

JPMorgan Money Market Funds – Reform update

Intended designations for JPMorgan Money Market Funds

Under the amendments to Rule 2a-7 adopted by the Securities and Exchange Commission (SEC) in July 2014, JPMorgan Money Market Funds (MMFs) will, beginning in October 2016, fall under the following qualifications.¹

REVIEWING KEY AMENDMENTS TO RULE 2A-7 BY FUND TYPE

PROVISION	WHAT IS IT?	FUNDS IMPACTED BY TYPE		
		INSTITUTIONAL	GOVERNMENT ³	RETAIL ⁴
		<ul style="list-style-type: none"> JPMorgan Prime MMF² 	<ul style="list-style-type: none"> JPMorgan U.S. Government MMF JPMorgan U.S. Treasury Plus MMF JPMorgan Federal MMF JPMorgan 100% U.S. Treasury Securities MMF 	<ul style="list-style-type: none"> JPMorgan Liquid Assets MMF JPMorgan Tax Free MMF JPMorgan Municipal MMF⁵ JPMorgan California Municipal MMF⁵ JPMorgan New York Municipal MMF⁵
Floating NAV	Fund must transact at a market-based net asset value, rounded to four decimal places (e.g., \$1.0000)	●		
Stable NAV	Fund will retain the ability to transact at amortized cost net asset value, rounded to two decimal places (e.g., \$1.00)		●	●
Liquidity fees	When a fund's weekly liquid assets (WLA) drop below 30%, a board can impose a liquidity fee of up to 2.00% on redemptions until WLA rise above 30%	●		●
Redemption gates	When a fund's weekly liquid assets (WLA) drop below 30%, a board can suspend redemptions on a fund for any 10 out of 90 days	●		●
Disclosure requirements	All money market funds must post a six-month rolling history (updated daily) of the following: market-based NAV, daily liquid assets, weekly liquid assets, and net shareholder flows	●	●	●

¹ Qualifications reflected in supplement to the registration statements for the JPMorgan Money Market Funds filed with the SEC on March 2, 2016. These determinations remain subject to future change. Shareholders will be given notice of further developments, as appropriate.

² The JPMorgan Prime Money Market Fund will be required to transition to a floating NAV calculated to four decimals (e.g., \$1.0000) on or before October 14, 2016. This transition is expected to occur on or about October 1, 2016. The JPMorgan Prime MMF will also be subject to the liquidity fee and gate provisions beginning October 14, 2016.

³ It is currently intended that each of the Government MMFs will continue to operate with its existing objective to maintain a \$1.00 stable NAV. The Funds' Board has no current intention to subject the Government MMFs to temporary liquidity fees and redemption gates.

⁴ The Funds listed above as Retail will seek to qualify as Retail MMFs by October 1, 2016.

⁵ Effective September 1, 2016, each of the JPMorgan California Municipal Money Market Fund, JPMorgan New York Municipal Money Market Fund and JPMorgan Municipal Money Market Fund has adopted a non-fundamental policy to invest, under normal circumstances, 100% of its total assets in weekly liquid assets (as defined under Rule 2a-7).

Transforming our operation to best service you

Under the amended SEC rules, Institutional Prime MMFs will transition to a floating NAV, which will be priced at multiple times per day. The JPMorgan Prime Money Market Fund will ordinarily calculate its share class NAV three times on each day the fund accepts purchases and redemptions—at 8 AM, 12 PM and 3 PM ET.⁶

INTRA-DAY NAV STRIKES AND SAMPLE SETTLEMENT CYCLE FOR JPMORGAN PRIME MONEY MARKET FUND

MORNING NAV
8 AM ET



MID-DAY NAV
NOON ET



END-OF-DAY NAV
3 PM ET



SAMPLE SETTLEMENT CYCLE POST OCTOBER 1, 2016

Place trade at	Transact at	if redemption
9:00 AM	12:00 PM NAV	would typically receive cash prior to 2:00 PM
1:00 PM	3:00 PM NAV	would typically receive cash prior to 5:00 PM
5:00 PM	8:00 AM NAV	would typically receive cash as soon as 9:30 AM

- An investor will receive the price calculated at the next NAV strike after placing a trade
- A dividend will only be paid to investors that remain invested in the fund overnight

IMPLEMENTATION TIMELINE

OCTOBER 1, 2016

- **JPMORGAN RETAIL MMFs** must meet Retail qualification standards as well as shareholder eligibility requirements
- **JPMORGAN PRIME MMF** transitions to a floating, four decimal NAV (e.g., \$1.0000) and begins using market-based values to price portfolio securities⁷
- **JPMORGAN PRIME MMF** NAV to be calculated daily at 8 AM, 12 PM and 3 PM ET

OCTOBER 14, 2016

- Board has the power to utilize the liquidity fee and temporary redemption gate provisions for the **JPMORGAN INSTITUTIONAL AND RETAIL MMFS**

⁷See supplement to the registration statements for the JPMorgan Money Market Funds filed with the SEC on March 2, 2016.

⁶ Per the supplement to the registration statements for the JPMorgan Money Market Funds filed with the SEC on March 2, 2016, effective on or about October 1, 2016, the NAV of each class of shares of the JPMorgan Prime MMF will ordinarily be calculated as of 8:00 AM, 12:00 PM and 3:00 PM ET on each day the Fund accepts purchases and redemptions. Intraday wires are not guaranteed. Payment of the redemption proceeds generally will be made on the Business Day that the redemption is effective, although there can be no assurances that redemption proceeds will be paid on such day. Until such conversion date, it is currently expected that the JPMorgan Prime Money Market Fund will continue to seek to maintain a stable NAV per share of \$1.00 using the amortized cost method to value their portfolios of securities.

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Investors should carefully consider the investment objectives, risks, charges and expenses of the J.P. Morgan Funds. This and other important information is contained in the prospectus (<https://am.jpmorgan.com/us/en/asset-management/gim/adv/funddocuments>), which can be obtained from your financial professional and should be read carefully before investing.

J.P. Morgan Funds are distributed by JPMorgan Distribution Services, Inc., which is an affiliate of JPMorgan Chase & Co. Affiliates of JPMorgan Chase & Co. receive fees for providing various services to the funds. Products and services may be offered by JPMorgan Institutional Investment, Inc., member FINRA/SIPC.

J.P. Morgan Asset Management is the marketing name for the asset management businesses of JPMorgan Chase & Co. Those businesses include, but are not limited to, J.P. Morgan Investment Management Inc., Security Capital Research & Management Incorporated and J.P. Morgan Alternative Asset Management, Inc.

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