

# **JPMORGAN ETFS (IRELAND) ICAV**

## **UK Equity Core UCITS ETF**

**11 May 2022**

(A sub-fund of JPMorgan ETFS (Ireland) ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registered number C171821 authorised by the Central Bank of Ireland pursuant to the UCITS Regulations).

This Supplement (the “Supplement”) forms part of the Prospectus dated 21 March 2022 (the “Prospectus”) in relation to JPMorgan ETFS (Ireland) ICAV (the “ICAV”) for the purposes of the UCITS Regulations. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the JPMorgan ETFS (Ireland) ICAV – UK Equity Core UCITS ETF (the “Sub-Fund”) which is a separate sub-fund of the ICAV.

**The Sub-Fund is an Actively Managed Sub-Fund.**

**Prospective investors should review this Supplement and the Prospectus carefully and in their entirety and consider the risk factors set out in the Prospectus and in this Supplement before investing in this Sub-Fund. If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant and/or financial adviser.**

The Directors, as listed in the “*Management*” section of the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

<b>Base Currency</b>	Pounds Sterling.
<b>Benchmark</b>	FTSE All-Share Index (Net).
<b>Benchmark Provider</b>	FTSE Russell.
<b>Dealing Deadline</b>	14:30 hrs (UK time) for Currency Hedged Share Classes on each Dealing Day.  15:30 hrs (UK time) for unhedged Share Classes on each Dealing Day.
<b>Investment Manager</b>	JPMorgan Asset Management (UK) Limited, 60 Victoria Embankment, London EC4Y 0JP, the United Kingdom, whose business includes the provision of investment management services.
<b>Minimum Subscription Amount</b>	20,000 Shares (for in specie subscriptions) or cash equivalent (for cash subscriptions).
<b>Minimum Redemption Amount</b>	20,000 Shares (for in specie redemptions) or cash equivalent (for cash redemptions).
<b>Settlement Deadline</b>	Appropriate cleared subscription monies/securities must be received by the second Business Day after the Dealing Day, or such later date as may be determined by the ICAV and notified to Shareholders from time to time.
<b>Valuation</b>	The Net Asset Value per Share is calculated in accordance with the “ <i>Determination of Net Asset Value</i> ” section of the Prospectus, using last traded prices for securities.
<b>Valuation Point</b>	Close of business on each Business Day on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
<b>Website</b>	<a href="http://www.jpmorganassetmanagement.ie">www.jpmorganassetmanagement.ie</a>

## INVESTMENT OBJECTIVE AND STRATEGY

**Investment Objective.** The objective of the Sub-Fund is to achieve a long-term return in excess of the Benchmark by actively investing primarily in a portfolio of UK companies.

**Investment Policy.** The Sub-Fund aims to invest at least 67% of its assets (excluding assets held for ancillary liquidity purposes) in equity securities of companies (including smaller capitalisation companies) listed on the London Stock Exchange.

The Sub-Fund will seek to outperform the Benchmark over the long-term. The Benchmark consists of large, mid and small capitalisation stocks of listed UK companies ("**Benchmark Securities**"). As at the date of this Supplement, the Benchmark comprises 603 companies listed on the London Stock Exchange's (LSE) main market representing 98% of the UK's market capitalisation. The constituents may be subject to change over time and comprise stocks from issuers which operate within a wide range of economic sectors. Further details on the Benchmark, including its components and performance, are available at [www.ftserussell.com/products/indices/uk](http://www.ftserussell.com/products/indices/uk). The Benchmark has been included as a point of reference against which the performance of the Sub-Fund may be measured. The Sub-Fund will bear a close resemblance to its Benchmark.

For the avoidance of doubt, investors should note that the Sub-Fund will not seek to track the performance of or replicate the Benchmark, rather the Sub-Fund will hold a portfolio of equity securities (which may include but will not be limited to Benchmark Securities) which is actively selected and managed with the aim of delivering an investment performance which exceeds that of the Benchmark over the long-term. In order to seek to achieve this, the Investment Manager aims to moderately overweight the securities which it considers to have the highest potential to outperform and moderately underweight or not invest at all in securities which the Investment Manager considers have the lowest potential to outperform the Benchmark. As a result, at a sector level, weightings may be closely aligned to the Benchmark. In seeking to identify under and overvalued securities, the Sub-Fund will leverage off the expertise of the Investment Manager's fundamental research insights and quantitative analysis. This fundamental research and quantitative analysis involves gathering information on competitors and engaging in discussions with a wide range of participants and experts in the relevant industry in order to estimate the issuers' future cash flow, earnings and dividends. These estimates are then analysed in conjunction with the market prices of the securities as part of the analysis of the relative attractiveness of the securities. Additional insight is gained by analysis of the issuer's operational momentum with reference to its earnings, revenue and margins against sell-side (analyst) expectations. The performance of the issuer's shares is analysed to gauge market positioning and how the trends in operational momentum are reflected in share price momentum. Use of, issuance of, and returns on capital are analysed to ensure issuer capital is being used efficiently and to further inform the Investment Manager's understanding of underlying cash flow and capital uses.

The Sub-Fund will typically invest in assets denominated in GBP and any non-GBP currency exposure will not be hedged back to GBP.

The risk characteristics of the portfolio of securities held by the Sub-Fund, such as volatility levels, will be broadly equivalent to the risk characteristics of the Benchmark.

The Sub-Fund seeks to assess the impact of environmental, social and governance ("**ESG**") 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. This impact is determined by identifying issuers which are negative outliers, based on the potential impact of ESG factors on the sustainability and redeployment of the issuers' cash flows. The Investment Manager's research analysts and corporate governance specialists focus on key risk factors, including, for example, accounting and tax policies, disclosure and investor communications, shareholder rights, remuneration and social and environmental factors, to seek to identify such negative outliers. The ESG assessment using these risk factors is integrated into the investment process described above to form a holistic view on whether ESG factors will affect the sustainability of issuers' cash flows. This assessment may not be determinative on investment decisions in respect of an issuer's securities and the Investment Manager may purchase and retain such securities which have been identified as negative outliers under the ESG assessment where the Investment Manager believes that this is in the best interests of the Sub-Fund on the basis of the other elements of the investment policy. Investors should also refer to the "*Sustainability Risks*" section of the Prospectus for further information.

**Instruments / Asset Classes.** The Sub-Fund will invest primarily in securities listed or traded on Recognised Markets in the UK.

In normal circumstances the Sub-Fund may hold up to 10% of its Net Asset Value in ancillary liquid assets (deposits, certificates of deposit, commercial paper, fixed rate bonds issued by governments which are rated investment grade and money market funds) in accordance with the UCITS Regulations. Subject to the following paragraph, the Sub-Fund may hold a higher percentage of its Net Asset Value in such ancillary liquid assets following large cash flows into or out of the Sub-Fund, as it may be inefficient and contrary to Shareholders' best interests to seek to invest cash received as subscriptions, or realise assets to meet large redemptions, solely on the relevant Dealing Day. The Sub-Fund will seek to reduce the percentage of its Net Asset Value held as ancillary liquid assets to below 10% of Net Asset Value as quickly as practicable, acting in the best interests of Shareholders.

The Sub-Fund will not invest more than 10% of its Net Asset Value in other regulated, open-ended collective investment schemes, including ETFs and money market funds, as described under "*Investment in other Collective Investment Schemes*" in the "*Investment Objectives and Policies*" section of the Prospectus.

**Use of FDI and Risk Management.** In addition, the Sub-Fund may, for efficient portfolio management purposes, use financial derivative instruments ("**FDI**") primarily to reduce the Sub-Fund's cash balances, hedge specific risks, and/or manage the cash flows and trading across multiple time-zones. Any use of FDI by the Sub-Fund shall be limited to (i) index futures in respect of UCITS eligible equity indices (subject to a maximum of 20% of Net Asset Value, provided however that this restriction will not apply following large cash flows into or out of the Sub-Fund for the reasons outlined in the "Instruments/Asset Classes" section above); (ii) forward foreign exchange contracts (including non-deliverable forwards); and (iii) warrants (subject to a maximum of 5% of Net Asset Value). FDI are described under "*Use of Financial Derivative Instruments*" in the "*Investment Objectives and Policies*" section of the Prospectus.

The expected proportion of the assets under management of the Sub-Fund that could be subject to securities lending will fluctuate between 0% and 20%, subject to a maximum of 20%.

**Portfolio Holding Disclosure Policy.** The Sub-Fund will publicly disclose its complete holdings on a daily basis. Details of the Sub-Fund's holdings and full disclosure policy may be found on the Website.

**Fund Classification – German Investment Tax Act.** The Sub-Fund intends to qualify as an “Equity Fund” in accordance with the partial exemption regime and will invest more than 50% of its Net Asset Value on a continuous basis directly in equities as defined in the German Investment Tax Act.

## **INVESTMENT RISKS**

The value of your investment may fall as well as rise and you may get back less than you originally invested.

The value of equities may go down as well as up in response to the performance of individual companies and general market conditions, sometimes rapidly or unpredictably. If a company goes through bankruptcy or a similar financial restructuring, its shares in issue typically lose most or all of their value.

The Sub-Fund may invest in securities of smaller companies which may be less liquid, more volatile and tend to carry greater financial risk than securities of larger companies.

The Sub-Fund seeks to provide a return above the Benchmark; however the Sub-Fund may underperform the Benchmark.

Further information about risks can be found in the "Risk Information" section of the Prospectus.

## **INVESTOR PROFILE**

The Sub-Fund is intended for long-term investment. Investors should understand the risks involved, including the risk of losing all capital invested and must evaluate the Sub-Fund objective and risks in terms of whether they are consistent with their own investment goals and risk tolerances. The Sub-Fund is not intended as a complete investment plan.

The Sub-Fund is aimed at investors seeking to achieve a long-term return in excess of the Benchmark by actively investing primarily in a portfolio of UK companies.

Typical investors in the Sub-Fund are expected to be investors who want to take broad market exposure to the UK stock market, who seek to benefit from potential excess returns with similar risks to investing in securities representing the Benchmark and who are prepared to accept the risks associated with an investment of this type, including the volatility of such market.

## **SUBSCRIPTIONS – PRIMARY MARKET**

Accumulating Share Classes and Distributing Share Classes are available for subscription in the Sub-Fund in an unhedged GBP denominated class and in Currency Hedged Share Classes denominated in any currency listed in the “*Classes of Shares*” section of the Prospectus. Currency Hedged Share Classes are available to launch at the discretion of the Management Company. Following the Closing Date, a complete list of Share Classes which have been launched in the Sub-Fund may be obtained from the Website, the registered office of the ICAV or the Management Company.

Shares will be available from 9am hrs (UK time) on 12 May 2022 to 4pm (UK time) on 11 November 2022 or such earlier or later date as the Directors may determine (the “**Offer Period**”). During the Offer Period, the Initial Offer Price is expected to be approximately GBP 25 per Share (together with any

applicable Duties and Charges) or its equivalent in the class currency of the relevant Share Class. The actual Initial Offer Price per Share may vary from its estimated price depending on movements in the value of the securities between the date of this Supplement and the date that the Offer Period closes. The actual Initial Offer Price per Share will be available from the Administrator and on the Website following the Closing Date.

After the Closing Date, Shares will be issued on each Dealing Day at the appropriate Net Asset Value per Share with an appropriate provision for Duties and Charges in accordance with the provisions set out below and in the Prospectus. Investors may subscribe for Shares for cash or in kind on each Dealing Day by making an application by the Dealing Deadline in accordance with the requirements set out in this section and in the “*Purchase and Sale Information*” section of the Prospectus. Consideration, in the form of cleared subscription monies/securities, must be received by the applicable Settlement Deadline.

Currency Hedged Share Classes will use the NAV Hedge methodology. Please refer to the “*Currency Hedging at Share Class Level*” section in the “*Investment Objectives and Policies*” section of the Prospectus and “*Currency Hedged Share Classes*” section in the “*Risk Information*” section of the Prospectus for further information on Currency Hedged Share Classes.

## **REDEMPTIONS – PRIMARY MARKET**

Shareholders may effect a redemption of Shares on any Dealing Day at the appropriate Net Asset Value per Share, subject to an appropriate provision for Duties and Charges, provided that a valid redemption request from the Shareholder is received by the Management Company by the Dealing Deadline on the relevant Dealing Day, in accordance with the provisions set out in this section and at the “*Purchase and Sale Information*” section of the Prospectus. Settlement will normally take place within two Business Days of the Dealing Day but may take longer depending on the settlement schedule of the underlying markets. In any event, settlement will not take place later than 10 Business Days from the Dealing Deadline.

## **FEES AND EXPENSES**

The TER for all Share Classes will be up to 0.25% per annum of the Net Asset Value.

Further information in this respect is set out in the “*Fees and Expenses*” section of the Prospectus.

## **DISTRIBUTIONS**

Accumulating Share Classes and Distributing Share Classes are available in the Sub-Fund. With respect to Distributing Share Classes, the Sub-Fund intends to distribute quarterly in accordance with the provisions set out in the “*Distributions*” section of the Prospectus.

## **LISTING**

An application has been made for the Shares to be admitted to the Official List and to trading on Euronext Dublin. Shares may also be admitted to trading on other Listing Stock Exchanges as specified on the Website.

## **BENCHMARK DISCLAIMER**

The Sub-Fund has been developed solely by JPMorgan Asset Management (UK) Limited. The Sub-Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the “LSE Group”). FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the Benchmark vest in the relevant LSE Group company which owns the Benchmark.

“FTSE®” is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license.

The Benchmark is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Benchmark or (b) investment in or operation of the Sub-Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Sub-Fund or the suitability of the Benchmark for the purpose to which it is being put by JPMorgan Asset Management (UK) Limited.