

# A Message from Your Fund's Board

Dear Shareholder,

This is to notify you that the JPMorgan Funds – US Select Long-Short Equity Fund in which you own shares is being merged into the JPMorgan Funds - US Opportunistic Long-Short Equity Fund. **You have three options that are explained below.**

Please take a moment to review the important information below. If you still have questions, please contact us at the registered office or your local representative.



Daniel J. Watkins *For and on behalf of the Board*

## Sub-Fund merger – option to take action ends 28 November 2017 at 2.30 p.m. CET

**Reason for merger** Since launch in January 2011, the assets of your sub-fund have not grown significantly and the decision to merge was taken due to limited prospects of attracting new investments.

The Board of Directors considers that the merger will offer shareholders the opportunity of investing in a sub-fund with stronger future growth prospects which in turn may result in potential economies of scale.

### YOUR OPTIONS

- 1 Take no action. Your shares will automatically be exchanged for shares of the receiving sub-fund.** Any shares of your sub-fund that you still own after the deadline will be exchanged for shares of the receiving sub-fund.
- 2 Switch your investment to another sub-fund.** We must receive your dealing instructions by the deadline shown in the right-hand column. Be sure to read the Key Investor Information Document (KIID) for any sub-fund you are considering switching into, and for further information, the prospectus.
- 3 Redeem your investment.** We must receive your dealing instructions by the deadline shown in the right-hand column.

**You may want to review these options with your tax adviser and your financial adviser.** All options could have tax consequences.

**Regardless of which option you choose, you will not be charged any redemption or switch fees.**

### THE MERGER

**Merger date** 1 December 2017

**Deadline for receipt of switch/redemption orders** 28 November 2017 at 2.30 p.m. CET

**Your sub-fund** JPMorgan Funds – US Select Long-Short Equity Fund

**Receiving sub-fund (sub-fund into which your sub-fund will be merged)**  
JPMorgan Funds - US Opportunistic Long-Short Equity Fund

### THE FUND

**Name** JPMorgan Funds

**Legal form** SICAV

**Fund type** UCITS

**Registered office**  
6 route de Trèves  
L-2633 Senningerberg, Luxembourg

**Phone** +352 34 10 1

**Fax** +352 2452 9755

**Registration number (RCS Luxembourg)**  
B 8478

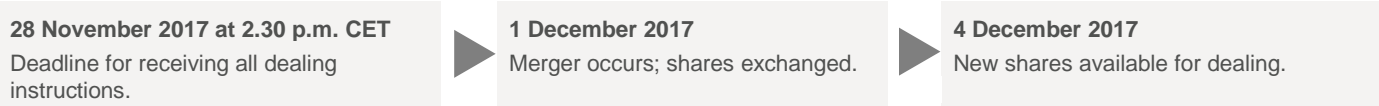
**Management company** JPMorgan Asset Management (Europe) S.à r.l.

A merger statement will be mailed to you within 10 days of the merger date. Additional information, including the Fund auditor's merger report, KIID, prospectus and most recent financial reports of both sub-funds are available at [www.jpmorganassetmanagement.lu](http://www.jpmorganassetmanagement.lu) or from the registered office. An electronic copy of this notice is available on the website: [www.jpmorganassetmanagement.lu](http://www.jpmorganassetmanagement.lu).

## Merger timeline and impact

This section outlines key information relating to the merger. Further information is contained in the detailed sub-fund comparison that follows as well as in the relevant prospectus and KIIDs. For your convenience, a KIID for the receiving sub-fund is enclosed.

### Key Dates



When the merger transaction occurs, all assets, liabilities and any accrued income in your sub-fund will be transferred to the receiving sub-fund, and your sub-fund will cease to exist.

All shares remaining in your sub-fund at the merger date are exchanged free of charge for shares in the equivalent share class of the receiving sub-fund, based on the net asset value per share in effect that day for both sub-funds. The calculation of the exchange ratio will be validated and documented in the merger report prepared by the Fund auditors that will be available to you upon request.

The value of the shares you own in your sub-fund and the new shares you will receive in the receiving sub-fund will be the same but you may receive a different number of shares.

## Impact

<b>Key differences in investment policy between your sub-fund and the receiving sub-fund</b>	<ul style="list-style-type: none"> <li>While both sub-funds seek to achieve a total return with exposure primarily to US companies through the use of financial derivatives instruments and long and short equity positions, the receiving sub-fund has a more opportunistic approach in its securities selection and a more concentrated portfolio.</li> <li>The exposure to US companies may be obtained entirely through the use of financial derivative instruments in the receiving sub-fund and as a result, the receiving sub-fund may hold up to 100% of its assets in cash and cash equivalents.</li> <li>The net exposure of the receiving sub-fund is managed with more flexibility than your sub-fund, allowing the investment manager to vary the long and short positions so that the net market exposure normally ranges from being net short 30% to being net long 80% (instead of 20% net short, 50% net long currently in your sub-fund). As a result, shareholders could face higher volatility on their investment returns in the receiving sub-fund.</li> </ul>
<b>Potential benefits</b>	<ul style="list-style-type: none"> <li>The merger will give you the benefit of investing in a larger sub-fund that has the prospect of stronger growth in assets in the future as well as potentially benefiting from economies of scale.</li> <li>Due to the additional flexibility in the management of the net exposure of the receiving sub-fund, the investment manager of the receiving sub-fund will be able to play a more active role, which could be beneficial to investors in a potentially more volatile environment.</li> </ul>
<b>Potential drawbacks</b>	<ul style="list-style-type: none"> <li>One-time expenses associated with transaction costs will be borne by your sub-fund.</li> <li>On the merger date, and during the two business days before that, you will not be able to subscribe for, switch or redeem shares in your sub-fund.</li> </ul>
<b>Other considerations</b>	<ul style="list-style-type: none"> <li>Your sub-fund will not bear any additional legal, advisory or administrative costs associated with the merger.</li> <li>As the merger date approaches, your sub-fund will adjust positions in its portfolio so that they resemble that of the receiving sub-fund's exposure and may deviate from its investment policy to accommodate the merger.</li> <li>Your sub-fund and the receiving sub-fund charge a performance fee as shown in the "Charges" section and any performance fee payable is calculated and accrued daily in the Net Asset Value. If your sub-fund has accrued a performance fee at the date of merger or at the date of redemption, if you decide to redeem your holding, this will be taken into account in the Net Asset Value on that day. If you become a shareholder in the receiving sub-fund any performance fee accrued in the receiving sub-fund prior to the merger date will be reflected in the Net Asset Value on the merger date. You will only contribute to any accrual of performance fee in the receiving sub-fund as from the merger date.</li> <li>Charges of the receiving sub-fund will be the same as your sub-fund, although the Receiving sub-fund has a performance fee, subject to a 11.5% cap on any cumulative excess return.</li> <li>Performance information for your sub-fund and the receiving sub-fund can be found in the relevant KIID or factsheet which is available from the document library at <a href="http://www.jpmorganassetmanagement.lu">www.jpmorganassetmanagement.lu</a>.</li> </ul>

## Sub-fund comparison

This table compares the relevant information for your sub-fund with that of the receiving sub-fund. Unless stated otherwise, terms in this table have the same meaning as in the prospectus.

- **Information that appears in a box** is information that is particular to the sub-fund named at the top of that column.
- **Information that crosses both columns** is information that is the same for both sub-funds.

JPMorgan Funds –

### US Select Long-Short Equity Fund

JPMorgan Funds –

### US Opportunistic Long-Short Equity Fund

Investments and Risks		
Objectives and investment policies	<p><b>Investment Objective</b></p> <p>To achieve a total return through exposure primarily to US companies and through the use of financial derivative instruments.</p>	<p><b>Investment Objective</b></p> <p>To achieve a total return through the active management of long and short equity positions with exposure primarily to US companies and through the use of financial derivative instruments.</p>
	<p><b>Investment Policy</b></p> <p>At least 67% of the Sub-Fund's assets (excluding cash and cash equivalents) will be invested, either directly or through the use of financial derivative instruments, in equity securities of companies that are domiciled in, or carrying out the main part of their economic activity in, the US.</p> <p>The Sub-Fund may also invest in Canadian companies.</p> <p>The Sub-Fund uses a long-short strategy, buying securities considered undervalued or attractive and selling short securities considered overvalued or less attractive, using financial derivative instruments where appropriate.</p> <p>The Sub-Fund aims to generate positive returns.</p> <p>The Sub-Fund will normally hold long positions of up to 175% of its net assets and short positions (achieved through the use of financial derivative instruments) of up to 160% of its net assets. The net market exposure of long and short positions will vary depending on market conditions but will normally range from being net short 20% to being net long 50%.</p> <p>The Sub-Fund uses an investment process that is based on the fundamental analysis of companies and their future earnings and cash flows by a research team of specialist sector analysts.</p> <p>The Sub-Fund will invest in financial derivative instruments to achieve its investment objective. Such instruments may also be used for the purposes of hedging.</p> <p>These instruments may include, but are not limited to, Total Return Swaps, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts and swap contracts.</p>	<p><b>Investment Policy</b></p> <p>At least 67% of the Sub-Fund's gross equity exposure, which can be derived from either direct investment or through the use of financial derivative instruments, will be to equity securities of companies that are domiciled in, or carrying out the main part of their economic activity in, the US. Such exposure may be obtained entirely through the use of financial derivative instruments and as a result, the Sub-Fund may hold up to 100% of its assets in cash and cash equivalents.</p> <p>The Sub-Fund will normally hold long positions of up to 140% of its net assets and short positions (which are all achieved through the use of financial derivative instruments) of up to 115% of its net assets. The net market exposure of the Sub-Fund will be flexibly managed. The Investment Manager will vary the long and short positions depending on the market conditions and the net market exposure will normally range from being net short 30% to being net long 80%.</p> <p>These instruments may include, but are not limited to, Total Return Swaps, futures, options, contracts for difference, forward contracts on financial instruments and options on such</p>

Debt securities, cash and cash equivalents may be held on an ancillary basis.	contracts and swap contracts by private agreement. Debt securities may be held on an ancillary basis.
The Sub-Fund may also invest in UCITS and other UCIs.	
USD is the reference currency of the Sub-Fund but assets may be denominated in other currencies and currency exposure may be hedged.	

## Risk and reward category

All classes: category 4

*Note: risk is measured on a 7-point scale, where Category 1 indicates lower risk (but is not risk-free) and lower potential reward and Category 7 indicates higher risk and higher potential reward.*

## Risk factors

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- There is no guarantee that the use of long and short positions will succeed in limiting the Sub-Fund's volatility.
- There is no guarantee that the active use of long and short positions to vary net market exposure will succeed in enhancing investment returns. The ability of the Sub-Fund to meet its investment objective is highly dependent on this active management.
- The value of equity securities may go down as well as up in response to the performance of individual companies and general market conditions.
- The single market in which the Sub-Fund invests may be subject to particular political and economic risks, and as a result, the Sub-Fund may be more volatile than more broadly diversified funds.
- The Sub-Fund uses financial derivative instruments for investment purposes. The value of financial derivative instruments can be volatile and may result in gains or losses in excess of the amount required initially to establish a position in the derivative. The Management Company is required to disclose in Appendix III of the Prospectus the sum of the gross notional exposure of the financial derivative instruments used (including those used for hedging or efficient portfolio management) as the expected level of leverage. However, this figure does not take into account whether the instrument increases or decreases investment risk and so may not be representative of the overall level of investment risk in the Sub-Fund.
- Short selling may be subject to changes in regulations and losses from short positions may be unlimited.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.
  - Further information about risks can be found in "Appendix IV - Risk Factors" of the Prospectus.

## Benchmark

### Benchmark

ICE 1 Month USD LIBOR

### Benchmark for Hedged Share Classes

ICE 1 Month CHF LIBOR for the CHF Hedged Share Classes  
 ICE 1 Month EUR LIBOR for the EUR Hedged Share Classes  
 ICE 1 Month GBP LIBOR for the GBP Hedged Share Classes  
 STIBOR 1 Month Offered rate for the SEK Hedged Share Classes

## Base currency

US Dollar (USD)

## Additional information

The global exposure of the Sub-Fund is measured by the absolute VaR methodology.

The Sub-Fund's expected level of leverage is 200% of the net asset value of the Sub-Fund, although it is possible that leverage might significantly exceed this level from time to time.

The expected proportion of the assets under management of the Sub-Fund that could be subject to Total Return Swaps (including contracts for difference) is 180%, subject to a maximum of 335%.

The Sub-Fund's expected level of leverage is 100% of the net asset value of the Sub-Fund, although it is possible that leverage might significantly exceed this level from time to time.

The expected proportion of the assets under management of the Sub-Fund that could be subject to Total Return Swaps (including contracts for difference) fluctuates between 15% and 50%, subject to a maximum of 255%.

Charges		
Maximum entry charge	A (perf): 5.00%; C (perf): Nil; D (perf): 5.00%; I (perf): Nil; X (perf): Nil; X: Nil	
Maximum exit charge	A (perf): 0.50%; C (perf): Nil; D (perf): 0.50%; I (perf): Nil; X (perf): Nil; X: Nil	
Maximum switching charge	All classes 1.00%	
Maximum ongoing charge	A (perf): 1.80%; C (perf): 0.95%; D (perf): 2.55%; I (perf): 0.91%; X (perf): 0.15%; X: 0.15%	
Performance fee	All (perf) classes: 15%	All (perf) classes: 15%, subject to a 11.5% cap on any cumulative Excess Return

Structure	
End of financial year	30 <sup>th</sup> June
Investment company	JPMorgan Funds
Date of annual general meeting of shareholders	Third Wednesday of November at 3.00 p.m. CET (or, if such day is not a business day in Luxembourg, on the next following business day)

## NEXT STEPS

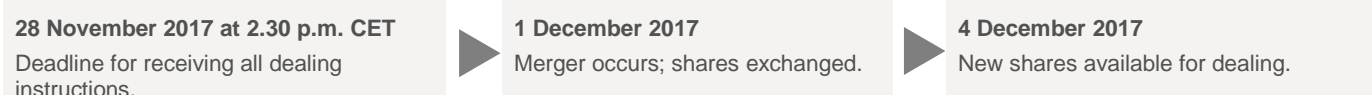
**To exchange your shares for shares of the receiving sub-fund:** no action is necessary. All shares that you hold in your sub-fund at the merger date will automatically be exchanged.

**To switch or redeem some or all of your shares:** send dealing instructions as you normally do, or directly to the registered office (contact details on page 1).

Note that all other switch and redemption conditions and restrictions in the prospectus still apply, even during the period when switch and redemption fees are waived.

**For more information:** you can request free copies of the common draft terms of merger, auditor's merger report, the prospectus, the latest financial reports and KIIDs by emailing a request to [requests@jpmorganfundssicav.com](mailto:requests@jpmorganfundssicav.com) or by writing to the registered office (contact details on page 1).

## Key Dates



**German Shareholders:** *The merger is intended to be tax neutral in accordance with article 17a of the German Investment Tax Act.*