

A Message from Your Fund's Board

Dear Shareholder,

This is to notify you of changes to JPMorgan Funds - Euro Money Market Fund (the "Sub-Fund"), a sub-fund in which you own shares.

As a result of the implementation of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on Money Market Funds (the "Regulation"), your Sub-Fund will be re-classified as a Short-Term Variable Net Asset Value Money Market Fund ("Short-Term VNAV MMF") and will comply with the relevant portfolio and valuation requirements and other applicable rules provided for in the Regulation. In addition, your Sub-Fund will be re-named **JPMorgan Funds – EUR Money Market VNAV Fund**.

In addition, other changes are being made to your Sub-Fund as detailed overleaf.

More detailed information about the changes, including its timing, appears below. Please take a moment to review this important information. If you still have questions, please contact the registered office or your local representative. **You have three options that are explained below.**



Jacques Elvinger *For and on behalf of the Board*

Prospectus changes – option to take action ends 30 November 2018 at 2.30 p.m. CET

YOUR OPTIONS

- 1 If you are comfortable with the changes**, you do not need to take any action.
- 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.

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

THE CHANGES

Effective date 3 December 2018
Deadline for receipt of switch/redemption orders 30 November 2018 at 2.30 p.m. CET

THE FUND

Name JPMorgan Funds
Legal form SICAV
Fund type UCITS
Registered office
 6 route de Trèves
 L-2633 Senningerberg, Luxembourg
Phone +352 3410 1
Fax +352 2452 9755
Registration number (RCS Luxembourg) B 8478
Management Company JPMorgan Asset Management (Europe) S.à r. l

JPMorgan Funds - Euro Money Market Fund

Reason for changes

- **Regulatory changes**

As indicated in our Extraordinary General Meeting Notices dated 3 May 2018 and 14 June 2018 in relation to the changes to the Articles of Association, the money market sub-funds of JPMorgan Funds were reviewed in order to ensure compliance with the Regulation. The Board has decided that it is in the best interests of shareholders for the Sub-Fund to be re-classified as a Short-Term VNAV MMF. The ISIN of your share class will not change as a result of this re-classification.

The main characteristics of a Short-Term VNAV MMF are outlined below and are substantially in line with the way in which the Sub-Fund is currently managed:

- A Short-Term VNAV MMF can invest in any government or non-government eligible assets.
- A Short-Term VNAV MMF must have a weighted average maturity of no more than 60 days and a weighted average life of no more than 120 days.
- At least 7.5% of a Short-Term VNAV MMF's assets must be comprised of daily liquid assets and at least 15% of weekly liquid assets.
- As a Short-Term VNAV MMF, the assets of the Sub-Fund must be valued using the mark-to-market pricing methodology. As a result, the Sub-Fund's net asset value per share may potentially exhibit increased volatility.

In accordance with the Regulation, the Sub-Fund will no longer be allowed to borrow cash.

In order for the Sub-Fund to comply with the relevant portfolio and valuation requirements and other applicable rules provided for in the Regulation, a new section entitled "Specific Provisions and Information relating to Money Market Sub-Funds - Applicable as from 3 December 2018" will be inserted in the Prospectus which sets out the structural features, investment objectives and policies, internal credit procedures, valuation methodology and investment restrictions and powers applicable to the money market product range of JPMorgan Funds. The Prospectus is expected to be available around early October.

Finally, in compliance with the Regulation, the following information will be made available to investors at least on a weekly basis on www.jpmmorganassetmanagement.lu:

- The maturity breakdown of the portfolio of the Sub-Fund;
- The credit profile of the Sub-Fund;
- The weighted average maturity and weighted average life of the Sub-Fund;
- Details of the 10 largest holdings in the Sub-Fund;
- The total value of the assets of the Sub-Fund;
- The net yield of the Sub-Fund.

Further information on the Regulation, the new types of MMFs and their features can be found on <https://am.jpmmorgan.com/lu/en/asset-management/gim/liq/liquidity-insights/european-money-market-fund-reform-resource-centre>

- **Other changes**

Since the Investment Manager does not intend to use these instruments, the flexibility to use financial derivative instruments for the purposes of hedging and efficient portfolio management will be removed.

In order to provide additional flexibility to the Sub-Fund's Investment Manager, the Sub-Fund will be able to enter into reverse repurchase transactions subject to a maximum of 100% of its assets and the expected proportion of the assets under management of the Sub-Fund that could be subject to these transactions will fluctuate between 0% and 30%.

Since the Sub-Fund will not be registered for distribution in Hong Kong, the specific investment restrictions previously stated will not apply and will be removed.

Please note that the Prospectus changes below reflect a new format optimised Prospectus expected to be available around early October. Please refer to the Appendix for the prospectus language as at the date of this letter.

Risk/reward level *unchanged*

Fee level *unchanged*

Changes - shown in bold italics

BEFORE

OBJECTIVE

The Sub-Fund seeks to achieve a return in the Sub-Fund's Base Currency in line with prevailing money market rates while aiming to

AFTER

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The Sub-Fund seeks to achieve a return in the Sub-Fund's Base Currency in line with prevailing money market rates while aiming to

preserve capital consistent with such rates and to maintain a high degree of liquidity, by investing in EUR-denominated short-term debt securities.

Investment approach

- Seeks opportunities across all cash segments.
- Qualifies as a "Short-Term Money Market Fund" as per ESMA guidelines CESR/10-049

Main investment exposure All assets invested in EUR-denominated short-term debt securities.

Debt securities are rated at least A or A-1 by S&P (or equivalent ratings) for long-term and short-term ratings, respectively. The Sub-Fund may invest in unrated securities of comparable credit quality.

The weighted average maturity of the portfolio will not exceed sixty days and the initial or remaining maturity of each debt security will not exceed 12 months at the time of purchase (for government and public securities the maturity will not exceed 397 days).

The Sub-Fund may have exposure to investments with zero or negative yields in adverse market conditions. On a temporary basis, it may borrow up to 10% of assets to fund redemption requests or pay operating expenses.

Specific investment restrictions

The Sub-Fund will not invest more than 10% of assets in instruments and deposits from any single issuer. However, the Sub-Fund may invest up to 30% in one or more issues of government or public securities. It may also invest up to 25% in instruments and deposits from any single issuer where the issuer is a substantial financial institution with a minimum paid-up capital of an amount in EUR equivalent to HKD 150,000,000.

preserve capital consistent with such rates and to maintain a high degree of liquidity, by investing in EUR-denominated short-term **Money Market instruments, eligible securitisations, Asset-Backed Commercial Paper, deposits with credit institutions and Reverse Repurchase Transactions.**

Investment approach

- Seeks opportunities across all cash segments.
- **Qualifies as a Short-Term VNAV MMF**

Main investment exposure All Assets invested in EUR-denominated short-term **Money Market Instruments, eligible securitisations, Asset-Backed Commercial Paper, deposits with credit institutions and Reverse Repurchase Transactions.**

In addition to receiving a favourable assessment pursuant to the Management Company's Internal Credit Procedures, Money Market Instruments, eligible securitisations and Asset-Backed Commercial Paper are rated at least A or A-1 by S&P (or equivalent ratings) for long-term and short-term ratings, respectively. The Sub-Fund may invest in unrated **Money Market Instruments, eligible securitisations and Asset-Backed Commercial Paper** of comparable credit quality.

The weighted average maturity of the portfolio will not exceed sixty days and the initial or remaining maturity of each **Money Market Instrument, eligible securitisation and Asset-Backed Commercial Paper** will not exceed **397 days at the time of purchase.**

The Sub-Fund may have exposure to investments with zero or negative yields in adverse market conditions.

All assets invested in accordance with Investment Restrictions and Powers applicable to MMF Sub-Funds.

Techniques and instruments Reverse repurchase transactions:: 0% to 30% expected; 100% maximum

Investment Risks *Risks from the Sub-Fund's Techniques and securities* Investment Risks *Risks from the Sub-Fund's Techniques and securities*

Techniques

Securities

- Debt Securities
- Government debt
- Investment grade debt
- unrated debt

Techniques

Securities

- Reverse repurchase transactions**
- Debt Securities
- Government debt
- Investment grade debt
- unrated debt

Investor profile Investors with or without basic financial knowledge who understand the risks of the Sub-Fund and;

- seek a short term investment with a high degree of liquidity
- are looking to use it as part of an investment portfolio and not as a complete investment plan

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Key Dates

3 September 2018 at 2.30 p.m. CET
Free switch/redemption period begins.

30 November 2018 at 2.30 p.m. CET
Free switch/redemption period ends.

3 December 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.jpmorganassetmanagement.lu. 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.

Appendix

Investment Objective

The Sub-Fund seeks to achieve a return in the Reference Currency in line with prevailing money market rates whilst aiming to preserve capital consistent with such rates and to maintain a high degree of liquidity by investing in EUR denominated short term debt securities.

Investment Policy

The Sub-Fund will invest all of its assets, excluding cash and cash equivalents, in EUR denominated short term debt securities.

The Sub-Fund may have exposure to investments with zero or negative yields in adverse market conditions.

Debt securities with a long-term rating will be rated at least A and debt securities with a short-term rating will be rated at least A-1 by Standard & Poor's or otherwise similarly rated by another independent rating agency.

The Sub-Fund may also invest in unrated debt securities of comparable credit quality to those specified above.

The weighted average maturity of the Sub-Fund's investments will not exceed 60 days and the initial or remaining maturity of each debt security will not exceed 12 months at the time of purchase (for government and public securities the maturity will not exceed 397 days).

Cash and cash equivalents may be held on an ancillary basis.

The Sub-Fund may use financial derivative instruments for the purposes of hedging and efficient portfolio management.

All of the above investments will be made in accordance with the limits set out in "Appendix II – Investment Restrictions and Powers".

Specific investment restrictions

Further to the provisions 3a) iii) and 3a) iv) in the main part of the Prospectus under the heading "Appendix II - Investment Restrictions and Powers", the following additional investment restrictions will apply to allow for public distribution of the Sub-Fund in Hong Kong. The total value of the Sub-Fund's holding of instruments and deposits issued by a single issuer may not exceed 10 % of the Sub-Fund's assets. However, the Sub-Fund may invest up to 30% of its assets in one or more issues of government or other public securities and up to 25% of the Sub-Fund's assets in instruments and deposits issued by a single issuer where the issuer is a substantial financial institution having a minimum paid-up capital of an amount in EUR equivalent to HK\$ 150,000,000.

From time to time it may be necessary for the Sub-Fund to borrow on a temporary basis to fund redemption requests or defray operating expenses. The Sub-Fund may borrow on a temporary basis up to 10% of its total net asset value.