# Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

JPMorgan Funds

ISIN: LU1001748711

## JPM Europe Equity Absolute Alpha I (perf) (acc) - EUR

a Share Class of JPMorgan Funds – Europe Equity Absolute Alpha Fund. The management company is JPMorgan Asset Management (Europe) S.à r.l.

## Objectives, Process and Policies

### INVESTMENT OBJECTIVE

To achieve a total return through long and short investments in European companies while maintaining low market exposure, by investing in such companies directly or through the use of derivatives.

### INVESTMENT PROCESS

**Investment approach**

- Uses a bottom-up stock selection process.
- Uses the full breadth of the eligible equity investment universe through a combination of fundamental research insights and quantitative analysis.
- Uses a long/short approach, buying securities considered attractive and selling short securities considered unattractive to generate investment returns with lower risk than the equity market.

**Share Class Benchmark** ICE BofA ESTR Overnight Rate Index Total Return in EUR

**Benchmark uses and resemblance**

- Performance comparison.
- Performance fee calculation.

The Sub-Fund is actively managed without reference or constraints relative to its benchmark.

### POLICIES

**Main investment exposure** At least 67% of assets invested, either directly or through derivatives, in equities of companies that are domiciled, or carrying out the main part of their economic activity, in a European Country. The Sub-Fund may invest in small capitalisation companies. At times such exposure may be obtained entirely through the use of derivatives and as a result the Sub-Fund may hold up to 100% of its assets in Deposits with Credit Institutions, money market instruments and money market funds.

The Sub-Fund will not typically hold long positions exceeding 130% of net assets and short positions (achieved through derivatives) exceeding 130% of net assets.

The Sub-Fund will seek to maintain low net exposure to the European equity market. Net market exposure will typically range from -40% to +40% of net assets.

At least 51% of assets (excluding short positions) are invested in companies with positive environmental and/or social characteristics that follow good governance practices as measured through the Investment Manager's proprietary ESG scoring methodology and/or third party data.

The Sub-Fund invests at least 10% of assets excluding Ancillary Liquid Assets, Deposits with Credit Institutions, money market instruments, money market funds and derivatives for EPM, in Sustainable Investments, as defined under SFDR, contributing to environmental or social objectives. The Investment Manager evaluates and applies values and norms based screening to implement exclusions. To support this screening, it relies on third party provider(s) who identify an issuer's participation in or the revenue which they derive from activities that are inconsistent with the values and norms based screens. The list of screens applied that may result in exclusions can be found on the Management Company's Website (www.jpmorganassetmanagement.lu).

The Sub-Fund systematically includes ESG analysis in its investment decisions on at least 90% of securities purchased.

**Other investment exposures** Up to 20% of net assets in Ancillary Liquid Assets for managing cash subscriptions and redemptions as well as current and exceptional payments. Up to 100% of net assets in Ancillary Liquid Assets for defensive purposes on a temporary basis, if justified by exceptionally unfavourable market conditions.

**Derivatives** *Used for:* investment purposes; efficient portfolio management; hedging. *Types:* see Sub-Fund Derivatives Usage table under How the Sub-Funds Use Derivatives, Instruments and Techniques in the Prospectus. *TRS including CFD:* 140% expected; 260% maximum. *Global exposure calculation method:* absolute VaR. *Expected level of leverage from derivatives:* 300% Indicative only. Leverage may significantly exceed this level from time to time.

**Currencies** *Sub-Fund Base Currency:* EUR. *Currencies of asset denomination:* any. *Hedging approach:* typically hedged to Base Currency.

**Redemption and Dealing** Shares of the Sub-Fund may be redeemed on demand, with dealing normally on a daily basis.

**Distribution Policy** This Share Class does not pay dividends. Earned income is retained in the NAV.

For an explanation of some of the terms used in this document, please visit the glossary on our website at www.jpmorganassetmanagement.lu

## Risk and Reward Profile

**Lower risk** Potentially lower reward — **Higher risk** Potentially higher reward

| 1 | 2 | 3 | **4** | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

The above rating is based on the historic volatility of the Net Asset Value of the Share Class over the last five years and may not be a reliable indication of the future risk profile of the Share Class.

The risk and reward category shown above is not guaranteed to remain unchanged and may change over time.

A Share Class with the lowest risk rating does not mean a risk-free investment.

***Why is this Share Class in this category?*** This Share Class is classified in category 4 because its Net Asset Value has shown medium fluctuations historically.

### OTHER MATERIAL RISKS

The Sub-Fund is subject to **Investment risks** and **Other associated risks** from the techniques and securities it uses to seek to achieve its objective.

The table on the right explains how these risks relate to each other and the **Outcomes to the Shareholder** that could affect an investment in the Sub-Fund.

Investors should also read Risk Descriptions in the Prospectus for a full description of each risk.

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

| *Techniques* | *Securities* |
|---|---|
| Derivatives | Equities |
| Hedging | Smaller companies |
| Short position | |

**Other associated risks** *Further risks the Sub-Fund is exposed to from its use of the techniques and securities above*

| | | |
|---|---|---|
| Currency | Liquidity | Market |

**Outcomes to the Shareholder** *Potential impact of the risks above*

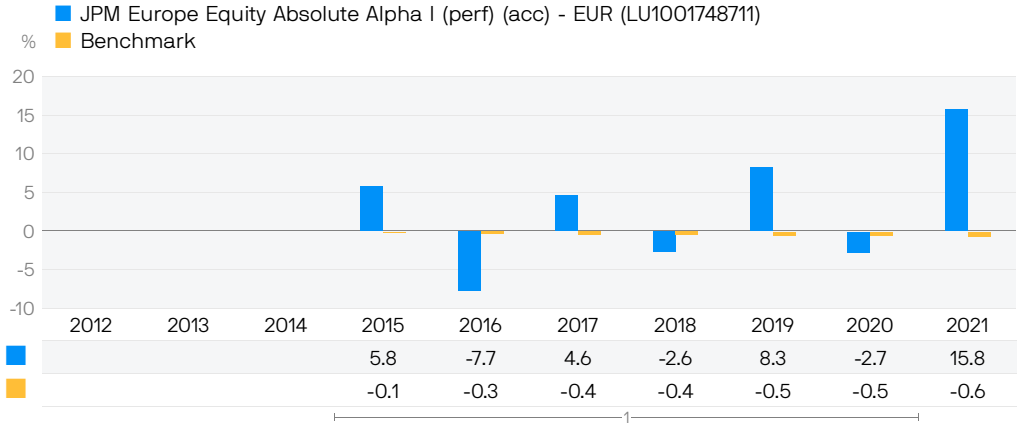
| | | |
|---|---|---|
| **Loss** Shareholders could lose some or all of their money. | **Volatility** Shares of the Sub-Fund will fluctuate in value. | **Failure to meet the Sub-Fund's objective.** |

## Charges

| One-off charges taken before or after you invest | | |
|---|---|---|
| **Entry charge** | None | This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out. |
| **Exit charge** | None | |
| **Charges taken from this Share Class over a year** | | |
| **Ongoing charge** | 0.92% | The ongoing charge is estimated and is based on the expected charges. This includes a stock lending fee. The UCITS' annual report for each financial year will include details on the charges made. |
| **Charges taken from this Share Class under certain specific conditions** | | |
| **Performance fee** | 15.00% | 15.00% a year of any returns this Share Class achieves above the benchmark, ICE BofA ESTR Overnight Rate Index Total Return in EUR. In the fund's last financial year the performance fee was 0.02% of this Share Class's Net Asset Value. |

- The entry and exit charges are the maximum charge and investors may pay less. Information on charges can be obtained from the investor's financial adviser, distributor or any country specific addendum to the Prospectus.
- A switching charge not exceeding 1% of the Net Asset Value of the shares in the new Share Class may be charged.
- Charges are used to pay the costs of running this Share Class, including the costs of marketing and distribution. These charges reduce the potential growth of the investment.
- Further information about charges and specifically about the performance fee and how it is calculated can be found in the "Share Classes and Costs" section of the Prospectus.

## Past Performance




- Past performance is not a guide to future performance.
- Performance data has been calculated including tax, ongoing charges and portfolio transaction costs and excluding entry and exit charges, in EUR.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Sub-Fund launch date: 2013.
- Share Class launch date: 2014.

1 A different benchmark was used during this period.

## Practical Information

**Depositary** The fund depositary is J.P. Morgan SE - Luxembourg Branch.

**Fund's Representative in Switzerland:** JPMorgan Asset Management (Switzerland) LLC, Dreikönigstrasse 37, 8002 Zurich, Switzerland

**Fund's Paying Agent in Switzerland:** J.P. Morgan (Suisse) SA, 8 Rue de la Confédération, 1204 Geneva, Switzerland

**Further Information** A copy of the Prospectus, and latest annual and semi-annual financial report in English, French, German, Italian, Portuguese and Spanish is available free of charge upon request from www.jpmorganassetmanagement.com, by email from fundinfo@jpmorgan.com, or by writing to JPMorgan Asset Management (Europe) S.à r.l, 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg. Investors in Switzerland may also obtain the Prospectus, Key Investor Information Document, Articles of Incorporation and the annual and semi-annual financial report free of charge from the Fund's Representative above.
Other practical information, including the latest Net Asset Value per Share and Bid and Offer Prices can be found at www.jpmorganassetmanagement.com

**Remuneration Policy** The Management Company's Remuneration Policy can be found on http://www.jpmorganassetmanagement.lu/emea-remuneration-policy. This policy includes details of how remuneration and benefits are calculated, including responsibilities and composition of the committee which oversees and controls the policy. A copy of this policy can be requested free of charge from the Management Company.

**Tax** The Sub-Fund is subject to Luxembourg tax regulations. This may have an impact on the investor's personal tax position.

**Legal Information** JPMorgan Asset Management (Europe) S.à r.l. may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus.

JPMorgan Funds consists of separate Sub-Funds, each of which issues one or more Share Classes. This document is prepared for a specific Share Class. The Prospectus and annual and semi-annual financial reports are prepared for JPMorgan Funds.

The Sub-Fund is part of JPMorgan Funds. Under Luxembourg law, there is segregated liability between Sub-Funds. This means that the assets of a Sub-Fund will not be available to meet a claim of a creditor or another third party made against another Sub-Fund.

**Switching** Investors may switch into Shares of another Share Class (excluding a T Share Class or an F Share Class) of the Sub-Fund or another Sub-Fund of JPMorgan Funds (excluding Multi-Manager Sub-Funds) subject to meeting any relevant eligibility requirements and minimum holding amounts. Further information can be found in the "Investing in the Sub-Funds" section of the Prospectus.

**Privacy Policy** You should note that, if you contact J.P. Morgan Asset Management by telephone, those lines may be recorded and monitored for legal, security and training purposes. You should also take note that information and data from communications with you may be processed by J.P. Morgan Asset Management, acting as a data controller, in accordance with applicable data protection laws. Further information about processing activities of J.P. Morgan Asset Management can be found in the EMEA Privacy Policy, which is available at www.jpmorgan.com/emea-privacy-policy. Additional copies of the EMEA Privacy Policy are available on request.