

# Q&A – JPMorgan Funds and JPMorgan Investment Funds (SICAV Range) Sub-Fund mergers

On 8<sup>th</sup> December 2017, J.P. Morgan Asset Management announced the mergers detailed below. This document contains key information you may find useful in making a determination regarding your investment in any of these Sub-Funds.

## Sub-Fund Mergers

	Merging Sub-Funds <sup>Note 1</sup>	Receiving Sub-Funds	Merger Date
1	JPMorgan Funds - Euroland Select Equity Fund	JPMorgan Funds - Euroland Equity Fund	9 <sup>th</sup> February 2018
2	JPMorgan Funds - France Equity Fund		
3	JPMorgan Funds - Germany Equity Fund		
4	JPMorgan Funds - Europe Select Equity Plus Fund	JPMorgan Investment Funds - Europe Select Equity Fund	23 <sup>rd</sup> February 2018
5	JPMorgan Funds - Highbridge Europe STEEP Fund	JPMorgan Funds - Europe Dynamic Fund	

Note 1: The Merging Sub-Funds in the table above are not authorised by the Securities and Futures Commission (“SFC”) for sale to the public in Hong Kong and are not offered to Hong Kong retail investors.

### 1. Why are these Sub-Funds being merged?

**The Sub-Funds below have overlapping investment strategies and the Board believes the Merging Sub-Funds have limited prospects for growth.**

- JPMorgan Funds - Europe Select Equity Plus Fund into JPMorgan Investment Funds - Europe Select Equity Fund;
- JPMorgan Funds - Euroland Select Equity Fund into JPMorgan Funds - Euroland Equity Fund

**The Merging Sub-Funds below have not attracted sufficient assets and the Board believes they have limited prospects for growth.**

- JPMorgan Funds - France Equity Fund into JPMorgan Funds - Euroland Equity Fund;
- JPMorgan Funds - Highbridge Europe STEEP Fund into JPMorgan Funds - Europe Dynamic Fund

**The Board believes that the Merging Sub-Funds below have limited prospects for growth.**

- JPMorgan Funds - Germany Equity Fund into JPMorgan Funds - Euroland Equity Fund

### 2. What are the potential benefits to shareholders?

The mergers aim to allow both Merging and Receiving Sub-Funds’ shareholders to benefit from investing in larger Sub-Funds with greater prospects for growth that in turn may lead to economies of scale and potentially lower operating and administrative expenses.

Where possible investors may also benefit from increased diversification of their investment.

### 3. How were the mergers communicated to shareholders?

**Shareholders:** On 8<sup>th</sup> December 2017, letters were sent to all shareholders in each of the Receiving Sub-Funds.

The letter to shareholders of the Receiving Sub-Funds contained information on:

- Reason for the merger;
- Options available to investors;
- Merger timeline and impact to shareholders;

The notice of the Receiving Sub-Funds are available on [www.jpmorganam.com.hk](http://www.jpmorganam.com.hk) <sup>Note 2</sup>.

Note 2: The website has not been reviewed by the SFC.

### 4. When will the Sub-Funds be merged?

Sub-Funds will be merged according to the table detailed below:

Merger	Merger Date
JPMorgan Funds - Euroland Select Equity Fund into JPMorgan Funds - Euroland Equity Fund	9 <sup>th</sup> February 2018
JPMorgan Funds - France Equity Fund into JPMorgan Funds - Euroland Equity Fund	
JPMorgan Funds - Germany Equity Fund into JPMorgan Funds - Euroland Equity Fund	
JPMorgan Funds - Europe Select Equity Plus Fund into JPMorgan Investment Funds - Europe Select Equity Fund	23 <sup>rd</sup> February 2018
JPMorgan Funds - Highbridge Europe STEEP Fund into JPMorgan Funds - Europe Dynamic Fund	

### 5. Who will bear the costs associated with the mergers?

The Merging Sub-Funds will bear one-time expenses associated with the transaction costs.

The Merging Sub-Funds will not bear any additional legal, advisory or administrative costs associated with the merger including the production and mailing of the shareholder letters.

The Receiving Sub-Funds will not bear any costs associated with the mergers.

### 6. When will shareholders of the Receiving Sub-Funds receive dividend distributions?

Shareholders in the Receiving Sub-Funds will receive dividend distributions in accordance with the annual distribution timetable of each Receiving Sub-Fund.

### 7. May shareholders of the Receiving Sub-Funds redeem before the merger date?

Yes, redemptions and switches out of the Receiving Sub-Funds will not be impacted.

We recommend all shareholders seek independent tax and investment advice before making any final decision concerning their holdings affected by a merger.

### 8. May shareholders of the Receiving Sub-Funds invest before the merger date?

Yes, subscriptions into the Receiving Sub-Funds will not be impacted.

## 9. Will charges apply if a shareholder of a Receiving Sub-Fund elects to switch?

No, shareholder of the Receiving Sub-Funds will not be charged switching fees <sup>Note 3</sup> provided their orders are received before the deadlines below.

- With relation to Sub-Funds merging on **9<sup>th</sup> February 2018**, any orders must receive by **17:00 (Hong Kong time) on 6<sup>th</sup> February 2018**.
- With relation to Sub-Funds merging on **23<sup>rd</sup> February 2018**, any orders must receive by **17:00 (Hong Kong time) on 20<sup>th</sup> February 2018**.

## 10. Will there be any tax consequences resulting from the merger?

The mergers could result in a taxable event for shareholders. We recommend all shareholders seek independent tax and investment advice before making any final decision concerning their holdings affected by a merger.

With relation to the merger of JPMorgan Funds - France Equity Fund, into JPMorgan Funds - Euroland Equity Fund shareholders should be aware that the Receiving Sub-Fund is managed in order to ensure eligibility under the French "Plan d'Épargne en Actions" ("PEA").

For UK Investors that are ISA holders: If a shareholder stays in the Merging Sub-Fund, their ISA status will not be affected and their ISA allowance/status will be carried across to the Receiving Sub-Fund. If they do not agree with the merger and decide to switch to another sub-fund they should confirm that the other sub-fund is also eligible to be held in a Stocks and Shares ISA. Any withdrawals by the shareholder from the ISA will mean that they have lost the tax free benefits of the ISA of the amount withdrawn.

**We recommend that you consult an independent professional adviser to obtain specific advice relating to your personal circumstances.**

## 11. How will I know how many shares I have received in the Receiving Sub-Fund?

A contract note will be issued within 2 business days of the merger date.

## Contact Details

Any further questions on the mergers, please contact JPMorgan Funds (Asia) Limited, Hong Kong Representative of JPMorgan Funds and JPMorgan Investment Funds. Additional information can be also found on the website [www.jpmorganam.com.hk](http://www.jpmorganam.com.hk) <sup>Note 2</sup>.

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Note 2: The website has not been reviewed by the SFC.

Note 3: Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor or financial adviser may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser should you have any questions.