JPMorgan Funds

Statement of Investment Policy and Objectives

Effective date: 17 November 2026

Issued by FundRock NZ Limited

APEX FUNDROCK

J.P.Morgan ASSET MANAGEMENT

A – Description of the managed investment scheme

JPMorgan Funds ("Scheme") is a managed investment scheme. The Scheme offers one single sector investment fund, the JPMorgan Global Bond Fund ("Fund") which provides investors with exposure to international fixed interest (hedged to New Zealand dollars).

The Fund, or any underlying investment portfolio, is actively managed. The Fund may invest through other managed investment schemes or in direct securities and currencies (including derivatives).

B – Roles and responsibilities

FundRock NZ Limited ("FundRock") is the licensed manager ("Manager") of the Scheme. The Manager's key roles and responsibilities are:

- Preparation of disclosure material.
- Establishing, reviewing and maintaining this Statement of Investment Policy and Objectives ("SIPO").
- The ongoing management and oversight of the Scheme and each Fund. This includes appointing, managing and monitoring specialist providers for:
  - fund administration; and
  - investment management.
- Monitoring investment performance and outcomes.

JPMorgan Asset Management (Australia) Limited ("Investment Manager") is the Scheme's investment manager and is responsible for making recommendations and decisions about what the Fund invests in, in accordance with this SIPO. The Scheme is invested in accordance with JPMorgan's investment philosophy and process. Currently the Fund invests substantially all its assets in the New Zealand dollar hedged share class of JPMorgan Funds - Aggregate Bond Fund ("Underlying Fund") which is a sub-fund of JPMorgan Funds (a Luxembourg domiciled UCITS fund) and is managed by JPMorgan Asset Management (Europe) S.à.r.l., a related entity of the Investment Manager. In this context, any related or associated entity of the Investment Manager, or together, may be referred to as 'JPMorgan' as the context requires.

JPMorgan also participates in reviewing this SIPO.

Key administration functions, being registry, fund accounting and unit pricing, and are currently performed by Apex Investment Administration (NZ) Limited.

Public Trust is the Scheme's Supervisor. The Supervisor is responsible for supervision of the Manager and the Scheme, including:

- acting on behalf of the Scheme's investors in relation to the Manager and any contravention of the Manager's issuer obligations;
- supervising the performance by the Manager of its functions and the financial position of the Manager and the Scheme; and
- holding the Scheme property or ensuring that the assets are held in accordance with applicable legislative requirements. BNP Paribas Fund Services Australasia Pty Ltd has been appointed by the Supervisor as Custodian for the Scheme.

C – Investment philosophy

The JPMorgan investment philosophy behind their Fixed Income investment approach centres on a globally integrated, research driven process.

JPMorgan believes that bond portfolios managed by a **globally integrated** fixed income team within a **disciplined risk-controlled** framework will produce strong risk-adjusted returns.

JPMorgan seeks to add value by:

- drawing upon the expertise of **locally based** sector specialists and portfolio management teams;
- using internally generated **fundamental, quantitative and technical** research inputs; and
- allocating risk using a **rigorous and methodical** portfolio construction process.

JPMorgan targets **diversified sources** of portfolio returns and do not rely on any single strategy.

The Underlying Fund's strategy seeks to consistently outperform broad market indices over a full market cycle. The strategy invests in a diversified portfolio of fixed income securities and sectors, including Government bonds, Agencies, Corporate bonds, asset and mortgage-backed securities. Selectively, tactical allocations to high yield debt may be taken. Derivatives will be used to achieve fund objectives and allocations may vary significantly over time.

D – Fund investment objectives and strategies

The investment objectives and strategies for the Fund are:

Objectives

The Fund aims to achieve a gross return in excess of its benchmark by gaining exposure primarily to global investment grade debt securities, using derivatives where appropriate.

Investment strategy

Benchmark index:

- The benchmark of the Fund is the Bloomberg Global Aggregate Index (Total Return Gross) hedged to NZD.

Benchmark asset allocation:

- 100% International fixed interest.

Asset allocation ranges:

- 95% - 105% International fixed interest.[1]
- −5% - 5% Cash and cash equivalents.[2]

Appointed investment manager:

- JPMorgan Asset Management (Australia) Limited.

Investment Manager strategy:

- The Fund invests substantially all its assets in the JPM Aggregate Bond X (div) – NZD (Hedged), an NZD hedged share class of a sub-fund in JPMorgan Funds (a Luxembourg domiciled UCITS fund).
- The Underlying Fund focuses on analysing fundamental, quantitative and technical factors across countries, sectors and issuers. This combines top-down asset allocation and bottom-up security selection targeting diversified sources of portfolio return – including sector rotation, security selection, currencies and yield curve positioning.
- The Underlying Fund invests across all sectors of global investment grade debt which includes government, government related, corporate, emerging markets and securitised debt. The Underlying Fund may also invest in high yield debt.
- Further information on the Underlying Fund's investment objectives, strategy and policies can be found on JPMorgan's website: https://am.jpmorgan.com/lu/en/asset-management/adv/.

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1 The Underlying Fund will be considered to be 100% International fixed interest.
2 Accrued fund expenses and other fund liabilities are not deducted from cash and cash equivalents for this range. Excludes any cash held by the Underlying Fund.

Permitted investments:

- International fixed interest.
- Cash and cash equivalents.
- Financial derivative instruments limited to forward foreign exchange transactions (including non-deliverable forward foreign exchange transactions) & currency hedging instruments.
- Managed investment schemes.

Rebalancing policy:

- As a single-sector fund, there is no need for a rebalancing policy.

Currency hedging policy:

- The Fund invests into an NZD hedged share class of the Underlying Fund. The currency risk between the NZD hedged share class (NZD) and the base currency of the Underlying Fund (USD) is hedged to a minimum of 80% and a maximum of 125% of the Net Asset Value of the NZD hedged share class.

Other

- The Fund can borrow up to 5% of the aggregate value of its investments but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, settle securities trades or pay expenses).

E – Investment policies

Taxation

The Fund has elected to be a Portfolio Investment Entity ("PIE") and therefore is taxed under the PIE regime.

At the date of this document, gains derived from the Fund will be taxed on an accruals basis.

The taxation implications of an investment method, such as holding assets directly or investing in a managed investment scheme, are taken into account when determining the most appropriate approach for the Fund. Note that taxation is not the sole consideration when choosing an investment method; other factors taken into account include cost and implementation feasibility.

Liquidity

The liquidity risk of the Fund is assessed with reference to liquidity of the underlying assets and securities. The Manager then establishes an appropriate application and redemption frequency for the Fund. The Fund invests predominantly in liquid investments and hence has daily applications and redemptions. Market conditions can, however, change resulting in some assets becoming difficult to sell. Hence if the Fund were to experience liquidity problems the Manager may defer or suspend redemptions for a period of time.

Related-party transactions

Related-party transactions, other than the types permitted under the FMC Act, are prohibited.

The Fund may enter into transactions with related parties if permitted under section 174 of the FMC Act or consented to by the Supervisor under section 173(2)(a). Examples of such transactions include:

- a Fund investing in another JPMorgan fund;
- parties related to the Fund, including the staff and directors of JPMorgan and their families, and the staff of FundRock and their families from time to time investing in the Fund.

The Manager will report such transactions by related parties to its Supervisor in accordance with section 173(2) of the FMC Act.

Trade allocations and transactions

The Fund invests in another managed investment scheme rather than trading directly in securities.

Other relevant policies

Summaries of the key relevant policies are set out below.

Pricing and Asset Valuation Policy

The purpose of this policy is to set out how FundRock manages its unit pricing and asset valuation obligations, and the way in which FundRock exercises its discretions authorised by the Trust Deed and the Fund's establishment documentation.

This policy also links to FundRock's Outsourcing Policy reflecting that it outsources functions including registry, fund administration and unit pricing to third parties. In particular, the policy governs how FundRock selects, monitors and undertakes ongoing due diligence on third party providers.

Within the bounds of what is reasonable and practical FundRock's goals are to:

- Have unit prices that reflect fair, realisable value of underlying assets and liabilities.
- Ensure equitable treatment of investors entering, exiting or remaining in a Fund.
- Have a consistent and objective process for determining unit prices.
- Comply with FundRock's governing documents, offer documents and the law.

Conflicts of Interest and Related Party Transactions Policies

FundRock's Conflicts of Interest and Related Party Transactions Policies set out the principles and procedures relating to the management of conflicts of interest within FundRock. The policies apply to all of FundRock's directors, relevant officers, senior management and employees.

The policy provides guidance on:

- what is meant by a conflict of interest;
- what constitutes a related party transaction; and
- how these are managed.

Investment Management Policy

This document sets out FundRock's policies and procedures in relation to appointing and monitoring investment managers. In particular the policy covers:

- Investment management governance.
- Investment manager selection and appointment.
- Investment manager monitoring and compliance.

Investment Manager's ESG approach

JPMorgan uses a range of ESG approaches across the funds it manages. JPMorgan uses an "ESG Promote" approach in the Underlying Fund. For more information about what this means, please refer to the information about the Underlying Fund in its current prospectus available at https://am.jpmorgan.com/content/dam/jpm-am-aem/emea/regional/en/regulatory/prospectus/jpmorgan-funds-prospectus-ce-en.pdf and its Exclusion Policy, which can be found under the ESG Information tab when searching for the Underlying Fund via the 'Jump to a fund' search function at https://am.jpmorgan.com/lu/en/asset-management/adv/.

F – Investment performance monitoring

FundRock monitors investment performance of the Fund on a monthly basis. Performance is measured and assessed on the following basis for 1-, 3- and 5-year periods:

- Gross return (before fees and before tax).
- Net returns (after fees and before tax).

- Benchmark index return.
- Performance relative to benchmark.
- Annualised standard deviation of gross return[3].
- Annualised standard deviation of benchmark index return.
- Annualised tracking error.

FundRock reports performance to the Supervisor and to the FundRock Board.

G – Investment strategy review

The FundRock Board has responsibility for oversight of the Investment Manager's performance and aims to meet at least quarterly.

The Fund is a single sector fund that invests into international fixed interest securities, through the Underlying Fund, with a portion allocated to cash and cash equivalents for liquidity purposes. FundRock does not intend to amend the Fund's investment strategy (including the Fund's benchmark asset allocations or ranges), although amendments may be made following recommendations by the Investment Manager.

H – SIPO monitoring and review

The FundRock Board is responsible for governance oversight of the SIPO.

The Manager's compliance processes include periodic policy reviews. The SIPO is reviewed annually by FundRock management with the outcomes of the review reported to the FundRock Board. In addition, FundRock management may initiate an ad hoc review, with examples of events that could lead to this being:

- The Investment Manager recommending changes to the SIPO.
- A change in roles and responsibilities.
- A permanent change in risk and return characteristics of the relevant market.

SIPO reviews take into account the views of FundRock and the Investment Manager and if required the views of external experts.

The Manager can make changes to the SIPO in accordance with the Trust Deed and the FMC Act. Before making changes to the SIPO, the Manager will consider if the changes are in the best interests of investors and consult with the Supervisor. Any changes to the SIPO require FundRock Board approval. The Manager will give notice to fund investors before implementing any material SIPO changes.

The Manager is responsible for monitoring adherence to the SIPO and reporting any breaches to the FundRock Board and the Supervisor.

The current version of this SIPO is available on the schemes register at www.companiesoffice.govt.nz/disclose.

This SIPO was approved by the FundRock Due Diligence Committee under delegation from the FundRock Board on 16 November 2026 and takes effect on 17 November 2026.

[3] Standard deviation and tracking error are based on monthly returns.

Glossary

Act and **FMC Act** means the Financial Markets Conduct Act 2013.

Benchmark index means the financial index or indices against which a Fund's performance is measured.

Fund means the investment fund offered within the Scheme, being the JPMorgan Global Bond Fund.

FundRock means FundRock NZ Limited, the Manager of the Scheme.

Investment Manager means JPMorgan Asset Management (Australia) Limited.

JPMorgan means JPMorgan Asset Management (Australia) Limited and/or JPMorgan Asset Management (Europe) S.à.r.l. and/or their related or associated group entities.

Manager means FundRock.

Scheme means JPMorgan Funds, a managed investment scheme governed by the Master Trust Deed dated 1 December 2016 and the Scheme Establishment Deed.

Supervisor means the supervisor of the Scheme, which is Public Trust.

Tracking error means the annualised standard deviation of the difference between the returns of the Fund and the Benchmark against which its performance is measured.

Underlying Fund means JPMorgan Funds - Aggregate Bond Fund, a sub-fund of JPMorgan Funds (a Luxembourg domiciled UCITS fund).