference Guide, which forms part of this PDS.

1. You should read the important information in the Reference Guide about "How the Fund works" before making a decision. Go to section 2 of the Reference Guide.
2. The material relating to "How the Fund works" may change between the time when you read this PDS and the day when you acquire the product.

## 3. Benefits of investing in the Fund

| Feature | Benefit |
|---|---|
| Flexible, unconstrained approach to fixed income asset allocation | The flexible unconstrained approach of the Fund seeks to ensure your fixed income positioning is always optimised. The objective is to move dynamically to maximise returns from the most attractive opportunities, wherever they are to be found. |
| Taking advantage of investment opportunities | The Fund has the freedom to take advantage of the most compelling opportunities from across the global fixed income spectrum including emerging markets debt, mortgage and asset-backed bonds, high yield bonds, government bonds and investment grade corporate bonds. |
| Expert management | The Fund is managed by J.P. Morgan Asset Management's highly experienced personnel, including the Global Chief Investment Officer for international fixed income, who is supported by the expert insights of J.P. Morgan Asset Management's fixed income specialists, based in local markets across the globe. |

Further details about other features of the Fund are contained in a separate document, the Reference Guide, which forms part of this PDS.

## 4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. The value of your investment may fall for a number of reasons, including the risks set out below, which means that you may lose some or all of your investment. Before making an investment decision, it is important to understand the risks that may affect the value of your investment. Assets with the highest long-term returns may also carry the highest level of short-term risk due to their generally larger fluctuations in returns.

The level of risk for each person will vary depending on a range of factors including age, investment timeframe, other investments and risk tolerance. Your financial adviser may assist you in determining whether the Fund is suited to your objectives, financial situation and needs including the level of diversification you need.

Neither the Manager, nor its associates or related bodies corporate (together "**JPMorgan Chase Group**"), Perpetual Trust Services Limited, nor any company in the 'Perpetual Group' (comprising Perpetual Limited and its subsidiaries, including the Responsible Entity), guarantees that the investment objective will be achieved or that you will earn any return on your investment or that your investment will gain in value or retain its value. Neither JPMorgan Chase Group nor Perpetual Trust Services Limited guarantees any particular taxation consequences of investing. Investments in the Fund are not deposits with, or liabilities of, JPMorgan Chase Bank, National Association, ABN 43 074 112 011, or any member of the JPMorgan Chase Group. You may lose some or all of your money on your investment. The laws affecting registered managed investment schemes may change over time. The value of your investment may vary. The level of returns will vary, and future returns may differ from past returns. Investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and capital invested.

While it is not possible to identify every risk relevant to investing in the Fund, we have detailed key risks that may affect your investment.

1. You should read the important information in the Reference Guide about "Risks of managed investment schemes" before making a decision. Go to section 3 of the Reference Guide.
2. The material relating to "Risks of managed investment schemes" may change between the time when you read this PDS and the day when you acquire the product.

| Type of key risk | Description of risk |
|---|---|
| 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.<br>When the 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.<br>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.<br>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. |
| 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. Hedging involves costs, which reduce investment performance. |
| Short positions 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.<br>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. |
| 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.<br>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 the Fund invests through China-Hong Kong Bond Connect it will be subject to the following additional risks:<br>Regulatory Risk Current rules and regulations may change and have potential retrospective effect which could adversely affect the Sub-Fund.<br>Investor Compensation The Fund will not benefit from investor compensation schemes either in mainland China or Hong Kong.<br>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. |
| 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.<br>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.<br>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. |
| Debt securities risk | All debt securities (bonds) including those issued or guaranteed by governments and their agencies carry credit risk and interest rate risk. |
| 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.<br>• 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. |

| Type of key risk | Description of risk |
| --- | --- |
| | • 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.<br>• 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.<br>• 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.<br>• 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).<br>• The securities markets in some countries lack the liquidity, efficiency and regulatory or supervisory controls of more developed markets.<br>• The absence of reliable pricing information may make it difficult to assess reliably the market value of a security.<br>• 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.<br>• 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.<br>• Tax laws in certain countries are not clearly established. Taxes may be imposed suddenly and may change with retrospective effect subjecting the Sub-Fund to additional charges.<br>• Accounting, auditing and financial reporting standards may be inconsistent or inadequate. |
| 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.<br>If a company goes through bankruptcy or a similar financial restructuring, its shares in issue typically lose most or all of their value.<br>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. |
| 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.<br>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.<br>To-be-announced (TBA) securities, which are MBS or ABS that are purchased sight unseen 48 hours before they are issued, can fall in value between the time the Fund commits to the purchase and the time of delivery. |
| Regulatory and tax risks | Laws affecting managed investment schemes may change in the future. Investing in foreign markets with different legal and regulatory systems means that foreign investments are exposed to more risk than Australian assets because of potential changes in legal and regulatory policies<br>LIBOR (London Interbank Offer Rate) Discontinuance or Unavailability Risk LIBOR is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. The U.K. Financial Conduct Authority (**"FCA"**) has publicly announced that certain tenors and currencies of LIBOR will cease to be published or representative of the underlying market and economic reality they are intended to measure on certain future dates; current information about these dates is available at https://www.jpmorgan.com/disclosures/interbank_offered_rates. There is no assurance that the dates announced by the FCA will not change or that the administrator of LIBOR and/or regulators will not take further action that could impact the availability, composition or characteristics of LIBOR or the currencies and/or tenors for which LIBOR is published, and we recommend that you consult your advisors to stay informed of any such developments. Public and private sector industry initiatives are currently underway to implement new or alternative reference rates to be used in place of LIBOR. There is no assurance that any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that it will have the same volume or liquidity as did LIBOR prior to its discontinuance or unavailability, which may affect the value or liquidity or return on certain of the Fund's derivatives and other instruments or investments comprising some or all of the Fund's portfolio and result in costs incurred in connection with closing out positions and entering into new trades. These risks may also apply with respect to changes in connection with other interbank offering rates (e.g., Euribor) and a wide range of other index levels, rates and values that are treated as "benchmarks" and are the subject of recent regulatory reform.<br>(Please refer to "7. How managed investment schemes are taxed" within this PDS for further tax details). |

## 5. How we invest your money

**WARNING:** You should consider the likely investment return, the risks and your investment timeframe. We recommend you consult a financial adviser for assistance in determining whether the Fund is appropriate for you.

1. You should read the important information in the Reference Guide about "Additional information about how we invest your money" before making a decision. Go to section 4 of the Reference Guide.
2. The material relating to "Additional information about how we invest your money" may change between the time when you read this PDS and the day when you acquire the product.

### JPMorgan Global Strategic Bond Fund

#### Investment Objective

To achieve a return in excess of the Benchmark.

#### Investment Strategy

The Fund seeks to exploit investment opportunities in, amongst others, the debt and currency markets, using derivatives where appropriate.

#### Benchmark

Bloomberg AusBond Bank Bill Index.

*Bloomberg Finance L.P. and its affiliates (collectively, "**Bloomberg**") are not affiliated with the Manager and do not approve, endorse, review, or* *recommend the Fund. Bloomberg and the Benchmark are trademarks or service marks of Bloomberg and have been licensed to the Manager. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Benchmark.*

### Base/reference currency of Fund

AUD.

### Investment Policy

The Fund will invest the majority of its assets, either directly or through derivatives, in debt securities issued or guaranteed by governments or their agencies, state and provincial governmental entities and supranationals, corporate debt securities, mortgage-backed securities and asset-backed securities, covered bonds and currencies. Issuers may be located in any country, including emerging markets[1].

The Fund is expected to invest between 45% and 75% of its assets in mortgage-backed securities (MBS) and/or asset-backed securities (ABS) of any credit quality, however, due to the unconstrained investment approach, the actual investment level may vary. MBS which may be agency (issued by quasi US government agencies) and non-agency (issued by private institutions) refers to debt securities that are backed by mortgages, including residential and commercial mortgages, and ABS refers to those that are backed by other types of assets such as credit card debt, car loans, consumer loans and equipment leases.

The Fund may hold up to 10% in convertible securities and up to 10% in contingent convertible bonds[2]. The Fund may invest in below investment grade and unrated debt securities.

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

The Fund may invest in onshore debt securities issued within the People's Republic of China through China-Hong Kong Bond Connect.

The Fund may invest up to 10% of its assets in equities, typically as a result of events relating its debt holdings such as conversions or restructures. The Fund may also use equity derivatives for managing equity exposure and the Fund's correlation to equity markets.

The Fund may invest in derivatives to achieve its investment objective, and for hedging and efficient portfolio management. These instruments may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments, to be announced mortgage-backed securities ("**TBAs**") and swap and other fixed income, currency and credit derivatives.

AUD is the reference currency of the Fund but it may invest in assets denominated in any currency and majority is hedged into AUD.

### Suitability

This Fund is likely to be appropriate for an investor seeking capital growth, to be used as a small allocation within a portfolio where the investor has a medium risk-return profile and is seeking daily access to capital.

### Risk level

The Fund has a risk band of 4 and is suitable for investors with a medium risk-return profile.

The risk band is determined in accordance with the Standard Risk Measure[3] and in consideration of other risks factors as set out in section 6 "Risks". It is on a scale from 1 to 7, with 1 being the lowest risk band and 7 the highest.

### Minimum suggested timeframe for holding the investment

Investors should have an investment horizon of at least 5 years. Please note that this is a guide only, not a recommendation.

### Changes to the Fund

We have the discretion to terminate the Fund, close the Fund to new investors (including to existing investors) and increase the fees and expenses. We will use our best endeavours to meet the Investment Objective and Investment Strategy of the Fund in performing our duties and obligations. However the Investment Objective and/or Investment Strategy may change as a result of matters or changes beyond our control, including market conditions, change in law or applications and withdrawals made by investors. We may change the Fund's Investment Objective and/or Investment Strategy where we believe it is in the best interests of investors as a whole. We may change the investment manager in accordance with the Constitution. We will duly notify investors of changes as required by the Act or the Constitution, as applicable.

### Latest performance, asset allocation and size of the Fund

Please refer to www.jpmorganam.com.au or contact the Manager directly for such details. Past performance is not a reliable indicator of future performance.

### Audited financial reports ("Reports")

The Fund's financial year ends on 30 June each year. The Reports of the Fund will be available within 3 months following the end of each financial year, or within any additional period permitted by regulatory relief. The Reports may be obtained free of charge and upon request from the Manager during normal business hours or at www.jpmorganam.com.au.

### Labour standards and environmental, social and ethical considerations

We have delegated investment management decisions for the Fund to the Manager.

The Manager of the Fund takes into consideration Environmental, Social (which includes labour standards) and Governance ("ESG") information which is integrated into the investment decision making process of the Fund. 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. 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. The impact of ESG integration on the Underlying Sub-Fund's performance is not specifically measurable as investment decisions are discretionary regardless of ESG considerations.

The Manager 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.

*[1] This provides only an indication of the intended investments of the Fund. You may obtain information on the actual investment allocations of the Fund by contacting the Manager directly.*

*[2] A type of investment instrument that, upon the occurrence of a predetermined event (commonly known as a "trigger event"), can be converted into shares of the issuing company, potentially at a discounted price, or the principal amount invested may be lost on a permanent or temporary basis. Coupon payments on Contingent Convertible Securities are discretionary and may also be cancelled by the issuer. Trigger events can vary but these could include the capital ratio of the issuing company falling below a certain level or the share price of the issuer falling to a particular level for a certain period of time.*

*[3] The Standard Risk Measure is jointly developed by the Financial Services Council and Association of Superannuation Funds of Australia in response to guidance from the Australian Prudential Regulation Authority.*

## 6. Fees and costs

**Did you know?**

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

**To find out more**

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (**ASIC**) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

The managed funds fee calculator can also be used to calculate the effect of fees and costs on account balances.

This section shows fees and costs that you may be charged. The following information can be used to compare costs between different simple managed investment schemes.

If you are investing through a Service, any additional fees that you may be charged by your Service operator for investing in the Fund via their Service should be set out in their offer document.

Fees and costs can be paid directly from your account or deducted from investment returns.

Information on how managed investment schemes are taxed is set out in section 7 of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Further information about fees and costs, including management fee rebates, fund expenses, transaction costs, maximum amounts allowable under the Constitution and adviser remuneration, is available in a separate document, the Reference Guide, which forms part of this PDS.

The Manager does not currently pay any rebates or commissions or other similar type of payments to financial advisers, but reserves the right to do so at any time in the future subject to applicable laws.

1. You should read the important information in the Reference Guide about "Additional information about fees and costs" before making a decision. Go to section 5 of the Reference Guide.
2. The material relating to "Additional information about fees and costs" may change between the time when you read this PDS and the day when you acquire the product.

## Fees and Costs Summary

### JPMorgan Global Strategic Bond Fund

| Type of fee or cost[1] | Amount | How and when paid |
|---|---|---|
| **Ongoing annual fees and costs[3]** | | |
| **Management fees and costs[1,2]** The fees and costs for managing your investment | Estimated to be 0.50% p.a. of the NAV of the Fund and are comprised of: 1. a **management fee** of 0.40% p.a. of the NAV of the Fund;[2] 2. **estimated indirect costs** of nil% p.a. of the NAV of the Fund 3. estimated Fund expenses of 0.10% p.a. of the NAV of the Fund. | 1. Management fees are calculated and accrued on a daily basis and payable monthly in arrears out of the assets of the Fund generally within 10 days of the end of each month.[2] 2. Indirect costs are paid out of the Fund's assets as and when incurred and is reflected daily in the Unit price. 3. Fund expenses are paid out of the assets of the Fund as and when incurred and is reflected daily in the Unit price. |
| **Performance fees** Amounts deducted from your investment in relation to the performance of the product | Nil | Not applicable |
| **Transaction costs** The costs incurred by the scheme when buying or selling assets | Estimated transaction costs of nil% p.a. of the NAV of the Fund[4] | Paid directly out of the assets of the Fund or indirectly out of the assets of an interposed vehicle as and when incurred and is reflected daily in the Unit price. |
| **Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[3]** | | |
| **Establishment fee** The fee to open your investment | Nil | Not applicable |
| **Contribution fee** The fee on each amount contributed to your investment | Nil | Not applicable |
| **Buy/sell spread[4,5]** An amount deducted from your investment representing costs incurred in transactions by the scheme | Estimated to be 0.15% of the application amount on application and 0.15% of the withdrawal amount on withdrawal[5] | Buy/sell spreads apply to the Fund. As at the date of this PDS, a buy spread of 0.15% is charged on each application and a sell spread of 0.15% is charged on each withdrawal. The buy/sell spread is paid out of the assets of the Fund as and when incurred and is reflected daily in the Unit price of the Fund. |
| **Withdrawal fee** The fee on each amount you take out of your investment | Nil | Not applicable |
| **Exit fee** The fee to close your investment | Nil | Not applicable |
| **Switching fee** The fee for changing investment options | Nil | Not applicable |

*[1] Management fees and costs are comprised of a management fee, fund expenses and indirect costs. The management fee, fund expenses incurred in the ordinary course of operations and a portion of the indirect costs are capped at 0.50% p.a. of the NAV of the Fund. Further information on fees and costs that may be payable is contained in the Reference Guide, which forms part of this PDS. Unless otherwise stated, the fees and costs shown are inclusive of Goods and Services Tax ("GST") and net of any applicable input tax credits and reduced input tax credits and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.*

*[2] What it costs you will depend on the fees you negotiate with your financial adviser or your Service operator (as applicable) or in limited circumstances set out in the "Differential fees" section in the Reference Guide. For further information refer to "Differential fees" section in the "Additional information about fees and costs" section in the Reference Guide.*

*[3] All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect the Responsible Entity's reasonable estimates of the fees for the current financial year. All costs reflect the actual amount incurred for previous financial year and may include the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS or where the Responsible Entity was unable to determine the exact amount. Please refer to the 'Additional information about fees and costs' section in the Reference Guide for more information on fees and costs that may be payable. Management fees and costs may not equal the management fee plus indirect costs plus Fund expenses due to rounding.*

*[4] The transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting Unitholders. Please refer to the 'Additional explanation of fees and costs' section in the Reference Guide for further details.*

*[5] You may incur a buy/sell spread when your money moves in or out of the Fund. In estimating the buy/sell spread, the Responsible Entity has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for the Responsible Entity to predict) the buy/sell spread may increase significantly and it is not possible to reasonably estimate the buy/sell spread that may be applied in such situations. The Responsible Entity may vary the buy/sell spreads from time to time, including increasing these costs without notice and will be disclosed on our website. For more details refer to "Buy/sell spread" section in the "Additional explanation of fees and costs" section in the Reference Guide.*

### Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs in the Fund can affect your investment over a 1 year period. You should use this table to compare this products with other products offered by managed investment schemes.

| Example | | Balance of $50,000 with a contribution of $5,000[2] during year |
|---|---|---|
| Contribution fees | Nil | For every additional $5,000 you put in, you will be charged $0. |
| **PLUS** Management costs | 0.50% p.a. of the NAV of the Fund[1] | **And**, for every $50,000 you have in the Fund, you will be charged or have deducted from your investment $250 each year. |
| **PLUS** Performance fees | Nil | **And,** you will be charged or have deducted from your investment $0 in performance fees each year. |
| **PLUS** Transaction costs[4] | Nil% p.a. of the NAV of the Fund | **And,** you will be charged or have deducted from your investment $0 in transaction costs. |
| **EQUALS** Cost of Fund | | If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees and costs of: **$250[2,3,4]** **What it costs you will depend on the fees you negotiate[3].** |

*[1] The actual management fees and costs may vary from this estimate having regard to actual Fund expenses and indirect costs that are incurred.*

*[2] Please note that the Fund has a minimum subsequent investment amount of $5,000. The additional management fees and costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. This is an example only and is prescribed by the Corporations Act. It is based on the assumption that the $5,000 contribution occurs on the last day of the year (and therefore, the management fees and costs are calculated using an investment balance of $50,000 only) and that the value of your investment remains the same during the year. In practice your actual investment balance will vary daily and the actual management costs charged are based on the value of the Fund which also fluctuates daily.*

*[3] Additional fees may apply. Where a buy/sell spread applies, this is not taken into account in the example above. This example does not include additional fees if you are an Indirect Investor. Additional fees may be charged by your broker, financial adviser or Service Operator (as applicable) for investing in the Fund. Please refer to the 'Additional explanation of fees and costs' section in the Reference Guide for further details.*

*[4] Refer to footnote 3 of the Fees and Costs Summary table above.*

*[5] Refer to footnote 2 of the Fees and Costs Summary table above.*

### Can the fees change?

We may change the amount of any of the fees in this PDS (including increase fees up to the maximum set out in the Constitution) without your consent, except if required by the Corporations Act. We will not increase our fees, or introduce new fees, without giving you or your Service operator (as applicable) at least 30 days' written notice when legally required to do so except for government fees or charges. All estimates of fees and costs in this section 6 are based on information available as at the date of this PDS.

### WARNING: Additional fees and costs

Additional fees and costs may be payable to a financial adviser if a financial adviser is consulted. The details of these fees and costs should be set out in the statement of advice provided by your adviser.

## 7. How managed investment schemes are taxed

**WARNING:** Investing in a registered managed investment scheme is likely to have tax consequences. Investors are strongly advised to seek professional tax advice prior to making any investment decisions.

### How the Fund is taxed

The Fund is an Australian resident trust for Australian income tax purposes and on the basis that the investors will be presently entitled to the income of the Fund each year, the Fund should not be subject to tax.

### How resident investors are taxed

Registered managed investment schemes do not pay tax on behalf of investors. As the Fund should be treated as a "flow through" entity, the taxable income of the Fund should be distributed to investors. Investors are assessed for tax on any income and capital gains generated by the registered managed investment scheme.

The Fund is not expected to realise capital gains from its investments and any gains realised on the disposal of investments are expected to be treated as assessable income on revenue account.

### How non-resident investors are taxed

The Responsible Entity may withhold tax on distributions made to non-residents.

1. You should read the important information in the Reference Guide about "Additional information about how managed investment schemes are taxed" before making a decision. Go to section 6 of the Reference Guide.
2. The material relating to "Additional information about how managed investment schemes are taxed" may change between the time when you read this PDS and the day when you acquire the product.

If you are investing through a Service, you should also refer to your Service operator for further information about the tax treatment of your investment.

### Tax file number ("TFN")/Australian business number ("ABN")

Providing your TFN is not compulsory but without it or the appropriate exemption information we have to withhold tax from your distributions at the highest marginal tax rate (plus Medicare levy) until your TFN or exemption is provided.

You may prefer to provide an ABN as an alternative to your TFN if your investment is made as part of an enterprise.

We are authorised under tax laws to collect TFNs and ABNs in connection with your investment in the Fund.

If you are investing through a Service, please refer to your Service operator for more information on the collection of TFNs and ABNs.

## 8. How to apply

To apply please complete the Application Form accompanying this PDS.

Please note that any application will be accepted only on a cleared-funds basis and that cash cannot be accepted.

If you are investing through a Service, you may invest in the Fund by directing your Service operator to lodge an application with us. You should complete any relevant forms provided by your Service operator.

### Who can invest

The Fund is publicly offered in Australia only. Applicants must be 18 years of age or over at the point of submitting the Application Form.

US persons generally cannot invest in the Fund (please refer to "Restriction to sell to a US person" within the Reference Guide for details).

### Your cooling-off rights

If you are a retail client pursuant to the Act ("**Retail Client**") and invested directly in the Fund, you are entitled to a 14 day cooling-off period during which you may change your mind about your investment. During that time, you may exercise your cooling-off rights by requesting your money be returned. The cooling-off period begins when you receive your transaction confirmation or, if earlier, 5 Business Days after your units are issued.

If you wish to cancel your investment during the cooling-off period, you need to inform the Responsible Entity in writing of your intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers you have in respect of your investment in the Fund).

If you are a Wholesale Client or investing through a Service, no cooling off rights apply in respect of any investment in the Fund acquired by you or your Service operator on your behalf. For information about any cooling off rights that may apply to you in respect of the Service that you invest through, please contact your Service operator directly or refer to their offer document.

### Enquiries and complaints

The Responsible Entity has established procedures for dealing with complaints. If an investor has a complaint, they can contact the Responsible Entity and/or the Manager during business hours. The Responsible Entity's details are set out at the beginning of this PDS. The Manager can be contacted by phone on 1800 576 468 or by writing to:

Compliance Manager
J.P. Morgan Asset Management
Level 18, 85 Castlereagh Street
Sydney NSW 2000
Email: jpmorgan.funds.au@jpmorgan.com

We will endeavour to resolve your complaint fairly and as quickly as we can. We will respond to your complaint within the maximum response timeframe of 30 days. If we are unable to respond within the maximum response time because we have not had a reasonable opportunity to do so, we will write to you to let you know of the delay.

All investors (regardless of whether you hold Units in the Fund directly or hold Units indirectly via a Service) can access the Responsible Entity's complaints procedures outlined above. If investing via a Service and your complaint concerns the operation of the Service, then you should contact the Service operator directly.

If an investor is not satisfied with the final complaint outcome proposed, any aspect of the complaints handling process or a delay in responding by the maximum response time, the Australian Financial Complaints Authority ("**AFCA**") may be able to assist. AFCA operates the external complaints resolution scheme of which the Responsible Entity and the Manager are members. If you seek assistance from AFCA, their services are provided at no cost to you.

You can contact AFCA on 1800 931 678, or by writing to:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Email: info@afca.org.au
Website: www.afca.org.au