

## **JPMorgan Fund**

**This Fund Summary is for the following ILP sub-funds and should be read in conjunction with the Product Summary**

JPMorgan Funds – Emerging Europe, Middle East and Africa Equity Fund

JPMorgan Funds – JPM Global Dynamic Fund

JPMorgan Funds - Global Natural Resources Fund

JPMorgan Funds – JPM India

### **Structure of ILP Sub-Funds**

The ILP sub-funds are feeder funds investing in the sub-funds (the “Underlying Funds”) of JPMorgan Funds, an umbrella structured open-ended investment company, with variable capital and segregated liability between sub-funds, incorporated with limited liability under the laws of Luxembourg. JPMorgan Funds has been authorised under the Luxembourg Law. JPMorgan Funds has been approved by the CSSF and qualifies as a UCITS under the EC Directive 2009/65 of 13 July 2009.

The units in the ILP Sub-Funds are not classified as Excluded Investment Products.

### **Information on the Manager**

J.P. Morgan Asset Management is the asset management division of JPMorgan Chase & Co. and is one of the world's largest asset managers. With a heritage of more than two centuries, a broad range of core and alternative strategies, and investment professionals operating in every major world market, they offer investment experience and insight that few other firms can match.

J.P. Morgan Asset Management has a global network of over 800 investment professionals located in various locations worldwide and assets under management of almost US\$1.6 trillion (as of 31/12/13). This enormous global investment capability is based on a strong local market presence across four regions - Asia, Europe, Japan and the US - and brings together an incredible pool of specialist investment knowledge and expertise which further enhances their capabilities to provide their clients with the very best products.

With the reputation for innovation and market leadership, J.P. Morgan Asset Management is committed to helping investors reach their financial goals by providing them with a broad range of professionally managed funds, excellence in investment performance, and the highest quality of client service.

Their commitment and disciplined investment approach is recognised by investors worldwide. J.P. Morgan Asset Management believes that assets are best managed by specialists located in the markets and regions in which they invest. Having 771 investment professionals globally provides fund managers with direct access to local market knowledge. Moreover, through original research and company visits, they are able to identify those companies with superior long-term potential, and those that can react quickly to market changes. This philosophy has proven extremely successful over the years, resulting in numerous performance awards and high ratings from independent agencies.

### **Other Parties**

Please refer to the section on “Directory” in the latest JPMorgan Funds Singapore Offering Documents for details of other parties involved in the Underlying Funds.

### **Investment Objectives, Focus & Approach**

The investment objectives, focus and approach of the Underlying Funds are described in the section on “Investment Objectives and Policies” in the latest JPMorgan Funds Singapore Offering Documents.

### **Risks**

Please refer to the “Risk Factors” in the latest JPMorgan Funds Singapore Offering Documents for a description of the risk factors associated with investing in the Underlying Funds. The risks may include:

**Currency Risk**

Since the instruments held by the Underlying Funds may be denominated in currencies different from its reference currency, the Underlying Funds 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 Underlying Funds's portfolio and may impact the value of Shares in the Underlying Funds.

**Collateral Risk**

Although collateral may be taken to mitigate the risk of a counterparty default, there is a risk that the collateral taken, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability. This may be due to factors including inaccurate pricing of collateral, adverse market movements in the value of collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Please also refer to paragraph "Liquidity Risk" below in respect of liquidity risk which may be particularly relevant where collateral takes the form of securities. Where the Underlying Funds are required to post collateral with a counterparty, there is a risk that the value of the collateral the Underlying Funds places with the counterparty is higher than the cash or investments received by the Underlying Funds. In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the Underlying Funds may encounter difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

As the Underlying Funds may reinvest cash collateral it receives under Securities Lending, there is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance the Underlying Funds would be required to cover the shortfall. As collateral will take the form of cash or certain financial instruments, the market risk is relevant. Collateral received by the Underlying Funds may be held either by the Depositary or by a third party custodian. In either case there may be a risk of loss where such assets are held in custody resulting from events such as the insolvency or negligence of a custodian or sub-custodian.

**Counterparty Risk**

In entering into transactions which involve counterparties (such as OTC derivatives, Securities Lending or Reverse Repurchase Transactions), there is a risk that a counterparty will wholly or partially fail to honour its contractual obligations. In the event of a bankruptcy or insolvency of a counterparty, the Underlying Funds could experience delays in liquidating the position and significant losses, including declines in the value of the investment during the period in which the Depositary seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. The Underlying Funds may only be able to achieve limited or, in some circumstances, no, recovery in such circumstances. In order to mitigate the risk of counterparty default, the counterparties to transactions may be required to provide collateral to cover their obligations to the Depositary. In the event of default by the counterparty, it would forfeit its collateral on the transaction. However, the taking of collateral does not always cover the exposure to the counterparty. If a transaction with a counterparty is not fully collateralised, then the Underlying Funds' credit exposure to the counterparty in such circumstance will be higher than if that transaction had been fully collateralised. Furthermore, there are risks associated with collateral and investors should consider the information provided at paragraph "Collateral Risk" above.

**Liquidity Risk**

Certain Underlying Funds may invest in instruments where the volume of transactions may fluctuate significantly depending on market sentiment. There is a risk that investments made by those Underlying Funds may become less liquid in response to market developments or adverse investor perceptions. In extreme market situations, there may be few willing buyers and the investments cannot be readily sold at the desired time or price, and those Underlying Funds may have to accept a lower price to sell the investments or may not be able to sell the investments at all. Trading in particular securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or supervisory authority and the Underlying Funds may incur a loss as a result. An inability to sell a portfolio position can adversely affect those Underlying Funds' value or prevent those Underlying Funds from being able to take advantage of other investment opportunities. Liquidity risk also includes the risk that those Underlying Funds will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, those Underlying Funds may be forced to sell investments, at an unfavourable time and/or conditions. Investment in debt securities, small and mid-capitalisation stocks and emerging market issuers will be especially subject to the risk that during certain periods, the liquidity of particular issuers or industries, or all securities within a particular investment category, will shrink or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse investor perceptions whether or not accurate. The downgrading of debt securities may affect the liquidity of investments in debt securities. Other market participants may be attempting to sell debt securities at the same time as the Underlying Funds, causing downward pricing pressure and contributing to illiquidity. The ability and willingness of bond dealers to "make a market" in debt securities may be

impacted by both regulatory changes as well as the growth of bond markets. This could potentially lead to decreased liquidity and increased volatility in the debt markets.

#### **Warrants risk**

When the Underlying Funds invest in warrants, the values of these warrants are likely to fluctuate more than the prices of the underlying securities because of the greater volatility of warrant prices.

#### **Futures and Options**

Under certain conditions, the Underlying Funds may use options and futures on securities, indices and interest rates, as described in "Appendix II – Investment Restrictions and Powers", "Investment Restrictions and Powers" for the purpose of efficient portfolio management. Also, where appropriate, the Underlying Funds may hedge market, currency and interest rate risks using futures, options or forward foreign exchange contracts. There is no guarantee that hedging techniques will achieve the desired result. In order to facilitate efficient portfolio management and to better replicate the performance of the benchmark, the Underlying Funds may finally, for a purpose other than hedging, invest in derivative instruments. The Underlying Funds may only invest within the limits set out in "Appendix II - Investment Restrictions and Powers".

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

#### **Leverage Risk**

Due to the low margin deposits normally required in trading financial derivative instruments, an extremely high degree of leverage is typical for trading in financial derivative instruments. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the investor. Investment in derivative transactions may result in losses in excess of the amount invested.

#### **Fees and Charges**

In addition to the fees and charges shown in the Product Summary, the following fees are also payable through deduction from the asset value of the Underlying Funds. The ILP Sub-Funds invest in Class A shares. The Annual Management Charges (AMC) of the Underlying Funds are:

| <b>Fund name</b>   | <b>AMC</b> |
|--|------------|
| JPMorgan Funds - Emerging Europe, Middle East and Africa Equity Fund | 1.50%      |
| JPMorgan Funds - JPM Global Dynamic                                  | 1.50%      |
| JPMorgan Funds - Global Natural Resources Fund                       | 1.50%      |
| JPMorgan Funds - JPM India   | 1.50%      |

**Past Performance**<sup>1</sup>: as at 30 November 2017

**NOTE: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.**

#### **Cumulative Performance**

| <b>Fund/ Benchmark</b>   | <b>1 Yr</b> | <b>3 Yr</b> | <b>5Yr</b> | <b>10Yr</b> | <b>Since Inception*</b> |
|--|-------------|-------------|------------|-------------|-------------------------|
| JPMorgan Funds - Emerging Europe, Middle East and Africa Equity Fund A (Dist)/ | 23.40%      | 6.10%       | 3.10%      | -19.70%     | 533.90%                 |
| <i>MSCI EM EMEA Net</i>  | 24.80%      | 0.6%        | -3.10%     | -18.80%     | 408.0%                  |

|   |        |        |        |         |         |
|---|--------|--------|--------|---------|---------|
| JPMorgan Funds – JPM Global Dynamic A (Dist) /<br><i>MSCI World Net</i>   | 22.50% | 20.70% | 60.50% | 28.20%  | 143.80% |
|   | 23.70% | 26.60% | 74.30% | 59.10%  | 130.60% |
| JPMorgan Funds - Global Natural Resources Fund A (Acc)/<br><i>Euromoney Global Gold, Mining &amp; Energy Index (Total Return Net)<sup>2</sup></i> | 13.90% | -1.90% | -34.0% | -57.50% | -28.20% |
|   | 12.80% | 9.90%  | -21.0% | -25.80% | 18.60%  |
| JPMorgan Funds – JPM India A (Acc)/<br><i>MSCI India 10/40 Capped Net</i>   | 29.00% | 16.80% | 43.20% | 6.10%   | 249.80% |
|   | 32.20% | 15.60% | 46.90% | 12.70%  | 285.90% |

### Annualised Performance

| Fund/ Benchmark   | 1 Yr   | 3 Yr   | 5Yr    | 10Yr   | Since Inception* |
|---|--------|--------|--------|--------|------------------|
| JPMorgan Funds - Emerging Europe, Middle East and Africa Equity Fund A (Dist)/<br><i>MSCI EM EMEA Net</i>   | 23.40% | 2.00%  | 0.60%  | -2.20% | 9.40%            |
|   | 24.80% | 0.20%  | -0.60% | -2.10% | 8.20%            |
| JPMorgan Funds – JPM Global Dynamic A (Dist) /<br><i>MSCI World Net</i>   | 22.50% | 6.50%  | 9.90%  | 2.50%  | 5.40%            |
|   | 23.70% | 8.20%  | 11.80% | 4.80%  | 5.0%             |
| JPMorgan Funds - Global Natural Resources Fund A (Acc)/<br><i>Euromoney Global Gold, Mining &amp; Energy Index (Total Return Net)<sup>2</sup></i> | 13.90% | -0.60% | -8.00% | -8.20% | -2.90%           |
|   | 12.80% | 3.20%  | -4.60% | -2.90% | 1.50%            |
| JPMorgan Funds – JPM India A (Acc)/<br><i>MSCI India 10/40 Capped Net</i>   | 29.00% | 5.30%  | 7.40%  | 0.60%  | 10.40%           |
|   | 32.20% | 5.00%  | 8.00%  | 1.20%  | 11.20%           |

Source: JF Asset Management/J.P. Morgan Asset Management/HSBC/Thomson Reuters Datastream

- \* *JPMorgan Funds - Emerging Europe, Middle East and Africa Equity Fund A (Dist)* : Launched on 14 April 1997
- JPMorgan Funds - Global Dynamic Fund A (Dist)* : Launched on 27 May 2004
- JPMorgan Funds - Global Natural Resources Fund A (Acc)* : Launched on 12 September 2006
- JPMorgan Funds - India Fund A (Acc)* : Launched on 31 March 2005

<sup>1</sup> Performance shown in fund currency and calculated before sales charges are deducted. Fees and charges payable through deduction of premium or cancellation of units are excluded in deriving the performance. Performance is calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.

<sup>2</sup> With effect from 24 November 2014, the benchmark of the underlying fund was changed from “Euromoney Global Mining, Gold & Energy Index (Total Return Net)” to “Euromoney Global Gold, Mining & Energy Index (Total Return Net)”.

### Total Expense Ratio and Turnover Ratio

| Funds  | Expense Ratio | Turnover Ratio |
|--|---------------|----------------|
| JPMorgan Funds - Emerging Europe, Middle East and Africa Equity Fund | 1.80%         | 92.20%         |
| JPMorgan Funds - JPM Global Dynamic                                  | 1.75%         | 179.39%        |
| JPMorgan Funds - Global Natural Resources Fund                       | 1.76%         | 0.00%          |
| JPMorgan Funds - JPM India   | 1.79%         | 0.00%          |

The expense and turnover ratios stated in the table above are for the period ended 30 June 2017.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore guidelines on the disclosure of expense ratios. It does not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, foreign exchange gains /losses, front or back-end loads arising from the purchase or sale of other funds and tax deducted

at source or arising out of income received. It is calculated by dividing expenses by daily average NAV, and multiplied by the appropriate factor to annualise the figure and is disclosed as a percentage.

The turnover ratio is calculated based on the lower of purchases and sales expressed as a percentage of the daily average net asset value.

### **Soft Dollar Commissions or Arrangements**

The Investment Managers may enter into Commission Sharing Arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including JPMorgan Funds, and where the Investment Managers are satisfied that the transactions generating the shared commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of JPMorgan Funds and the Shareholders. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice.

Due to their local regulatory rights, certain Investment Managers may make use of soft commission to pay for research or execution services. Other jurisdictions may have other arrangements in place to pay for such services in accordance with local regulatory obligations. Details of any Commission Sharing Arrangements will be disclosed in JPMorgan Funds' annual report.

No cash or other rebates from brokers, dealers or market makers may be retained by the Management Company, Investment Manager or any of their connected persons in consideration of directing transactions on behalf of JPMorgan Funds to such brokers, dealers or market makers.

### **Conflicts of Interest**

The Management Company and JPMorgan Chase & Co. may effect transactions in which the Management Company or JPMorgan Chase & Co. has, directly or indirectly, an interest which may involve a potential conflict with the Management Company's duty to JPMorgan Funds. Neither the Management Company nor JPMorgan Chase & Co. shall be liable to account to JPMorgan Funds for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Management Company's fees, unless otherwise provided, be abated.

The Management Company will ensure that such transactions are effected on terms which are not less favourable to JPMorgan Funds than if the potential conflict had not existed.

Such potential conflicting interests or duties may arise because the Management Company or JPMorgan Chase & Co. may have invested directly or indirectly in JPMorgan Funds.

More specifically, the Management Company, under the rules of conduct applicable to it, must try to avoid conflicts of interests and, when they cannot be avoided, ensure that its clients (including JPMorgan Funds) are fairly treated.

### **Reports**

The financial year-end of the ILP Sub-Funds is 30 June. Aviva Ltd will make available semi-annual report and annual audited report of the ILP Sub-Funds within 2 months and 3 months respectively from the relevant reporting periods.

In addition, Aviva Ltd will make available financial reports of the Underlying Funds as they become available from the Investment Manager. Policyholders can access these reports via the Aviva website at [www.aviva.com.sg](http://www.aviva.com.sg).

### **Specialised ILP Sub-Funds**

The ILP Sub-Funds are not specialised sub-funds as set out in MAS Notice 307 on Investment-Linked Policies issued by the Monetary Authority of Singapore.