

# A Message from Your Fund's ACD

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

Account number: < Client Code >


Dear <Title, Surname>

This is to notify you that JPM UK Equity & Bond Income Fund, a fund in which you own shares, is proposed for merger into JPM UK Higher Income Fund.

- For this merger 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, this merger will occur as described in the Scheme provided in Appendix I.

Please take a moment to review the important information below. 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.**



**Mike O'Brien**

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

## STEP 1: Notice of Extraordinary General Meeting - please vote by 25 November 2017 at 11.00am

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

### *Extraordinary Resolution for Shareholder Vote:*

1 That the scheme of arrangement (the "Scheme") for the merger of your fund with JPM UK Higher Income Fund, the terms of which are set out in a document dated 26 October 2017 and addressed by JPMorgan Funds Limited (the "ACD") to Shareholders in your fund, is hereby approved and that the ACD and the National Westminster Bank Plc, the depositary of the Company, are hereby instructed to implement the Scheme in accordance with the terms, as presented in Appendix I of this letter.

### THE MEETING (EGM)

**Location** 60 Victoria Embankment, London EC4Y 0JP

**Date and time** 27 November 2017 at 11.00am

**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 11.00am on 4 December 2017 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** The resolution will be passed by a 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 ICVC

**Legal form** Open Ended Investment Company ("OEIC")

**Fund type** UCITS

**Your fund** JPM UK Equity & Bond Income Fund

**Receiving fund (fund into which your fund is merging)** JPM UK Higher Income Fund

**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 **25 November 2017 at 11.00am**. Please note that if we do not receive your Form of Proxy by this date, 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 merger - option to take action ends 12 December 2017 at 11.59am**

**Reason for merger** The ACD believes your fund has limited prospects for growth.

**If the proposed merger is approved**, the Scheme will be binding on each Shareholder in your fund whether or not they voted in favour of the Extraordinary Resolution or at all. On the Business Day following the EGM, your fund may commence the rebalancing process, as described in point 3.3 of the Scheme.

**If the proposed merger is not approved**, your fund will continue to be managed without change and the ACD may consider other available options.

**THE MERGER**

**Merger date** 16 December 2017

**Deadline for receipt of switch/redemption orders** 12 December 2017 at 11.59am

**Your fund** JPM UK Equity & Bond Income Fund

**Receiving fund (fund into which your fund is merging)** JPM UK Higher Income Fund

**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 Address** 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.** SC019438

**YOUR OPTIONS**

**1 If you are comfortable with the merger, your shares will automatically be exchanged for shares of the receiving fund on the merger date.** Any shares of your fund that you still own after the deadline will be exchanged for shares of the receiving fund.

**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 (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.

**You may want to review these options with your tax adviser and your financial adviser as all options could have tax consequences.** Note for UK tax resident investors, option 1 should not constitute a disposal of shares in your fund for UK capital gains tax purposes. New shares issued under the Scheme in the receiving fund will be deemed to have the same acquisition cost and acquisition date for the purposes of UK capital gains tax as the shares you originally acquired.

**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.

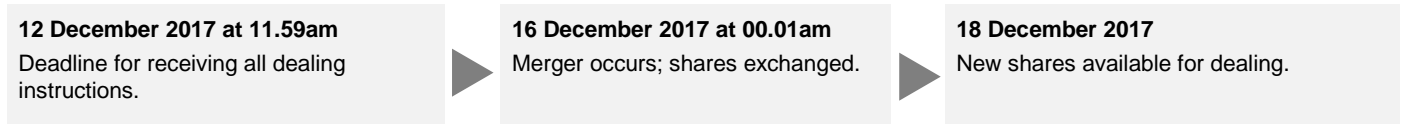
*A merger statement will be mailed to you within 10 days of the merger date. Additional information, including the KIID, prospectus and most recent financial reports of both funds are available at <http://am.jpmorgan.co.uk/investor/> or from the Client Administration Centre.*

## Merger timeline and impact

This section outlines key information relating to the merger. Further information is contained in the detailed fund comparison that follows as well as in the relevant prospectus and KIIDs.

The detailed Scheme of Arrangement, setting out the process for the merger, is included in Appendix 1.

### Key Dates



*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](http://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.*

When the merger occurs, all assets and liabilities of your fund will be transferred to the receiving fund. An application will be made to the FCA for the termination of the merging fund to commence as soon as possible after the merger has taken place.

If the proposed merger is approved, the current annual accounting period of the merging fund will end on the day before the effective date of the Scheme. Any income earned up to the effective date of the merger will be paid to holders of income shares within 3 months of the merger date. The income entitlement of holders of accumulation shares will be credited to capital and allocated to accumulation shares and will be taken into account when calculating the value of new shares in the receiving fund to be issued to such holders under the Scheme.

All shares remaining in your fund at the merger date are exchanged free of charge for shares in the equivalent share class of the receiving fund, based on the net asset value per share in effect that day for both funds.

The value of the shares you own in your fund and the new shares you receive in the receiving fund will be the same but you may receive a different number of shares.

## Impact

|  |  |
|--|--|
| <b>Key differences in investment policy between your fund and the receiving fund</b> | <ul style="list-style-type: none"> <li>While your fund seeks to provide income and capital growth from a balanced portfolio of UK equities and bonds, the receiving fund aims to do so by investing primarily in UK equities.</li> </ul>   |
| <b>Potential benefits</b>  | <ul style="list-style-type: none"> <li>The merger will give you the benefit of investing in a larger fund that has the prospect of stronger growth in assets in the future as well as potentially benefiting from economies of scale.</li> </ul>   |
| <b>Potential drawbacks</b>   | <ul style="list-style-type: none"> <li>One-time expenses associated with trading, transferring and reinvesting your fund's assets, which are estimated to be around 0.42%, will be borne by your fund.</li> <li>On the merger date, and during the three business days before that, you will not be able to subscribe for, switch or redeem shares in your fund.</li> </ul>  |
| <b>Other considerations</b>  | <ul style="list-style-type: none"> <li>The risk and reward category (SRRI) of the receiving fund is category 5, which is higher than your fund and reflects the fact that the receiving fund invests primarily in equities which can be more volatile than bonds.</li> <li>Your fund will not bear any additional legal, advisory or administrative costs associated with the merger.</li> <li>The portfolio of your fund does not resemble that of the receiving fund, therefore rebalancing of the assets will be required in preparation for the merger.</li> <li>Unlike your fund, the receiving fund aims to provide a higher income yield than the yield on the FTSE™ All-Share Index.</li> <li>Typically your fund invests 70% in equities and 30% in bonds whereas the receiving fund invests primarily in equities only.</li> <li>While your fund distributes income on a quarterly basis the receiving fund does so on a semi-annual basis.</li> </ul> |

- Performance information for your fund and the receiving fund can be found in the relevant KIID or factsheet which is available from the document library at [www.jpmmorgan.co.uk/investor](http://www.jpmmorgan.co.uk/investor).

## Fund comparison

This table compares the relevant information for your fund with that of the receiving 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 fund named at the top of that column.
- **Information that crosses both columns** is information that is the same for both funds.

JPMorgan ICVC-

### JPM UK Equity & Bond Income Fund

JPMorgan ICVC –

### JPM UK Higher Income Fund

| Investments and Risks                            |   |  |
|--|---|--|
| <p><b>Objectives and investment policies</b></p> | <p>To provide a high and stable income, with the prospect of capital and income growth over the long term, by investing in a balanced portfolio of securities.</p> <p>The Fund currently invests predominantly in a balanced portfolio of blue chip UK Equities, gilt edged securities and other UK fixed interest instruments.</p> <p>UK Equities are Equities issued by companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.</p> <p>UK fixed interest instruments may include Sterling denominated Bonds and other Debt Securities of non-UK issuers.</p> <p>The Fund may invest up to 100% in government and public securities (see section 3.11 (e)).</p> <p>Other instruments as permitted in the stated investment and borrowing powers of the Company including, but not limited to cash and cash equivalents may be held on an ancillary basis, as appropriate.</p> | <p>To provide income and prospects of capital growth by investing primarily in Equity and Equity-Linked Securities of UK companies. The Fund aims to provide a higher income yield than the yield on the FTSE™ All-Share Index.</p> <p>UK companies are companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.</p> <p>Other instruments as permitted in the stated investment and borrowing powers of the Company including, but not limited to, fixed interest securities, cash and cash equivalents may be held on an ancillary basis, as appropriate.</p> |
| <p><b>Risk and reward category</b></p>           | <p>All classes: category 4</p> <p><i>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.</i></p>   | <p>All classes: category 5</p>   |

The Fund will invest predominantly in assets denominated in Sterling. However, assets may be denominated in other currencies and non-Sterling currency exposure will not normally be hedged back to Sterling.

|                                   |  |  |
|-----------------------------------|--|--|
| <b>Risk factors</b>               | <ul style="list-style-type: none"> <li>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.</li> <li>The Fund will have significant exposure to the UK and may therefore be more volatile than more broadly diversified funds.</li> </ul>  | <ul style="list-style-type: none"> <li>The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.</li> </ul> |
|                                   | <ul style="list-style-type: none"> <li>The value of your investment may fall as well as rise and you may get back less than you originally invested.</li> <li>The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.</li> <li>This Fund charges the annual fee of the Authorised Corporate Director (ACD) against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth. It may also have tax implications for certain investors.</li> <li>As the portfolio of the Fund is primarily focused on generating income, it may bear little resemblance to the composition of its Benchmark.</li> <li>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.</li> </ul> |  |
| <b>Benchmark</b>                  | 70% FTSE All-Share Index (Net)/30% BofA Merrill Lynch Euro-Sterling AAA-AA1 Rated Index  | FTSE All-Share Index (Net)   |
| <b>Base currency</b>              | <b>GBP</b>   |  |
| <b>Charges</b>                    |  |  |
| <b>Maximum Preliminary charge</b> | n/a  | X Shares: Nil  |
|                                   | A Shares: Nil<br>B Shares: Nil<br>C Shares: Nil  |  |
| <b>Maximum exit charge</b>        | All share classes: Nil   |  |
| <b>Annual Fee of ACD</b>          | n/a  | X Shares: Nil  |
|                                   | A Shares: 1.20%<br>B Shares: 0.80%<br>C Shares: 0.60%  |  |
| <b>Fixed Expenses</b>             | n/a  | X Shares: 0.06%  |
|                                   | A Shares: 0.18%<br>B Shares: 0.18%<br>C Shares: 0.18%  |  |
| <b>Performance fee</b>            | All share classes: Nil   |  |

**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 11.00am on 25 November 2017.
- 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 6 October 2017, 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.
- National Westminster Bank Plc, the Depositary, has appointed Daniel Watkins (or failing him any other duly appointed representative of the Authorised Corporate Director (the “ACD”)) to be chairman of the EGM.
- 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 11.00am on 4 December 2017.
- 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.
- You may switch or redeem your holding to another JPMorgan ICVC fund free of charge if you do not wish your holding to be considered for the merger, provided JPMorgan receives your valid dealing instruction before 11.59am on 12 December 2017. If you are an ISA holder and you do switch or redeem your investment and the proceeds or shares are removed from the ISA wrapper they will no longer benefit from the tax advantages associated with an ISA.
- All shares in the merging fund as at close of business on 15 December 2017 will be exchanged for new shares in the receiving fund.
- 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 MEETING



\*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 27 November 2017, please find directions below:

