

# 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.

## JPM Systematic Alpha I (dist) – USD (hedged) a Share Class of JPMorgan Funds – Systematic Alpha Fund a Sub-Fund of JPMorgan Funds

LU1568948001

The management company is JPMorgan Asset Management (Europe) S.à r.l.

### Objectives and Investment Policy

**Investment Objective:** The Sub-Fund aims to provide a total return in excess of its cash benchmark by exploiting behavioural patterns in the financial markets, primarily through the use of financial derivative instruments.

**Investment Policy:** Behavioural patterns in the financial markets can create investment opportunities. For example, companies that trade at lower valuations may outperform those that trade at higher valuations. Such trends can be exploited by taking a long exposure to stocks that appear to be trading cheaply while selling stocks that appear to be trading expensively. Another example of a behavioural pattern is the tendency of investors to follow general or specific trends in the financial markets. Such trends may be exhibited with respect to specific stocks or more general asset classes such as equity indices or currencies. These examples are common illustrations of the types of behavioural patterns the Sub-Fund will seek to exploit. The Sub-Fund will target a wide range of generally uncorrelated behavioural patterns, which are likely to change over time. The Sub-Fund may have exposure to a diversified range of asset classes including equity, fixed income, currency and commodities.

The Sub-Fund will invest in financial derivative instruments to achieve its investment objective. Such instruments may also be used for the purposes of hedging.

The Sub-Fund will vary its allocation to long and short positions (achieved through the use of financial derivative instruments) depending on market conditions. However, the net exposure of the Sub-Fund will not normally exceed 150% of its total net assets

(excluding currency forward positions, established for the purpose of hedging currency exposure).

EUR is the reference currency of the Sub-Fund but assets may be denominated in other currencies, including emerging market currencies, and currency exposure may be hedged.

This Share Class seeks to minimise the effect of currency fluctuations between the Reference Currency of the Sub-Fund (EUR) and the Reference Currency of this Share Class (USD).

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

**Management Discretion:** The Investment Manager has the discretion to buy and sell investments on behalf of the Sub-Fund within the limits of the Objective and Investment Policy.

**Benchmark:** The benchmark of the Share Class is ICE 1 Month EUR LIBOR Hedged to USD.

The benchmark is a point of reference against which the performance of the Share Class may be measured. The portfolio of the Sub-Fund will be managed without reference to its benchmark.

**Distribution Policy:** This Share Class will normally pay dividends.

For an explanation of some of the terms used in this document, please visit the glossary on our website at [www.jpmorganassetmanagement.com](http://www.jpmorganassetmanagement.com)

### Risk and Reward Profile

Lower risk			Higher risk			
Potentially lower reward			Potentially higher reward			
1	2	3	4	5	6	7

The above rating is based on the historic volatility of the simulated Net Asset Value of the Share Class over the last five years and the volatility which is consistent with the risk limit of the Sub-Fund.

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 simulated Net Asset Value has shown medium fluctuations historically and this category is consistent with the risk limit of the Sub-Fund.

#### Other material risks:

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Generally uncorrelated behavioural patterns are likely to change over time. Under certain market conditions, these patterns could become correlated, exposing the Sub-Fund to additional risks
- The value of equity securities may go down as well as up in response to the performance of individual companies and general market conditions.
- The value of debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. These risks are typically increased for emerging market debt securities.

- In addition, emerging markets may be subject to increased risks, including less developed custody and settlement practices, higher volatility and lower liquidity than non emerging market securities.
- The value of securities in which the Sub-Fund invests may be influenced by movements in commodity prices which can be very volatile.
- The Sub-Fund uses financial derivative instruments for investment purposes. The value of financial derivative instruments can be volatile and may result in gains or losses in excess of the amount required initially to establish a position in the derivative. The Management Company is required to disclose in Appendix III of the Prospectus the sum of the gross notional exposure of the financial derivative instruments used (including those used for hedging or efficient portfolio management) as the expected level of leverage. However, this figure does not take into account whether the instrument increases or decreases investment risk and so may not be representative of the overall level of investment risk in the Sub-Fund.
- Short selling may be subject to changes in regulations and losses from short positions may be unlimited.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging used to minimise the effect of currency fluctuations may not always be successful. Investors may have exposure to currencies other than the currency of their Share Class.
- Further information about risks can be found in "Appendix IV - Risk Factors" of the Prospectus.

## Charges

### One-off charges taken before or after you invest

Entry charge	None
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Exit charge	None
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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.

### Charges taken from this Share Class over a year

Ongoing charge	0.91%
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### Charges taken from this Share Class under certain specific conditions

Performance fee	None
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- 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.
- The ongoing charge is estimated and is based on the expected charges. The UCITS' annual report for each financial year will include details on the charges made.
- 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 can be found in the "Administration Details, Charges and Expenses" section of the Prospectus.

## Past Performance

- Past performance is not a guide to future performance.
- There is insufficient performance data available to provide a chart of annual past performance.

- Sub-Fund launch date: 2009.
- Share Class launch date: 2017.

## Practical Information

**Depository:** The fund depository is J.P. Morgan Bank Luxembourg S.A.

**Further Information:** A copy of the Prospectus and latest annual and semi-annual financial report in English, French, German, Greek, Italian, Polish, Portuguese and Spanish and the latest Net Asset Value per Share and Bid and Offer Prices are available free of charge upon request from [www.jpmorganassetmanagement.com](http://www.jpmorganassetmanagement.com), by email from [fundinfo@jpmorgan.com](mailto: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.

**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) of the Sub-Fund or another Sub-Fund of JPMorgan Funds (excluding JPMorgan Funds - Multi-Manager Alternatives Fund and JPMorgan Funds - Multi-Manager Equity Long-Short Fund) subject to meeting any relevant eligibility requirements and minimum holding amounts. Further information can be found in the "Subscription, Redemption and Switching of Shares" section of the Prospectus.