

# JPMORGAN ETFS (IRELAND) ICAV

## Global Equity Multi-Factor UCITS ETF

**9 February 2024**

(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 9 February 2024 (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 – Global Equity Multi-Factor UCITS ETF (the “Sub-Fund”) which is a separate sub-fund of the ICAV.

The Sub-Fund is an Index Tracking 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>	US Dollar.
<b>Dealing Deadline</b>	16:30 hrs (UK time) on the Business Day immediately prior to each Dealing Day.
<b>Index</b>	JP Morgan Diversified Factor Global Developed (Region Aware) Equity Index.
<b>Index Provider</b>	FTSE Russell.
<b>Investment Manager</b>	JPMorgan Asset Management (UK) Limited, 60 Victoria Embankment, London, EC4Y 0JP, UK, whose business includes the provision of investment management services.
<b>Minimum Subscription Amount</b>	100,000 Shares (for in specie subscriptions) or cash equivalent (for cash subscriptions).
<b>Minimum Redemption Amount</b>	100,000 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 the same prices as the Index: closing mid-market pricing, or where available, last traded prices.
<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 Sub-Fund seeks to provide returns that correspond to those of its Index.

**Investment Policy.** The Sub-Fund aims to track the performance of the Index (or such other index determined by the Directors from time to time as being able to track substantially the same market as the Index) as closely as possible, regardless of whether the Index level rises or falls, while seeking to minimise as far as possible the tracking error between the Sub-Fund's performance and that of the Index.

The Index is comprised of large and mid-capitalisation equity securities issued in developed markets globally, is published by FTSE Russell and rebalances quarterly (as referred to under the "*Index Tracking Risk*" in the Prospectus). Further details on the Index, including its components and performance, are available at <https://www.ftse.com/products/indices/jpmorgan-factor>.

The Index is designed to capture the performance of stocks which display certain factor characteristics more strongly when compared to their peer group (i.e. other stocks in the same sector or region). Factors are characteristics that describe the risk and return profile of securities from which investors expect to achieve above average returns over time, through assuming a particular risk or taking advantage of a behavioural bias.

The Index allocates regional weights according to the FTSE Developed Index, and then uses a two-step rules based approach that weights sectors equally based on volatility followed by a stock selection process that uses multiple factors referred to as "multi-factor". This process involves investing in stocks in the FTSE Developed Index according to an overall multi-factor score derived from equally weighting the three factors described below:

- *Value.* The tendency of stocks trading at a lower price relative to their fundamental characteristics (such as their price-to-earnings or price-to-book ratios) to generate more attractive returns over the long term.
- *Momentum.* The tendency of stocks which have exhibited higher returns relative to their volatility to continue to exhibit more attractive returns.
- *Quality.* The tendency of stocks of financially stable companies (based on measures of their solvency, their profitability, and the quality of their earnings) to generate more attractive returns relative to their volatility over the long term.

The Investment Manager will aim to replicate the Index by holding all of the Index Securities in a similar proportion to their weighting in the Index. However, where full replication of the Index is not reasonably possible (for example as a result of the number of securities or the illiquidity of certain securities within the Index), the Sub-Fund will use the optimisation methodology to select Index Securities in order to build a representative portfolio that provides a return that is comparable to that of the Index. Consequently, the Sub-Fund may over certain periods only hold a certain sub-set of the Index Securities. Further information on the use of optimisation methodology can be found under "*Index Tracking Sub-Funds*" in the "*Investment Objectives and Policies*" section of the Prospectus.

The Sub-Fund may invest in assets denominated in any currency and currency exposure will not typically be hedged.

The Sub-Fund may hold securities which are not constituents of the Index where such securities provide similar exposure and risk profiles to the relevant Index Securities.

**Instruments / Asset Classes.** The Sub-Fund will invest primarily in developed markets globally to gain exposure to equity securities issued by companies of large and mid-capitalisation and of any industrial sector, which may include common stocks, preferred stocks, depositary receipts and units in real estate investment trusts.

The Sub-Fund may hold up to 10% of its Net Asset Value in ancillary liquid assets (deposits, certificates of deposit, commercial paper, 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 manage the Sub-Fund's cash balances or cash flows or hedge specific risks. Any use of FDI by the Sub-Fund shall be limited to (i) index futures in respect of UCITS eligible equity indices (ii) forward foreign exchange contracts (including non-deliverable forwards); and (iii) warrants. 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%.

For information in relation to the difficulties associated with tracking indices, please refer to "*Index Tracking Risk*" in the "*Risk Information*" section of the Prospectus. It is currently anticipated that the tracking error of the Sub-Fund will be up to 100 bps under normal market conditions. The causes of tracking error can include but are not limited to the following: holdings/size of the Sub-Fund, cash flows, such as any delays in investing subscription proceeds into the Sub-Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

**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 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.

Since the instruments held by the Sub-Fund may be denominated in currencies other than the Base Currency, the Sub-Fund may be affected unfavourably by exchange control regulations or fluctuations in currency rates. For this reason, changes in currency exchange rates can affect the value of the Sub-Fund's portfolio and may impact the value of the Shares.

The Sub-Fund is not expected to track the performance of the Index at all times with perfect accuracy. The Sub-Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of the Index.

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.

Typical investors in the Sub-Fund are expected to be those who seek exposure to markets covered by the Index and want access to the risk allocation and multi-factor based process of the Index.

## **SUBSCRIPTIONS – PRIMARY MARKET**

Accumulating Share Classes and Distributing Share Classes are available for subscription in the Sub-Fund in an unhedged USD 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 that have not been launched as of the date of this Supplement will be available from 9 am (UK time) on 12 February 2024 to 4 pm (UK time) on 9 August 2024 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 USD 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, and, in respect of Share Classes which have already launched, from the date of this Supplement, 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 in respect of each

Dealing Day by making an application by the relevant 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. Subscription applications may be made on any Business Day and will be processed in line with the next applicable Dealing Deadline following receipt.

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 relevant Dealing Deadline in respect of the Dealing Day, in accordance with the provisions set out in this section and at the “Purchase and Sale Information” section of the Prospectus. Redemption requests may be made on any Business Day and will be processed in line with the next applicable Dealing Deadline following receipt. 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 0.19% 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 on a quarterly basis in accordance with the provisions set out in the “*Distributions*” section of the Prospectus.

## **LISTING**

Shares have been admitted to the Official List and to trading on the regulated market of Euronext Dublin. Shares may also be admitted to trading on other Listing Stock Exchanges as specified on the Website.

## **INDEX DISCLAIMERS**

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