

# Glossaries

## GLOSSARY 1 DEFINED TERMS

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

**Accumulating Share Classes** Any Share Class with the suffix “(acc)” in the Share Class name in respect of which the Directors have determined to accumulate all net investment income and net realised capital gains attributable to such classes and in respect of which it is not intended to declare dividends, as specified in the Relevant Supplement.

**Act** The Irish Collective Asset-management Vehicles Act 2015 and all applicable Central Bank regulations made or conditions imposed.

**Actively Managed Sub-Fund** a Sub-Fund which is not an Index Tracking Sub-Fund and whose investments will be managed actively by the Management Company or its delegates to seek to achieve its investment objective.

**Administrator** A company appointed to provide administration and accounting services to the ICAV in accordance with the requirements of the Central Bank.

**AUD** Australian Dollar.

**Authorised Participant** With respect to JPMorgan ETFs (Ireland) ICAV, a market maker or a broker-dealer entity, which has entered into a participating dealer agreement for the purposes of directly subscribing and/or redeeming Shares with the ICAV on the Primary Market.

**Base Currency** The currency in which the Net Asset Value of each Sub-Fund is calculated or in which any Share Class is denominated.

**Benchmarks Regulation** 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).

**Board** The board of Directors of the ICAV.

**Business Day** Has a meaning set out in the Prospectus.

**CAD** Canadian Dollar.

**Central Bank** The Central Bank of Ireland, whose address is New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3 or any successor entity.

**Central Bank UCITS Regulations** The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended from time to time, and any guidance issued by the Central Bank in respect of same.

**CHF** Swiss Franc.

**Closing Date** The final day of the Offer Period.

**CNH** Chinese offshore RMB, accessible outside the PRC and traded primarily in Hong Kong. The government of the PRC introduced this currency in July 2010 to encourage trade and investment with entities outside the PRC. The value of CNY (onshore) and CNH (offshore) may be different.

**CNY** Chinese onshore RMB accessible within the PRC.

**Collection Account** A cash subscription and redemption account opened in the name of the ICAV into which all subscriptions into and redemptions and distributions due from all Sub-Funds will be paid.

**Currency Hedged Share Classes** Where a Share Class is described as currency hedged (a “Currency Hedged Share Class”), the intention will be to systematically hedge (i) the class currency of the Share Class against the Base Currency (“NAV Hedge”); or (ii) the currency exposure of certain (but not necessarily all) assets of the relevant Sub-Fund against the class currency of the Share Class (“Portfolio Hedge”). Further details on Currency Hedged Share Classes can be found in the “Investment Objectives and Policies” section of the Prospectus.

**Dealing Day** Has a meaning set out in the Prospectus.

**Dealing Deadline** The deadline for receipt of subscription and redemption requests as set out in the Relevant Supplement.

**Depositary** A company appointed to provide depositary services to the ICAV in accordance with the requirements of the Central Bank.

**Directors** The directors of the ICAV for the time being and any duly constituted committee thereof.

**Distributing Share Class** Any Share Class with the suffix “(dist)” in the Share Class name in respect of which the Directors intend to declare dividends in accordance with the Instrument of Incorporation, as specified in the “Distributions” section of the Prospectus and in the Relevant Supplement.

**DKK** Danish Krone.

**Duties and Charges** All stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions (including foreign exchange spreads), custodian and sub-custodian charges, transfer fees and expenses, agents’ fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, including any provision for the spread or difference between the price at which any asset was valued for the purpose of calculation of the Net Asset Value per Share of any Sub-Fund and the estimated or actual price at which any such asset is purchased or expected to be purchased, in the case of subscriptions to the relevant Sub-Fund, or sold or expected to be sold, in the case of redemptions from the relevant Sub-Fund, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any swap or other derivative contract required as a result of a subscription or redemption, whether paid, payable or incurred or expected to be paid, payable or incurred in respect of the constitution, increase or reduction of all of the cash and other assets of the ICAV or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares (including, if relevant the issue or cancellation of certificates for Shares) or investments by or on behalf of the ICAV.

**EEA** European Economic Area.

**ESMA** European Securities and Markets Authority.

**EU** European Union.

**EUR or Euro** The single currency of participating member states of the European Monetary Union introduced on 1 January 1999.

**FATCA** The provisions commonly known as the Foreign Accounts Tax Compliance Act in the enactment of the United States of America known as Hiring Incentives to Restore Employment Act 2010.

**FDI** Financial derivative instrument.

**GBP** United Kingdom Pounds Sterling.

**HKD** Hong Kong Dollar.

**Index** Any financial index which an Index Tracking Sub-Fund will aim to track, pursuant to its investment objective and/or in accordance with its investment policies, as specified in the Relevant Supplement.

**Index Provider** In relation to a Sub-Fund, the entity or person who, by itself or through a designated agent, compiles, calculates and publishes information on an Index as specified in the Relevant Supplement.

**Index Securities** The securities that constitute each Index.

**Index Tracking Sub-Fund** A Sub-Fund which seeks to track the performance of an Index while seeking to minimise as far as possible the tracking error between the Sub-Fund’s performance and that of its applicable Index.

**Initial Offer Price** The price at which Shares may be subscribed for during the Offer Period.

**Instrument of Incorporation or IOI** The Instrument of Incorporation of the ICAV.

**Investment Manager** Such person, company or firm as may be appointed to act

as investment manager or a delegate investment manager in respect of a Sub-Fund from time to time in accordance with the requirements of the Central Bank, as disclosed in the Relevant Supplement.

JPMAME Board The board of directors of the Management Company.

JPY Japanese Yen.

Listing Stock Exchange Such selected exchanges as the Directors may determine from time to time in respect of each Sub-Fund and which are specified on the Website.

Management Company JPMorgan Asset Management (Europe) S.à r.l. or such other entity as may from time to time be appointed to provide management services to the ICAV in accordance with the requirements of the Central Bank.

Member State A member state of the European Union.

Minimum Subscription Amount The minimum amount to be subscribed for Shares on any Dealing Day, as determined by the Directors in respect of each Share Class and specified in the Relevant Supplement, which may be expressed as a monetary amount or as a number of Shares.

Minimum Redemption Amount The minimum amount that may be redeemed from any Share Class on any Dealing Day, as determined by the Directors in respect of each Share Class and specified in the relevant Supplement, which may be expressed as a monetary amount or as a number of Shares.

MXN Mexican Peso.

NAV Hedge A hedging method whereby the class currency of the Currency Hedged Share Class is systematically hedged to the Base Currency.

Net Asset Value The net asset value of a Sub-Fund calculated as described in the "Determination of Net Asset Value" section of the Prospectus.

Net Asset Value per Share The net asset value of a Share in any Sub-Fund, including a Share of any Share Class, calculated as described in the "Determination of Net Asset Value" section of the Prospectus.

OECD The Organisation for Economic Co-Operation and Development.

Offer Period The period during which Shares in a Sub-Fund may be subscribed for at the Initial Offer Price, as specified in the Relevant Supplement.

Portfolio Hedge A hedging method whereby the currency exposures of the Sub-Fund's portfolio holdings attributable to the Currency Hedged Share Class are systematically hedged back to the class currency of the Currency Hedged Share Class, unless for specific currencies it is impractical or not cost effective to apply such hedging.

PRC The People's Republic of China and for the purpose herein, excluding Hong Kong, Macau and Taiwan.

Primary Market With respect to JPMorgan ETFs (Ireland) ICAV, the off-exchange market whereon Shares are created and redeemed directly with the ICAV.

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

Prospectus The prospectus, the Relevant Supplement for any Sub-Fund and any other supplement or addendum designed to be read and construed together with and to form part of this document.

RQFII Regulations The laws and regulations governing the establishment and the operation of the Renminbi qualified foreign institutional investor's regime in the PRC, as may be promulgated and/or amended from time to time.

Recognised Market Any recognised exchange or market listed or referred to in Schedule II to the Prospectus and such other markets as Directors may from time to time determine in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations.

Register The register of Shareholders maintained on behalf of the ICAV.

Relevant Supplement A document supplemental to the Prospectus containing information relating to each Sub-Fund.

RMB Renminbi The official currency of the PRC; is used to denote the Chinese currency traded in the onshore (CNY) renminbi and the offshore (CNH) renminbi

markets (primarily in Hong Kong).

RQFII A Renminbi qualified foreign institutional investor investing directly in domestic securities of the PRC under the RQFII Regulations.

SAFE The PRC State Administration of Foreign Exchange.

Secondary Market With respect to JPMorgan ETFs (Ireland) ICAV, a market on which Shares of the Sub-Funds are traded between investors rather than with the ICAV itself, which may either take place on a Listing Stock Exchange or over-the-counter.

SEK Swedish Krona.

Settlement Deadline The deadline for the receipt of subscription monies, redemption monies or securities where relevant.

SGD Singapore Dollar.

Share or Shares A Share or Shares of whatsoever Share Class in the capital of the ICAV (other than Subscriber Shares) entitling the holders to participate in the profits of the ICAV attributable to the relevant Sub-Fund as described in the Prospectus.

Share Class Shares of a particular Sub-Fund representing an interest in the Sub-Fund but designated as a class of Shares within such Sub-Fund for the purposes of attributing different proportions of the Net Asset Value of the relevant Sub-Fund to such Shares to accommodate different subscription, conversion and redemption charges, dividend arrangements, base currencies, currency hedging policies and/or fee arrangements specific to such Shares.

Shareholder A person registered in the Register as a holder of Shares.

Sub-Fund A portfolio of assets established by the Directors (with the prior approval of the Depositary and the Central Bank) and constituting a separate fund represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Sub-Fund.

Subscriber Shares The subscriber shares of no par value issued for €1.00 each which are held by the Management Company and/or its nominees.

UCITS An undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations.

UCITS Directive EC Directive 2009/65 of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS, as amended from time to time.

UCITS Regulations The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011), as amended, and all applicable Central Bank notices issued or conditions imposed or derogations granted thereunder.

UCITS V Directive 2014/91/EU, the delegate regulation supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries and the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016.

US or United States The United States of America, its territories and possessions including the States and the District of Columbia.

USD United States Dollars.

Valuation Point The time specified for each Sub-Fund in the Relevant Supplement or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after such time as the Directors shall determine as the dealing deadline.

Value at Risk (VaR) Value at Risk (VaR) provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level.

Website A website as set out in the Prospectus, on which the Net Asset Value per Share and any other relevant information relating to any Sub-Fund will be published and on which the Prospectus and any other information in respect of the ICAV, including various Shareholder and investor communications, may be published. Should this website become unavailable for any reason, an alternative website will be notified to Shareholders on which the Net Asset Value per Share and any other relevant information relating to any Sub-Fund will be published and on which the

Prospectus and any other information in respect of the ICAV, including various Shareholder and investor communications, may be published.

## GLOSSARY 2 GENERAL INVESTMENT TERMS

While this glossary does reflect the meanings intended in the 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).

**aggressively managed** Managed with higher turnover and risk than an applicable benchmark.

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

**ASEAN** Association of South East Asian Nations. Current members are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. The composition of the ASEAN may change over time.

**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, consumer loans, equipment lease and collateralised repo loans.

**Average life** A measure of how long it takes, on average, for the assets underlying an asset-backed security to repay their principal.

**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.

**blue chip companies** Large companies that are widely recognised, well-established and appear to be financially sound

**Brady bond** A bond denominated in USD and issued by the government of a developing country under the Brady Plan, a program designed to help Latin American countries pay off a portion of the debt they owe to the United States of America.

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

**catastrophe bond** A type of debt security where the return of principal and payment of interest is dependent on the non-occurrence of a specific trigger event such as a hurricane, earthquake or other physical or weather-related phenomenon.

**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.

**CIS States** Commonwealth of Independent States, an alliance of former Soviet Socialist Republics in the Soviet Union prior to its dissolution in December 1991.

The member states include: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

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

**collateralised mortgage obligation (CMO)** A mortgage-backed security that is divided into tranches with different levels of exposure to any loans that become non-performing.

**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).

**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 default swap indices (CDX / iTraxx)** Centrally cleared credit derivatives comprised of CDS's. CDX is comprised of CDS on North American or emerging market companies. iTraxx is comprised of CDS on European, Asian and emerging market companies and sovereigns. Can be used to hedge credit risk or obtain credit exposure to a basket of credit securities. If there is a default by a constituent of the CDX or iTraxx, the protection buyer is compensated through receipt of cash from the protection seller, similar to a cash settled CDS.

**credit strategy** Investment strategy that seeks to benefit from investing in credit related strategies. This could be on a relative value or directional (i.e. buying securities considered undervalued and selling short securities considered overvalued) approach in credit oriented instruments.

**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.

**deal risk premium** The difference between the current market price of a company's shares and the price offered by a potential acquiring company, which is usually higher to compensate for the risk that the deal may not go through.

**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 Sub-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 Sub-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 that may positively or negatively affect an issuer's revenues, costs, cash flows, value of assets and/or liabilities. Environmental relates to the quality and functioning of the natural environment and natural systems such as carbon emissions, environmental regulations, water stress and waste. Social relates to the rights, wellbeing and interests of people and communities such as labour management and health and safety. Governance relates to the management and oversight of companies and other investee entities such as board, ownership and pay.

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.

event driven strategy A strategy of investing in securities that appear to have the potential to benefit from a possible merger, corporate restructuring or bankruptcy.

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, 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.

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.

LIBID The London Interbank Bid Rate, the rate a bank is willing to pay to attract a deposit from another bank in the London interbank market.

LIBOR/ICE LIBOR The London Interbank Offer Rate, the average rate a bank is willing to pay to borrow funds from another bank in the London interbank market. Administered by Intercontinental Exchange and published daily.

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.

long/short equity strategy A strategy that involves taking long exposure to securities that are expected to increase in value and short exposure to equity securities that are expected to decrease in value or are otherwise not viewed as attractive.

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

mid-cap, mid-capitalisation Companies whose market capitalisation is typically within the market capitalisation of companies in the Russell Midcap Index at the time of purchase.

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).

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

opportunistic / global macro strategy A strategy that bases its investment decisions mainly on economic and political factors worldwide (macroeconomic principles).

Pacific Basin Australia, Hong Kong, New Zealand, Singapore, China, Indonesia, Korea, Malaysia, the Philippines, Taiwan, Thailand and the Indian sub-continent, excluding the United States of America, Central and South America.

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.

relative value strategy An investment strategy that aims to benefit from price differences of one security compared to another related security or the market overall.

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.

risk premia are exposures to groups of financial securities which have a common risk characteristic, exposure for which investors expect to be compensated over time above the risk-free rate of return. This sources of return may be genuine risk preferences, behavioural biases or market structure. Risk premia may be exploited with respect to specific stocks or more general asset classes such as equity indices or currencies.

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.

**senior debt security** A debt security that takes priority over other debt securities sold by the issuer, with regard to claims on assets or earnings should the issuer fail to meet its payment obligations.

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

**stock deal** A merger in which the acquiring company offers shareholders of the target company shares in the acquiring company in exchange for shares of the target company. A target company is a company that is, or is likely to become, involved in a merger or other corporate activity.

**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.

**subordinated debt security** A debt security that ranks below other debt securities of the issuer as to claims on assets or earnings should the issuer fail to meet its payment obligations.

**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.

**time deposit** Deposit held in a financial institution, usually a bank, for a certain period of time.

**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 Sub-Fund. Commonly, the higher the volatility, the riskier the security or Sub-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.

**weighted average duration** The average duration of all the securities in a portfolio, calculated by weighting the duration of individual securities by their size relative to the portfolio as a whole. *See [duration](#).*

**weighted average market capitalisation** The average market value of all the securities in a portfolio, calculated by weighting the market capitalisation of individual securities by their size relative to the portfolio as a whole.

**weighted average maturity** The average time to maturity of all the securities in a portfolio, calculated by weighting the maturity of individual securities by their size relative to the portfolio as a whole.

The higher the weighted average to maturity, the longer the securities in the portfolio have until maturity. Commonly used as a simple indicator of interest rate sensitivity in a portfolio of short-term money market instruments. *See [maturity](#).*

**Yankee bond** A USD-denominated bond issued in the US by a non-US bank or corporation..