J.P.Morgan
ASSET MANAGEMENT

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should contact your J.P. Morgan Asset Management representative or seek independent professional advice.

18 February 2022

Dear Investor,

Changes to the JPMorgan Global Bond Opportunities Fund ARSN 166 890 517 (the "Fund")

As part of our ongoing efforts to ensure we provide our investors relevant and viable investment solutions, JPMorgan Asset Management (Australia) Limited (the "**Manager**"), the Manager of the Fund, will be making the following changes to the Fund, which will take effect on 21 March 2022 (the "**Effective Date**"):

- A change of the Fund's investment objective and investment policy to provide greater clarity on its investment universe and to include an additional focus on consistent income distributions;
- A change to the Underlying Sub-Fund in which the Fund invests, together with a change to the Fund's name to 'JPMorgan Income Fund' to reflect the investment objective and investment policy; and
- an increase in the estimated overall management fees and costs, and transaction costs of the Fund.

The rest of this letter seeks to provide you details of these changes, together with an outline of the options available to you in relation to the Fund. Please take a moment to review the important information below.

Changes to the investment objective, benchmark, investment policy, suitability, distribution frequency, the underlying sub-fund and the name of the Fund

From the Effective Date, the investment objective, benchmark, investment policy, suitability, distribution frequency and name of the Fund will be updated and each of these changes will be reflected in the Product Disclosure Statement (PDS) and Reference Guide of the Fund. Certain other amendments, including changes to risk disclosures, will also be made to the Fund which will be described in the PDS and Reference Guide issued on the Effective Date.

In order to ensure investors are provided with advance notice of these proposed changes, we have described certain of these changes below, by 'striking out' in red font the existing text from the PDS and Reference Guide that will be *deleted* and 'underlining' in red text the replacement disclosure that will be *inserted*:

- **Investment Objective:** To provide income by investing primarily in debt securities. ~~achieve a return in excess of the Bloomberg Multiverse Index (Total Return Gross) Hedged to AUD ("Benchmark") by investing opportunistically in an unconstrained portfolio of debt securities and currencies, using derivatives where appropriate.~~
- **Benchmark:** Bloomberg ~~Multiverse~~ US Aggregate Bond Index (Total Return Gross) Hedged to AUD.
- **Investment Policy:**

The Fund will be substantially invested in the Underlying Sub-Fund. However, a small proportion of the Fund's investments will be in cash.

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In relation to the Underlying Sub-Fund, at least 67% of the Underlying Sub-Fund's assets will be invested~~, either directly or through derivatives,~~ in debt securities issued in developed and emerging markets, including~~, but not limited to,~~ debt securities issued by governments and their agencies, state and provincial governmental entities and supranational organisations, corporate debt securities, mortgage backed securities, asset-backed securities and covered bonds~~ and currencies~~. Issuers may be located anywhere in the world, including emerging markets (excluding onshore or offshore debt securities of the People's Republic of China).

The Underlying Sub-Fund may ~~is expected to~~ invest up to 70% ~~between 10% and 30%~~ 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 Underlying Sub-Fund may:

- hold up to 25%~~10%~~ in convertible securities, up to 10% in equities, including preferred securities and Real Estate Investment Trusts (REITs) and up to 10% in contingent convertible bonds. There are no credit quality or maturity restrictions with respect to the debt securities in which the Underlying Sub-Fund may invest;
- ~~invest in below investment grade and unrated debt securities.~~
- ~~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.~~
- hold up to 100% in cash and cash equivalents temporarily for defensive purposes; and ~~until suitable investment opportunities are found.~~
- ~~invest in onshore debt securities issued within the People's Republic of China through China Hong Kong Bond Connect.~~
- manage the income of the Underlying Sub-Fund to help minimise fluctuations in periodic dividend payments.

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

The Underlying Sub-Fund will ~~invest in~~ use 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.

The Underlying Sub-Fund may invest in assets denominated in any currency. However, the majority of the currency exposure in the Underlying Sub-Fund is hedged into USD.

The expected proportion of the assets under management of the Underlying Sub-Fund that could be subject to securities lending fluctuates between 0% to 20%, the latter being the maximum.

All of the above investments of the Underlying Sub-Fund will be made in accordance with the applicable limits and regulations under the governing law of the Underlying Sub-Fund (currently Luxembourg law) and the offering and constitutive documents of the Underlying Sub-Fund.

- **Suitability:**

This Fund is likely to be appropriate for an investor seeking capital growth and regular income, 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.

- **Distribution Frequency:**

Distribution of the Fund's distributable income to investors generally occurs monthly ~~quarterly including as at 30 June or more regularly~~ at the discretion of the Responsible Entity.

- **Change to the Underlying Sub-Fund and Name of the Fund:**

  As a result of the changes above, there will be a change in the Underlying Sub-Fund in which the Fund invests and the fund name will be changed to better reflect the investment objective of the Fund.

Previous Underlying Sub-Fund in which the Fund invests	New Underlying Sub-Fund in which the Fund invests as at Effective Date
JPMorgan Funds – Global Bond Opportunities Fund	JPMorgan Funds – Income Fund
Previous Fund Name	**New Fund Name as at Effective Date**
JPMorgan Global Bond Opportunities Fund	JPMorgan Income Fund

Increase in the estimated management fees and costs and transaction costs of the Fund

As part of a cost recovery and fee rationalisation exercise, from the Effective Date, the management fee will increase from 0.50% to 0.60%. In conjunction with this change, all fund expenses incurred in the ordinary course of business will henceforth be paid out of the management fee at no additional charge to you. Please be advised that as a result of this increase, the estimated management fees and costs as a whole will increase. The change seeks to provide greater clarity and certainty regarding the estimated management fees and costs incurred by the Fund as well as reflecting more accurately the expenses incurred by the Fund. Such expenses include costs associated with transfer agency services, custody and administration of the Fund, and the provision of audit, legal and tax services. As a result of this change, the estimated management fees and costs[1] will increase from 0.66% p.a. to 0.70% p.a. of the NAV of the Fund and the estimated transaction costs[2] of the Fund are also expected to increase from Nil to 0.03% p.a. of the NAV of the Fund.

[1] Management fees and costs comprise the fees or costs that a unitholder incurs by investing in the Fund.
[2] Transaction costs are not pre-determined and are paid out of the Fund's assets as and when incurred and reflected in the Fund's unit price.

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Your options

As a unitholder, you have 3 options available:

1. You may choose to continue to hold your existing units of the Fund up to and after the Effective Date. In such a case, you are not required to take any action; or

2. You may redeem your existing units in the Fund. You may do so at no additional cost[3] to you between 18 Feb 2022 to 18 Mar 2022 (cut-off time: 12:00pm, Sydney time). Refer to the Product Disclosure Statement and Reference Guide available at www.jpmorganam.com.au for information about how to do so; or

3. You may switch your existing units in the Fund into those of another Fund managed by the Manager before the Effective Date at no additional cost[3] to you between 18 Feb 2022 to 18 Mar 2022 (cut-off time: 12:00pm, Sydney time).

You may refer to our website at www.jpmorganam.com.au for the list of Funds managed by the Manager. You are advised to read the Product Disclosure Statements for detailed information on the investment objectives, dealing procedures, risks and fees associated with any relevant Fund managed by the Manager into which you wish to switch into.

The existing Product Disclosure Statement, Reference Guide and Target Market Determination of the Fund is available at www.jpmorganam.com.au.

The Product Disclosure Statement, Reference Guide, Target Market Determination and Constitution of the Fund will be updated to incorporate the amendments, including any change to the key risks and risk level[4], by the Effective Date. The Product Disclosure Statement, Reference Guide and Target Market Determination of the Fund will be available upon request at the registered office of JPMorgan Asset Management (Australia) Limited and on our website at www.jpmorganam.com.au. A copy of the Constitution is available at no charge from the responsible entity of the Fund on request.

If you have any questions with regard to the contents of this letter, please do not hesitate to contact us on 1800 576 468.

Yours faithfully,

Mark Carlile

Head of Wholesale

JPMorgan Asset Management (Australia) Limited

[3] Please note that although the responsible entity of the Fund will not impose any charges in respect of your redemption or switching instructions, your bank, distributor or financial adviser may charge you switching and / or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser should you have any questions.

[4] The risk level is determined in accordance with 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.