

# **JPMORGAN ETFS (IRELAND) ICAV**

## **Global Equity Premium Income Active UCITS ETF**

**14 August 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 19 July 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 Premium Income Active UCITS ETF (the “Sub-Fund”) which is a separate sub-fund of the ICAV.

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

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. 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>Benchmark</b>	MSCI World Index (Total Return Net).
<b>Dealing Deadline</b>	16:30 hrs (UK time) on the Business Day immediately prior to each Dealing Day.
<b>Investment Manager</b>	J.P. Morgan Investment Management Inc., 383 Madison Avenue, New York, NY 10179, United States of America, whose business includes the provision of investment management services.
<b>Minimum Subscription Amount</b>	50,000 Shares (for in specie subscriptions) or cash equivalent (for cash subscriptions).
<b>Minimum Redemption Amount</b>	50,000 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 provide income and long-term capital growth.

**Investment Policy.** The Sub-Fund aims to (i) invest in a portfolio of equity securities of companies, globally and (ii) sell equity call options and/or equity index call options, to generate an income through the associated dividends and options premiums.

### (i) Equity Portfolio

The Sub-Fund aims to invest at least 67% of its assets (excluding assets held for ancillary liquidity purposes) in equity securities of companies, globally. Issuers of these securities may be located in any country, including emerging markets.

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 contributing to the Sub-Fund's objective of providing an income. The Sub-Fund also seeks a lower volatility than the Benchmark.

The Investment Manager may invest in securities which it considers most undervalued and not invest in securities which the Investment Manager considers most overvalued. In seeking to identify under and overvalued securities, the Sub-Fund will leverage on the expertise of the Investment Manager's fundamental research analysis. This fundamental research is applied consistently across geographical regions and industrial sectors and involves making regular site visits to the issuers of the securities, speaking with company management, 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 which is the basis on which the relative attractiveness of the securities for investment is determined by the Investment Manager. Investors should note that equity securities are not selected based on anticipated dividend payments.

### (ii) Equity Call Options / Equity Index Call Options

The Investment Manager seeks additional income through employing a financial derivative instrument ("**FDI**") overlay strategy which will be implemented by systematically selling equity call options and/or equity index call options which will typically have exposure to indices comprised of Benchmark Securities. The income provided from the option premiums is an important source of the Sub-Fund's return and may also reduce the Sub-Fund's volatility, the income generated from the option premiums may help offset any losses from the equity portfolio. However, investors should also note that the losses from the sale of equity call options and/or equity index call options may also offset the Sub-Fund's profits from increases in the value of the equity portfolio.

In a call writing strategy, the Sub-Fund (as the seller of the option) receives premiums from the purchaser of the option in exchange for providing the purchaser with the right to buy a certain amount of exposure to the performance of the underlying equity index from the Sub-Fund at a

specific price, known as the exercise or strike price, during a specified period of time. If the value of the index underlying the option is less than the strike price, the option will generally not be exercised by the purchaser and the Sub-Fund will earn the full premium on the expiration of the option, or a portion of the premium if the option is terminated early. By contrast if the value of the index underlying the option exceeds the strike price, the option will generally be exercised and the Sub-Fund will have to pay the purchaser the difference between the value of the index and the strike price.

The Investment Manager will select option investments based on its estimate of market volatility levels, index valuations and market risks. The Investment Manager will draw upon the resources of its internal team of analysts as well as external sources of market data to determine these estimates. Further, the Investment Manager will evaluate relative option premiums in determining preferred option contract terms, such as exercise prices and expiration dates.

The Benchmark consists of large and mid-capitalisation stocks issued by issuers in 23 developed markets globally ("**Benchmark Securities**"). As of the date of this Supplement, the Benchmark comprises stocks issued by issuers from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US. The constituents and this list of countries may be subject to change over time. The Benchmark is comprised of stocks from issuers which mainly operate within the financial, information technology, consumer, healthcare and industrials sectors. Further details on the Benchmark, including its components and performance, are available at <http://www.msci.com>.

The Benchmark has been included as a point of reference against which the performance of the Sub-Fund may be measured and as it reflects the main investment universe and strategy for the Sub-Fund. The degree to which the Sub-Fund may resemble the composition and risk characteristics of the Benchmark will vary over time and its performance may be meaningfully different. Additionally, the Sub-Fund's overall market exposure may vary significantly from the Benchmark as a result of its options overlay strategy.

The Sub-Fund may invest in assets denominated in any currency and currency exposure in the Sub-Fund may be hedged at the discretion of the Investment Manager.

The Prospectus describes what Environmental, Social and Governance ("ESG") information is and how the Investment Manager may integrate this into the Sub-Fund's investment process ("ESG Integration") as a fund categorised as SFDR Article 6. While the Investment Manager includes financially material ESG factors, alongside other relevant factors, in the portfolio construction process, ESG determinations may not be conclusive and securities of individual companies may be purchased, retained and sold without limit, by the Investment Manager regardless of potential ESG impact 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 globally (which may include exposure to emerging markets which is not expected to exceed 10% of its Net Asset Value) to gain exposure to equity securities issued by companies of any market capitalisation and industrial sector, which may include common stocks, preferred stocks and depositary receipts. The Sub-Fund will not invest in

Russian securities. The Sub-Fund may also invest up to 10% of its Net Asset Value in units of real estate investment trusts (“REITs”) globally. The Sub-Fund will invest primarily in securities listed or traded on Recognised Markets globally.

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 and investment purposes, use FDI to gain exposure to UCITS eligible equity indices of the type described above, to hedge specific risks, and/or to manage the cash flows and trading across multiple time-zones. Any use of FDI by the Sub-Fund shall be limited to (i) options in respect of UCITS-eligible equity indices, as described above; (ii) futures in respect of the other assets in which the Sub-Fund may invest, as described above; (iii) forward foreign exchange contracts (including non-deliverable forwards) and (iv) 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 details of the equity indices to which exposure is taken will be disclosed in the annual financial statements of the ICAV.

The global exposure of the Sub-Fund is measured by the Relative VaR methodology, the reference portfolio being the Benchmark, as described under “*Risk Management*” in the “*Investment Objectives and Policies*” section of the Prospectus.

The Sub-Fund’s expected level of leverage is 200% of its Net Asset Value, although it is possible that leverage might exceed this level from time to time. In this context, leverage is calculated as the sum of notional exposure of the FDI used, as defined in the “*Risk Management*” section of the Prospectus.

**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 equity securities 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 value of FDIs 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 FDI and therefore, investment in such instruments may result in losses in excess of the amount invested by the Sub-Fund. For information in relation to risks associated with the use of FDI, please refer to "*Derivative Risks*" in the "*Risk Information*" section of the Prospectus.

While the Sub-Fund uses an FDI overlay strategy which is intended to provide income, there is no guarantee that the derivative strategy will achieve this. The Sub-Fund may forego some capital appreciation potential, while retaining the risk of loss should the price of the underlying decline.

Selling call options will create exposure for the Sub-Fund, as it may have to deliver the underlying securities or their value and, should the market move unfavourably, this may result in an unlimited loss. The maximum loss for the writer of a call option is potentially unlimited if the writer does not hold the components of the index which underlies the option, although the underlying component securities of the index are not delivered if the option is exercised, as the contract is cash settled. The Sub-Fund's financial liability is therefore linked to the value of the underlying index.

REITs and real estate related investments are subject to the risks associated with the ownership of real estate which may expose the relevant Sub-Fund to increased liquidity risk, price volatility and losses due to changes in economic conditions and interest rates.

The Distributing Share Classes give priority to dividends, rather than to capital growth, and may at times distribute capital gains.

Since the instruments held by the Sub-Fund may be denominated in, or have exposure to, 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.

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 an income by actively investing in a portfolio of companies, globally and through the use of index options.

Typical investors in the Sub-Fund are expected to be investors who seek an income, with the prospects of long-term capital growth through exposure to global equity markets, who are prepared to accept the risks associated with an investment of this type, including the volatility of such markets and the use of FDI.

## **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 will be available from 9 am (UK time) on 15 August 2024 to 2 pm (UK time) on 14 February 2025 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 (together with any applicable Duties and Charges). The actual Initial Offer Price per Share for all Classes 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 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.

## **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 0.35% 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.

Distributing Share Classes will pay monthly dividend distributions based on the net income (income, typically, in the form of dividends from stocks, realised capital gains from underwriting of equity call options and, if any, securities lending income, less expenses) attributable to the Share Class. These Share Classes will prioritise dividend payments over capital growth.

## **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

## **BENCHMARK DISCLAIMER**

MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an “as is” basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the “MSCI Parties”) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. ([www.msci.com](http://www.msci.com))