

# JPMORGAN GLOBAL RESEARCH ENHANCED INDEX EQUITY FUND (HEDGED)

APIR: PER0715AU ARSN: 166 890 937 ISIN: AU60PER07154

Product Disclosure Statement (“PDS”) dated 2 December 2019

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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:

### MANAGER

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M: Level 31, 101 Collins Street,  
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W: [www.jpmorganam.com.au](http://www.jpmorganam.com.au)  
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### RESPONSIBLE ENTITY

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Sydney, NSW, 2000  
W: [www.perpetual.com.au](http://www.perpetual.com.au)

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 Research Enhanced Index Equity Fund (Hedged) (**“Fund”**). The investment manager of the Fund is JPMorgan Asset Management (Australia) Limited, ABN 55 143 832 080, AFSL 376919 (**“Manager”**).

## IMPORTANT NOTES

This PDS provides a summary of significant information and contains a number of references to important information (each of which forms part of the PDS). You should consider all of this information before making a decision to invest in the Fund. The Fund’s Reference Guide dated 2 December 2019 (**“Reference Guide”**) also forms part of the PDS. The information provided in this PDS is for general information only and does not take into account your objectives, financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

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.

### Updated Information

The information in this PDS is up to date at the time of preparation. This PDS may be updated with changes that are not materially adverse via disclosure on the Manager’s website, at [www.jpmorganam.com.au](http://www.jpmorganam.com.au). Upon request, a paper copy of this information will be made available without charge by contacting the Manager. If you invest through an investor directed portfolio service (**“IDPS”**), IDPS-like scheme, a nominee or custody service or any other trading platform including brokers (collectively referred to in this PDS as a **“Service”**), updated information may also be obtained from your Service operator. If you invest through a financial adviser, you may also obtain updated information from your financial adviser.

This PDS may only be used by you, where you have received it (electronically or otherwise) in Australia. Applications from outside Australia will not be accepted. In particular, this PDS does not constitute an offer or recommendation to sell Units in the United States or to any **“U.S. Person”** (as defined in the Reference Guide), or in any jurisdiction, to any person to whom it would be unlawful to make such an offer. All amounts in this PDS are in Australian dollars (**“AUD”** or **“\$”**) and all times quoted are Sydney time (unless otherwise stated). A **“Business Day”** referred to in this PDS is 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 and Luxembourg.

## 1. About Perpetual Trust Services Limited

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

The Responsible Entity is responsible for the operation of the Fund and has the power to delegate certain of its duties in accordance with the Corporations Act and the constitution of the Fund (**"Constitution"**). The Responsible Entity has appointed JPMorgan Asset Management (Australia) Limited, as the investment manager of the Fund, and JPMorgan Chase Bank, N.A. (Sydney Branch) as the custodian (**"Custodian"**) and the administrative agent (**"Administrative Agent"**) for the Fund. The Responsible Entity, in its discretion, may change the Custodian and Administrative Agent from time to time or appoint additional service providers.

### About JPMorgan Asset Management (Australia) Limited

JPMorgan Asset Management (Australia) Limited, the Manager of the Fund, is part of J.P. Morgan Asset Management, a leading investment manager of choice for institutions, financial intermediaries and individual investors worldwide. J.P. Morgan Asset Management is the marketing name for the investment management business of JPMorgan Chase & Co. and its affiliates worldwide.

The Manager acts as our agent to manage the assets of the Fund consistently 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 affiliates of JPMorgan Chase & Co.

## 2. How the Fund works

### About the Fund

The Fund is an Australian domiciled, managed investment scheme that is registered with the Australian Securities and Investments Commission (**"ASIC"**) and is governed by the Constitution.

### How the Fund invests

From the date of this PDS, and until otherwise notified by the Manager, the Fund will invest wholly in interests in the JPMorgan Funds - Global Research Enhanced Index Equity Fund (**"Underlying Sub-Fund"**), other than small holdings of cash. The Underlying Sub-Fund is a specific portfolio within the JPMorgan Funds, which is an umbrella structured open-ended investment company organised under Luxembourg law as a société anonyme qualifying as a société d'investissement à capital variable (**"SICAV"**) and authorised under Part I of the Luxembourg law of 17 December 2010 relating to collective investment undertakings and qualifies as an Undertaking for Collective Investments in Transferable Securities (**"UCITS"**) under the EC Directive 2009/65 of 13 July 2009, as amended from time to time. The JPMorgan Funds operates specific portfolios as 'sub-funds' and each sub-fund is distinguished by a specific investment policy, represented by one or more share classes, which the Fund will substantially invest in. JPMorgan Asset Management (Europe) S.à r.l. (**"Management Company"**) is the manager of the Underlying Sub-Fund.

### How the Fund intends to meet its Investment Objective

The Fund's investment objective is to achieve a long-term return in excess of the benchmark (**"Benchmark"**) by investing primarily in a portfolio of companies, globally; the risk characteristics of the portfolio of securities held by the Underlying Sub-Fund will resemble the risk characteristics of the portfolio of securities held in the Benchmark (**"Investment Objective"**). The Fund intends to achieve the Investment Objective through indirect exposure to the assets of the Underlying Sub-Fund, in which the Fund intends to

make a substantial investment. We will use our best endeavours to meet the Investment Objective however the Investment Objective may change as a result of matters or changes beyond our control, including market conditions, change in law or applications and withdrawals made by investors. Where we believe it is in the best interests of investors as a whole, we may change the Investment Objective.

In the future, pursuant to the relevant and applicable laws and subject to providing the requisite notice to existing investors in the Fund, the Fund may invest directly in, and therefore have direct exposure to, the same or similar assets in which the Underlying Sub-Fund invests. From the date of this PDS and until investors are otherwise notified by the Manager, the Fund will invest wholly in the Underlying Sub-Fund other than small holdings of cash.

### How the Fund operates

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.

### What is a Unit

Each unit (**"Unit"**) that you hold in the Fund represents an equal and undivided interest in the Fund, subject to the liabilities. However, we, rather than you, have control over the Fund's assets, management and operation. Your investment is not a direct investment in the Underlying Sub-Fund and does not give you an interest in it nor in any other particular asset of the Fund.

### 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 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 "8. How to apply" below for details). 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.jpmorganam.com.au](http://www.jpmorganam.com.au).

If you are investing 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 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 service on your behalf. Cut-off times for placing an application or withdrawal request via mFunds is 11am (Sydney time), on a Business Day. Go to section 2, "Transactions via mFund", of the Reference Guide, which forms part of this PDS, for further information.

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 net asset value ("**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<sup>1</sup>;
- dividing the resulting amount by the number of Units in issue;
- increasing (or decreasing) the NAV of each Unit by the Transaction Costs<sup>2</sup> (as defined in the Reference Guide); 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 cash in satisfaction of a withdrawal request.

<sup>1</sup> Calculation and publication of Unit application (or withdrawal) prices may be delayed around distribution periods.

<sup>2</sup> Transaction Costs may include a buy or sell spread charged by the Fund, but as at the date of this PDS, there is no buy or sell spread when an investor buys or sells Units.

### 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.

### Suspension of applications and withdrawals

We may suspend withdrawals of, or applications for, Units in certain circumstances set out in the Constitution, including where we consider that it is desirable for the protection of the Fund, or in the best interests of investors during certain emergency situations where it is not reasonably practicable for us to acquire or dispose assets or to determine fairly the application or withdrawal price. 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 Corporations Act 2001 ("**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.

### 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 Underlying Sub-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 through a Service, you may be subject to different conditions from those referred to in this PDS, particularly in relation to the timing of distributions. As well as reading this PDS, you should seek advice from your Service operator, including reading their offer document.

### Further information

We authorise the use of this PDS as disclosure to people who wish to access the Fund 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.

Further details about how the Fund works, including detailed information about acquiring and disposing of Units, are contained in a separate document, the Reference Guide, which forms part of this PDS.

1. You should read the important information in the Reference Guide about "How the Fund works" before making a decision. Go to section 2 of the Reference Guide.
2. The material relating to "How the Fund works" may change between the time when you read this PDS and the day when you acquire the product.

### 3. Benefits of investing in the Fund

Feature	Benefit
<b>Diversification</b>	The Fund provides exposure to a diversified portfolio of global securities which typically exceeds 600 stocks, minimising stock specific risk.
<b>Index-like product</b>	The Fund has index-like characteristics creating an attractive alternative to passive funds, aiming to deliver positive alpha at low active risk. Risks are carefully managed by applying index-relative limits on the weights of regions, sectors and styles in the portfolio construction process.
<b>Stock specific insights</b>	The Fund differs from traditional index funds through applying stock selection filters leveraging JP Morgan's extensive fundamental research globally.
<b>On-the-ground insight</b>	The Fund leverages a large in-house fundamental research career analysts covering 2000 stocks, a strong team of portfolio managers and a wide trading platform spread across the globe.

Further details about other features of the Fund are contained in a separate document, the Reference Guide, which forms part of this PDS.

### 4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. The value of your investment may fall for a number of reasons,

including the risks set out below, which means that you may lose some or all of your investment. Before making an investment decision, it is important to understand the risks that may affect the value of 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.

Neither the Manager, nor its associates or related bodies corporate (together "JPMorgan Chase Group"), Perpetual Trust Services Limited, nor any company in the Perpetual Group, 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 Trust Services Limited 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 some 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.

While it is not possible to identify every risk relevant to investing in the Fund, we have detailed key risks that may affect your investment.

1. You should read the important information in the Reference Guide about "Additional information about risks of managed investment schemes" before making a decision. Go to section 3 of the Reference Guide.
2. The material relating to "Additional information about risks of managed investment schemes" may change between the time when you read this PDS and the day when you acquire the product.

Type of key risk	Description of risk
<b>Hedging risk</b>	Any measures that the Underlying Sub-Fund takes that are designed to offset specific risks could work imperfectly, might not be feasible at times, or could fail completely. The Underlying Sub-Fund can use hedging within its portfolio to mitigate currency, duration, market or credit risk, and, with respect to any designated share classes, to hedge the currency exposure of the share class. Hedging involves costs, which reduce investment performance.
<b>Equities risk</b>	<p>The value of equities may go down as well as up in response to the performance of individual companies and general market conditions, sometimes rapidly or unpredictably.</p> <p>If a company goes through bankruptcy or a similar financial restructuring, its shares in issue typically lose most or all of their value.</p> <p>Equity exposure may also be obtained through equity related securities such as warrants, depositary receipts, convertible securities, index and participation notes and equity-linked notes, which may be subject to greater volatility than the underlying reference asset and are also exposed to the risk of counterparty default.</p>
<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>Investing in the Fund may have a different tax outcome than investing directly in the Underlying Sub-Fund because of the application of tax laws to the Fund and the impact of investments and withdrawals by other</p>

investors. One result is that you may receive back some of your capital as income in a distribution (please refer to “7. How managed investment schemes are taxed” within this PDS for further tax details).

## 5. How we invest your money

You should consider the likely investment return, the risks and your investment timeframe. We recommend you consult a financial adviser for assistance in determining whether the Fund is appropriate for you.

1. You should read the important information in the Reference Guide about "Additional information about how we invest your money" before making a decision. Go to section 4 of the Reference Guide.
2. The material relating to "Additional information about how we invest your money" may change between the time when you read this PDS and the day when you acquire the product.

### JPMorgan Global Research Enhanced Index Equity Fund (Hedged)

#### Investment Objective

To achieve a long-term return in excess of the Benchmark by investing primarily in a portfolio of companies, globally; the risk characteristics of the portfolio of securities held by the Underlying Sub-Fund will resemble the risk characteristics of the portfolio of securities held in the Benchmark.

#### Investment Strategy

The Fund will substantially invest in the Underlying Sub-Fund.

#### Benchmark

MSCI World Index (Total Return Net) hedged to AUD<sup>1</sup>.

#### Base/reference currency of Fund

AUD.

#### Investment Policy

The Fund will be substantially invested in the Underlying Sub-Fund. However, a small proportion of the Fund's investments will be in cash<sup>2</sup>.

In relation to the Underlying Sub-Fund, at least 67% of the Underlying Sub-Fund's assets will be invested in equities of companies anywhere in the world.

EUR is the reference currency of the Underlying Sub-Fund but it may invest in assets denominated in any currency and currency exposure in the Underlying Sub-Fund is typically unhedged. The Underlying Sub-Fund may use derivatives for the purposes of hedging and efficient portfolio management.

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

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

#### Suitability

Investors who understand the risks of the Fund, including the risk of capital loss, and:

- seek long-term capital growth through exposure to global equity markets;
- seek potential excess returns with similar risks to investing in securities representing the Benchmark; and
- are looking to use it as part of an investment portfolio and not as a complete investment plan.

#### Risk level

Medium to high risk based on the historic volatility of the NAV of the Fund over the last 5 years. This means that the Fund's NAV has shown medium to high fluctuations historically which impacts the level of returns on an investor's investment.

#### Minimum suggested timeframe

Investors should have a long-term investment horizon of at least 7 years. Please note that this is a guide only, not a recommendation.

#### Changes to the Fund

We have the discretion to terminate the Fund, close the Fund to new investors (including to existing investors) and increase the fees and expenses. We will use our best endeavours to meet the Investment Objective and Investment Strategy of the Fund in performing our duties and obligations. However the Investment Objective and/or Investment Strategy may change as a result of matters or changes beyond our control, including market conditions, change in law or applications and withdrawals made by investors. We may change the Fund's Investment Objective and/or Investment Strategy where we believe it is in the best interests of investors as a whole. We may change the investment manager in accordance with the Constitution. We will duly notify investors of changes as required by the Act or the Constitution, as applicable.

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

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

#### Audited financial reports ("Reports")

The Fund's financial year ends on 30 June each year. The Reports of the Fund will be available within 3 months following the end of each financial year. The Reports may be obtained free of charge and upon request from the Manager during normal business hours or at [www.jpmmorganam.com.au](http://www.jpmmorganam.com.au).

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

We have delegated investment management decisions for the Fund to the Manager.

The Manager does not take into account labour standards and environmental, social and governance factors for the purpose of selecting, retaining or realising investments of the Fund.

The investment manager of the Underlying Sub-Fund seeks to assess the impact of environmental, social (which includes labour standards) and governance factors on the cash flows of many companies in which it may invest to identify issuers that it believes will be negatively impacted by such factors relative to other issuers. These determinations may not be conclusive and it may purchase and retain such securities.

In keeping with Luxembourg law, the Management Company has implemented a policy that seeks to restrict investments in securities issued by companies that have been identified by third party providers as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour or anti-personnel mines. This is only relevant for the investments of the Underlying Sub-Fund.

<sup>1</sup> Benchmark is calculated using security prices and Reuters multi-contributor spot foreign-exchange rates as of 16:00 Central European Time on the calculation date.

<sup>2</sup> This provides only an indication of the intended investments of the Fund. You may obtain information on the actual investment allocations of the Fund by contacting the Manager directly.

## 6. Fees and 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 ("ASIC") website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

The managed funds fee calculator can also be used to calculate the effect of fees and costs on account balances.

The following information can be used to compare costs between different simple managed investment schemes.

If you are investing through a Service, any additional fees that you may be charged by your Service operator for investing in the Fund via their Service should be set out in their offer document.

Fees and costs can be paid directly from your account or deducted from investment returns.

Information on how managed investment schemes are taxed is set out in section 7 of this PDS.

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

Further information about fees and costs, including management fee rebates, expense recoveries, transactional and operational costs, borrowing costs, maximum amounts allowable under the Constitution and adviser remuneration, is available in a separate document, the Reference Guide, which forms part of this PDS.

The Manager does not currently pay any rebates or commissions or other similar type of payments to financial advisers, but reserves the right to do so at any time in the future subject to applicable laws.

1. You should read the important information in the Reference Guide about "Additional information about fees and costs" before making a decision. Go to section 5 of the Reference Guide.

2. The material relating to "Additional information about fees and costs" may change between the time when you read this PDS and the day when you acquire the product.

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the Fund</b>	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Termination fee	Nil
<b>Management costs<sup>1</sup></b>	
The fees and costs for managing your investment	<p>The <b>management costs</b> are 0.35% p.a. of the NAV of the Fund and are comprised of:</p> <ul style="list-style-type: none"> <li>a <b>management fee</b> of 0.20% p.a. of the NAV of the Fund;</li> </ul>

Type of fee or cost	Amount
	<ul style="list-style-type: none"> <li><b>estimated expense recoveries<sup>2</sup></b> of 0.05% p.a. of the NAV of the Fund; and</li> <li><b>estimated indirect costs<sup>3</sup></b> of 0.10% p.a. of the NAV of the Fund</li> </ul>

<sup>1</sup> Management costs are comprised of a management fee, expense recoveries and indirect costs. The management fee, expense recoveries incurred in the ordinary course of operations and a portion of the indirect costs (being those indirect costs that reflect the management fee and expense recoveries of the Underlying Sub-Fund) are capped at 0.35% p.a. of the NAV of the Fund. Further information on management costs is contained in the Reference Guide, which forms part of this PDS. The fees and costs shown are inclusive of GST and net of any applicable input tax credits and reduced input tax credits.

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 "Additional fees and costs" in the section "Additional explanation of fees and costs" below.

<sup>2</sup> The figures in the above table are based on expense recoveries incurred by the Fund for the financial year ending 30 June 2019, 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.

<sup>3</sup> The figures in the above table are based on indirect costs incurred by the Fund in the financial year ending 30 June 2019, including the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS. As these indirect costs are calculated on the basis of indirect costs paid in the financial year ended 30 June 2019, the actual cost may differ from the amount set out above. A portion of the indirect costs are costs incurred in respect of over-the-counter ("OTC") derivatives used by the Underlying Sub-Fund and this cost is not capped. Indirect costs are deducted from the Underlying Sub-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 indirect costs will be provided on the Manager's website at [www.jpmorgan.com.au](http://www.jpmorgan.com.au) where they are not materially adverse to investors.

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.

### 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	0.35% p.a. <sup>1</sup>	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged \$175 each 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 between:</p> <p><b>\$175 to \$192.50<sup>2</sup>.</b></p> <p><b>What it costs you will depend on the fees you negotiate<sup>3</sup>.</b></p>

<sup>1</sup> The actual management costs may vary from this estimate having regard to actual expense recoveries and indirect costs that are incurred.

<sup>2</sup> 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.

<sup>3</sup> Additional fees may apply. This example does not include Transaction Costs or additional fees that may be charged by your broker, financial adviser or Service Operator (as applicable) for investing in the Fund.

## Additional explanation of fees and costs

### Management costs

The management costs are comprised of a management fee, expense recoveries and indirect costs of the Fund.

#### Management fee

The management fee of 0.20% p.a. of the NAV of the Fund is payable to the Responsible Entity (including any fee payable to the Manager out of the management fee) for managing the Fund.

It is calculated and accrued daily and payable monthly in arrears out of the assets of the Fund within 10 days of the end of each month.

#### Expense recoveries

Expense recoveries of the Fund are costs such as those associated with transfer agency services, custody and administration of the Fund, and the provision of audit, legal and tax services.

Any extraordinary or unusual expenses such as the costs of calling and holding unitholder meetings are also included in the management costs in the fees and costs table above but are not subject to the cap.

#### Indirect costs

Additional information about the indirect costs of the Fund is set out in section 5 'Additional information about fees and costs' in the Reference Guide, which forms part of this PDS.

### Cap on certain management costs

The management fee, the expense recoveries incurred in the ordinary course of operations and a portion of the indirect costs (being those indirect costs that reflect the management fee and expense recoveries of the Underlying Sub-Fund) (**Capped Management Costs**) are capped at 0.35% p.a. of the NAV of the Fund. Where the actual Capped Management Costs incurred by the Fund exceed 0.35% p.a. of the NAV of the Fund, the amount by which the Capped Management Costs exceeds the cap will not be paid out of the assets of the Fund.

Any extraordinary or unusual expense recoveries and/or indirect costs associated with OTC derivatives are not subject to the cap.

### 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 ("**Wholesale Clients**"). 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.

### Additional fees and costs

Additional fees and costs may be payable to a financial adviser if a financial adviser is consulted. The details of these fees and costs should be set out in the statement of advice provided by your adviser.

## 7. How managed investment schemes are taxed

**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.

### 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.

Normally distributions received from the Underlying Sub-Fund will be treated as foreign dividends. The Fund is not expected to realise capital gains from its investment in the Underlying Sub-Fund and any gains realised on the disposal of shares in the Underlying Sub-Fund are expected to be treated as foreign dividends.

### How non-resident investors are taxed

The Responsible Entity may withhold tax on distributions made to non-residents.

1. You should read the important information in the Reference Guide about "Additional information about how managed investment schemes are taxed" before making a decision. Go to section 6 of the Reference Guide.

2. The material relating to "Additional information about how managed investment schemes are taxed" may change between the time when you read this PDS and the day when you acquire the product.

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

### 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 through a Service, please refer to your Service operator for more information on the collection of TFNs and ABNs.

## 8. 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 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.

### 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" within the Reference Guide for details).

### **Your cooling-off rights**

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 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.

Alternatively, you can lodge a complaint with the Australian Financial Complaints Authority ("**AFCA**") of which we and the Manager are members. 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 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.