

# A Message from Your Fund's Board

Dear Shareholder,

This is to notify you that the JPMorgan Funds – US Opportunistic Long-Short Equity Fund (the “**Merging Sub-Fund**”) in which you own shares will be merged into the JPMorgan Funds – US Select Equity Plus Fund (the “**Receiving Sub-Fund**”).

**The reason for the merger and your three options are explained below.** Please take a moment to review the important information below. More detailed information, including rationale and timing, appears on the following pages. If you still have questions, please contact us at the registered office or your local representative.



Jacques Elvinger *For and on behalf of the Board*

## Sub-fund merger – option to take action ends 12 September at 14.30 CET

**Reason for merger** The Merging Sub-Fund has experienced significant outflows. The Board believes it has limited prospects for growth in the future and it would be in the Merging Sub-Fund shareholders’ interests to merge it into the larger Receiving Sub-Fund which has stronger growth potential.

### YOUR OPTIONS

- 1 Take no action. Your shares will automatically be exchanged for shares of the Receiving Sub-Fund.** Any shares of the Merging 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 Information Document (KID) for any Sub-Fund you are considering switching into, and for further information, the prospectus of the Fund.
- 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 may have tax consequences.

**Regardless of which option you choose, you will not be charged any switch or redemption fees** as long as we receive your dealing instructions before the deadline shown in the right-hand column. All other switch and redemption conditions in the Fund’s prospectus still apply.

### THE MERGER

**Merger date** 15 September 2023

**Deadline for receipt of switch/redemption orders** 12 September 2023 at 14.30 CET

**Merging Sub-Fund (your Sub-Fund)**  
JPMorgan Funds - US Opportunistic Long-Short Equity Fund

**Receiving Sub-Fund (Sub-Fund into which your Sub-Fund will be merging)**  
JPMorgan Funds – US Select Equity Plus 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.

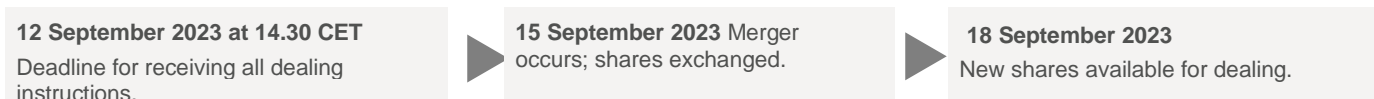
**German Shareholders:** *The merger is intended to be tax neutral in accordance with article 23 of the German Investment Tax Act.*

A merger statement will be mailed to you within 10 days of the merger date. Additional information, including the Fund auditor's merger report, KID of both Sub-Funds and prospectus and most recent financial reports of the Fund 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 KIDs. **We advise you to read carefully the KID of the Receiving Sub-Fund, which is enclosed with this letter.**

### Key Dates



When the merger transaction occurs, all assets, liabilities and any income in the Merging Sub-Fund will be transferred to the Receiving Sub-Fund, and the Merging Sub-Fund will cease to exist.

All shares remaining in the Merging Sub-Fund at the merger date are exchanged free of charge for shares in the equivalent share class of the Receiving Sub-Fund.

The exchange ratio used to determine the number of shares to be allocated in the Receiving Sub-Fund is calculated by dividing the respective net asset value per share of each share class in the Merging Sub-Fund by the net asset value per share of the share class of the Receiving Sub-Fund, both exceptionally rounded to 6 decimal places for the purposes of the merger. The exchange ratio is rounded to 7 decimal places. The calculation of the exchange ratio will be validated and documented in the merger report prepared by the Fund's auditors (PricewaterhouseCoopers, société coopérative, Luxembourg) that will be available to you upon request.

The total value of the shares you own in the Merging Sub-Fund and the new shares you receive in the Receiving Sub-Fund will be the same, subject to rounding adjustments, but you may receive a different number of shares.

## Impact

### Key differences in investment policy between your Sub-Fund and the Receiving Sub-Fund

- The Receiving Sub-Fund seeks to achieve long term capital growth by direct investment in securities of US companies whilst the Merging Sub-Fund seeks to achieve a total return through the active management of long and short equity positions, with exposure to US companies. Both Sub-Funds also invest through the use of derivatives.
- The Merging Sub-Fund uses a fundamental, bottom-up stock selection process and employs an active long-short investment approach to maximise exposure to stocks representing the best ideas, whereas the Receiving Sub-Fund uses a research driven investment process that is based on the fundamental analysis of companies and their future earnings and cash flows by a team of specialist sector analysts. The Receiving Sub-Fund also employs an active extension approach, buying securities considered attractive and selling short securities considered less attractive to improve potential returns without increasing overall net exposure to the market.
- The Merging Sub-Fund has a performance fee of 15% under the claw-back method for all share classes except the X share class, whilst the Receiving Sub-Fund has no performance fee. However, the performance fee of the Merging Sub-Fund has been waived since September 2021 and will continue to be waived until the merger date.

### Potential benefits

- Shareholders of the Merging Sub-Fund will benefit from investing in a sub-fund with better prospects for stronger growth in assets in the future, leading to potential economies of scale.
- The annual management and advisory fee for some share classes in the Receiving Sub-Fund are lower than in the Merging Sub-Fund.

## Potential drawbacks

- One-time expenses associated with transaction costs will be borne by the Merging Sub-Fund.
- 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 the Merging Sub-Fund.
- Any dividend in relation to income accrued to the Merging Sub-Fund in the period to 30 June 2023 will not be declared as it has been in previous years, in September 2023. Instead it will be retained in the net asset value of the relevant share class. There may be tax consequences that you should review with your tax adviser.

## Other considerations

- The Merging Sub-Fund will not bear any additional legal, advisory or administrative costs associated with the merger, which will be borne by the Management Company.
- While there is some overlap of assets between the Merging Sub-Fund and the Receiving Sub-Fund, there is a portion of the Merging Sub-Fund's portfolio which does not resemble that of the Receiving Sub-Fund. Therefore rebalancing of the assets in the Merging Sub-Fund will be required in preparation for the merger. Transaction costs associated with portfolio rebalancing or transfer of assets will be borne by the Merging Sub-Fund. If all or part of the Merging Sub-Fund's assets are held in cash for a short period in preparation for the merger, this could result in the Merging Sub-Fund having less market exposure which may have a positive or negative impact on performance. It is expected that any portfolio rebalancing of the Merging Sub-Fund will commence no earlier than 10 business days prior to the merger date.
- Although the Main Risks applicable to the Merging and Receiving Sub-Funds are broadly similar, the Receiving Sub-Fund is in a higher Risk and Reward category as it has less investment flexibility in respect of its gross and net market exposure. The Merging Sub-Fund has a long-short approach and is flexible with respect to net and gross exposure, whereas the Receiving Sub-Fund has less flexibility in respect of its approach and is usually 100% net exposed to the market.
- The Receiving Sub-Fund has a more diversified portfolio than the Merging Sub-Fund.
- Performance information for the Merging Sub-Fund and the Receiving Sub-Fund can be found in the relevant factsheet which is available from the document library at [www.jpmorganassetmanagement.lu](http://www.jpmorganassetmanagement.lu).

## Sub-fund comparison

This table compares the relevant information for the Merging Sub-Fund with that of the Receiving Sub-Fund. Unless stated otherwise, terms in this table have the same meaning as in the prospectus of the Fund.

- **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.

	Merging Sub-Fund (your sub-fund)	Receiving Sub-Fund
	<b>JPMorgan Funds – US Opportunistic Long-Short Equity Fund</b>	<b>JPMorgan Funds – US Select Equity Plus Fund</b>
<b>Objective</b>	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 derivatives.	To provide long-term capital growth, through exposure to US companies by direct investment in securities of such companies and through the use of derivatives.
<b>Investment Process</b>		
<b>Investment Approach</b>	<ul style="list-style-type: none"><li>• Uses a fundamental, bottom-up stock selection process.</li><li>• Employs an active long-short investment approach to maximise exposure to stocks representing the best ideas.</li><li>• Flexible market exposure seeks to limit losses in falling markets while capturing some of the upside</li></ul>	<ul style="list-style-type: none"><li>• Uses a research-driven investment process that is based on the fundamental analysis of companies and their future earnings and cash flows by a team of specialist sector analysts.</li><li>• Uses an active extension approach, buying securities considered attractive and selling short securities considered less attractive to improve</li></ul>

	when markets rise.	potential returns without increasing overall net exposure to the market.
<b>ESG approach</b>	ESG Promote	
<b>Benchmark</b>	ICE BofA SOFR Overnight Rate Index Total Return in USD. For currency hedged Share Classes, the benchmark used is the corresponding benchmark in the Share Class Currency.	S&P 500 Index (Total Return Net of 30% withholding tax). For currency hedged Share Classes, the benchmark index is hedged to the Share Class currency.
<b>Benchmark uses and resemblance</b>	<p>Performance comparison.</p> <p>Performance fee calculation.</p> <p>The Sub-Fund is actively managed without reference or constraints relative to its benchmark.</p>	<p>Performance comparison.</p> <p>Basis for relative VaR calculations.</p> <p>The Sub-Fund is actively managed. Though the majority of its holdings (excluding derivatives) are likely to be components of the benchmark, the Investment Manager has broad discretion to deviate from its securities, weightings and risk characteristics.</p> <p>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.</p>
<b>Global exposure approach</b>	Absolute VaR	Relative VaR
<b>Policies</b>		
<b>Main investment exposure</b>	<p>At least 67% gross equity exposure, either directly or through derivatives, to equities of companies that are domiciled, or carrying out the main part of their economic activity, in the US. At times such exposure may be obtained entirely through the use of derivatives and as a result the Sub-Fund may hold up to 100% of its assets in Deposits with Credit Institutions, money market instruments and money market funds. The Sub-Fund may be concentrated in a limited number of securities or sectors from time to time.</p> <p>The Sub-Fund will typically hold long positions of up to 140%, and short positions (achieved through derivatives) of up to 115%, of net assets.</p> <p>Net market exposure will be flexibly managed and will typically range from net short 30% to net long 80% depending on the Investment Manager's outlook.</p>	<p>At least 67% of assets invested either directly or through derivatives, in equities of companies that are domiciled, or carrying out the main part of their economic activity, in the US.</p> <p>The Sub-Fund will normally hold long positions of approximately 130%, and short positions (achieved through derivatives) of approximately 30% of net assets but may vary from these targets depending on market conditions.</p>
<b>Other investment exposures</b>	<p>Canadian companies</p> <p>Up to 20% of net assets in Ancillary Liquid Assets for managing cash subscriptions and redemptions as well as current and exceptional payments. Up to 100% of net assets in Ancillary Liquid Assets for defensive purposes on a temporary basis, if justified by exceptionally unfavourable market conditions.</p>	<p>Canadian companies</p> <p>Up to 20% of net assets in Ancillary Liquid Assets and up to 20% of assets in Deposits with Credit Institutions, money market instruments and money market funds for managing cash subscriptions and redemptions as well as current and exceptional payments. Up to 100% of net assets in Ancillary Liquid Assets for defensive purposes on a temporary basis, if justified by exceptionally unfavourable market conditions.</p>
<b>Derivatives</b>	<i>Used for:</i> investment purposes; efficient portfolio	<i>Used for:</i> investment purposes; efficient portfolio

management; hedging. *Types:* see [Sub-Fund Derivatives Usage table under How the Sub-Funds Use Derivatives, Instruments and Techniques](#). *TRS including CFD:* 15% to 50% expected; 200% maximum.

*Global exposure calculation method:* absolute VaR. Expected level of leverage from derivatives: 100% Indicative only. Leverage may significantly exceed this level from time to time.

management; hedging. *Types:* see [Sub-Fund Derivatives Usage table under How the Sub-Funds Use Derivatives, Instruments and Techniques](#). *TRS including CFD:* 60% expected; maximum 200%.

*Global exposure calculation method:* relative VaR. Expected level of leverage from derivatives: 60% Indicative only. Leverage may significantly exceed this level from time to time.

Securities lending: 0% to 20% expected; 20% maximum.

*Sub-Fund Base Currency:* USD. *Currencies of asset denomination:* typically USD. *Hedging approach:* not applicable.

## Techniques and Instruments

## Currencies

Main Risks	
<b>Investment Risks</b>	<p>Derivatives Hedging Short Positions Concentration Equities</p>
<b>Other associated risks</b>	Market
<b>Risk indicator category (PRIIPS KID)</b>	3
<b>(UCITS KIID)</b>	5
	<p>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.</p>

Please note that the figures are different for the PRIIPS KID and the UCITS KIID documents. This is due to a difference in the calculation methodology under these regulations and does not indicate any increased risk between jurisdictions.

## Charges

### One-off charges taken before or after investing (maximum)

Base Class	Initial Charge	Switch Charge	Redemption Charge	Base Class	Initial Charge	Switch Charge	CDSC*	Redemption Charge
A (perf)	5.00%	1.00%	0.50%	A	5.00%	1.00%	-	0.50%
C (perf)	-	1.00%	-	C	-	1.00%	-	-
D (perf)	5.00%	1.00%	0.50%	D	5.00%	1.00%	-	0.50%
I (perf)	-	1.00%	-	I	-	1.00%	-	-
I2 (perf)	-	1.00%	-	I2	-	1.00%	-	-
X*	-	1.00%	-	X*	-	1.00%	-	-
X (perf)*	-	1.00%	-					

### Fees and expenses taken from the Sub-Fund over a year

Base Class	Annual Management and Advisory Fee	Distribution Fee	Operating and Administrative Expenses (Max)	Performance fee**	Base Class	Annual Management and Advisory Fee	Distribution Fee	Operating and Administrative Expenses (Max)
A (perf)	1.50%	-	0.30%	15.00%	A	1.50%	-	0.30%
C (perf)	0.75%	-	0.20%	15.00%	C	0.65%	-	0.20%
D (perf)	1.50%	0.75%	0.30%	15.00%	D	1.50%	0.75%	0.30%
I (perf)	0.75%	-	0.16%	15.00%	I	0.65%	-	0.16%
I2 (perf)	0.60%	-	0.16%	15.00%	I2	0.55%	-	0.16%
X*	-	-	0.15%	-	X*	-	-	0.15%
X (perf)*	-	-	0.15%	15.00%				

\* The X Share Class is only available to Investors by agreement with the Management Company or JPMorgan Chase & Co. with a separate fee arrangement in respect of advisory fees

\*\* Performance Fee waived from September 2021 and will continue to be waived until the fund merger date.

## Structure

<b>End of financial year</b>	30th June
<b>Investment company</b>	JPMorgan Funds
<b>Investment manager(s)</b>	JPMorgan Investment Management Inc
<b>Date of annual general meeting of shareholders</b>	Third Wednesday of November at 15:00 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 at page 1).

Note that all other switch and redemption conditions and restrictions in the Fund's 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 of the Fund and KIDs of the Sub-Funds by emailing a request to [kiid.requests@jpmorgan.com](mailto:kiid.requests@jpmorgan.com) or by writing to the registered office (contact details on page 1).