

Shareholder Notice

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NEXT STEPS

For further information about these Share Classes, please contact your local J.P. Morgan Asset Management representative.

Dear Investor,

Share class update for investors of (fix) share classes in JPMorgan Funds - Italy Flexible Bond Fund (the "Sub-Fund")

This is to notify you that the Management Company will no longer accept subscriptions from new investors in the following share classes (the "Share Classes") in which you own shares, with effect from 8 February 2018:

LU0864191498	JPM Italy Flexible Bond A (perf) (fix) EUR 4.00 - EUR
LU0864191571	JPM Italy Flexible Bond D (perf) (fix) EUR 3.00 - EUR

This decision has been taken as the risk of further decumulation of capital as a result of the ongoing payment of the fixed dividend has increased to an extent that the Management Company has determined that allowing further investments in these two Share Classes from new investors would not be in the best interest of existing shareholders. As an existing shareholder you can continue to purchase shares but the Management Company would like to remind you that whilst "(fix)" share classes provide the benefit of having a fixed quarterly dividend payment, you should be aware of the following:

- the dividend paid is not dependent upon the level of income or capital gains of the Share Class;
- the dividend paid may exceed the gains of the Share Class resulting in erosion of the capital invested;
- during periods of negative performance of the Sub-Fund, the dividend will normally continue to be paid, and this will result in a more rapid fall in the capital value of your investment than would occur if dividends were not being paid;
- it may not be possible to maintain the dividend payment indefinitely, and the value of your investment could ultimately be reduced to zero.

The Net Asset Value of the Share Classes will continue to be monitored and any appropriate action deemed necessary may then be taken by the Management Company. If the Net Asset Value continues to fall the Management Company may take the decision to stop accepting subscriptions and switches into the Share Classes from existing investors. The Management Company will inform you of any such closure of the Share Classes, if applicable, by letter.

Any future changes to the status of the Share Classes will be advised on www.jpmorganassetmanagement.com. You may also contact your local J.P. Morgan Asset Management representative for details.

Yours faithfully

Philippe Ringard *Conducting Person*