

# JPMORGAN GLOBAL MACRO OPPORTUNITIES FUND (Class A Units)

APIR: PER0758AU ARSN: 611 865 948 ISIN: AU60PER07584

Product Disclosure Statement (“PDS”) dated 5 October 2018

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## CONTACT DETAILS

If you have any questions or would like more information about the Fund, you may contact the Manager or the Responsible Entity:

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### RESPONSIBLE ENTITY

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

## IMPORTANT NOTES

The information provided in this PDS is for general information only and does not take into account your objectives, financial situation or needs or the objectives, financial situation or needs of any particular investor. You should obtain financial advice tailored to your personal circumstances and consider the suitability of the Fund in view of your personal financial circumstances, investment objectives and needs. This PDS is not intended to be a recommendation by the Responsible Entity, the Manager or any associate, employee, agent or officer thereof, or any other person, to invest in the Fund.

Neither the JPMorgan Chase Group (as defined in this PDS), nor Perpetual Group (as defined in this PDS), guarantees that the investment objective will be achieved or that you will earn any return on your investment or that your investment will gain in value or retain its value. Neither JPMorgan Chase Group nor Perpetual Group guarantees any particular taxation consequences of investing. Investments in the Fund are not deposits with, or liabilities of, JPMorgan Chase Bank, National Association, ABN 43 074 112 011, or any member of the JPMorgan Chase Group. You may lose all of your money on your investment. The laws affecting managed investment schemes may change over time. The value of your investment may vary. The level of returns will vary, and future returns may differ from past returns. Investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and capital invested.

Any forward looking statements included in this PDS involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Responsible Entity, the Manager and their officers, employees, agents and associates. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. As a result, you should not place undue reliance on such statements.

Past performance is not a reliable indicator of future performance.

In particular, in considering whether to invest in the Fund, you should consider the risk factors that could affect the financial performance of the Fund, some of which are set out in section 6 of the PDS. This PDS may be updated with changes via disclosure on the Manager's website, at [www.jpmorganam.com.au](http://www.jpmorganam.com.au). We will notify you when certain information is available. If you do not wish to receive information digitally, please notify us. Upon request, a paper copy of this information will be made available without charge by contacting the Manager. For investors investing through a Service (as defined in this PDS), updated information may also be obtained from your Service operator. Investors investing through a financial adviser may also obtain updated information from their financial adviser. This PDS may only be used by investors receiving it (electronically or otherwise) in Australia. Applications from outside Australia will not be accepted. In particular, this PDS does not constitute an offer to sell Units in the United States or to any “U.S. Person” (as defined in this PDS). All amounts in this PDS are in Australian dollars (“**AUD**”) and all times quoted are Sydney time (unless otherwise stated). While the Fund is admitted on the mFund Settlement Service (“**mFund**”), investors will be able to make application and withdrawal requests through mFund with approved ASX brokers or a financial adviser who uses a stockbroking firm on an investor's behalf.

Perpetual Limited is a member of the Financial Services Council (FSC). The standards of the FSC (FSC Standards) apply to relevant activities conducted by Perpetual Limited as a FSC member, as well as certain other entities related to the FSC member, including the Responsible Entity. The Responsible Entity complies with FSC Standards including FSC Standard No. 1: Code of Ethics & Code of Conduct. However, it has appointed service providers to provide certain services in relation to the Fund, some of which may not be members of the FSC. Where a service provider is a member of the FSC, the Responsible Entity has taken reasonable steps to ensure that the service provider will comply with all FSC Standards in providing the services in relation to the Fund. Where a service provider is not a member of the FSC, prior to the appointment of the service provider, the Responsible Entity has undertaken all appropriate and reasonable due diligence, establishes and maintains compliance monitoring, and complies with all applicable laws in relation to the appointment. Accordingly, you may not receive the full benefit or protection of the FSC Standards in relation to any services which are delegated to or provided by a service provider.

## 1. Key Details

<b>Fund</b>	JPMorgan Global Macro Opportunities Fund ARSN, 611 865 948.
<b>Responsible Entity</b>	Perpetual Trust Services Limited, ABN 48 000 142 049, AFSL 236648.
<b>Manager</b>	JPMorgan Asset Management (Australia) Limited, ABN 55 143 832 080, AFSL 376919.
<b>Delegated Manager</b>	JPMorgan Asset Management (UK) Limited
<b>Administrative Agent</b>	JPMorgan Chase Bank, N.A. (Sydney Branch) ABN 43 074 112 011.
<b>Custodian</b>	JPMorgan Chase Bank, N.A. (Sydney Branch) ABN 43 074 112 011.
<b>Investment Objective</b>	The investment objective of the Fund is to achieve capital appreciation in excess of its Benchmark by investing primarily in securities, globally, using financial derivative instruments where appropriate.
<b>Investment Strategy</b>	The Fund aims to achieve capital appreciation in excess of its cash benchmark, by investing primarily either directly or through the use of financial derivative instruments, in equity securities, commodity index instruments, convertible securities, debt securities, deposits with credit institutions and money market instruments. Issuers of these securities may be located in any country, including emerging markets.
<b>Benchmark</b>	Bloomberg AusBond Bank Bill Index <sup>1</sup>
<b>Business Day</b>	A day (other than a Saturday, Sunday, or public holiday, the day prior to Christmas Day or New Year's Eve) on which trading banks are opened for general banking business in Sydney.
<b>Minimum initial investment amount</b>	\$25,000.
<b>Minimum subsequent investment amount</b>	\$5,000.
<b>Minimum holding amount</b>	\$1,000.
<b>Minimum withdrawal amount</b>	\$5,000.
<b>Applications</b>	Generally processed daily if the Administrative Agent receives the application request before 12 noon (Sydney time) on a Business Day.
<b>Withdrawals</b>	Generally processed daily if the Administrative Agent receives the withdrawal request before 12 noon (Sydney time) on a Business Day.
<b>Distributions</b>	Annually, as at 30 June or more regularly at the discretion of the Responsible Entity.
<b>Fees and costs</b>	Refer to the table in section 7 "Fees and other costs" which sets out the fees and costs in relation to the Fund.
<b>Risks of investing</b>	Refer to section 6 "Risks" which sets out the risks of investing to the Fund.
<b>Tax</b>	A summary of the tax implications of an investment in the Fund for Australian resident taxpayers is contained in section 8 "Tax" of this PDS. You should however seek independent tax advice.
<b>Glossary</b>	A glossary of terms used in this PDS and the meanings of those terms is set out in section 12 "Glossary" of this PDS.

If you are investing through a Service, you should seek advice from your Service operator as the key details referred to above may vary due to the Service operator's requirements.

<sup>1</sup> Bloomberg Finance L.P. and its affiliates (collectively, "**Bloomberg**") are not affiliated with the Manager or the Responsible Entity and do not approve, endorse, review, or recommend the Fund. Bloomberg and the Benchmark are trademarks or service marks of Bloomberg and have been licensed to the Manager. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Benchmark.

## 2. ASIC Benchmarks and Disclosure Principles

This section of the PDS addresses ASIC's benchmarks and disclosure principles for hedge funds and provides references to other sections of the PDS where you can find further information. This information is intended to assist you with analysing an investment in the Fund. You should read the entire PDS for full details before deciding whether to invest in the Fund. Please note that in this section, the reference to "benchmark" represents criteria set by ASIC and is not a reference to the Benchmark against which the Fund's performance will be measured which is set out in section 1 of this PDS.

Each of the below benchmarks addresses key areas which ASIC believes investors should understand before making an investment in the Fund. Where the Responsible Entity does not meet a particular benchmark, ASIC requires the Responsible Entity to explain why the benchmark is not met and what alternative measures have been put in place to mitigate the concern underlying the relevant benchmark.

### Benchmarks

<b>Valuation of assets</b>	<p>This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or independent valuation service provider.</p> <p>The Responsible Entity does not meet this benchmark as it outsources the valuation of the Fund's assets to the Administrative Agent of the Fund, which is a related party of the Manager.</p> <p>The Responsible Entity has appointed the Administrative Agent pursuant to a written service agreement. Under this agreement, the Administrative Agent has certain reporting obligations to the Responsible Entity in connection with Fund valuation.</p> <p>The Manager, on behalf of the Responsible Entity, limits the risk of any lack of independence and any related party conflicts in the valuation of non-exchange traded assets by monitoring the valuation of the Fund's assets.</p> <p>Refer to section 3 for more information in relation to the valuation of the assets of the Fund .</p>
<b>Periodic reporting</b>	<p>This benchmark addresses whether certain periodic disclosure of key information will be provided to Unitholders in the Fund on an annual and more regular basis.</p> <p>The Responsible Entity does not meet this benchmark as certain information is not available from the Fund.</p> <p>The following information will be made available to investors in the Fund.</p> <p>Daily reporting: the application, withdrawal and NAV prices for each Business Day are available on the Manager's website at <a href="http://www.jpmorganam.com.au">www.jpmorganam.com.au</a> on the following Business Day.</p> <p>Monthly reporting: information on the Fund's investments (such as sector and geographical breakdowns), any material information in relation to the risk profile, objective, or key individuals and annual investment returns over at least a five-year period or since inception (where the Fund has been operating for less than five years) will be disclosed in the Fund's factsheet, which is updated monthly and available on the Manager's website at <a href="http://www.jpmorganam.com.au">www.jpmorganam.com.au</a>.</p> <p>Annual reporting: financial information on the Fund and any changes to key service providers will be disclosed to investors in the Fund's annual financial report. The Fund's annual financial report will be prepared as at 30 June each year and published on the Manager's website at <a href="http://www.jpmorganam.com.au">www.jpmorganam.com.au</a> within 3 months after 30 June each year.</p> <p>Refer to section 10 for information on reporting.</p>

## Disclosure Principles

The following table provides disclosure of certain matters ASIC believes investors should understand before making an investment in the Fund and where further information in relation to those matters is set out in this PDS.

Disclosure Principle	Summary	Where to find more information
<b>Investment Strategy</b>	<p>The Fund will primarily invest, either directly or through the use of financial derivative instruments, in equity securities, commodity index instruments, convertible securities, debt securities, deposits with credit institutions and money market instruments. Issuers of these securities may be located in any country, including emerging markets.</p> <p>The Fund may invest in China A-Shares via the China-Hong Kong Stock Connect program and may invest in below investment grade and unrated debt securities.</p> <p>The Fund uses an investment process based on macroeconomic research to identify global investment themes and opportunities. It has a flexible approach to asset allocation and may use both long and short positions (achieved through the use of financial derivative instruments) to vary exposure to different asset classes and markets in response to market conditions and opportunities. Allocations may vary significantly and exposure to certain markets, sectors or currencies may be concentrated from time to time.</p> <p>The Fund may invest in financial derivative instruments to achieve its investment objective. Such instruments may also be used for the purposes of hedging. These instruments may include, but are not limited to, futures, options, contracts for difference, total return swaps, selected OTC derivatives and other financial derivative instruments. The Fund may also invest in UCITS and other UCIs.</p> <p>AUD is the reference currency of the Fund and the Fund may invest in assets denominated in any currency and the multiple currency exposures may be hedged. Through currency hedging, the Fund seeks to minimise the effect of currency fluctuations.</p> <p>The investment objective of the Fund is to achieve capital appreciation in excess of its cash benchmark, with a close focus on risk management. The Fund combines top-down macro thematic views with bottom-up investment research through a robust and repeatable process founded on research and implemented in a sophisticated, risk-controlled manner.</p> <p>Please refer to the sections 3, 4 and 6 for further disclosure in relation to:</p> <ul style="list-style-type: none"> <li>• detailed information on the investment strategy and the investment policy;</li> <li>• an explanation of how the strategy may produce returns;</li> <li>• diversification guidelines or limits;</li> <li>• specific risks associated with the investment strategy;</li> <li>• disclosure of the key aspects of the fund's risk management strategy;</li> <li>• if and how the investment strategy can change and what notification would be provided to investors; and</li> <li>• information on the strategy for the Fund and the due diligence process in this selection.</li> </ul>	Refer to sections on leverage, derivatives and short selling in this Disclosures Principles table.
<b>Investment manager(s)</b>	<p>The Responsible Entity has appointed the Manager as the investment manager of the Fund pursuant to an investment management agreement.</p> <p>The Manager is part of JPMAM, a leading investment manager of choice for institutions, financial intermediaries and individual investors worldwide.</p> <p>The Manager acts as an agent to the Responsible Entity to manage the assets of the Fund in accordance with the Fund's investment policy and objectives. In turn, the Manager may delegate and sub-delegate any of its duties, responsibilities, functions or powers to manage the assets of the Fund to one or more entities within the JPMorgan Chase Group. The Manager has delegated day to day investment management responsibilities to the Delegated Manager.</p>	Refer to section 4 for details on key individuals involved in the investment activities of the Fund and the terms of the investment management agreement(s).
<b>Fund structure</b>	<p>The Fund is an Australian-domiciled managed investment scheme that is registered with ASIC and governed by the Constitution and the Act.</p> <p>The Responsible Entity is responsible for the operation of the Fund and has the power to delegate certain duties in accordance with the Act and the Constitution. Key service providers for the Fund include the Manager, the Delegated Manager and the Administrative Agent and Custodian. The Responsible Entity, at its discretion, may change the Custodian and Administrative Agent from time to time or appoint additional service providers. All arrangements between the Fund, the Manager, the Delegated Manager, the</p>	Refer to section 3 for information on the flow of investment money through the structure and selection of the service providers, their role and how

Disclosure Principle	Summary	Where to find more information
	Administrative Agent and Custodian have been entered into at arm's length terms.	<p>we ensure key service providers will comply with their service agreement obligations.</p> <p>Refer to section 4 and 6 for key risks of the structure with investing in the Fund.</p> <p>Refer to section 7 for fees and other costs of the Fund.</p>
<b>Valuation, location and custody of assets</b>	<p>The Administrative Agent is responsible for valuing Fund assets.</p> <p>There are no geographic limits (including emerging markets) on the market exposure of the Fund's assets. For further information on the location of Fund assets see Disclosure Principle 'Investment Strategy' above.</p> <p>Fund assets are held by the Custodian. The role of the Custodian includes:</p> <ul style="list-style-type: none"> <li>• taking custody of and holding asset of the Fund; and</li> <li>• performing standard custodial functions such as establishing bank accounts, administering the Fund's cash flow and performing various reconciliation procedures.</li> </ul>	Refer to section 3 for valuation policies of the Administrative Agent.
<b>Liquidity</b>	<p>The Fund is a liquid scheme. Under normal market conditions, the Responsible Entity reasonably expects to be able to realise at least 80% of the Fund's assets at market value, within 10 days.</p> <p>A withdrawal of Units or decrease of all or part of an investment in the Fund can, subject to the suspension of withdrawals, be made at any time by completing the Withdrawal Form and sending it to the Administrative Agent. The proceeds of a withdrawal request will generally be paid within 5 Business Days but may take longer in some circumstances (up to 21 days).</p>	Refer to section 9 for Fund's ability to realise its assets in a timely manner and section 6 for the risks of illiquid classes of assets.
<b>Leverage</b>	<p>The Fund uses leverage through the use of financial derivative instruments. The Fund's expected level of leverage (or currently expected maximum) is 500% of the net asset value of the Fund although it is possible that leverage might significantly exceed this level from time to time. In this context leverage is calculated as the sum of the notional exposure of the financial derivative instruments used, without the use of netting arrangements, under the VaR Methodology.</p> <p>VaR is a means of measuring the potential loss to the Fund due to market risk and is expressed as the maximum potential loss measured at a 99% confidence level over a one month time horizon. The holding period for the purpose of calculating global exposure, is one month.</p> <p>As part of the methodology, the derivative notional is converted into absolute for all derivatives and summed to calculate the leverage percentage.</p> <p>The example below shows how leverage affects the value of an investment. Gross leverage of over 100% may magnify losses. The amounts used are for illustrative purposes only and the example refers to long only futures whose underlying assets decline in value by 1%.</p> <p>Value of investment into fund: \$100</p> <p>Total value of assets bought (and/or sold short): \$500</p> <p>Hence gross leverage: Exposure of \$500 / Investment value of \$100 = 500%</p> <p>Assets bought by fund: 50 futures contracts on notional value of \$10 each = total \$500</p> <p>Losses on futures contracts: Asset value of \$500 x Loss of 1% = \$5</p> <p>Value of investment: \$100 less losses of \$5 = \$95</p>	Refer to the section below on derivatives for the purpose and types of derivatives used.

Disclosure Principle	Summary	Where to find more information
	<p><b>A loss of 1% on the assets underlying the futures causes a 5% loss in portfolio value because of the 500% leverage.</b></p> <p>In relation to the purchases and sale transaction that the brokers will settle for the Fund, the brokers may provide financing to the Fund and may hold assets and cash on behalf of the Fund in connection with such settlement and financing transactions. As security for the payment and performance of its obligations and liabilities to the brokers, the Fund will advance to the brokers, collateral in the form of securities or cash.</p>	
<b>Derivatives</b>	<p>The Fund may invest in financial derivative instruments to achieve its investment objective and for the purposes of hedging.</p> <p>These financial derivative instruments include, but are not limited to, financial futures contracts, options (on equities, interest rates, indices, bonds, currencies, commodity indices or other instruments), forward contracts (including foreign exchange contracts), swaps (including total return swaps, foreign exchange swaps, commodity index swaps, interest rate swaps, and swaps on baskets of equities, volatility swaps and variance swaps), contracts for different credit derivatives (including credit default derivatives, credit default swaps and credit spread derivatives), warrants, mortgage TBAs (To-Be-Announced), and structured financial derivative instruments such as credit-linked and equity-linked securities. These derivatives may be OTC or exchange traded derivatives.</p> <p>The Fund will only enter into transactions with counterparties which the Delegated Manager believes to be creditworthy. Approved counterparties will typically have a public rating of A- or above. The counterparty does not have discretion over the composition or management of the Fund's portfolio or over the underlying financial derivative instruments used by the Fund.</p> <p><b>Particular Risks of OTC Derivative Transactions</b></p> <p>Investing in financial derivative instruments may expose the Fund to additional key risks in respect of collateral, which are as follows:</p> <p><b>Absence of regulation; counterparty default</b></p> <p>In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, the Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Fund will sustain losses. The Fund will only enter into transactions with counterparties which the Delegated Manager believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that counterparty will not default or that the Fund will not sustain losses as a result.</p> <p><b>Liquidity; requirement to perform</b></p> <p>From time to time, the counterparties with which the Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Fund might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange traded instruments, forward, spot and option contracts on currencies do not provide the investment manager with the possibility to offset the Fund's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Fund may be required, and must be able, to perform its obligations under the contracts.</p> <p><b>Necessity for counterparty trading relationships</b></p> <p>As noted above, participants in the OTC market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. The Fund may, but does not currently intend to, enter into transactions on the basis of</p>	<p>Refer to section 4 for details of limits on exposure</p> <p>Refer to section 6 for risks associated with derivatives.</p>

Disclosure Principle	Summary	Where to find more information
	<p>credit facilities established on behalf of any company within the JPMorgan Chase Group. While the Delegated Manager believes that the Fund will be able to establish multiple counterparty business relationships to permit the Fund to effect transactions in the OTC market and other counterparty markets (including credit default swaps, total return swaps and other swaps market as applicable), there can be no assurance that it will be able to do so. An inability to establish or maintain such relationships would potentially increase the Fund's counterparty credit risk, limit its operations and could require the Fund to cease investment operations or conduct a substantial portion of such operations in the futures markets. Moreover, the counterparties with which the Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to the Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.</p> <p>Where the Fund enters into financial derivative positions, it will hold sufficient liquid assets (including, if applicable, sufficient liquid long positions) to cover at all times the Fund's obligations arising from its financial derivative positions (including short positions).</p>	
<b>Short selling</b>	<p>The Fund does not engage in physical short selling.</p> <p>However, the Fund may take short positions on a security through the use of financial derivative instruments in the expectation that their value will fall in the open market. The possible loss from taking a short position on a security differs from the loss that could be incurred from a cash investment in the security; the former may be unlimited as there is no restriction on the price to which a security may rise, whereas the latter cannot exceed the total amount of the cash investment. The short selling of investments through financial derivative instruments may also be subject to changes in regulations, which could impose restrictions that could adversely impact returns to investors.</p>	Refer to the section on derivatives in this Disclosure Principle table.
<b>Withdrawals</b>	<p>A withdrawal of Units or decrease in all or part of an investment in the Fund can, subject to any suspension, be made on any Business Day by completing the withdrawal form and sending it to the Administrative Agent.</p> <p>Generally, if the Administrative Agent receives the correctly completed withdrawal request before 12 noon (Sydney time) on a Business Day, it will be processed using the withdrawal price calculated for that day. Where the Administrative Agent receives such information after 12 noon (Sydney time) on a Business Day, it will be processed using the withdrawal price determined for the following Business Day.</p> <p>If the Administrative Agent receives a withdrawal request by 12 noon (Sydney time) on a Business Day, the proceeds of that request will generally be paid within 5 Business Days but may take longer in some circumstances (up to 21 days).</p> <p>Changes to withdrawal rights will be notified to you in accordance with applicable law.</p>	Refer to section 6 and 9 for information on risks and withdrawal limitations, respectively.

### 3. How the Fund works

When you invest in the Fund, your money is pooled with investments from other investors and used to buy assets for the Fund, which we manage on behalf of all investors. When you invest in the Fund, you acquire Units. Each Unit that you hold in the Fund represents an equal and undivided interest in the Fund, subject to the liabilities of the Fund. However, we, rather than you, have control over the Fund's assets, management and operation. Your investment does not give you an interest in any particular asset of the Fund.

#### About the Responsible Entity

Perpetual Trust Services Limited, the responsible entity of the Fund, is part of the Perpetual Limited group of companies which has been in operation for over 130 years. Perpetual Limited is an Australian public company that has been listed on the ASX for over 40 years.

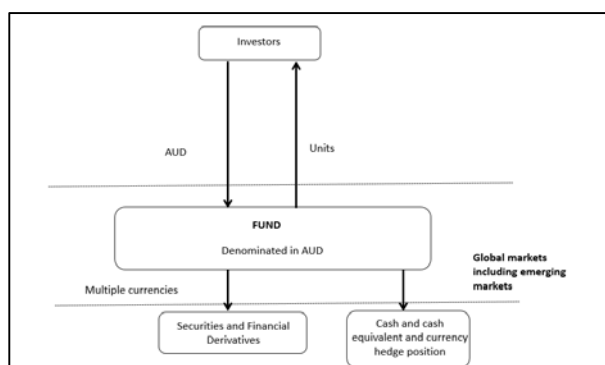
The Responsible Entity holds Australian financial services licence number 236648 issued by ASIC, which authorises it to operate the Fund.

The Responsible Entity is bound by the Constitution and the Act. The Responsible Entity has lodged a compliance plan with ASIC which sets out the key measures which the Responsible Entity will apply to comply with the Constitution and the Act. The Responsible Entity has established a compliance committee with a majority of external members. The compliance plan is overseen by the compliance committee and is audited annually with the audit report being lodged with ASIC.

The Responsible Entity has the power to delegate certain aspects of its duties. The Responsible Entity has appointed JPMorgan Asset Management (Australia) Limited as the investment manager of the Fund. There are no unusual or materially onerous terms in the agreement under which the Manager has been appointed. The Manager has delegated day to day investment management responsibilities to the Delegated Manager.

The Responsible Entity has also appointed JPMorgan Chase Bank, N.A. (Sydney Branch) to act as both administrative agent and custodian for the Fund.

The Fund is domiciled in Australia. The diagram below shows the Fund structure and shows the flow of investment money through the structure.



#### Monitoring service providers

The Responsible Entity ensures that the Manager, Custodian and Administrative Agent comply with the terms of their respective service agreements by regularly monitoring their performance pursuant to reporting obligations set out in these agreements. Frequency of reporting may be monthly, quarterly, semi-annually or annually and breaches are required

to be reported in accordance with compliance arrangements put in place by the Responsible Entity. The Manager ensures that the Delegated Manager of the Fund complies with the terms of the investment management agreement by regularly monitoring the portfolio against the investment policy of the Fund.

All arrangements between the Fund, the Manager, the Delegated Manager, the Administrative Agent and Custodian have been entered into at arm's length terms.

#### Valuation of the Fund's assets

The Administrative Agent is required to value the assets of the Fund, at their market value unless there is no market for the assets or the valuation does not represent the fair value of the assets. In circumstances where the Administrative Agent of the Fund is required to value non-exchange traded assets, the Administrative Agent must use methods and policies consistent with ordinary commercial practices for valuing property of that type and produce a value that is reasonably current at the time of valuation. The methods and policies adopted by the Administrative Agent are consistent with industry standard.

The assets of the Fund are generally valued on each Business Day, however we may value assets of the Fund at any time, and must do so in accordance with and when required by the Act or an ASIC Instrument. The valuation methods and policies applied by us must be consistent with ordinary commercial practices for valuing property of the relevant kind.

Assets of the Fund must be valued at their market value unless:

- there is no market for the assets; or
- we reasonably believe that the valuation does not represent the fair value of the assets,

in which case, we may use another valuation method or policies in respect of the assets provided that the method or policies for calculating the value must be consistent with ordinary commercial practice for valuing that type of Fund property and produce a value that is reasonably current at the time of valuation. Where an asset is in a currency other than the currency of the Fund, the asset will be valued using the relevant exchange rate quoted by a bank or other responsible financial institution.

Unless we otherwise prescribe, the value of assets of the Fund as at a specified day is to be determined using the values available at the close of that Business Day, unless where the specified day is not a Business Day, then the value is determined using the values most reasonably current, which are typically as at the close of the preceding Business Day.

Our determination of the value of the Fund, of any asset of the Fund and of any part of the Fund is, in the absence of fundamental error, final and binding on all investors of the Fund.

### 4. How the Fund invests

#### Investment Objective

The investment objective of the Fund is to achieve capital appreciation in excess of the Benchmark by investing primarily in securities, globally, using financial derivative instruments where appropriate. The Benchmark is a point of reference against which the performance of the Fund may be measured and compared and will not dictate the investment strategy of the Fund. The Fund will be managed without reference to the Benchmark.



## Investment Strategy

The Fund aims to achieve capital appreciation in excess of its cash benchmark, with a close focus on risk management. The strategy combines top-down macro thematic views with bottom-up investment ideas through a robust and repeatable process founded on research and implemented in a sophisticated, risk-controlled manner.

Macroeconomic trends and changes in the global environment are typically the biggest drivers of asset prices. The Fund seeks to take advantage of the investment opportunities created by these trends and changes to provide attractive risk-adjusted returns for investors in varying market environments.

We will notify investors in the Fund as soon as practicable after becoming aware of a material change (i.e. the deployment of a new investment strategy) to the Investment Strategy via written notice. Such notices will also be made available on the Manager's website at [www.jpmorganam.com.au](http://www.jpmorganam.com.au).

## Benchmark

Bloomberg AusBond Bank Bill Index.

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

## Base/reference currency of the Fund

AUD.

## How the Fund's Investment Objective and Investment Strategy may change

The Manager will use its best endeavours to meet the Investment Objective, however the Investment Objective may change as a result of matters or changes beyond its control, including market conditions, change in law or applications and withdrawals made by investors. Where the Manager believes it is in the best interests of investors as a whole, it may change the Investment Objective. The Manager will notify investors in the Fund as soon as practicable on a change to the Investment Objective of the Fund.

The Manager may only change the Investment Strategy of the Fund with the prior written consent of the Responsible Entity.

## Investment Policy of the Fund

The Fund will primarily invest, either directly or through the use of financial derivative instruments, in equity securities, commodity index instruments, convertible securities, debt securities, deposits with credit institutions and money market instruments. Issuers of these securities may be located in any country, including emerging markets.

The types of assets in which the Fund may invest include:

Asset types by asset class	Allocation range
	Min Max
OTC derivatives	-500% - +500%
Cash equivalent investments	0-100%
Australian listed equities	0-100%
Australian unlisted equities	0-100%
international listed equities	0-100%

Asset types by asset class	Allocation range
	Min Max
international unlisted equities	0-100%
Australian government bonds	0-100%
Australian corporate bonds	0-100%
international government bonds	0-100%
international corporate bonds	0-100%
structured products	-500% - +500%
real property	0%
infrastructure	0%
exchange-traded derivatives	-500% - +500%

There are no geographic limits (including emerging markets) on the market exposure of the Fund's assets.

The Fund may invest in China A-Shares via the China-Hong Kong Stock Connect program and also may invest in below investment grade and unrated debt securities.

The Fund uses an investment process based on macroeconomic research to identify global investment themes and opportunities. It has a flexible approach to asset allocation and may use both long and short positions (achieved through the use of financial derivative instruments) to vary exposure to different asset classes and markets in response to market conditions and opportunities. Allocations may vary significantly and exposure to certain markets, sectors or currencies may be concentrated from time to time.

The Fund may invest in financial derivative instruments to achieve its investment objective. Such instruments may also be used for the purposes of hedging. These instruments may include, but are not limited to, futures, options, contracts for difference, total return swaps, selected OTC derivatives and other financial derivative instruments. The Fund may also invest in UCITS and other UCIs.

AUD is the reference currency of the Fund but assets may be denominated in any currency and currency exposure may be hedged. Through currency hedging, the Fund seeks to minimise the effect of currency fluctuations.

All of the above investments of the Fund will be made in accordance with the applicable limits and regulations under Australia law and the offering and constituent documents of the Fund. These diversification guidelines and limits include (but are not limited to):

- the Fund must ensure an adequate spread of investment risks by sufficient diversification;
- the risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of its assets;
- no more than 10% of the Fund's assets may be invested in the units of UCITS and other UCIs;
- no more than 10% of the Fund's assets may be invested in transferable securities issued by the same issuing body;

- e) no more than 20% of the Fund's assets may be invested in money market instruments issued by the same issuing body; and
- f) Notwithstanding the provisions outlined in (d) and (e), the Fund is authorised to invest up to 100% of the assets, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by an EU Member State, by its local authorities or agencies, or by another member state of the OECD or by public international bodies of which one or more EU Member States are members, provided that the Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the total assets of the Fund.

#### **Environmental, social and ethical factors and labour standards**

The Manager does take into account certain environmental, social and ethical factors for the purpose of selecting, retaining or realising investments of the Fund.

In particular, the Manager takes into account the following environmental, social and ethical considerations and in doing so has implemented a policy that does not permit the Fund to invest in

- securities classified as being in the tobacco industry according to the Global Industry Classification Standard (GICS); and
- securities classified as Controversial Weapons producers that have been identified by independent third party providers.

If the Fund invests into a security that subsequently becomes classified as being in the tobacco industry according to GICS or is classified as a Controversial Weapons producer that has been identified by independent third party providers, the Fund will sell its entire holdings in the security as soon as practically possible.

The Manager does not take into account any labour standards for the purpose of selecting, retaining or realising investments of the Fund.

#### **Key Individuals**

No specific individual is required to devote all or any specific proportion of their time to the affairs of the Fund. The individuals noted below, from the JPMAM Multi-Asset Solutions team, which has been appointed as the investment manager of the Fund, are ultimately responsible for the oversight of the investment activities for the Fund and will devote as much of their time as deemed necessary or appropriate in order to manage the investment activities of the Fund. However they are not required to devote any specific portion of their time to the Fund.

**James Elliot**, is the Chief Investment Officer (“CIO”) of the International business of the Multi-Asset Solutions team, based in London. James is responsible for investment oversight of all mandates managed by the Multi-Asset Solutions team in London and Hong Kong, in addition to contributing to the team's views on broad macroeconomic themes that are reflected across all portfolios managed globally by the Multi-Asset Solutions team. James is also responsible for managing global macro-thematic portfolios. James joined J.P. Morgan in 1995. Prior to his current role, James was CIO for the JPMAM Japanese Equity Portfolio Group based in Tokyo and, previously, was co-head of the JPMAM European Equity Group based in London. James left J.P. Morgan for a period of time and worked at RAB Capital plc, where he served as the Director

of Europe Equities and manager of the RAB Europe Long/Short Fund. He obtained a B.A. in Modern History from the University of Oxford and is a CFA charterholder.

**Shrenick Shah**, is a portfolio manager in the Multi-Asset Solutions team, based in London, with responsibility for managing global macro-thematic portfolios. An employee since September 2010, Shrenick previously worked in the equity divisions at Deutsche Bank and Credit Suisse. Shrenick obtained a M.Sc. in Econometrics and Mathematical Economics from the London School of Economics.

There are currently no relevant significant adverse regulatory findings against the manager of the Fund, or the key individuals named above.

#### **Termination of the investment management agreement for the Fund**

The Responsible Entity may at any time give notice in writing to the Manager to terminate the investment management agreement in respect of the Fund to take effect 6 months after the date of the notice.

The Responsible Entity may terminate the Manager's appointment immediately if:

- a receiver or liquidator is appointed to the Manager;
- the Manager ceases to carry on business in relation to its activities as an investment manager or materially and adversely breaches the terms of the Manager's appointment; or
- the Responsible Entity is required to do so by law.

The Manager has no right to receive any payments upon termination of the investment management agreement, excluding in respect of any accrued rights, existing commitments, accrued management fees and expenses and accrued additional expenses relating to the termination of the investment management agreement.

#### **Key aspects of the risk management strategy**

The Fund's risk management strategy is underpinned by a number of key components including:

- Governance structure: the Fund is supported by the Responsible Entity's board and the Compliance Committee, who is required to oversee compliance with the compliance plan of the Fund, which sets out measures that the Responsible Entity will implement to comply with the Act and the Constitution.
- Policies and procedures: the Responsible Entity has extensive policies and procedures in place in relation to the operation of the Fund which are reviewed and updated regularly.
- Monitoring of service providers: the Responsible Entity operates a comprehensive risk-based service provider review program to ensure that performance is monitored independently and tested on an ongoing basis.
- Staff training: the Responsible Entity provides regular training to its staff to ensure that they have appropriate skills and knowledge to operate the Fund.

## 5. Benefits

Feature	Benefit
<b>Diversification by region and asset class</b>	Capitalises on global macroeconomic trends to drive returns using a dynamic multi-asset approach
<b>Risk-focused return</b>	Benefits from enhanced diversification and sophisticated multi-dimensional risk management

## 6. Risks

The risk management function of JPMAM provides oversight, coordination, support and a consolidated view of risks and controls to senior management and executive management of the Manager. The function harnesses the support of the various risk management groups of JPMAM, with assistance from regional JPMAM risk personnel, which supervises credit risk arising from counterparty activities conducted on behalf of clients.

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Before making an investment decision, it is important to understand the risks that may affect the value of your investment. While it is not possible to identify every risk relevant to investing in the Fund, we have detailed in the following table significant risks that may affect your investment. Assets with the highest long-term returns may also carry the highest level of short-term risk due to their generally larger fluctuations in returns.

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

For more information about conflicts of interest of the Perpetual Group and the JPMorgan Chase Group, you may refer to section 11 of this PDS.

Type of key risk	Description of risk
<b>Investment risks</b>	The value of your investment may fall for a number of reasons, including the risks set out below, which means that you may receive back less than your original investment when you withdraw or you may not receive any of your original investment when you withdraw.
<b>Currency risks</b>	Whilst the currency hedging seeks to minimise the effect of currency fluctuations between the currencies of the underlying assets and the base/reference currency of the Fund, the Fund may still invest in assets that have currency exposure. This means that changes in value of the currency of the underlying asset of the Fund relative to the Australian dollar may affect the value of the assets of the Fund and there is potential for adverse movements in exchange rates to reduce the AUD value. For example, if the AUD rises, the value of international investments expressed in AUD can fall. These currency risks will still be applicable even if the Fund seeks to minimise the effect of currency fluctuations between the currencies of the underlying assets and the base/reference currency of the Fund.
<b>Liquidity risk</b>	<p>There is a risk that certain securities held by the Fund, 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.</p> <p>In extreme situations, there may be few willing buyers, and the investments held by the Fund cannot be readily sold at the desired time or price, and the Fund may have to sell at a lower price or may not be able to sell the investment 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 the Fund may incur a loss as a result. An inability to sell a portfolio position can adversely affect Fund's value or prevent the Fund from being able to take advantage of other investment opportunities.</p> <p>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.</p> <p>Liquidity risk also includes the risk that the Fund will suspend redemptions or 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, the Fund may be forced to sell investments, at an unfavourable time and/or conditions.</p>
<b>Derivative risks</b>	<p>The value of financial derivative instruments 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 financial derivative instrument and therefore, investment in such instruments may result in losses in excess of the amount invested by the Fund.</p> <p><b>Leverage risk</b></p> <p>Due to the low margin deposits normally required in trading financial derivative instruments, a high degree of leverage is typical for trading in financial derivative instruments. As a result, a relatively small</p>

Type of key risk	Description of risk
	<p>price movement in a derivative contract may result in substantial losses to the investor. Investment in derivative transactions may result in losses in excess of the amount invested.</p> <p><b>Short selling risk</b></p> <p>The Fund may take short positions on a security through the use of financial derivative instruments in the expectation that their value will fall in the open market. The possible loss from taking a short position on a security differs from the loss that could be incurred from a cash investment in the security; the former may be unlimited as there is no restriction on the price to which a security may rise, whereas the latter cannot exceed the total amount of the cash investment. The short selling of investments may also be subject to changes in regulations, which could impose restrictions that could adversely impact returns to investors.</p> <p><b>Counterparty risk</b></p> <p>The Fund entering into OTC derivative transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and as a result, sustain losses. Regardless of the measures the Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses as a result.</p> <p><b>Collateral Risk</b></p> <p>In order to mitigate the risk of counterparty default, counterparties to transactions may be required to provide collateral to cover their obligations however the amount of such collateral may not equal to credit exposure to such counterparty. Where the Fund is required to post collateral with a counterparty, there is a risk that the value of the collateral the Fund places with the counterparty is higher than the cash or investments received by the Fund. Collateral may be held by a custodian and there may be a risk of loss where such assets are held in custody resulting from events such as the insolvency or negligence of a custodian.</p>
<b>mFund registration risk</b>	<p>While the Fund is an mFund product, if you invest via mFund then you may be exposed to some additional counterparty risks. Losses can be incurred if a counterparty fails to deliver on its contractual obligations, experiences financial difficulty or abandons the mFund settlement service. You may incur loss through exposure to a counterparty. In addition, there is some risk the ASX may suspend or revoke the Fund's admission/ settlement status on the mFund settlement service as a result of the Fund failing to comply with the ASX admission requirements or otherwise, the ASX's systems could fail, or there could be errors in connection with the system. As a result investors may experience delays in processing applications or redemptions.</p>
<b>Risks from commodities prices</b>	<p>The value of securities in which the Fund invests may be influenced by movements in commodity prices which can be very volatile.</p>
<b>Emerging markets risks and risks from investing in emerging and less developed markets</b>	<p>Since the Fund invests in emerging and less developed markets, the Fund will be exposed to certain additional risks not customarily associated with investing in developed markets. Emerging markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging market currencies may be subject to volatile price movements. Emerging market securities may also be subject to higher volatility and lower liquidity than non-emerging market securities.</p> <p>In emerging and less developed markets, in which the Fund may invest, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks and investors in the Fund should therefore ensure that, before investing, they understand the risks involved and are satisfied that an investment in the Fund is suitable as part of their portfolio. Investments through the Fund in emerging and less developed markets should be made only by sophisticated investors or professionals who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of their investment in the Fund. Countries with emerging and less developed markets include, but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in World Bank publication as developing. 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. The other statements in this table are intended to illustrate the risks which in varying degrees are present when investing in emerging and less developed markets.</p>
<b>Risks from investment in the People's Republic of China (PRC)</b>	<p>The Fund may invest in China A-Shares through the China-Hong Kong Stock Connect program which is subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.</p>

Type of key risk	Description of risk
	<p>The economy of the PRC is in a state of transition from a planned economy to a more market oriented economy and investments may be sensitive to changes in law and regulation together with political, social or economic policy which includes possible government intervention.</p> <p>In extreme circumstances, the Fund may incur losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy, due to local investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution and settlement of trades.</p> <p>China-Hong Kong Stock Connect Programmes will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in each respective market are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the PRC market but the Fund cannot carry out any China A-Shares trading. The Fund may be subject to risks of price fluctuations in China A-Shares during the time when a China-Hong Kong Stock Connect Programme is not trading as a result.</p>
<b>Execution and counterparty risks</b>	In some markets in which the Fund invests there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.
<b>Hedging risks</b>	To minimise the impact of currency or interest rate movements, the Fund's investment manager will use derivatives. Any form of hedging or use of derivatives by the Fund's investment manager will be in line with the objective and investment policy of the Fund. Any form of hedging used by the Fund's investment manager may not give a precise hedge and there is no guarantee that the hedging will be totally successful.
<b>Risks from investment in equity securities</b>	The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for the Fund's portfolio or the securities market as a whole, such as changes in economic or political conditions. When the value of the Fund's securities goes down, the Fund's investment decreases in value. Equity securities generally have greater price volatility than fixed income securities.
<b>Risks from investment in debt securities</b>	<p>The value of debt securities the Fund may invest in may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. Issuers of debt securities may fail to meet payment obligations or the credit rating of debt securities may be downgraded. These risks are typically increased for emerging market debt securities. The Fund investing in debt securities such as bonds may be affected by credit quality considerations and changes to prevailing interest rates. The issuer of a debt security (including, but not limited to, governments and their agencies, state and provincial governmental entities, supranationals and companies) may default on its obligations by failing to make payments due, or repay principal and interest in a timely manner which will affect the value of debt securities held by the Fund. Debt securities are particularly susceptible to interest rate changes and may experience significant price volatility. If interest rates increase, the value of the Fund's investments generally 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. Debt securities can be rated investment grade or below investment grade. Such ratings are assigned by independent rating agencies (for example, Fitch, Moody's and/or Standard &amp; Poor's). Credit ratings are merely the opinion of the particular independent rating agency about the creditworthiness of the issuer or the debt securities issued and should not be relied on solely when making an investment decision. Rating agencies review, from time to time, such assigned ratings and debt securities may therefore be downgraded in rating if economic circumstances impact the relevant debt securities issued. Below investment grade debt securities have a lower credit rating than investment grade debt securities and therefore will typically have a higher credit risk (i.e. greater risk of default, interest rate risk) and may also be subject to higher volatility and lower liquidity than investment grade debt securities. Changes to the financial condition of the issuer of the securities caused by economic, political or other reasons may adversely affect the value of debt securities and therefore the performance of the Fund. This may also affect a debt security's liquidity and make it difficult for the Fund to sell the debt security. It is possible that credit markets will experience a lack of liquidity during the term of the Fund which may result in higher default rates than anticipated on the bonds and other debt securities.</p>
<b>Risks from investment in convertible securities</b>	A convertible security generally entitles the holder to receive interest paid or accrued on debt securities or the dividend paid on preferred stock 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

Type of key risk	Description of risk
	<p>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.</p> <p>Convertible bonds are subject to the credit, interest rate and market risks stated above associated with both debt and equity securities and to risks specific to convertible securities. Convertible bonds may also be subject to lower liquidity than the underlying equity securities.</p>
<b>Political and economic risks</b>	<p>The value of the Fund's assets 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.</p> <p>Other political and economic risks that could impact the investments of the Fund include:</p> <ul style="list-style-type: none"> <li>• Events and evolving conditions in certain economies or markets may alter the risks associated with investments by the Fund in countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets.</li> <li>• Economic and/or political instability (including civil conflicts and war) could lead to legal, fiscal and regulatory changes or the reversal of legal/fiscal/regulatory/market reforms.</li> <li>• Administrative risks may result in the imposition of restrictions on the free movement of capital.</li> <li>• A country's external debt position could lead to sudden imposition of taxes or exchange controls.</li> <li>• High interest and inflation rates can mean that businesses have difficulty in obtaining working capital.</li> <li>• Local management may be inexperienced in operating companies in free market conditions.</li> <li>• A country where the Fund may invest may be heavily dependent on its commodity and natural resource exports and is therefore vulnerable to weaknesses in world prices for these products.</li> <li>• In adverse social and political circumstances, governments in countries where the Fund may invest may enter into policies of expropriation and nationalisation.</li> </ul>
<b>Legal environment risks</b>	<ul style="list-style-type: none"> <li>• The interpretation and application of decrees and legislative acts can be often contradictory and uncertain particularly in respect of matters relating to taxation.</li> <li>• Legislation could be imposed retrospectively or may be issued in the form of internal regulations not generally available to the public.</li> <li>• Judicial independence and political neutrality in countries where the Fund may invest cannot be guaranteed.</li> <li>• State bodies and judges in countries where the Fund may invest and judges may not adhere to the requirements of the law and the relevant contract. There is no certainty that the Fund and/or its investors will be compensated in full or at all for any damage incurred.</li> <li>• Recourse through the legal system may be lengthy and protracted.</li> </ul>
<b>Accounting practices risks</b>	<ul style="list-style-type: none"> <li>• The accounting, auditing and financial reporting system may not accord with international standards in countries where the Fund may invest. Even when such reports have been brought into line with international standards, they may not always contain correct information.</li> <li>• Obligations on companies to publish financial information may also be limited.</li> </ul>
<b>Market and settlement risks</b>	<ul style="list-style-type: none"> <li>• The securities markets in some countries in which the Fund invests lack the liquidity, efficiency and regulatory and supervisory controls of more developed markets.</li> <li>• Lack of liquidity may adversely affect the ease of disposal of assets in such markets. The absence of reliable pricing information in a particular security held by the Fund may make it difficult to assess reliably the market value of assets.</li> <li>• The share registers in such markets may not be properly maintained and the ownership or interest the Fund holds in a financial instrument may not be (or remain) fully protected.</li> <li>• Certain emerging markets may not afford the same level of investor protection or investor disclosure as would apply in more developed jurisdictions.</li> <li>• Registration of securities in such markets may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.</li> <li>• The provision for custody in such markets may be less developed than in other more mature markets and thus may provide an additional level of risk for the Fund.</li> </ul>

Type of key risk	Description of risk
	<ul style="list-style-type: none"> <li>Settlement procedures in such markets may be less developed and still be in physical as well as in dematerialised form. Investment may carry risks associated with failed or delayed settlement.</li> </ul>
<b>Risks from the performance of individual companies and general market conditions</b>	The value of equity securities the Fund invests in may go down as well as up in response to the performance of individual companies and general market conditions.
<b>Price movement and performance risks</b>	<ul style="list-style-type: none"> <li>Factors affecting the value of securities in some markets in which the Fund invests cannot easily be determined.</li> <li>The Fund may invest in securities in some markets that carry a high degree of risk and the value of such investments may decline or be reduced to zero.</li> </ul>
<b>Regulatory and tax risks</b>	<p>Laws affecting managed investment schemes may change in the future. Investing in foreign markets with different legal and regulatory systems means that foreign investments are exposed to more risk than Australian assets because of potential changes in legal and regulatory policies.</p> <p>(Please refer to section 8 for further tax details).</p>
<b>Asset risks</b>	An asset that the Fund invests in may fall in value, which can result in a reduction in the value of your investment in the Fund.
<b>Concentration risks</b>	The Fund's portfolio may, from time to time, be concentrated in, and have net long or net short exposure to, industry sectors, markets and/or currencies. As a result, the Fund may be more volatile than more broadly diversified funds.
<b>Interest rate risks</b>	Changes in interest rates may have a negative impact, either directly or indirectly, on investment returns.
<b>Market risks</b>	Certain unforeseen events may have a negative effect on the price of all types of investments within a particular market. These events may be caused by one or a number of changes in economic, social, technological, political, legal, tax or accounting conditions, as well as market sentiment. If any of these events occur, the Fund may not be able to meet its investment objective or may make an investment decision that does not generate desired returns.
<b>Taxation risks</b>	Proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which the Fund invests or may invest in the future (in particular Russia, China and other emerging markets) is not clearly established. It is therefore possible that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. As a result, the Fund could become subject to additional taxation in such countries that is not currently anticipated or when investments are made, valued or disposed of.
<b>Volcker Rule</b>	JPMorgan Chase & Co. and its affiliates (together, "J.P. Morgan") are subject to certain U.S. federal banking laws and regulations which may be relevant to the Fund and its investors. On July 21, 2010, the "Dodd-Frank Wall Street Reform and Consumer Protection Act" (the "Dodd-Frank Act") was signed into law. The Dodd-Frank Act includes certain provisions (known as the "Volcker Rule") that restricts the ability of a banking entity, such as J.P. Morgan, from acquiring or retaining any equity, partnership or other ownership interest in, or sponsoring, a covered fund and prohibits certain transactions between such funds and J.P. Morgan. Although J.P. Morgan does not intend to treat the Fund as a covered fund, under the Volcker Rule, if J.P. Morgan, together with its employees and directors, owns 15% or more of the ownership interests of the Fund outside of the permitted seeding period, the Fund could be treated as a covered fund. Generally, the permitted seeding period is three years from the implementation of the Fund investment strategy. As a result, it may be required to reduce its ownership interests in the Fund at a time that is sooner than would otherwise be desirable. This may require the sale of portfolio securities, which may result in losses, increased transaction costs and adverse tax consequences. In addition, in cases where J.P. Morgan continues to hold a seed position representing a significant portion of the Fund's assets at the end of the permitted seeding period, the anticipated or actual redemption of shares owned by J.P. Morgan could adversely impact the Fund and could result in such fund's liquidation. Impacted banking entities are generally required to be in conformance with the Volcker Rule by July 21, 2015.

## 7. Fees and other costs

### Did you know?

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

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

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

### To find out more

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

This PDS shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole.

Information on how managed investment schemes are taxed is set out in section 8 of this PDS.

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

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable

### Management Costs\*

The fees and costs for managing your investment	<b>0.80% p.a. of the NAV of the Fund**</b>	<p>Management Costs comprise:</p> <ul style="list-style-type: none"> <li>0.70% <b>management fee</b> - calculated and accrued on a daily basis and payable monthly in arrears out of the assets of the Fund.</li> <li>0.10% <b>estimated expense recoveries</b> - paid out of the Fund's assets as and when incurred and reflected daily in the Unit price.</li> <li><b>NIL estimated other indirect costs</b> - calculated on the basis of the Responsible Entity's reasonable estimate of such costs and expenses with reference to the</li> </ul>
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Type of fee or cost	Amount	How and when paid
		relevant costs incurred in the year ending 30 June 2018 and paid out of the other interposed vehicle's <sup>##</sup> assets as and when incurred and reflected daily in the Unit price.
<b>Service Fee</b> The fee for changing investment options	Nil	Not applicable

*\*You may incur a buy/sell spread when your money moves in or out of the Fund. For more detail refer to "Transactional and operational costs" in the section "Additional explanation of fees and costs" below.*

*\*\*The fees and costs shown are inclusive of GST and net of any applicable input tax credits and reduced input tax credits. For further information refer to "Management costs" in the section "Additional explanation of fees and costs" below.*

*^What it costs you will depend on the fees you negotiate with your financial adviser or your Service operator (as applicable). For further information refer to "Differential fees" and "Management costs" in the section "Additional explanation of fees and costs" below.*

*^^The figures in the above table are based on expense recoveries incurred by the Fund for the financial year ending 30 June 2018, including the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS. These expenses generally accrue daily and are reflected in the Unit price and paid when due.*

*#For more information on the meaning and calculation of indirect costs, see "Other indirect costs" under the heading "Additional explanation of fees and costs". The figures in the above table are based on the other indirect costs incurred by the Fund in the financial year ending 30 June 2018, including the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS. Specifically, these costs are incurred by the Fund in respect of over-the-counter ("OTC") derivatives used by the Fund to gain economic exposure to assets. This cost is not capped. As these indirect costs are calculated on the basis of indirect costs paid in the financial year ended 30 June 2018, the actual cost may differ from the amount set out above. Indirect costs are deducted from the Fund's assets. They are reflected in the Unit price of the Fund and are not an additional cost to you. Details of any future changes to other indirect costs will be provided on the Manager's website at [www.jp.morganam.com.au](http://www.jp.morganam.com.au) where they are not materially adverse to investors.*

*##For more information on the meaning of interposed vehicles, see "Other Indirect costs" under the heading "Additional explanation of fees and costs".*

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

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

Example		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management Costs	0.80% p.a.	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged \$400 each year.



Example		Balance of \$50,000 with a contribution of \$5,000 during year
<b>EQUALS</b>		
Cost of Fund		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of from:</p> <p><b>\$400 and \$440*.</b></p> <p><b>What it costs you will depend on the fees you negotiate**.</b></p>

*\*Please note that the Fund has a minimum subsequent investment amount of \$5,000. The additional management costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. This example also assumes that the value of your investment remains the same during the year.*

*\*\*Additional fees may apply. This example does not include Transaction Costs or additional fees if you are an Indirect Investor. Additional fees may be charged by your financial adviser or Service Operator (as applicable) for investing in the Fund.*

## Additional explanation of fees and costs

### Management costs

The management costs for the Fund (fees and costs incurred by you) comprises of management fees, expense recoveries and other indirect costs. The management fees and expense recoveries (other than extraordinary expenses) of the Fund incurred in the ordinary course of operations are capped at 0.80% p.a. of the NAV of the Fund.

### Management fees

Management fees comprise of the management fee payable to the Responsible Entity and the Manager for managing the Fund.

The Constitution sets out the maximum fees that can be charged by the Responsible Entity for an investment in the Fund. We are entitled to receive an annual management fee of up to 3% p.a. of the gross value of the assets of the Fund.

For providing the services under an investment management agreement, the Manager is also entitled to receive a fee. This amount is paid by us to the Manager, and forms part of the annual management fee we are entitled to receive and will not be a separate expense recovery under the Constitution.

### Expense recoveries

Under the Constitution, we are entitled to be reimbursed from the Fund in respect of expenses reasonably and properly incurred in the administration, management and operation of the Fund, and other incidental expenses. These include a range of costs and expenses which include, but are not limited to, costs associated with, preparation of marketing material and disclosure documents, transfer agency services, custody and administration of the Fund and the provision of audit, legal and tax services. To the extent any of these expenses are incurred by the Manager, the Manager is entitled to be reimbursed for these expenses by us (and we will, in turn, be entitled to be reimbursed this amount from the Fund). Estimated expense recoveries likely to be incurred in the ordinary course of the Fund's operations are included in the management costs in the fees and costs tables above.

Unusual or extraordinary expenses not necessarily incurred in any given year such as the costs of calling and holding unitholder meetings are also included in the management costs in the fees and costs tables above but are not subject to the cap of 0.80% p.a. of the NAV of the Fund.

The estimated expense recoveries disclosed in the management costs in the fees and costs table are based on expenses incurred by the Fund for the financial year ended 30 June 2018, including the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS.

We are entitled to be indemnified out of the Fund for all expenses, losses and liabilities reasonably and properly incurred. This entitlement does not exist in relation to an expense, loss or liability attributable to a failure to properly perform the duties of a responsible entity.

Except in the case of unusual or extraordinary expense recoveries and other indirect costs associated with OTC derivatives (which are an additional cost to you and will impact the return on your investment), where actual expenses result in the management costs exceeding 0.80% of the NAV of the Fund for the year, such expenses will not be paid out of the assets of the Fund.

All taxes will be deducted from the Fund's assets as appropriate. Information on Tax is set out in section 8 of this PDS.

### Other Indirect costs

Indirect costs are any cost we know or may reasonably estimate will reduce, whether directly or indirectly, the return on the Fund through a reduction in the value of the Fund's assets or the assets of an interposed vehicle. Broadly, an interposed vehicle is a body, trust, or partnership through which the Fund invests.

The estimated amount of indirect costs associated with the Fund in the nature of expense recoveries is included under that component in the fees and costs tables.

The amount of other indirect costs includes:

- the costs of investing in derivatives that are not traded or listed on a recognised exchange and that are used by the Fund for the purposes of achieving its investment objective.

fees paid to an agent by the Fund under a securities lending arrangement. This fee is a percentage of securities lending income that is retained by the agent, and the net income is retained by the Fund. Indirect costs are included in the management costs of the Fund and will be borne indirectly by the Fund and its investors. The other indirect costs disclosed in the management costs in the fees and costs table are based on the other indirect costs incurred by the Fund for the financial year ended 30 June 2018, including the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS.

### Transactional and operational costs

In managing the investments of the Fund, transactional and operational costs such as charges, disbursements, expenses, outgoings, fees, taxes, commissions, brokerage, settlement costs, clearing costs and government charges may be incurred by changes in the Fund's investment portfolio, or when the Fund experiences cash flows in or out of it ("Transaction Costs"). The costs of the Fund acquiring derivatives that are not traded or listed on a recognised exchange for hedging purposes may also constitute Transaction Costs. Transaction Costs may also include certain transaction costs that are included in the price of an asset and which will be reflected in the difference between the amounts paid for an asset and the value of the asset at the time of purchase based on its selling price.

When the Fund incurs Transaction Costs from changing its investment portfolio, they are paid out of the Fund's assets and reflected in its Unit price and are an additional costs for investors.

#### **Buy/sell spread**

Transaction Costs that are incurred because investors buy or sell Units are also paid from the Fund's assets, but they are offset by the transaction cost allowances that are included in the calculation of the Fund's application and/or withdrawal Unit prices, which are commonly known as "buy/sell spreads".

Transaction Costs are estimated and allocated accordingly when an investor buys or sells Units by incorporating a buy/sell spread between the Fund's application or withdrawal Unit prices, where appropriate. This aims to ensure that other investors are not impacted by the Transaction Costs associated with a particular investor buying or selling Units. We have the discretion to waive the buy/sell spread on applications or withdrawals.

The spread is based on our estimates of the average Transaction Costs incurred by the Fund. However, it is not a fee paid to us or the Manager and is retained in the Fund to cover the actual Transaction Costs as they are incurred.

The buy/sell spread is an additional cost to you and will impact the return on your investment\*. As it is built into the Fund's Unit prices, it will not be recorded separately on investor statements.

The buy/sell spread for the Fund is publicly available at the Manager's website at [www.jpmorganam.com.au](http://www.jpmorganam.com.au) or may be obtained free of charge by contacting the Manager.

GST is not applicable to any buy/sell spread when you buy or sell Units.

*\*As at the date of this PDS, the buy/sell spread for units in the Fund is +0.15% on applications and -0.15% on withdrawals and accordingly the costs resulting from issues and withdrawals are borne by all unitholders. The current buy/sell spread is detailed on the Manager's website at [www.jpmorganam.com.au](http://www.jpmorganam.com.au)*

The Fund will also incur transactional and operational costs when dealing with the assets of the Fund through day to day trading other than in connection with ordinary applications and redemptions, including transactional brokerage, clearing costs, stamp duty, the buy/sell spreads of the Fund and/or derivatives. Transactional and operational costs associated with dealing with assets of the Fund may be recovered by us or the Manager and paid out of the Fund's assets. The Fund's total transactional and operational costs for the financial year ended 30 June 2018 were 0.08% of the net assets of the Fund, including the Responsible Entity's reasonable estimates where information was unavailable at the date of this PDS. For example, the value of transactional and operational costs on an average account balance of \$50,000 in the Fund was \$40.

The net transactional and operational costs of the Fund (representing the total transactional and operational costs minus the total amount recovered through the buy/sell spread of +0.15%/-0.15%) incurred for the financial year ended 30 June 2018 were 0.08% p.a. of the net asset value of the Fund, including the Responsible Entity's reasonable estimates where information was unavailable at the date this PDS. The net transactional and operational costs are borne by the Fund and are reflected in the unit price of the Fund. Actual costs may differ and will vary based on a number of factors including the volume of transactions undertaken and market conditions generally.

#### **Differential fees**

The Manager, on behalf of the Responsible Entity, may negotiate a rebate of all or part of our management fee with Wholesale Clients pursuant to the Act. The payment and terms of rebates are negotiated with Wholesale Clients but are ultimately at our discretion, subject to the Act and any relevant ASIC policies. There is no set manner or method for negotiating fees. The differential fee arrangement does not adversely affect the fees paid or to be paid by any investor who is not entitled to participate. Other than where fees are negotiated with Wholesale Clients, any differential fee arrangement will be applied without discrimination to all investors who satisfy the criteria necessary to receive the benefit of the arrangement. The contact details of the Manager are set out on page 1 of this PDS.

#### **Alternative payments**

We do not pay any commission or soft dollars to financial advisers or advisory firms but reserve the right to do so at any time subject to applicable laws. Your adviser may, however, charge you an advice fee for your investment into the Fund. The details of these fees and costs should be set out in the statement of advice provided by your adviser.

**mFund warning:** Additional fees may be payable to approved ASX brokers (or your financial adviser who uses a stockbroking service on your behalf) for accessing the Fund through mFund while the Fund is an mFund product. You should consider the Financial Services Guide provided by your ASX broker or your adviser before accessing the Fund through mFund.

#### **Fee changes**

We will not increase our fees, or introduce new fees, without giving you or your Service operator (as applicable) at least 30 days' written notice except for government fees or charges.

#### **Indirect investors**

If you are an Indirect Investor, additional fees may be charged by your financial adviser or Service operator (as applicable) for investing in the Fund as set out in their offer document.

#### **In-specie transfers**

On investing in the Fund, any costs associated with an 'in-specie' transfer will be paid out of assets of the Fund then charged to investors.

Where a withdrawal is satisfied by an 'in-specie' transfer, you will bear all costs, including any applicable stamp duty, payable as a result of the transfer.

We reserve the right to accept 'in-specie' transfers for applications or in satisfaction of withdrawals in our absolute discretion.

#### **Taxation**

Taxation information is set out in section 8.

If the Responsible Entity becomes liable to pay GST on fees not described in this PDS as GST inclusive, it is entitled to be reimbursed out of the assets of the Fund for the amount of GST.

## **8. Tax**

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

#### **How the Fund is taxed**

The Fund is an Australian resident trust for Australian income tax purposes and on the basis that the investors will be

presently entitled to the income of the Fund each year, the Fund should not be subject to tax.

The Fund is a trust that is an Australian resident for income tax purposes. On the basis that investors will be made presently entitled to the income of the Fund for each financial year, the Fund should not be subject to income tax and, in essence, should be treated as a “flow through” entity.

Tax losses incurred by the Fund remain within the Fund and cannot be distributed to investors. Provided the Fund satisfies the relevant loss testing requirements, it may be able to offset its carry forward tax losses against the assessable income it derives in a future income year.

Where the Fund satisfies the requirements of a Managed Investment Trust (“MIT”), the Fund can make an irrevocable election (“MIT Capital Election”) to apply a deemed “capital” treatment for gains and losses on “covered assets” such as shares. The Responsible Entity has made the MIT Capital Election in respect of the Fund.

#### **How resident investors are taxed**

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

As the Fund is a flow through entity, the taxable income distributed by the Fund should retain its character in the hands of the investors.

Australian resident investors will need to include their share of the Fund’s taxable income in their assessable income for the relevant income year regardless of whether the investor receives the distribution following the end of the income year or the distribution is reinvested.

In the event the Fund pays foreign tax, the distribution from the Fund may include a foreign income tax offset (“FITO”), which investors need to take into account in determining their taxable income. Furthermore, investors may be able to utilise the FITOs to reduce their tax liability. Any excess or unused FITOs, for a particular income year cannot be carried forward by investors and will be lost.

Where an investor has disposed of their Units in the Fund, the investor may be subject to capital gains tax (“CGT”), depending on their particular circumstances and consequently, the investor may realize a capital gain or a capital loss. Where investors realize a capital gain on Units that have been held for at least 12 months, certain investors may be able to apply the relevant CGT discount (after reducing the gross capital gains by realised capital losses including carry forward capital losses) to such gains. The applicable CGT discount is 50% for resident individuals and qualifying trusts and 33.33% for complying superannuation funds and pooled superannuation trusts.

Where the Fund has made a return of capital or has distributed a tax deferred amount, generally, these amounts are not included in the investor’s assessable income. However, these amounts will reduce the cost base and reduced cost base of the Units in the Fund and consequently the investor may realize a higher capital gain or a lower capital loss on the subsequent disposal of their Units. Where the cost base has been reduced to nil, the investor may realize an immediate capital gain.

#### **How non-resident investors are taxed**

The Responsible Entity may withhold tax on distributions made to non-residents. Material relating to “Tax” may change between the time when you read this PDS and the day when you acquire the product.

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

Distributions to non-resident investors may be subject to withholding tax. The rate of withholding tax will depend on the income distributed by the Fund and the country in which the investor is a resident. As a general rule, distribution of foreign income to non-resident investors is not subject to tax in Australia. Also, unless the non-resident investor meets certain conditions, the non-resident investor should not be subject to tax on the disposal of their Units in the Fund.

#### **Tax file number (“TFN”)/Australian business number (“ABN”)**

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

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

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

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

The summary below is general in nature and is intended as a guide only. As the tax rules in Australia are complex and are continuously changing, it is strongly recommended that investors obtain specific tax advice pertaining to their own circumstances prior to investing in the Fund.

#### **Reporting Relating to the Foreign Account Tax Compliance Act (“FATCA”)**

Under the FATCA provisions of the US Hiring Incentives to Restore Employment Act, 30% US withholding may be levied on certain US sourced income (for the Fund, principally dividends and interest paid by US corporations and institutions including the US Government) and after 31 December 2018 on the gross proceeds of sales of (or receipt of principal repayments on) the assets giving rise to that US sourced income (for the Fund, principally equity and debt securities issued by US corporations and institutions including the US Government) unless the Fund is considered FATCA-compliant. The Fund is resident in Australia, which signed an Intergovernmental Agreement with the US FATCA. Under Australian-enacted local legislation and local guidance to implement FATCA (together with FATCA, “**Australian FATCA Rules**”), the Fund is an Australian Financial Institution and intends to comply with Australian FATCA Rules. Under the Australian FATCA Rules applicable to the Fund, due diligence would be conducted on investors in the Fund, and investors with reportable accounts under such rules would be reported to the Australian Taxation Office (“ATO”). Compliance with relevant requirements under the Australian FATCA Rules is expected to be undertaken by the Responsible Entity. Investors to be reported on include certain US investors and certain non-US entities owned by US persons. Information to be reported to the ATO includes their identifying information, their holdings in the Fund, and payments made by the Fund to them. The ATO will transmit the reported information to the US Internal Revenue Service.

The Fund intends to comply with FATCA Rules and is not expected to be subject to a 30% FATCA withholding tax on US sourced income or other above-described amounts paid to the Fund. However, this cannot be assured given the complexity of the Australian FATCA Rules. The Responsible Entity, the Fund and/or their appointed parties, may request that investors and prospective investors provide certain information in order to comply with the requirements.

Prospective investors should consult their own advisors regarding the possible implications of FATCA on the Fund, on their investment in the Fund based on their particular circumstances and on the information that may be required to be provided and disclosed to the Fund, the Responsible Entity, the Manager and distributors, prior to, or after, a completed application or withdrawal request. The application of the Australian FATCA Rules to the Fund are subject to change.

#### **Passive Foreign Investment Company**

The Fund is a passive foreign investment company (“PFIC”) within the meaning of §1291 through §1298 of the US Internal Revenue Code (“IRC”). The US tax treatment to US investors (directly or indirectly through their custodian or financial intermediary) under the PFIC provisions of the IRC can be disadvantageous. US investors will be unlikely to meet the requirements to either elect to mark-to-market treatment of their investment in the Fund under IRC §1296 or elect to treat the Fund as a Qualified Electing Fund under IRC §1293.

#### **Common Reporting Standard (“CRS”)**

The Common Reporting Standard as implemented under Australian law and guidance (such implementation, “CRS”) generally requires financial institutions in Australia to collect information relating to their account holders’ tax residence jurisdictions and report such information to the ATO, to enable the ATO to exchange such information with governmental authorities in other jurisdictions. Generally, under CRS, information is required to be collected (and other CRS due diligence performed) to seek to identify, and reporting to the ATO would be performed on, non-Australian tax residence jurisdictions of an Australian financial institution’s account holders. This is the case even with respect to account holders that are tax residents of, among others, jurisdictions that do not have a competent authority agreement in place with Australia to exchange Common Reporting Standard information. Australia has signed the Multilateral Competent Authority Agreement to exchange information, along with a significant number of other jurisdictions.

The Fund is an Australian Financial Institution and intends to comply with CRS. Under CRS rules, due diligence would be conducted on investors in the Fund to identify whether they have reportable accounts for CRS purposes, and investors with reportable accounts would be reported to the ATO. Compliance with CRS requirements is expected to be undertaken by the Responsible Entity. The Responsible Entity, the Fund and/or their appointed parties may request that investors and prospective investors provide certain information in order to comply with CRS requirements. Investors to be reported on under CRS include certain investors that have one or more non-Australian tax residence jurisdictions and certain entities owned by persons with one or more non-Australian tax residence jurisdictions. Information to be reported to the ATO under CRS includes their identifying information, their tax residence jurisdictions and associated taxpayer identification numbers, their holdings in the Fund, and payments made by the Fund to them. The ATO will transmit the reported information to the governmental authorities of certain

jurisdictions in which investors (or persons controlling certain entity investors) are tax resident.

By investing in the Fund and/or continuing to invest in the Fund, investors acknowledge that they may be required to provide information to the Fund, the Responsible Entity and/or their appointed parties, in order for the Fund to be treated as compliant with CRS and Australian FATCA Rules. The investors’ information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with certain entity investors) may be communicated by the ATO to governmental authorities in other jurisdictions.

Prospective investors should consult their own tax advisors regarding the possible implications of the Common Reporting Standard on the Fund, on their investment in the Fund based on their particular circumstances, and on the information that may be required to be provided and disclosed to the Fund, the Responsible Entity, the Manager and distributors prior to, or after, a completed application or withdrawal request. The application of Common Reporting Standard rules is subject to change.

#### **AMIT election**

With effect from the 2017/18 income year, the Fund will elect to apply the new Attribution Managed Investment Trust (AMIT) regime. Under the AMIT rules, qualifying funds that elect to be taxed under the regime are able to segment their income into components – for example, into certain types of income, gains, exempt amounts, offsets and credits – and allocate particular components to particular investors, provided the basis of allocation is fair and reasonable and in accordance with the fund constituent documents. The amounts so allocated will retain their tax character when passing through the trust.

This attribution basis of taxation replaces the existing present entitlement basis of taxation for MITs. Where taxable income attributed is either less than or greater than the cash distributed, this leads to decreases or increases (respectively) in the cost base of an investor’s units in the Fund.

The AMIT regime also clarifies and amends the interaction between the tax liability on distributions payable to investors, and the tax liability on disposal of fund units. The AMIT rules alleviate double taxation that may otherwise arise where an amount has been taxed to an investor but not received by the time units in the fund are sold, by increasing the cost base of the fund units to reflect the taxed but undistributed amount. Other key features of the AMIT regime include deemed fixed trust status and the ability to make adjustments in respect of prior year errors in the year in which the errors are discovered. If the Responsible Entity elects the Fund to be an AMIT and the amount of taxable income estimated for the Fund at year end is different to the amount that is finally calculated, the difference (under or over) will generally be carried forward and adjusted in the year in which the variation is discovered except in exceptional circumstances. Notwithstanding these changes, investors should expect to be taxed on broadly the same basis as before the Fund entered the AMIT regime.

## **9. Applications, withdrawals and distributions**

#### **Applications and withdrawals**

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

investment, subsequent investment, holding and withdrawal amounts\*.

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

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

You may apply for Units or increase your investment at any time by completing the application form and sending it to the Administrative Agent (please refer to "How to apply" under section 11 of this PDS).

You may make a withdrawal on your Units or decrease all or part of your investment in the Fund at any time by completing the withdrawal form and sending it to the Administrative Agent. These forms are available on the Manager's website, at [www.jpmmorganam.com.au](http://www.jpmmorganam.com.au). You may cancel withdrawal requests by notifying the Administrative Agent at any time before they are accepted and processed. Your withdrawal proceeds are generally deposited into a nominated Australian bank, building society or credit union account. Withdrawal proceeds that are paid directly into your nominated account are subject to clearance by your bank, building society or credit union from the date of deposit into your account. We do not accept withdrawal requests in relation to withdrawals made payable to third parties. For investments made via mFund, please refer to "Investing through mFund" below for further information.

The Administrative Agent will confirm all withdrawals in email or writing. For your protection, withdrawals will not be paid in cash.

If you withdraw your Units before the end of the distribution period, you may not receive a distribution for those Units in that period. Your withdrawal amount will generally include your share of distributable income accrued in the Fund to the date of withdrawal as capital.

We may determine that part of your withdrawal amount represents a share of the distributable income including realised net capital gains for that distribution period. We will advise you if this happens.

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

#### How we process applications and withdrawals

Generally, if the Administrative Agent receives your correctly completed application or withdrawal request before 12 noon (Sydney time) on a Business Day, it will be processed using the application or withdrawal price calculated for that day. Where the Administrative Agent receives such information after 12 noon (Sydney time) on a Business Day, it will be processed using the application or withdrawal price determined for the following Business Day. If the Administrative Agent receives a withdrawal request by 12 noon (Sydney time) on a Business Day, the proceeds of that request will generally be paid within 5 Business Days but may take longer in some circumstances (up to 21 days). If the Administrative Agent receives an incomplete application or withdrawal request, it will not be processed until the Administrative Agent is subsequently provided with the correct and complete document Application

or withdrawal requests are subject to client identification procedures that the Responsible Entity and/or Administrative Agent considers necessary to satisfy its obligations under the relevant anti-money laundering and counter terrorism act, being completed. We are not bound to accept an application.

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

#### Investing through mFund

While the Fund is admitted as an mFund product, you will be able to make application and withdrawal requests through mFund by placing a buy or sell order with approved ASX brokers or your financial adviser who uses a stockbroking firm on your behalf. mFund uses CHESS to automate and track the process of applying for and selling units in the Fund while it is an mFund. Application and withdrawal requests for the Fund through mFund are subject to a cut-off time which is 11.15am (Sydney time) on a Business Day. Cut-off times for certain ASX brokers may be earlier than this cut-off time. You may refer to the sections below for further information regarding transactions via mFunds.

Your ASX broker will process a completed application or withdrawal request for Units through CHESS. CHESS will confirm the order with your ASX broker once it is received and accepted by the Administrative Agent. Correctly completed application or withdrawal requests for Units received by the Administrative Agent will be forwarded by CHESS to your ASX broker for your payment or to receive proceeds, respectively\*. For application or withdrawal requests made through mFund, the payment options will depend on the requirements of the ASX broker.

For application requests, you will need to provide your application money to your ASX broker. The Administrative Agent will calculate and allot new Units in the Fund to your CHESS Holder Identification Number ("HIN"). CHESS will notify your ASX broker of the Unit price and Units allotted. If you are allotted Units (through transfer or certain corporate actions) which are not broker-sponsored, your holding will be issuer sponsored and you will be provided with a security reference number ("SRN"). Please refer to [www.mfund.com.au](http://www.mfund.com.au) for additional information. Note that mFund is not a trading facility and does not facilitate buying and selling between investors on the market.

*\*When investing via mFund, any errors made on the application instruction may result in application or withdrawal requests being automatically rejected by the registry system. Any rejected requests will not be processed and will require resubmission.*

Units will be issued to the nearest 3 decimal points.

#### How Unit prices are calculated

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

- establishing the NAV of the Fund which is generally based on the daily market value of the Fund's assets, which includes undistributed income, after deducting liabilities such as fees and expenses and excluding the application money in respect of applications that have not been accepted\*;
- dividing the resulting amount by the number of Units in issue;
- increasing (or decreasing) the NAV of each Unit by the Transaction Costs\*\* (to the extent applicable); and

- rounding the price up (or down) to the nearest 4 decimal points.

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

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

*\*\* Transaction Costs may include a buy or sell spread charged by the Fund.*

### How to find prices

Application and withdrawal prices for each Business Day are available on the Manager's website at [www.jpmmorganam.com.au](http://www.jpmmorganam.com.au) on the following Business Day. The application and withdrawal prices will generally vary as the market value of the assets of the Fund rises and falls.

### Restrictions on withdrawals

We are not obliged to offer investors the opportunity to make, or to give effect to a withdrawal request. The circumstances in which we may not give effect to all or part of the withdrawal request may include, but are not limited to, situations where:

- any relevant financial, stock, bond, note, derivative or foreign exchange market is closed;
- trading on any such market is restricted;
- an emergency exists as a result of which it is not reasonably practicable to acquire or dispose of assets of the Fund or to determine fairly the withdrawal price;
- any state of affairs exist as a result of which it is not reasonably practicable for us to acquire or dispose of the assets of the Fund or to determine fairly the withdrawal price;
- any moratorium declared by a government or the competent authority or regulator of any country in which a significant proportion of the Fund is invested exists;
- disposal would be prejudicial to other investors, such as where there is a large single redemption or a number of significant redemptions together; or
- it is not practicable to sell investments in the Fund in the usual timeframe.

If we refuse to give effect to all or part of a withdrawal request, we will advise you as soon as practical of such refusal. We will use reasonable endeavours to give effect to the withdrawal request as soon as possible thereafter, and in an orderly manner.

In certain circumstances where there is a large withdrawal request, we may treat it as a series of smaller requests over a number of days/weeks or months.

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

### Suspension of applications and withdrawals

We may suspend applications for, or withdrawals of, Units or the calculation of application or withdrawal prices in certain circumstances set out in the Constitution where we consider that it is desirable for the protection of the Fund, or in the interests of investors where:

- any relevant financial, stock, bond, note, derivative or foreign exchange market is closed;
- trading on any such market is restricted;

- an emergency exists as a result of which it is not reasonably practicable to acquire or dispose of assets of the Fund or to determine fairly the application price or withdrawal price;
- any state of affairs exist as a result of which it is not reasonably practicable for us to acquire or dispose of the assets of the Fund or to determine fairly the application price or withdrawal price; or
- any moratorium declared by a government or the competent authority or regulator of any country in which a significant proportion of the Fund is invested exists.

In some circumstances, including, but not limited to, a suspension of withdrawals of Units, you may not be able to make additional investments into the Fund or withdraw your Units within the usual period upon request. We may, in certain circumstances, delay or stagger the settlement of large withdrawal requests. The Act also contains provisions that may restrict withdrawals from the Fund in the event that the Fund becomes "not liquid" as is defined in the Act, which we will provide you with notice of.

### Distributions

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

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

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

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

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

If you are a direct investor, including an investor through mFund, you may choose to have your distributions reinvested in the Fund or deposited into your Australian bank, building society or credit union account. If you do not make a choice, we will reinvest your distribution. If you choose to reinvest your distribution in the Fund, it will be reinvested at the first

Business Day of the month following the end of the distribution period. The reinvestment price will be based on the NAV (that is, excluding Transaction Costs) calculated on the last Business Day of the distribution period, adjusted for any distribution paid for that period.

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

If you are investing indirectly through a Service, you should seek advice from your Service operator as the timing of distributions may vary due to the Service operator's requirements.

## 10. Reporting

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

Please refer to [www.jpmorganam.com.au](http://www.jpmorganam.com.au) or contact the Manager directly for such details. Past performance is not a reliable indicator of future performance.

### Transaction confirmations

The Administrative Agent will provide written confirmation of each of your transactions promptly. This includes initial and additional investments and reinvestments. Confirmation will be made to you by email or post.

### Annual financial report

The audited financial statements for the Fund will be prepared as at 30 June each year and published on the Manager's website at [www.jpmorganam.com.au](http://www.jpmorganam.com.au) within 3 months after 30 June each year.

Upon request, you may also receive, free of charge, a hard copy or electronic copy of the financial statements by contacting the Manager.

### Tax statement

A year-end tax statement will be sent to you by the Administrative Agent with tax information as soon as practical after the end of the financial year to help you include the information in your tax return.

### Indirect Investors

If you are investing as an Indirect Investor, your Service operator will report to you about your investment. Please refer to them about the frequency and nature of reporting on your investment.

### Disclosing entity

If the Fund becomes a "disclosing entity" under the Act, the Fund will be subject to regular reporting and certain additional disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

If the Fund is a "disclosing entity" under the Act, you have a right to obtain a copy of the following documents at no charge to you:

- the annual financial report most recently lodged with ASIC by the Fund;
- any half-year financial report lodged with ASIC by the Fund after the lodgement of that annual financial report and before the date of the PDS; and
- any continuous disclosure notices given by the Fund after the lodgement of that annual report and before the date of the PDS.

If the Fund is a "disclosing entity", we will disclose information to investors which may have a material effect on the price or

value of Units or would be likely to influence persons who commonly invests in deciding whether to acquire or dispose of Units. You have a right to obtain a copy of these documents at no charge. Please call the Manager and they will provide you with a copy of the requested document within 5 days. We intend to post on the Manager's website at [www.jpmorganam.com.au](http://www.jpmorganam.com.au) all continuous disclosure information.

Even if the Fund is not a "disclosing entity", you have a right to obtain a copy of the above documents to the extent that they are available.

### Markets announcement platform

While the Fund is an mFund product, we will make information required to be disclosed while the Fund is an mFund product on the Manager's website at [www.jpmorganam.com.au](http://www.jpmorganam.com.au) and via the ASX website at [www.mfund.com.au](http://www.mfund.com.au) via the markets announcement platform on a periodic basis.

## 11. Additional information

### The Constitution

The Constitution, along with the Act and other relevant laws, governs the way in which the Fund operates and the rights and responsibilities and duties of the Responsible Entity and investors.

The Constitution contains the rules relating to a number of issues including:

- the rights and liability of investors;
- the process by which Units are issued and redeemed and the calculation of Unit prices;
- the calculation and distribution of the income of the Fund;
- the investment powers of the Responsible Entity, which are very broad;
- the Responsible Entity's right to claim an indemnity from the Fund for expenses incurred in relation to the Fund;
- the rules about investors' meetings;
- information about complaints' handling; and
- the duration and termination of the Fund.

The Constitution states that the liability of an investor is limited to the amount, if any, which remains unpaid on the investor's Units. An investor need not indemnify the Responsible Entity or any creditor of the Fund or Responsible Entity, if the Fund's assets are not sufficient to discharge the Fund's liabilities or meet the claim of any creditor of the Fund or the Responsible Entity in respect of the Fund.

The Constitution also provides that the Responsible Entity may deduct from any money payable to an investor any taxes which it is required or authorised to deduct or which it considers should be deducted. While the Constitution limits the liability of the investors in the manner described above, this position has not been fully tested in the courts of law.

The Responsible Entity may by deed modify, repeal or replace the Constitution if it reasonably considers the amendments will not adversely affect investors' rights. Otherwise, it must obtain investors approval of the amendments at a meeting of investors.

The Responsible Entity may retire or be required to retire as responsible entity if investors vote for its removal or when requested to do so by the Manager subject to the law and its duties.

The Fund will terminate two days before the 80th anniversary of the establishment of the Fund, but the Responsible Entity may terminate it earlier by notice to investors. On termination, the Responsible Entity will realise the Fund's assets and pay to investors their share of the net proceeds of realisation.

A copy of the Constitution is available at no charge from the Responsible Entity on request. The information set out in the PDS about the content of the Constitution is a summary only.

#### How to apply

To apply please complete the Application Form accompanying this PDS. Please note that any application will be accepted only on a cleared-funds basis and that cash cannot be accepted.

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

While the Fund is an mFund product, if you are investing through mFund you may apply via your approved ASX broker or through your financial adviser who uses a stock broking service on your behalf. Applications through mFund are subject to different cut-off times.

#### No interest earned on application and distribution accounts

No interest is earned on application money, proceeds of withdrawal requests and distribution amounts, which are held in trust accounts prior to being processed.

#### Who can invest

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

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

#### Restriction to sell to a US person

The Fund has not been registered under the United States ("US") Securities Act, as amended ("**US Securities Act**") or under any similar or analogous provision of law enacted by any jurisdiction in the US. The Units may not be offered or sold within the US or sold to any US person unless we and the Manager, at our absolute discretion, grant an exception. For this purpose, a US person is one falling under the definition of US person under the US Securities Act, under the guidelines set forth by the US Commodities Futures Trading Commission in its Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, as amended, or under US Internal Revenue Code ("**IRC**") as specified below or under the US federal income tax law (as described below under paragraphs 1 through 4), or a non-US entity with certain US owners (as described below under paragraph 5):

1. An individual who is a citizen of the US or a resident alien for US federal income tax purposes. In general, the term "resident alien" is defined for this purpose to include any individual who (i) holds a US Permanent Resident Card (a "green card") issued by the US Citizenship and Immigration Services or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any calendar year if (a) the individual was present in the US on at least 31 days during such year and (b) the sum of the number of days in which such individual was present in the US during such year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days;
2. A corporation, an entity taxable as a corporation or a partnership created or organized in or under the laws of

the US or any state or political subdivision thereof or therein, including the District of Columbia (other than a partnership that is not treated as a US person under US Treasury Regulations);

3. An estate the income of which is subject to US federal income tax regardless of the source thereof;
4. A trust with respect to which a court within the US is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of its substantial decisions, or certain electing trusts that were in existence on 20 August 1996 and were treated as domestic trusts on 19 August 1996; or
5. A Passive Non-Financial Foreign Entity ("**Passive NFFE**") with one or more "Controlling Persons" (within the meaning of any Intergovernmental Agreement relating to the Foreign Account Tax Compliance Act (as set forth in Sections 1471 through 1474 of the IRC) that may be entered into by the US and any other jurisdiction ("**IGA**")) that is a US Person (as described above under paragraph 1). A Passive NFFE is generally a non-US and non-financial institution entity that is neither a "publicly traded corporation" nor an "active NFFE" (within the meaning of the applicable IGA).

In addition, investors are required to notify us immediately in the event that they are or become US persons (or certain Passive NFFEs described above under paragraph 5) or hold Units for the account or benefit of US persons (or such Passive NFFEs) or hold Units in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or its investors or otherwise be detrimental to the interests of the Fund. If in our opinion an investor is holding Units in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or its investors or otherwise be detrimental to the interests of the Fund, or the investor has become or is a US person (or a Passive NFFE described above under paragraph 5), we may, in our sole discretion, redeem the Units of the investor in accordance with the provisions of the Constitution. Should an investor become a US person (or a Passive NFFE described above under paragraph 5), he or she may be subject to tax reporting.

#### Forced Redemption

Pursuant to the Constitution, the Responsible Entity has absolute power and discretion at any time to reject any application, prevent further transactions by any investor, delay or withhold processing and/or payout of redemption proceeds and/or effect forced redemption of Units. Without limiting the generality of the foregoing, the Responsible Entity may exercise such power:

- on any investor, who does not fulfil any "Know Your Customer", anti-money laundering and/or other regulatory or compliance requirements;
- on any investor, who is subject to either individual sanctions or a part of such entity or country which is subject to U.S. sanctions (Office of Foreign Assets Control or "OFAC") or other sanctions; and
- if the Responsible Entity determines in its sole discretion that the relevant transaction is suspicious in nature as regards money laundering.

#### Cooling-off period

If you are a retail client pursuant to the Act ("Retail Client") and invested directly in the Fund, you are entitled to a 14 day



cooling-off period during which you may change your mind about your investment. During that time, you may exercise your cooling-off rights by requesting your money be returned. The cooling-off period begins when you receive your transaction confirmation or, if earlier, 5 Business Days after your units are issued.

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

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

#### **Enquiries and complaints**

If you have an enquiry or complaint, please contact the Responsible Entity in the first instance. The Responsible Entity's details are set out in page 1 of this PDS. We will acknowledge any complaint in writing within 5 Business Days and make every effort to resolve your issue within 30 days of us being notified.

If you are a Retail Client and a complaint remains unresolved after 45 days you may refer it to an independent external dispute resolution scheme.

If you lodge a complaint before 1 November 2018, you can lodge it with the Financial Ombudsman Service ("**FOS**") of which we are a member. FOS is an external dispute resolution scheme that provides assistance to consumers to help resolve complaints relating to financial service providers. Contact details for FOS are as follows:

Address GPO Box 3  
Melbourne VIC 3001  
Phone: 1800 367 287  
Website: [www.fos.org.au](http://www.fos.org.au)  
Email: [info@fos.org.au](mailto:info@fos.org.au)

If you lodge a complaint on or after 1 November 2018, you can lodge it with the Australian Financial Complaints Authority ("**AFCA**") of which we are a member. From 1 November 2018, AFCA will be the new external dispute resolution scheme for complaints involving financial services and products and will replace FOS. Contact details for AFCA are as follows:

Address GPO Box 3  
Melbourne VIC 3001  
Phone: 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)

If you are investing indirectly through a Service, any enquiries or complaints about your investment through the Service or about the Service may be directed to either your Service operator or the Responsible Entity. Complaints regarding the operation of an IDPS should be directed to the IDPS operator.

#### **Privacy and Personal information**

##### ***Indirect Investors***

If you are investing indirectly through a Service, we do not collect or hold your personal information in connection with your investment in the Fund. Please contact your Service operator for more information about their privacy policy.

##### ***Direct investors (including investors through mFund)***

We collect personal information from you in the application form and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we will not be able to do so. Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- the kinds of personal information we collect and hold;
- how we collect and hold personal information;
- the purposes for which we collect, hold, use and disclose personal information;
- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles ("**APP**"), or a registered APP code (if any) that binds us, and how we will deal with such a complaint; and
- whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for us to specify those countries.

We may also give your personal information to service providers of the Fund, including the Manager, the Custodian, the Administrative Agent, the Fund accountant and their related bodies corporate ("**Service Providers**") which may require transferring your personal information to entities located outside Australia where it may not receive the level of protection afforded under Australian law. We and the Service Providers may use personal information collected about you to notify you of other products.

Our privacy policy is available on our website at [www.perpetual.com.au](http://www.perpetual.com.au) or you can obtain a copy free of charge by contacting us. Personal information will also be handled by the Manager in accordance to the Manager's privacy policy. A copy of the Manager's privacy policy is publicly available by visiting [www.jpmorganam.com.au](http://www.jpmorganam.com.au).

##### **Anti-Money Laundering/Counter-Terrorism Financing Laws**

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("**AML Act**") and relevant rules and regulations, we are required to verify your identity before providing services to you, and where you supply documentation relating to your identity, keep a record of this documentation for 7 years after you end your relationship with us.

Transactions may be delayed or refused where we require further information regarding your identity or we have reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country. Where transactions are delayed or refused, we are not liable for any loss you suffer, including consequential loss, as a result of our compliance with the AML Act or similar law of any other country.

Where required by law, we may disclose your information to regulatory or law enforcement agencies, including the Australian Transaction Reports and Analysis Centre ("**AUSTRAC**"), which is responsible for regulating the AML Act.

Customer identification requirements for individual investors are collected in the Application Form.

### **Conflicts of interest of the Perpetual Group**

Other entities within the 'Perpetual Group' (comprising Perpetual Limited and its subsidiaries, including the Responsible Entity) may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts not described in this PDS. Perpetual Group have implemented policies and procedures to identify and where possible mitigate or avoid the conflict.

### **Conflicts of interest of the JPMorgan Chase Group**

An investment in the Fund is subject to a number of actual or potential conflicts of interest. The JPMorgan Chase Group has adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest. In addition, these policies and procedures are designed to comply with applicable law where the activities that give rise to conflicts of interest are limited and/or prohibited by law, unless an exception is available.

The Manager, the Fund, the Administrative Agent and the Custodian are not independent third parties. They are all part of the JPMorgan Chase Group, which provide a broad range of services and products to their clients and are major participants in the global currency, equity, commodity, fixed-income and other markets in which the Fund indirectly invests or will invest. In certain circumstances by providing services and products to their clients, JPMorgan Chase Group's activities may disadvantage or restrict the Fund and/or benefit these affiliates.

Potential conflicts of interest may arise between the Custodian and any delegates or sub-delegates it has appointed to perform safekeeping and related services. For example, potential conflicts of interest may arise where an appointed delegate is an affiliated group company of the Custodian and is providing a product or service to the Fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company of the Custodian which receives remuneration for other related custodial products or services it provides to the Fund, such as foreign exchange, securities lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the Custodian will at all times have regard to its obligations under applicable laws and regulations.

The description of conflicts of interests below is without prejudice to the laws and regulations which each specific entity of the JPMorgan Chase Group is subject to. In particular the Manager will try to avoid conflicts of interest and, when they cannot be avoided, ensure that its clients (including the Fund) are fairly treated. To manage these potential conflicts, all arrangements between the Fund the Manager, the Delegated Manager, the Administrative Agent and Custodian have been entered into at arm's length terms.

Potential investors and unit holders should carefully review the following, which describes potential and actual conflicts of interest that the JPMorgan Chase Group entities can face in their operations.

**Acting for multiple clients.** In general, the JPMorgan Chase Group faces conflicts of interest when it renders investment advisory services to several clients and, from time to time, provides dissimilar investment advice to different clients. In addition, a conflict could arise when one or more funds or accounts managed by the JPMorgan Chase Group Entities ("Other Accounts") invest in different instruments or classes of securities of the same issuer than those in which the Fund invests.

In certain circumstances, Other Accounts have different investment objectives or could pursue or enforce rights with respect to a particular issuer in which the Fund has also invested and these activities could have an adverse effect on the Fund which in turn may have an adverse effect on the Fund.

It is possible that in connection with an insolvency, bankruptcy, reorganisation, or similar proceeding, the Fund will be limited (by applicable law, courts or otherwise) in the positions or actions it will be permitted to take due to other interests held or actions or positions taken by the JPMorgan Chase Group or Other Accounts.

**Affiliated transactions.** To the extent permitted by law, the Fund can enter into transactions in which the JPMorgan Chase Group acts as principal on its own behalf (principal transactions), or the JPMorgan Chase Group acts as broker for, and receives a commission from, the Fund (agency transactions). Agency transactions create the opportunity for the JPMorgan Chase Group to engage in self-dealing. The JPMorgan Chase Group entities face a conflict of interest when it engages in an agency transaction on behalf of Fund, because such transactions result in additional compensation to the JPMorgan Chase Group. The JPMorgan Chase Group faces a potentially conflicting division of loyalties and responsibilities to the parties in these transactions.

**Allocation and aggregation.** Potential conflicts of interest also arise with both the aggregation of trade orders and allocation of securities transactions or investment opportunities. Allocations of aggregated trades, particularly trade orders that were only partially filled due to limited availability, and allocation of investment opportunities raise a potential conflict of interest because the JPMorgan Chase Group has an incentive to allocate trades or investment opportunities to Other Accounts. The JPMorgan may face certain potential conflicts of interest when allocating the assets of a fund-of-funds among its Other Accounts.

**Overall position limits.** Potential conflicts of interest also exist when the JPMorgan Chase Group maintains certain overall investment limitations on positions in securities or other financial instruments due to, among other things, investment restrictions imposed upon the JPMorgan Chase Group by law, regulation, contract or internal policies. These limitations have precluded and, in the future could preclude, the Fund from purchasing particular securities or financial instruments, even if the securities or financial instruments would otherwise meet the Fund's objectives.

**Redemptions.** The JPMorgan Chase Group, as an investor, and Other Accounts may have significant ownership in Fund. The JPMorgan Chase Group faces conflicts of interest when considering the effect of redemptions on the Fund and on other shareholders in deciding whether and when to redeem its shares. A large redemption of shares by the JPMorgan Chase Group or Other Accounts could result in the Fund selling securities when it otherwise would not have done so, accelerating the realisation of capital gains or losses, increasing transaction costs and potentially affecting the viability of the Fund. A large redemption could significantly reduce the assets of the Fund, causing decreased liquidity and, depending on any applicable expense caps, a higher expense ratio.

**Investing in UCITS, UCIs and other investment vehicles.** The Fund may invest its assets in, from time to time, UCITS, UCIs and other investment vehicles managed by the JPMorgan Chase Group. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest

with the Fund. When undertaking any investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

**Personal trading.** The JPMorgan Chase Group and any of its directors, officers, agents or employees, face conflicts of interest when transacting in securities for their own accounts because they could benefit by trading in the same securities as the Fund, which could have an adverse effect on the Fund. The JPMorgan Chase Group may make different investment decisions and take other actions with respect to their own proprietary accounts than those made for client accounts, including the timing or nature of such investment decisions or actions.

**Information access.** As a result of the JPMorgan Chase Group's various other businesses, affiliates, from time to time, come into possession of information about certain markets and investments which, if known to the investment managers, could cause them to seek to dispose of, retain or increase interests in investments held by the Fund or acquire certain positions on behalf of the Fund. However, the JPMorgan Chase Group's internal information barriers restrict the Fund's investment manager's ability to access such information even when it would be relevant to its management of the Fund. Such affiliates can trade differently from the investment manager for the Fund potentially based on information not available to the investment manager. If the investment manager of the Fund acquires, or is deemed to acquire, material non-public information regarding an issuer, it will be restricted from purchasing or selling securities of that issuer for its clients, including Fund, until the information has been publicly disclosed or is no longer deemed material.

**Commission sharing arrangements.** The JPMorgan Chase Group pays certain broker-dealers with "soft commission" generated by client brokerage transactions in exchange for access to statistical information and other research services. The JPMorgan Chase Group faces conflicts of interest because the statistical information and other research services may benefit certain other clients of the JPMorgan Chase Group more than the Fund and can be used in connection with the management

of accounts other than the accounts whose trades generated the commissions.

Additionally, when the JPMorgan Chase Group uses client brokerage commissions to obtain statistical information and other research services, the JPMorgan Chase Group receives a benefit because it does not have to produce or pay for the information or other research services itself. As a result, the JPMorgan Chase Group may have an incentive to select a particular broker-dealer in order to obtain such information and other research services from that broker-dealer, rather than to obtain the lowest price for execution.

The Responsible Entity will not enter into commission sharing arrangements with respect to the Fund.

**Lending.** Although the Fund does not engage in any borrowing or formal overdraft facility from the JPMorgan Chase Group, the Fund may engage in securities lending transactions. The Manager faces a conflict of interest when an affiliate operates as a service provider in the securities lending transaction or otherwise receives compensation as part of the securities lending activities.

**Proxy voting.** Potential conflicts of interest can arise when the Management Company votes proxies for securities held by the Fund. A conflict is deemed to exist when the proxy is for the Fund, or when the proxy administrator has actual knowledge indicating that the JPMorgan Chase Group is an investment banker or rendered a fairness opinion with respect to the matter that is the subject of the proxy vote. Potential conflicts of interest can arise when the investment manager invests the Fund's assets in securities of companies that are also clients of the JPMorgan Chase Group or that have material business relationships with the JPMorgan Chase Group.

#### **Further information**

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

## 12. Glossary

In this PDS the following words and phrases have the meanings set out below unless a contrary intention appears:

<b>Act</b>	means the Corporations Act 2001 (Cth).
<b>Administrative Agent</b>	means JPMorgan Chase Bank, N.A. (Sydney Branch).
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means the Australian Securities Exchange.
<b>AUD or \$</b>	means Australian dollars.
<b>Benchmark</b>	means the Bloomberg AusBond Bank Bill Index <sup>2</sup> .
<b>Business Day</b>	means a day (other than a Saturday, Sunday, public holiday, the day prior to Christmas Day or New Year's Eve) on which trading banks are opened for general banking business in Sydney.
<b>Constitution</b>	means the constitution of the Fund.
<b>Custodian</b>	means JPMorgan Chase Bank, N.A. (Sydney Branch).
<b>Delegated Manager</b>	means JPMorgan Asset Management (UK) Limited
<b>Fund</b>	means the JPMorgan Global Macro Opportunities Fund, ARSN 611 865 948
<b>GST</b>	means Goods and Services Tax.
<b>IDPS</b>	means an investor directed portfolio service.
<b>Indirect Investor</b>	means a Unitholder who acquired Units through a Service.
<b>Investment Objective</b>	means the investment objective of the Fund, being to achieve capital appreciation in excess of its Benchmark by primarily in securities, globally, using financial derivative instruments where appropriate.
<b>Investment Strategy</b>	means the investment strategy of the Fund, being to invest primarily either directly or through the use of financial derivative instruments, in equity securities, commodity index instruments, convertible securities, debt securities, deposits with credit institutions and money market instruments. Issuers of these securities may be located in any country, including emerging markets.
<b>JPMAM</b>	means the J.P Morgan Asset Management business within the JPMorgan Chase Group
<b>JPMorgan Chase Group</b>	the Manager, its associates and related bodies corporate.
<b>Manager</b>	means JPMorgan Asset Management (Australia) Limited, ABN 55 143 832 080, AFSL 376919.
<b>NAV</b>	means net asset value of the Fund.
<b>OTC derivatives</b>	means over-the-counter derivatives.
<b>Perpetual Group</b>	means the Responsible Entity, its associates and related bodies corporate.
<b>Responsible Entity</b>	means Perpetual Trust Services Limited, ABN 48 000 142 049, AFSL 236648.
<b>Retail Client</b>	a person or entity which is a retail client as defined under section 761G of the Act.
<b>Service</b>	means an IDPS, IDPS-like scheme, a nominee or custody service or any other trading platform.
<b>Transaction Costs</b>	means all charges, disbursements, expenses, outgoings, fees, taxes, commissions, brokerage, settlement costs, clearing costs and government charges which may be incurred by changes in the Fund's investment portfolio, or when the Fund experiences cash flows in or out of it.
<b>UCIs</b>	means an Undertaking for Collective Investments.

<sup>2</sup> Bloomberg Finance L.P. and its affiliates (collectively, "**Bloomberg**") are not affiliated with the Manager or the Responsible Entity and do not approve, endorse, review, or recommend the Fund. Bloomberg and the Benchmark are trademarks or service marks of Bloomberg and have been licensed to the Manager. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Benchmark.

<b>UCITS</b>	means an Undertaking for Collective Investments in Transferable Securities under the EC Directive 2009/65 of 13 July 2009.
<b>Unit</b>	means an undivided beneficial interest in the assets of the Fund.
<b>Unitholders</b>	means a holder of Units in the Fund.
<b>US Person</b>	is defined in section 11 “Additional Information” of this PDS under the heading “Restrictions to sell to a US person”.
<b>VaR Methodology</b>	means a method through which the global exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, counterparty risk, foreseeable market movements and the time available to liquidate the positions.
<b>Wholesale Client</b>	a person or entity that is not a Retail Client.