

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.

Chinese Variable Interest Entity (VIE) A structure used to raise capital from non-Chinese investors whereby a China-based company establishes an entity (typically offshore) that enters into service and other contracts with the China-based company designed to provide economic exposure to the China-based company. The offshore entity then issues exchange-traded securities that are sold to the public, including non-Chinese investors (such as the Fund) but this is not equity ownership interests in the China-based company. The VIE structure is designed to provide the offshore entity (and in turn, investors in the entity) with economic exposure to the China-based company that replicates equity ownership, without actual equity ownership.

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. 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.

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

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](#).

Eligible Institution As defined by 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) Act 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 the avoidance of doubt the COLL Sourcebook, excluding, for the avoidance of doubt, any guidance or any 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 www.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, or who holds bearer shares.

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 coordination 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).

Behavioural Finance An investment process that is based on systematic investments in equities with specific style characteristics, such as value, quality and momentum in price and earnings trends. Historical research has demonstrated that such securities can outperform over a market cycle as they exploit psychological factors (the behavioural and cognitive biases of investors) in stock markets. For example, investor overconfidence, the expectation that a security's earnings will continue to grow in perpetuity, or loss aversion, the reluctance of an investor to sell a security that is decreasing in price.

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.
