Risk Descriptions

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

INVESTMENT FUND RISKS

Investing in any Fund of the Company involves certain risks:

Company structure risks

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

Regulatory risks

- The Company is domiciled in UK. Therefore any protections provided by the regulatory framework of other jurisdictions may differ or may not apply.

The Company qualifies as a UK UCITS and is subject to the investment laws, regulations and guidance set down by the FCA. As a result of the Funds being managed by an affiliate of JPMorgan Chase & Co. or being registered in other jurisdictions, they may be subject to narrower investment restrictions which could limit their investment opportunities. Further, Funds could be precluded from holding or purchasing particular securities or financial instruments, even if the securities or financial instruments would otherwise meet the Funds' objectives.

- The ACD is a member of JPMorgan Chase & Co. and is therefore subject to additional banking rules and regulations in the US which may also impact the Company and its investors. For instance, under the Volcker Rule, a US regulation, JPMorgan Chase & Co., together with its employees and directors, cannot own more than 25 % of a Fund beyond the permitted seeding period (generally three years from the date of the launch of a Fund); as a result, in cases where JPMorgan Chase & Co. continues to hold a seed position representing a significant portion of a Fund's assets at the end of the permitted seeding period, it may be required to reduce its seed position and the anticipated or actual redemption of Shares owned by JPMorgan Chase & Co. could adversely affect the Fund. This may require the sale of portfolio securities before it is desirable, resulting in losses to other Shareholders or could result in the termination of the Fund.

LIBOR Discontinuance or Unavailability Risk. LIBOR rate 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 has 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 and certain related risks 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 it is recommended that Shareholders consult their 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. In addition, certain regulated entities have ceased entering into most new LIBOR contracts in connection with regulatory guidance or prohibitions. 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, unavailability, or replacement, all of which may affect the value, liquidity, volatility or return on certain of a Sub-Fund's derivatives and other instruments or investments comprising some or all of a Sub-Fund's portfolio and result in costs incurred in connection with changing reference rates used for positions, closing out positions and entering into new trades. Certain of a Sub-Fund's investments may transition from LIBOR prior to the dates announced by the FCA. The transition from LIBOR to alternative reference rates may result in operational issues for a Sub-Fund or some of their investments. No assurances can be given as to the impact of the LIBOR transition (and the timing of any such impact) on any Sub-Fund or its investments. 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.

Political risks

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

Legal risks

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

Management risk

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

INVESTMENT RISKS

Techniques

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

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

OTC derivatives

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

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

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

Exchange-traded derivatives

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

Risks relating to specific derivative instruments

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

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

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

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

Index Tracking Fund Risk

Index Tracking Risk There is no guarantee that the investment objective of the JPM UK Equity Index Fund will be achieved. In particular, no financial instrument enables the returns of the Index to be reproduced or tracked exactly. Changes in the investments of the JPM UK Equity Index Fund and re-weightings of the Index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact the JPM UK Equity Index Fund's tracking of the Index. Furthermore, the total return on investment in the Shares of the JPM UK Equity Index Fund will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable Index. Moreover, in the event of the temporary suspension or interruption of trading in Index securities, or of market disruptions, rebalancing the JPM UK Equity Index Fund's investment portfolio may not be possible and may result in deviations from the return of the Index. Deviations may occur due to many reasons including, higher cash held by the JPM UK Equity Index Fund for expenses and due to quotas/limits on investments in a local market, costs of quotas/limits, if any, local trading and settlement constraints, local regulatory issues, rebalancing costs of the portfolio, inability to buy the underlying securities in the same proportion as in the Index and disproportionate changes in market values of the underlying securities. The exposure of the JPM UK Equity Index Fund to any capital gains tax and due to reasons such as redemptions or index rebalancing, could result in an increase in the JPM UK Equity Index Fund's tracking error. Such tracking error could further vary if the taxation charges applicable to the JPM UK Equity Index Fund change from time to time. Further, in the event that the Index provider ceases to calculate or publish the Index, the publication of the Index is delayed or disrupted, or there are errors in the calculation of the Index, the JPM UK Equity Index Fund may experience difficulties including an increase in tracking error.

There can be no assurance that the provider of any Index will compile the relevant Index accurately, or that the Index will be determined, composed or calculated accurately. While the Index provider provides descriptions of what the Index is designed to achieve, the Index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the Index and does not guarantee that the Index will be in line with the described index methodology. The JPM UK Equity Index Fund's investment policies as described in this Prospectus will be to track the performance of the relevant Index and consequently, the ACD does not provide any warranty or guarantee for Index provider errors.

The JPM UK Equity Index Fund (has been developed solely by JPMorgan Asset Management Inc.. It is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE All-Share (the "Index") vest in the relevant LSE Group company which owns the Index. "FTSE®" is/are a trade mark(s) of the relevant LSE Group company and is/are used by any other LSE Group company under license. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the JPM UK Equity Index Fund or the suitability of the Index for the purpose to which it is being put by JPMorgan Asset Management Inc..

Index Licence Risk If in respect of the Index, at any time, the licence granted (if required) to the Company or the ACD (or its affiliates) to replicate or otherwise use the Index for the purposes of the JPM UK Equity Index Fund terminates, or such a licence is otherwise disputed, impaired or ceases (for any reason), the ACD may be forced to replace the Index with another index which they determine to track substantially the same market as the Index in question and which they consider to be an appropriate index for the JPM UK Equity Index Fund to track and such a substitution or any delay in such a substitution may have an adverse impact on the Fund. In the event that the ACD is unable to identify a suitable replacement for the relevant index, the ACD may be forced to terminate the Fund.

Index Risk The ability of the JPM UK Equity Index Fund to achieve significant correlation between the performance of the JPM UK Equity Index Fund and the Index it tracks may be affected by changes in securities markets, changes in the composition of the Index, cash flows into and out of the JPM UK Equity Index Fund and the fees and expenses of the JPM UK Equity Index Fund. The JPM UK Equity Index Fund will seek to track Index returns regardless of the current or projected performance of the Index or of the actual securities comprising the Index. Further, the JPM UK Equity Index Fund generally will not sell a security included in an Index as long as such security is part of the Index, regardless of any sudden or material decline in value or foreseeable material decline in value of such security, even though the investment manager may make a different investment decision for other accounts or portfolios that hold such security. As a result, the JPM UK Equity Index Fund's performance may be less favourable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility and risk of the Index (in absolute terms and by comparison with other indices) and consequently, the performance, volatility and risk of the JPM UK Equity Index Fund. The investment manager may not be successful in selecting a portfolio of investments that will provide a return that correlates closely with that of the Index.

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

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

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

Short position risk Taking a short position (a position whose value moves in the opposite direction from the value of the security itself) through

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

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

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

Securities

AIM stocks The AIM is a sub market of the London Stock Exchange primarily designed for small and early stage companies who may have less diversified business models than larger companies or may not yet have the track record to qualify for the main market of the London Stock Exchange. An AIM company may therefore be a higher risk investment than larger more established companies.

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

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

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

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

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

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

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

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

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

- *Regulatory Risk* Current rules and regulations may change and have potential retrospective effect which could adversely affect the Fund.
- **Legal/Beneficial Ownership** China A-Shares purchased through the China-Hong Kong Stock Connect Programmes are held in an omnibus account by the Hong Kong Securities Clearing Company Limited ("HKSCC"). HKSCC, as the nominee holder, does not guarantee the title to securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. The rights of beneficial owners are not clear under PRC law and untested in PRC courts.
- *Quota Limitations* The programmes are subject to quota limitations which may restrict the Fund's ability to invest in China A-Shares through the programmes on a timely basis.
- *Investor Compensation* The Fund will not benefit from investor compensation schemes either in mainland China or Hong Kong.
- *Operating Times* Trading through China-Hong Kong Stock Connect Programmes can only be undertaken on days when both the PRC and Hong Kong markets are open and when banks in both markets are open on the corresponding settlement days. Accordingly the Fund may not be able to buy or sell at the desired time or price.
- *Suspension Risk* Each of the stock exchanges involved with the China-Hong Kong Stock Connect Programmes may suspend trading which could adversely affect the Fund's ability to access the relevant market.

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

Risk of investing via China-Hong Kong Bond Connect

Investments in onshore debt securities issued within the PRC through China-Hong Kong Bond Connect is subject to regulatory change and operational constraints which may result in increased counterparty risk.
China-Hong Kong Bond Connect establishes mutual trading links between the bond markets of mainland China and Hong Kong. This programme allows foreign investors to trade in the China Interbank Bond Market through their Hong Kong based brokers. To the extent a Fund invests through China-Hong Kong Bond Connect it will be subject to the following additional risks:

- Regulatory Risk Current rules and regulations may change and have potential retrospective effect which could adversely affect the Fund.
- Investor Compensation The Fund will not benefit from investor compensation schemes either in mainland China or Hong Kong.
- Operating Times Trading through China-Hong Kong Bond Connect can only

be undertaken on days when both the PRC and Hong Kong markets are open and when banks in both markets are open on the corresponding settlement days. Accordingly the Fund may not be able to buy or sell at the desired time or price.

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

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

Chinese Variable Interest Risk (VIE) Variable interest structures are used due to Chinese government restrictions on direct foreign ownership of companies in certain industries and it is not clear that the contracts are enforceable or that the structures will otherwise work as intended.

If any of the following occur, the market value of the Fund's associated portfolio holdings would likely fall, causing substantial investment losses for the Sub-Fund;

- The Chinese company engages in activity that negatively impacts the investment value. The offshore entity's ability to control the activities of the Chinese company is limited
- Intervention by the Chinese government adversely affects the Chinese operating company's performance, the enforceability of the offshore entity's contractual arrangements with the Chinese company and the value of the offshore entity's shares.
- The Chinese government determines that the agreements establishing the VIE structure do not comply with Chinese law and regulations, including those related to prohibitions on foreign ownership. The Chinese government could subject the Chinese company to penalties, revocation of business and operating licenses or forfeiture of ownership interests.
- If legal formalities are not observed in connection with the agreements, if the agreements are breached or if the agreements are otherwise determined not to be enforceable this may jeopardise the offshore entity's control over the Chinese company.

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

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

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

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

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

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

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

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

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

Investment in local government debt may include debt securities issued by the US municipalities (municipal securities). The risk of a municipal security generally depends on the financial and credit status of the issuer. Changes in a US municipality's financial health may make it difficult for the municipality to make interest and principal payments when due. Under some circumstances, municipal securities might not pay interest unless the state legislature or municipality authorises money for that purpose. Municipal securities may be more susceptible to downgrades or defaults during recessions or similar periods of economic stress. Such a downward revision or risk of being downgraded may have an adverse effect on the market prices of the municipal securities and thus the value of the Fund's investments. These risks could decrease the Fund's income or hurt the ability to preserve capital and liquidity. In addition to being downgraded, an insolvent municipality may file for bankruptcy. The reorganisation of a municipality's debts may significantly affect the rights of creditors and the value of the securities issued by the municipality and the value of the Fund's

investments.

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

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

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

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

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

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

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

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

Equities risk The value of equities may go down as well as up in response to the performance of individual companies and general market conditions, sometimes rapidly or unpredictably.
If a company goes through bankruptcy or a similar financial restructuring, its shares in issue typically lose most or all of their value.
Equity exposure may also be obtained through equity related securities such as warrants, Depositary receipts, convertible securities, index and participation notes and equity-linked notes, which may be subject to greater volatility than the underlying reference asset and are also exposed to the risk of counterparty default.

Equity linked notes risk Equity linked notes are exposed not only to movements in the value of the underlying assets, but also to the risk that the issuer defaults or becomes bankrupt, which could result in the loss of the full market value of the note (counterparty risk).

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

Inflation-linked securities risk Inflation-linked debt securities are subject to the effects of changes in market interest rates caused by factors other than inflation (real interest rates). In general, the price of an inflation- linked security tends to decrease when real interest rates increase and can increase when real interest rates decrease. Interest payments on inflation-linked securities are unpredictable and will fluctuate as the principal and interest are adjusted for inflation. In the case of inflation-indexed bonds,

their principal value is periodically adjusted according to the rate of inflation. If the index measuring inflation falls, the principal value of inflation-indexed bonds will be adjusted downward, and consequently the interest payable on these securities (calculated with respect to a smaller principal amount) will be reduced. There can also be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. A Fund's investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different than the rate of the inflation index.

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

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

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

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

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

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

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

Structured products risk Structured products are exposed not only to movements in the value of the underlying assets, but also to the risk that the issuer of the structured product defaults or becomes bankrupt. Certain structured products may embed leverage, which can cause their prices to be more volatile and their value to fall below the value of the underlying asset.

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

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

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

OTHER ASSOCIATED RISKS

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

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

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

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

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

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

other investment opportunities.

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

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

The ACD has implemented certain tools to manage liquidity risk including, but not limited to:

Temporarily suspending or deferring the calculation of NAVs or deals in a Fund and/or Share Class, as set out in Rights related to suspension of dealing.

Adjusting a Fund's NAV to compensate for dilutions that can arise in connection with large net flows of cash into or out of a Fund, as set out in Dilution Adjustment.

Applying alternative valuation methods when it believes the interests of Shareholders or the Fund justify it, as set out in Company Rights Related to NAV Calculation and Dealing Arrangements

The ACD has also implemented a liquidity risk management framework in order to manage liquidity risk. For more information on the liquidity risk management framework, please see https://am.jpmorgan.com/blob-gim/1383626231214/83456/Our_Commitment_to_Liquidity_Management.pdf.

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

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

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

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

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

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

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

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

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

The ACD has adopted a policy in respect of the integration of sustainability risks in the investment decision-making process for all actively managed strategies, including all Funds, with the purpose (at a minimum and where reasonably possible / practicable) of identifying and acting to manage and mitigate these risks.

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

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

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