

A Message from Your Fund's Board

Dear Shareholder,

This is to notify you that the JPMorgan Funds – Systematic Alpha Fund in which you own shares will be merged into the JPMorgan Funds – Diversified Risk Fund.

The reason for the merger and your three options 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.



Jacques Elvinger *For and on behalf of the Board*

Sub-Fund merger – option to take action ends 20 April 2021 at 14.30 CET

Reason for merger The sub-fund has experienced significant outflows and has limited prospects for future growth. The Board believes that the merger provides the benefit of investing in a sub-fund with better prospects for stronger growth in assets in the future and as such may potentially benefit from 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 so long as we receive your dealing instructions before the deadline shown in the right hand column.

THE MERGER

Merger date 23 April 2021

Deadline for receipt of switch/redemption orders 20 April 2021 at 14.30 CET

Your sub-fund JPMorgan Funds – Systematic Alpha Fund

Receiving sub-fund (sub-fund into which your sub-fund will be merging) JPMorgan Funds – Diversified Risk 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

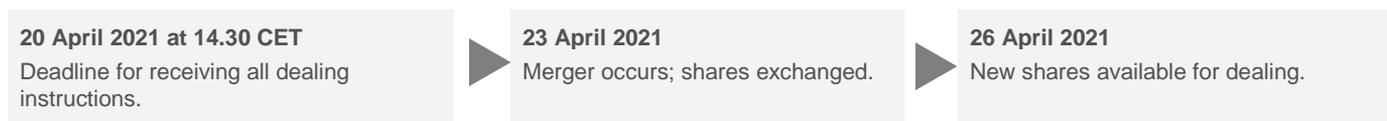
Management company JPMorgan Asset Management (Europe) S.à r.l.

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 or from the registered office. An electronic copy of this notice is available on the website: 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. We advise you to read carefully the KIID of the receiving sub-fund, which is enclosed to this letter.

Key Dates



When the merger transaction occurs, all assets, liabilities and any 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. The exchange ratio is rounded to 7 decimal places and is based on the net asset value per share, exceptionally rounded for the purposes of the merger to 6 decimal places, 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 company auditors that will be available to you upon request.

The total value of the shares you own in your 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

- While your sub-fund seeks to capture risk premia commonly associated with hedge fund strategies, the receiving sub-fund seeks to provide exposure to the value, quality, momentum and carry risk premia by investing across various traditional asset classes.
- Your sub-fund's base currency is EUR and the receiving sub-fund's base currency is USD, however you will receive shares in the receiving sub-fund that are valued in the same currency as your current share class in your sub-fund.

Potential benefits

- The merger will give you the benefit of investing in a sub-fund that has prospects of stronger growth in assets in the future and as such may potentially benefit from economies of scale.

Potential drawbacks

- The receiving sub-fund is expected to be marginally more closely correlated to traditional asset classes. It will have marginally higher exposure, on average, to directional market risk in equity and fixed income which can result in higher volatility.
- One-time expenses associated with transaction costs which are estimated to be around 0.73% will be borne by your 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 your sub-fund.

Other considerations

- Your sub-fund will not bear any additional legal, advisory or administrative costs associated with the merger.
- The portfolio of your sub-fund somewhat resembles that of the receiving sub-fund, however, some rebalancing of the assets will be required and all or part of your sub-fund's assets may be held in cash for a short period in preparation for the merger resulting in your sub-fund having less market exposure which will have a positive or negative impact on performance. It is expected that such portfolio rebalancing will commence no earlier than 10 business days prior to the merger date.
- 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 jpmorganassetmanagement.lu.

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 relevant 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 – Systematic Alpha Fund

JPMorgan Funds – Diversified Risk Fund

Objective		
Investment Objective	To provide a total return in excess of its cash benchmark by exploiting behavioural patterns in financial markets, primarily through the use of derivatives.	To provide long-term capital growth by investing in multiple asset classes, globally, using a risk-weighted approach to asset allocation, using derivatives where appropriate.
Investment Process		
Investment approach	<ul style="list-style-type: none"> ▪ Systematic, rules based investment process, focuses on the bottom-up capture of alternative risk premia embedded within a number of hedge fund strategies. ▪ Captures the returns commonly associated with major hedge fund strategies such as Equity Market Neutral, Macro/Managed Futures, Convertible Bond Arbitrage and Event-Driven within a single portfolio, while reducing the manager specific risks associated with hedge fund investing due to its systematic approach. ▪ Aims to provide diversification benefits to a portfolio of traditional assets such as equities or bonds. 	<ul style="list-style-type: none"> ▪ Systematic approach that provides long/short exposure to a diversified range of risk premia, across asset classes. ▪ Portfolio targets equally weighted long-term risk exposures to various risk premia, grouped into four styles: quality, carry, momentum and value. ▪ Overall portfolio is constructed to maintain a low correlation to traditional markets.
Benchmark	ICE 1 Month EUR LIBOR	ICE 1 Month USD LIBOR
Benchmark uses and resemblance	<ul style="list-style-type: none"> ▪ Performance comparison. <p>The Sub-Fund is actively managed without reference or constraints relative to its benchmark.</p>	
Policies		
Main investment exposure	<p>Invests in a diversified range of asset classes, either directly or through derivatives, such as equities (including smaller companies), debt securities, currencies, convertible securities and commodities from issuers anywhere in the world, including emerging markets.</p> <p>The Sub-Fund may have net long and net short exposure (achieved through derivatives) to sectors, markets and currencies, however net market exposure will not normally exceed 150% of net assets (excluding currency forward positions established for the purpose of hedging currency exposure).</p> <p>The Sub-Fund may hold significant amounts of cash and cash equivalents either as collateral for derivatives or until suitable investment opportunities are found.</p>	<p>The majority of assets invested, either directly or through derivatives, in equities (including smaller companies), convertible securities, debt securities, currencies and cash. The Sub-Fund may also gain exposure to commodities through equities, UCITS, UCIs, ETFs or derivatives on commodity indices. Issuers can be from anywhere in the world, including emerging markets. The Sub-Fund may invest in below investment grade and unrated debt securities.</p> <p>The Sub-Fund may have net long and net short exposure (achieved through derivatives) to sectors, markets and currencies, however, it will maintain a total net long market exposure at all times. The Sub-Fund may hold significant amounts of cash and cash equivalents either as collateral for derivatives or until suitable investment opportunities are found.</p>
Derivatives	Used for: investment purposes; hedging; efficient portfolio management	
Global exposure calculation method	absolute VaR	
Currencies	Sub-Fund Base Currency: EUR	Sub-Fund Base Currency: USD
	Currencies of asset denomination: Any	Currencies of asset denomination: Any
	Hedging approach: primarily hedged to Base Currency	
Main Risks	Techniques:	

Investment Risks: Risks from the Sub-Fund's techniques and securities

Derivatives
Hedging
Short Positions

Securities:
Commodities
Convertible securities
Debt Securities
Emerging Markets
Equities
Smaller Companies

- Below investment grade debt
- Investment grade debt
- Unrated debt
- UCITS, UCIs and ETFs

Other associated risks Further risks the Sub-Fund is exposed to from its use of the techniques and securities above

Credit
Liquidity
Currency
Market
Interest rate

Risk and reward category

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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.

Charges

Initial charge

A: 5.00%
C: Nil
D: 5.00%
I: Nil
I2: Nil
X: Nil

Switch charge

A: 1.00%
C: 1.00%
D: 1.00%
I: 1.00%
I2: 1.00%
X: 1.00%

Redemption charge

A: 0.50%
C: Nil
D: 0.50%
I: Nil
I2: Nil
X: Nil

Annual Management and Advisory Fee

A: 1.25%
C: 0.60%
D: 1.25%
I: 0.60%
I2: 0.50%
X: Nil

Distribution Fee

A: Nil
C: Nil
D: 0.65%
I: Nil
I2: Nil
X: Nil

Operating and Administrative Expenses (Max)

A: 0.30%
C: 0.20%
D: 0.30%
I: 0.16%
I2: 0.16%
X: 0.15%

Performance charge

All classes: none

Structure

End of financial year

30th June

Investment company

JPMorgan Funds

Date of annual general meeting of shareholders

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 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 kiid.requests@jpmorgan.com or by writing to the registered office (contact details at page 1).