

# Prospectus 201804 (visaed)-After change

Charges for the management of the Sub-Funds in respect of the X Share Classes and Y Share Classes are administratively levied and collected by the Management Company or the appropriate JPMorgan Chase & Co. entity directly from the Shareholder.

Subject to the investment restrictions described below, Sub-Funds may invest in UCITS, other UCIs and closed ended investment undertakings qualifying as transferable securities within the meaning of UCITS rules (including investment trusts) (the "Undertakings") managed by the Management Company, Investment Managers, or any other member of JPMorgan Chase & Co. In accordance with section "5 b) Appendix II, Investment Restrictions and Powers", no double-charging of fees will occur, with the exception of Performance Fees. The avoidance of a double-charge of the Annual Management and Advisory Fee on such assets is achieved by either: a) excluding the assets from the net assets on which the Annual Management and Advisory Fee are calculated; or b) investing in Undertakings via Share Classes that do not accrue an Annual Management and Advisory Fee or other equivalent fees payable to the relevant adviser's group; or c) the Annual Management and Advisory Fee being netted off by a rebate to the Fund or Sub-Fund of the annual management and advisory fee (or equivalent) charged to the underlying Undertakings; or d) charging only the difference between the Annual Management and Advisory Fee of the Fund or Sub-Fund as per "Appendix III – Sub-Fund Details" and the Annual Management and Advisory Fee (or equivalent) charged to the underlying Undertakings. Where a Sub-Fund invests in Undertakings managed by investment managers which are not members of JPMorgan Chase & Co. group, the Annual Management and Advisory Fee, as specified in "Appendix III - Sub-Fund Details", may be charged regardless of any fees reflected in the price of the shares or units of the Undertakings.

## Sub-Investment Management Fee

An additional fee may be charged to remunerate the Sub-Investment Managers as specified in "Appendix III - Sub-Fund Details". Such fee will be calculated as a percentage of the average daily net assets which are allocated to each Sub-Investment Manager in the relevant Sub-Fund. This is accrued daily and payable monthly in arrears to the Management Company.

## Distribution Fee

The Fund pays to the Management Company a distribution fee (the "Distribution Fee") in respect of Shares of D, F and T Share Classes. The Distribution Fee rate payable for each Share Class is stated in the Fees and Expenses section of "Appendix III – Sub-Fund Details". The Management Company may, at its absolute discretion and from time to time (which in certain circumstances may be daily) decide to vary such rate between the maximum and 0.0%. The Management Company may pay all or part of the Distribution Fee to certain Distributors for the services provided by them in relation to the distribution of the D, F and T Share Classes.

## Payments to Distributors and Intermediaries and Other Investors

The Management Company may from time to time and at its sole discretion, pay all or part of the fees and charges it receives as a commission, retrocession, rebate or discount to some or all investors, financial intermediaries or Distributors on the basis of (but not limited to) the size, nature, timing or commitment of their investment.

## Contingent Deferred Sales Charge

No initial charge will be payable by the Shareholder upon acquisition of Shares of the T Share Class or Shares of the F Share Class of any Sub-Fund, instead a CDSC may be payable to the Management Company when the Shares are redeemed. The proceeds of any redemption of T Share Classes or F Share Classes by a Shareholder within the first 3 years after purchase will be reduced in accordance with the following percentage scale:

Years since purchase	Applicable rate of CDSC
Up to 1 year	3%
Over 1 year and up to 2 years	2%
Over 2 years and up to 3 years	1%
Over 3 years	0%

The applicable rate of CDSC is determined by reference to the total length of time during which the Shares being redeemed (including the holding period of the T Shares and the F Shares in the Original Share Class from which they were switched (if any)) were in issue. Shares will be redeemed on a First In, First Out ("FIFO") basis, so that the Class T Shares or the F Shares first being redeemed are those Shares of the Sub-Fund which have been held for the longest period.

The amount of CDSC per Share is calculated in the relevant dealing currency of the T Share Class and F Share Class being redeemed by multiplying the relevant percentage rate, as determined above, by the Net Asset Value per Share on the date of the original issue of the T Shares or F Shares being redeemed, or of the T Shares or the F Shares of another Sub-Fund from which those Shares were switched, if applicable.

### **Transaction Fees**

Each Sub-Fund bears all costs and expenses of buying and selling securities and financial instruments including, without limitation, any brokerage fees and commissions, interest, taxes, governmental duties, charges and levies and any other transaction related expenses excluding any costs and expenses relating to custody (collectively "Transaction Fees") which relate to the relevant Sub-Fund. Such costs and expenses are allocated across each Share Class of the relevant Sub-Fund.

Subscription, redemption and switching charges of the UCITS and other UCIs managed by the Management Company, the Investment Manager or any other member of JPMorgan Chase & Co. into which a Sub-Fund may invest will be waived.

### **Extraordinary Expenses**

Each Sub-Fund bears any extraordinary expenses including, without limitation, litigation expenses, interest and the full amount of any tax, levy, duty, or similar charge imposed on the Sub-Fund or its assets excluding the *taxe d'abonnement* detailed in section 3.4 under the heading "Taxation" (collectively "Extraordinary Expenses").

### **Operating and Administrative Expenses**

The Fund bears all the ordinary operating and administrative expenses (the "Operating and Administrative Expenses") to meet all fixed and variable costs, charges, fees and other expenses incurred in the operation and administration of the Fund from time to time. The Operating and Administrative Expenses are capped for each Share Class at the maximum rate set out in "Appendix III – Sub-Fund Details".

The Operating and Administrative Expenses are calculated as a percentage of the average daily net assets of each Sub-Fund or Share Class. They are accrued daily and payable monthly in arrears and will not exceed the maximum rate as specified in the relevant section of "Appendix III – Sub-Fund Details".

The Operating and Administrative Expenses cover:

- a. A "Fund Servicing Fee" paid to the Management Company for the services that the Management Company provides to the Fund. The Fund Servicing Fee will be reviewed annually and will not exceed 0.15% per annum except for the JPMorgan Funds - Europe Research Enhanced Index Equity Fund, JPMorgan Funds - Global Research Enhanced Index Equity Fund and JPMorgan Funds - US Research Enhanced Index Equity Fund where it will not exceed 0.05% per annum.
- b. Expenses directly contracted by the Fund ("Direct Fund Expenses") and expenses directly contracted by the Management Company on behalf of the Fund ("Indirect Fund Expenses"):
  - i. Direct Fund Expenses include but are not limited to the custodian fees, Depositary fees, auditing fees and expenses, the Luxembourg *taxe d'abonnement*, Directors' fees (no fees will be paid to Directors who are also directors or employees of JPMorgan Chase & Co.) and reasonable out-of-pocket expenses incurred by the Directors.

# Prospectus 201901 visa-Before change

**Duration (hedged)** This Share Class seeks to limit the impact of interest rate movements by hedging the interest rate risk of the net assets of the Duration hedged Share Class to a target duration between zero and 6 months. It is generally intended to carry out such hedging through the use of derivatives, typically interest rate futures.

Shareholders and potential investors should note that duration hedged Share Classes are closed for investment by new investors since 30 July 2017, and for additional investment by existing investors as from 30 July 2018.

## Risks associated with certain Share Classes

**Risk of distribution from capital** Where a Share Class distributes more net income than it has earned, the dividend will be paid out of the excess of realised and unrealised capital gains over realised and unrealised losses, or even capital, resulting in erosion of the capital invested. Dividend payments resulting in capital erosion will reduce the potential for long-term capital growth. This may also be tax-inefficient in certain countries.

**Risk of currency hedged Share Classes** The currency hedging used to minimise the effect of exchange rate fluctuations will not be perfect. Shareholders may have exposure to currencies other than the Share Class Currency and are also exposed to the risks associated with the instruments used in the hedging process.

Over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the Management Company, however, over-hedged positions will not exceed 105% of the NAV of the currency hedged Share Class and under-hedged positions will not fall below 95% of the NAV of the currency hedged Share Class. The hedged positions will

be kept under review to ensure that under-hedged positions do not fall below the level set out above and are not carried forward from month to month and that over-hedged positions materially in excess of 100% will not be carried forward from month to month.

Certain Sub-Funds may also invest in currency derivatives, with the aim of generating returns at the portfolio level. This is indicated in the Sub-Fund's investment policy and only occurs where the Currency hedged Share Class uses NAV hedge. Accordingly, whilst the hedging seeks to minimise the effect of exchange rate fluctuations between the Base Currency of the Sub-Fund and the Share Class Currency of the currency hedged Share Class, there may be currency risk in the portfolio.

**Risk of duration hedged Share Classes** The duration hedging used to minimise the effect of changes to interest rates may not always be successful. **The Share Class may have a greater proportion of cash or other securities allocated to it compared to other Share Classes which may impact its performance.** The duration hedging process may also adversely affect Shareholders if interest rates fall.

**Spill-over risk relating to hedged Share Classes** As there is no legal segregation of assets and liabilities between different Share Classes in the same Sub-Fund, there is a risk that, under certain circumstances, hedging transactions relating to currency or duration hedged Share Classes could have an adverse impact on other Share Classes in the same Sub-Fund. Although spill-over risk will be mitigated, it cannot be fully eliminated, as there may be circumstances where it is not possible or practical to do so. For example, where the Sub-Fund needs to sell securities to fulfil financial obligations specifically related to a currency hedged Share Classes which may adversely affect the NAV of the other Share Classes in the Sub-Fund. For a list of Share Classes with a potential spill-over risk, go to [Share Classes with Potential Spill-over Risk](#).

## Costs

This section describes the various fees and charges that a Shareholder pays and how they work. The Management Company may, at its sole discretion, pay some or all of the amounts received for certain charges and fees as commission, retrocession, rebate or discount to some or all investors, financial intermediaries or Distributors, on the basis of factors such as the size, nature, timing or commitment of their investment, among others.

Base class	One-off charges taken before or after investing				Fees and expenses taken from the sub-fund over a year				
	Initial charge	Switch charge	CDSC*	Redemption charge	Annual management and advisory fee	Sub-investment management fee	Distribution fee	Operating and administrative expenses	Performance fee
A	3.00%	1.00%	-	0.50%	1.30%	-	-	0.20%	-

(per%)

A B C D E F G H I

### ONE-OFF CHARGES TAKEN BEFORE OR AFTER INVESTING

These are deducted from a Shareholder's investment, switch amount or redemption proceeds and are paid to the Management Company, including any rounding adjustments.

**A Initial charge** Charged on subscriptions for Shares; calculated as a percentage of the amount being invested; may be waived in whole or in part at the discretion of the Management Company.

**B Switch charge** Charged on switches from one Share Class to another Share Class; calculated as a percentage of the NAV of the Shares in the new Share Class; may be waived in whole or in part at the discretion of the Management Company.

**CDSC** A CDSC is an alternative form of initial charge. It is calculated on the value of the Shares at purchase for T Shares and NAV per Share on redemption for F Shares but is not deducted until Shares are sold. A CDSC will be deducted on any Shares redeemed within three years of purchase, as follows:

First year	3.00%	Third year	1.00%
Second year	2.00%	Thereafter	0%

The applicable rate of CDSC is determined by reference to the total length of time during which the Shares being redeemed (including the holding period of the T Shares or F Shares in another Sub-Fund from which they were switched (if any)) were in issue. Shares will be redeemed on a first in, first out ("FIFO") basis, so that the T Shares or F Shares first being redeemed are those Shares of the Sub-Fund which have been held for the longest period. The amount of CDSC per Share is calculated by multiplying the relevant percentage rate, as determined above, by the NAV per Share on the redemption of the F Shares and on the date of the original issue of the T Shares, or of the T Shares of another Sub-Fund from which those Shares were switched, if applicable.

**IV Redemption charge** Calculated as a percentage of the NAV of Shares being redeemed, and deducted from those proceeds prior to payment; may be waived in whole or in part at the discretion of the Management Company.

### FEES AND EXPENSES TAKEN FROM THE SHARE CLASS OVER A YEAR (ANNUAL FEES)

These fees and expenses are deducted from the Share Class NAV, and are