

A Message from Your Fund's Board

Client Name >
 < ClientAddress 1 >
 < ClientAddress 2 >
 < ClientAddress 3 >
 < ClientAddress 4 >
 < ClientPostcode >

Account number: < Client Code>

Dear <Title, Surname>

This is to notify you of changes that we propose to make to the JPM Portfolio Fund (a fund of the JP Morgan Fund III ICVC) being a fund in which you own shares.

- For these changes to take effect, an extraordinary resolution must be passed at an Extraordinary General Meeting (“EGM”) of Shareholders. It is important that you exercise your right to vote, either by attending in person or by using the enclosed Form of Proxy.
- If passed, these changes will occur as described hereafter.

Please take a moment to review the important information below which includes the details about the changes and relevant timings. If you still have questions, please contact your usual J.P. Morgan Asset Management representative or call our UK-based Client Administration Centre on the numbers given below. **You have a number of options, all of which are explained below.**



Jasper Berens

for and on behalf of JPMorgan Funds Limited, as Authorised Corporate Director (the “ACD”)

STEP 1: Notice of Extraordinary General Meeting - please vote by 7 March 2018 at 9.30am

The meeting will be held at the location and time stated in the right-hand column.

Extraordinary resolution for Shareholder Vote:

That this meeting of Shareholders of JPM Portfolio Fund hereby approves with effect from 13 April 2018 the amendment of the investment objective and investment policy as stated in the current Prospectus by deleting the current investment objective and investment policy in its entirety and replacing it with:

“The Fund aims to provide long term capital growth by investing in a diversified mix of asset classes. As a result of its diversified portfolio, the Fund is expected to have a lower level of volatility than equity markets as represented by the MSCI World Index.

The Fund may invest either directly or via collective investment schemes, which may be managed by the Investment Adviser or any other member of JPMorgan Chase & co., in a broad range of assets including, but not limited to, global equities, fixed income (including high yield and emerging market debt), alternatives (including private equity and property) and cash and cash equivalents.

The Fund may have exposure to Emerging Markets and smaller companies.

THE MEETING (EGM)

Location 60 Victoria Embankment, London EC4Y 0JP

Date and time 9 March 2018 at 9.30am

Quorum Two shareholders, in person or by proxy. If quorum is not met within 15 minutes after the time, the EGM will be adjourned to 16 March 2018 at 9.30am at the same location. If at such adjourned EGM quorum is not met within 15 minutes after the time, one person entitled to be counted in a quorum at the EGM shall be a quorum.

Voting threshold Items will be resolved by majority of not less than 75% of the votes cast at the EGM. For further information please see ‘Additional Information’ below.

Voting result Will be made available at:

<http://am.jpmorgan.co.uk/investor/>

THE FUND

Company JPMorgan Fund III ICVC

The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate (see Section 11.6 for Risk Warnings on derivatives).

The Fund may invest in assets denominated in any currency and non-Sterling currency exposure (excluding Emerging Markets local currency) will normally be hedged back to Sterling."

Legal form Open Ended Investment Company ("OEIC")
Fund type NURS
Your fund JPM Portfolio Fund
Latest fiscal period 30 April 2017

ADDITIONAL INFORMATION

You may vote in person or by appointing a proxy, however, please ensure you follow the result of the vote.

- **To vote by proxy**, use the enclosed Form of Proxy.

If you choose to vote by using the Form of Proxy, your vote must be deposited with Paragon, Enterprise House, Unit 15, Rolling Mill Road, Jarrow, NE32 3DP no later than **7 March 2018 at 9.30am**. Please note that if we do not receive your Form of Proxy by this time, your vote will not count.

- **To vote in person**, attend the EGM in person. **Completion of a Form of Proxy will not prevent you attending the EGM and voting in person.**

STEP 2: Fund changes - option to take action ends 12 April 2018 at 9.30 am

If the proposed changes are approved, the proposed Investment Objective and Policy will become effective and binding on each Shareholder in your fund whether or not they voted in favour of the Extraordinary Resolution or at all. The proposed changes will become effective on the Effective Date.

Should the proposals set out be approved by Shareholders at the EGM, the name, benchmark, risk profile, profile of the typical investor and Annual Fee of the ACD will also be changed on the Effective Date. Shareholders are not required to vote on these changes, but they will only be implemented if the proposals at the EGM are approved. Regardless of whether the Extraordinary Resolution passes or not, the Fixed Expenses were re-named Operating Expenses and capped at 0.15% on 1 February 2018.

One-time expenses, which are estimated to be no more than 0.59% associated with trading and reinvesting your fund's assets to bring it in line with the proposed Investment Objective and Policy will be borne by your fund.

If the proposed changes are NOT approved, your fund will continue to be managed without change and the ACD may consider other available options.

THE CHANGES

Effective Date 13 April 2018

Deadline for receipt of switch/ redemption orders 12 April 2018 at 9.30 am

Client Administration Centre

J.P. Morgan Asset Management

Client Administration Centre

PO Box 12272

Chelmsford CM99 2EL

Tel 0800 20 40 20 / +44 1268 44 44 70

Fax 0330 1233684

Registered office 3 Lochside View, Edinburgh Park, Edinburgh EH12 9DH (Do Not Use for Correspondence)

Issued by JPMorgan Funds Limited, authorised and regulated by the Financial Conduct Authority

Registered in Scotland No. SCO19438

YOUR OPTIONS

- 1 If you are comfortable with the changes**, you do not need to take any action.
- 2 Switch your investment to another 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 (NURS KIID) for any 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. In the instance that we require additional documentation from you to release proceeds, we will write to you with our requirements.

If you choose options 2 or 3, you may want to review these options with your tax adviser and your financial adviser as these 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.

JPMorgan Fund III ICVC - JPM Portfolio Fund

Reason for changes

As part of a review by the Investment Adviser to increase the growth prospects of the JPM Portfolio Fund, the Board proposes to change the investment strategy to provide long term capital growth with lower volatility than equity markets, as the Investment Adviser will diversify the assets that the fund holds across different asset classes and geographical regions while maintaining a lower risk profile.

Given that the Fund will be diversified across a number of markets and asset classes, it may suit investors who are looking for a fund offering capital growth with lower volatility (when compared to a traditional equity fund).

In connection with this, your fund will be re-named JPMorgan Fund III ICVC – JPM Diversified Growth Fund and the benchmark will be changed to ICE 1 month GBP Libor as these are more appropriate given the new investment strategy

Additionally, the Annual Fee of the ACD will be lowered as detailed in the comparison below and the operating expenses have been lowered from 0.18% to 0.15% max which may allow investors to benefit from economies of scale.

Risk/reward level: Although the SRRI is expected to remain at 5, the fund is expected to have a lower level of volatility due to its diversified portfolio of mixed asset classes.

Changes - shown in *bold italics*

BEFORE

Name

JPMorgan Fund III ICVC – JPM Portfolio Fund

Investment Objective and Policy

To invest in a portfolio of regulated collective investment schemes operated or managed by JPMorgan. The Fund aims to provide capital growth over the long term.

The Fund may have exposure to Emerging Markets and smaller companies.

The Fund will not invest in schemes falling within paragraph (e) of section 3.9 (unregulated collective investment schemes) without first giving shareholders at least 60 days' notice of the intention to do so. See section 11.7 for the risks of investing in such schemes.

The Fund may invest in forward transactions and Financial Derivative Instruments (derivatives) for hedging purposes and for Efficient Portfolio Management. Shareholders will receive at least 60 days' notice of any proposed change of use of derivatives within the Fund and will be informed of the potential impact of the change of use on the risk profile of the Fund. Any increased use of derivatives will lead to a commensurate increase in the risks of trading derivatives shown in section 11.6.

The Fund may invest in assets denominated in any currency and non-Sterling currency exposure will not normally be hedged back to Sterling.

Benchmark

50% FTSE All-Share Index (Net) /50% FTSE World ex UK Index (Net)

Note: The Fund may bear little resemblance to its Benchmark.

AFTER

Name

JPMorgan Fund III ICVC – JPM ***Diversified Growth*** Fund

Investment Objective and Policy

The Fund aims to provide long term capital growth by investing in a diversified mix of asset classes. As a result of its diversified portfolio, the Fund is expected to have a lower level of volatility than equity markets as represented by the MSCI World Index.

The Fund may invest either directly or via collective investment schemes, which may be managed by the Investment Adviser or any other member of JPMorgan Chase & co., in a broad range of assets including, but not limited to, global equities, fixed income (including high yield and emerging market debt), alternatives (including private equity and property) and cash and cash equivalents. The Fund may have exposure to Emerging Markets and smaller companies.

The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate (see Section 11.6 for Risk Warnings on derivatives).

The Fund may invest in assets denominated in any currency and non-Sterling currency exposure ***(excluding Emerging Markets local currency)*** will normally be hedged back to Sterling.

Benchmark

ICE 1 month GBP Libor

Note: The Fund ***will be managed without*** reference to its Benchmark.

Risk Profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities held in the underlying funds may fluctuate in response to the performance of individual companies and general market conditions.
- The Fund is likely to have significant exposure to the UK and may therefore be more volatile than more broadly diversified funds.
- Movements in currency exchange rates can adversely affect the return of your investment.

Please refer to Part 11 of this Prospectus for details of the general risk factors affecting this Fund in addition to the specific risk factors above.

Risk Profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities held in the underlying funds may fluctuate in response to the performance of individual companies and general market conditions.

• ***The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.***

• ***The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below Investment Grade and certain Unrated securities, which may also be subject to higher volatility and be more difficult to sell than Investment Grade securities.***

• ***The value of securities in which the Fund invests may be influenced by movements in commodity prices which can be very volatile.***

• ***Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.***

• ***Investments in companies engaged in the business of real estate may be subject to increased liquidity risk and price volatility due to changes in economic conditions and interest rates.***

• ***The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.***

Please refer to Part 11 of this Prospectus for details of the general risk factors affecting this Fund in addition to the specific risk factors above.

Profile of the typical investor

Given that the Fund is diversified across a number of markets, it may suit investors who are looking for a fund offering global Equity exposure with significant UK exposure to sit at the centre of their portfolio, or a stand alone investment aimed at producing long-term capital growth.

Profile of the typical investor

Given that the Fund is diversified across a number of markets **and asset classes**, it may suit investors who are looking for a fund offering **long term capital growth with lower volatility (when compared to a traditional equity fund)**.

Share Class: A Shares

Annual Fee of ACD: 1.50%

Fixed Expenses: 0.18%

Share Class: A Shares

Annual Fee of ACD: 0.70%

Operating Expenses: 0.15% max

Share Class: B Shares

Annual Fee of ACD: 1.00%

Fixed Expenses: 0.18%

Share Class: B Shares

Annual Fee of ACD: 0.45%

Operating Expenses: 0.15% max

Share Class: C Shares
Annual Fee of ACD: 0.75%
Fixed Expenses: 0.18%

Share Class: C Shares
Annual Fee of ACD: 0.35%
Operating Expenses: 0.15% max

KEY DATES

5 FEBRUARY 2018 AT 9.30 AM
 Free switch redemption period begins.

12 APRIL 2018 AT 9.30 AM
 Deadline for receiving all dealing
 Instructions

13 APRIL 2018
 Changes become effective.

The changes are being made to the relevant prospectus or Key Investor Information document (KIID), revised versions of which will be available at www.jpmorgan.co.uk/investor. As with all Fund investments, it is important to understand and remain familiar with the relevant KIID(s). Other than the period when switch and redemption fees are waived, note that all other switch and redemption conditions and restrictions in the prospectus still apply.

ADDITIONAL INFORMATION

- We strongly encourage you to either attend the EGM and vote in person or by **completing and returning the enclosed Form of Proxy in the pre-paid envelope provided**. If you choose to vote by completing the Form of Proxy it must be received by 7 March 2018 9.30am.
- The resolution will be proposed as an “Extraordinary Resolution” and must be carried by a majority in favour of not less than 75% of the votes validly cast at the EGM (persons who are Shareholders on 18 January 2018, but excluding persons who are known to the ACD not to be Shareholders at the time of the EGM, are entitled to vote and be counted in the quorum) in respect of those Shares. Once passed an Extraordinary Resolution is binding on all Shareholders whether or not they voted in favour of the Extraordinary Resolution.
- In view of the importance of the proposal, the chairman of the EGM will order a poll to be taken in respect of the resolution. On a poll, the voting rights attached to each Share are such proportion of the voting rights attached to all of the Shares in issue that the price of the Share bears to the aggregate price of prices of all Shares in issue. A Shareholder entitled to more than one vote on a poll need not, if he votes, use all his votes or cast all the votes he uses the same way.
- The ACD may not be counted in the quorum for the EGM. Neither the ACD nor any associate of the ACD is entitled to vote at the EGM except in respect of Shares which the ACD or an associate holds on behalf of, or jointly with, a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.
- For Shares held jointly the vote of the senior Shareholder who votes must be accepted to the exclusion of the other joint Shareholders. For this purpose seniority must be determined by the order in which the names stand in the Register of Shareholders.
- If a quorum is not present within 15 minutes of the time appointed for the EGM the EGM will be adjourned to 16 March 2018 at **9.30am**
- The costs associated with bringing this proposal to Shareholders’ attention together with the costs of holding the EGM, and any adjourned EGM (if required), will be paid for by the Authorised Corporate Director (ACD).
- The enclosed Form of Proxy will remain valid for any adjourned EGM (if required), unless expressly revoked. We will notify Shareholders of any adjournment as soon as practical by post.
- Should the proposed changes be approved and you do not wish retain your holdings, you may switch or redeem your holding to another JPMorgan OEIC fund free of charge, provided JPMorgan receives your valid dealing instruction before 9.30 am on 12 April 2018.
- 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.
- If you have any questions or require further information, please contact the Client Administration Centre. Please note that we do not provide financial or tax advice.

KEY DATES & LOCATION OF THE EGM



*If resolution passed

Note: If you would like to attend the Extraordinary General Meeting to be held at 60 Victoria Embankment, London, EC4Y 0JP on 9th March, please find directions below:

