

Addendum dated May 2019 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

The following changes to the Consolidated Explanatory Memoranda shall apply with immediate effect:

- All references to the list of directors of JPMorgan Funds (Asia) Limited shall be deleted in their entirety and replaced by the following:

"Directors of JPMorgan Funds (Asia) Limited

*Chan, Tsun Kay, Edwin
Cheah, Kheng Leong
Wang, Qionghui
Watkins, Daniel James"*

- All references to the list of directors of JF India Management Limited shall be deleted in their entirety and replaced by the following:

"Directors of JF India Management Limited

*Creber, Andrew
Grossmann, Martin
Modi, Satish Kumar
Sullivan, Daniel A"*

Change to Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

- The third paragraph in the risk factor entitled "(xxxii) Risks associated with investments in the China interbank bond market (the "CIBM")" under the section entitled "RISKS" shall be deleted in its entirety and replaced by the following:

"In terms of fund remittance and repatriation under the CIBM Initiative, foreign investors (such as the relevant Fund) may remit investment principal in RMB or foreign currency into Mainland China for investing in the CIBM. Where the relevant Fund repatriates funds out of Mainland China, the ratio of RMB to foreign currency ("Currency Ratio") should generally match the original Currency Ratio when the investment principal was remitted into Mainland China, with a maximum permissible deviation of 10%."

Changes to the Explanatory Memorandum of JPMorgan Eastern Smaller Companies Fund in "APPENDIX I - FUND DETAILS OF ASIA PACIFIC EQUITY FUNDS" of Section A - CONSOLIDATED EXPLANATORY MEMORANDA OF ASIA PACIFIC EQUITY FUNDS:

- The paragraph and the table in the section entitled "5. Classes of Units" shall be deleted in their entirety and replaced by the following:

"Currently, the following Classes are available:

<i>Class</i>	<i>Class Currency</i>
<i>JPMorgan Eastern Smaller Companies (acc) - HKD</i>	<i>HK dollars</i>
<i>JPMorgan Eastern Smaller Companies (acc) - USD</i>	<i>US dollars</i>

- The following paragraph and table shall be inserted as a new paragraph after the first paragraph in the section entitled “9. Initial Issue Price”:

“In addition, the first issue of units of the following Class will be made at the price below, excluding the initial charge:

<i>Class</i>	<i>Initial issue price per unit, excluding the initial charge</i>
<i>JPMorgan Eastern Smaller Companies (acc) - HKD</i>	<i>HK\$10.00</i>

”

Change to Section E - NAMES OF FUNDS/CLASSES of the Consolidated Explanatory Memoranda:

- The following shall be inserted as a new row in the table entitled “Asia Pacific Equity Funds” in Section E - NAMES OF FUNDS/CLASSES:

“

<i>Fund/Class</i>
<i>JPMorgan Eastern Smaller Companies (acc) - HKD</i>

”

The following change to the Consolidated Explanatory Memoranda shall apply with effect from 31 May 2019:

- All references to “JPMorgan Eastern Smaller Companies Fund” shall be replaced by “JPMorgan Asian Smaller Companies Fund” and its classes of units shall also be renamed accordingly.

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

30 April 2019

Dear Investor,

JPMorgan ASEAN Fund

We refer to our notice dated 4 March 2019, notifying you of the adjourned general meetings of unitholders for JPMorgan Indonesia Fund, JPMorgan Malaysia Fund and JPMorgan Philippine Fund held on 9 April 2019 in which the proposed mergers of such funds into JPMorgan ASEAN Fund (the “Fund”) were considered respectively (the “Mergers”). Please be informed that the resolutions relating to the proposed Mergers were not passed in such adjourned general meetings and as a result, the proposed Mergers will not proceed.

You do not need to take any action. However, if you wish to redeem your units, or switch your holding in the Fund into other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may continue to do so free of charge³ until 7 May 2019 after which applicable charges will be resumed. The redemption charge applicable to the Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply. Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The current offering document of the Fund is available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁵, and on our website www.jpmorganam.com.hk⁴. The current trust deed of the Fund is available for inspection free of charge during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁵.

The Manager accepts responsibility for the accuracy of the content of this letter.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁴ The website has not been reviewed by the SFC.

⁵ The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

If you have any questions regarding the contents of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan

Director

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

30 April 2019

Dear Investor,

JPMorgan Asia Growth Fund

We refer to our notice dated 4 March 2019, notifying you of the adjourned general meeting of unitholders for JPMorgan AsiaOne Fund (the “Terminating Fund”) held on 8 April 2019 in which the proposed merger (the “Merger”) of the Terminating Fund into JPMorgan Asia Growth Fund (the “Receiving Fund”) was considered. Please be informed that the resolution relating to the proposed Merger was passed in the said adjourned general meeting and as a result, the Terminating Fund will be merged into the Receiving Fund on 31 May 2019 (the “Effective Date”). JPMorgan Funds (Asia) Limited (the “Manager”), as the manager of the Terminating Fund, believes that the Merger will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Merger will not have a negative effect on the value, costs, or performance of your investment in the Fund.

On the Effective Date, the assets of the Terminating Fund will be transferred into the Receiving Fund. The Merger will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Merger will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Fund will be transferred to the Receiving Fund, and the Terminating Fund will cease to exist.

You do not need to take any action. However, if, as a consequence of the Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may continue to do so free of charge³ until 31 May 2019. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, continue to apply. Details of these funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁴ The website has not been reviewed by the SFC.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The current offering document of the Receiving Fund is available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁵, and on our website www.jpmorganam.com.hk⁴. The current trust deed of the Receiving Fund is available for inspection free of charge during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁵.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁵ The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

30 April 2019

Dear Investor,

JPMorgan Eastern Smaller Companies Fund

We are writing to inform you about the following events in relation to JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”) which will take effect from 31 May 2019 (the “Effective Date”).

1. Upcoming merger into the Receiving Fund

We refer to our notice dated 4 March 2019, notifying you of the adjourned general meeting of unitholders for JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”) held on 8 April 2019 in which the proposed merger (the “Merger”) of the Terminating Fund into the Receiving Fund was considered. Please be informed that the resolution relating to the Merger was passed in the said adjourned general meeting and the Terminating Fund will be merged into the Receiving Fund on 31 May 2019. JPMorgan Funds (Asia) Limited (the “Manager”), as the manager of the Terminating Fund, believes that the Merger will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Merger will not have a negative effect on the value, costs, or performance of your investment in the Receiving Fund.

On the Effective Date, the assets of the Terminating Fund will be transferred into the Receiving Fund. The Merger will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Merger will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Fund will be transferred to the Receiving Fund, and the Terminating Fund will cease to exist.

2. Change of fund name

As the industry naming convention evolved since the launch of the Receiving Fund, the Manager believes that the current name of the Receiving Fund should be updated to better reflect the Receiving Fund’s investment universe and to better align with the industry naming convention. With effect from the Effective Date, the Receiving Fund will be renamed to “**JPMorgan Asian Smaller Companies Fund**”. The trust deed and the offering document of the Receiving Fund will be amended to reflect the change of its name.

You do not need to take any action. However, if, as a consequence of the Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into other funds which

are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may continue to do so free of charge³ until 31 May 2019. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, continues to apply. Details of these funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The current offering document of the Receiving Fund is available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁵, and on our website www.jpmorganam.com.hk⁴. The current trust deed of the Receiving Fund is available for inspection free of charge during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁵. The updated fund documents of the Receiving Fund reflecting the name change set out above and the launch of a new JPMorgan Asian Smaller Companies (acc) – HKD class in the Receiving Fund as a result of the Merger will be available on or after the Effective Date.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁴ The website has not been reviewed by the SFC.

⁵ The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

30 April 2019

Dear Investor,

JPMorgan Japan (Yen) Fund

We refer to our notice dated 4 March 2019, notifying you of the adjourned general meeting of unitholders for JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”) held on 9 April 2019 in which the proposed merger (the “Merger”) of the Terminating Fund into JPMorgan Japan (Yen) Fund (the “Receiving Fund”) was considered. Please be informed that the resolution relating to the proposed Merger was passed in the said adjourned general meeting and as a result, the Terminating Fund will be merged into the Receiving Fund on 14 June 2019 (the “Effective Date”). JPMorgan Funds (Asia) Limited (the “Manager”), as the manager of the Terminating Fund, believes that the Terminating Fund is unlikely to grow to a size which can achieve potential economies of scale and efficient fund management. Since the investment objectives and policies of the Terminating Fund and Receiving Fund are similar, the Manager believes that this proposal will benefit the unitholders given the broader investment universe of the Receiving Fund as compared to that of the Terminating Fund. The Merger will not have a negative effect on the value, costs, or performance of your investment in the Fund.

On the Effective Date, the assets of the Terminating Fund will be transferred into the Receiving Fund. The Merger will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Merger will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Fund will be transferred to the Receiving Fund, and the Terminating Fund will cease to exist.

You do not need to take any action. However, if, as a consequence of the Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may continue to do so free of charge³ until 14 June 2019. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, continue to apply.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

Details of these funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The current offering document of the Receiving Fund is available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁵, and on our website www.jpmorganam.com.hk⁴. The current trust deed of the Receiving Fund is available for inspection free of charge during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁵.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁴ The website has not been reviewed by the SFC.

⁵ The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

30 April 2019

Dear Investor,

JPMorgan Pacific Securities Fund

We refer to our notice dated 4 March 2019, notifying you of the adjourned general meeting of unitholders for JPMorgan Australia Fund held on 8 April 2019 in which the proposed merger (the “Merger”) of JPMorgan Australia Fund into JPMorgan Pacific Securities Fund (the “Fund”) was considered. Please be informed that the resolution relating to the proposed Merger was not passed in the said adjourned general meeting and as a result, the proposed Merger will not proceed.

You do not need to take any action. However, if you wish to redeem your units, or switch your holding in the Fund into other funds which are managed by JPMorgan Funds (Asia) Limited (the “Manager”) or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may continue to do so free of charge³ until 7 May 2019 after which the applicable charges will be resumed. The redemption charge applicable to the Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, continue to apply. Details of these funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The current offering document of the Fund is available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁵, and on our website www.jpmorganam.com.hk⁴. The current trust deed of the Fund is available for inspection free of charge during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁵.

The Manager accepts responsibility for the accuracy of the content of this letter.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁴ The website has not been reviewed by the SFC.

⁵ The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

If you have any questions regarding the contents of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan

Director

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

30 April 2019

Dear Investor,

Merger of JPMorgan AsiaOne Fund into JPMorgan Asia Growth Fund

We refer to our notice dated 4 March 2019 (the “Notice”), notifying you of the adjourned general meeting of unitholders for JPMorgan AsiaOne Fund (the “Terminating Fund”) held on 8 April 2019 in which the proposed merger (the “Merger”) of the Terminating Fund into JPMorgan Asia Growth Fund (the “Receiving Fund”) was considered. Please be informed that the resolution relating to the proposed Merger was passed in the said adjourned general meeting and as a result, the Terminating Fund will merge into the Receiving Fund on 31 May 2019 (the “Merger Date”).

As specified in the Notice, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan¹, eScheduler² and pension schemes, will be exchanged for units in the Receiving Fund on the Merger Date.

The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date. Unitholders should note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 24 May 2019, 5:00 p.m. (Hong Kong time). Investment from existing investors through Regular Investment Plan, eScheduler and pension schemes will still be permissible (insofar as there is no increase in the scheduled contribution amount) until 24 May 2019. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by JPMorgan Funds (Asia) Limited (the “Manager”) or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction up to and including 24 May 2019, 5:00 p.m. (Hong Kong time)⁵. The

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

details of these funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 24 May 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

The Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

30 April 2019

Dear Investor,

Merger of JPMorgan Australia Fund into JPMorgan Pacific Securities Fund

We refer to our notice dated 4 March 2019, notifying you of the adjourned general meeting of unitholders for JPMorgan Australia Fund (the “Fund”) held on 8 April 2019 in which the proposed merger (the “Merger”) of the Fund into JPMorgan Pacific Securities Fund was considered. Please be informed that the resolution relating to the proposed Merger was not passed in the said adjourned general meeting and as a result, the proposed Merger will not proceed.

The Fund will resume processing subscriptions, redemptions and switching, including those through the Regular Investment Plan¹, eScheduler² and pension schemes (unless you have specifically changed your instruction(s)) with immediate effect.

You do not need to take any action. However, if you wish to redeem your units, or switch your holding in the Fund into other funds which are managed by JPMorgan Funds (Asia) Limited (the “Manager”) or for which it acts as Hong Kong representative³ and which are authorised by the Securities and Futures Commission (the “SFC”)⁴ for sale to the public in Hong Kong, you may continue to do so free of charge⁵ until 7 May 2019 after which the applicable charges will be resumed. The redemption charge applicable to the Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, continue to apply. Details of these funds (including the relevant offering documents) can be found at our website www.jpmmorganam.com.hk⁶.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda are available for inspection free of charge during normal working hours at the offices of the Manager⁷ in accordance with the Consolidated Explanatory Memoranda.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser if you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that, although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan
Director

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

30 April 2019

Dear Investor,

Merger of JPMorgan Greater China Smaller Companies Fund into JPMorgan Eastern Smaller Companies Fund (to be renamed to JPMorgan Asian Smaller Companies Fund)

We refer to our notice dated 4 March 2019 (the “Notice”), notifying you of the adjourned general meeting of unitholders for JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”) held on 8 April 2019 in which the proposed merger (the “Merger”) of the Terminating Fund into JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”) was considered. Please be informed that the resolution relating to the proposed Merger was passed in the said adjourned general meeting and as a result, the Terminating Fund will merge into the Receiving Fund on 31 May 2019 (the “Merger Date”). On the Merger Date, the Receiving Fund will also be renamed to “JPMorgan Asian Smaller Companies Fund” to better reflect its investment universe and to better align with the industry naming convention.

As specified in the Notice, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan¹, eScheduler² and pension schemes, will be exchanged for units in the Receiving Fund on the Merger Date.

The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date. Unitholders should note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 24 May 2019, 5:00 p.m. (Hong Kong time). Investment from existing investors through Regular Investment Plan, eScheduler and pension schemes will still be permissible (insofar as there is no increase in the scheduled contribution amount) until 24 May 2019. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by JPMorgan Funds (Asia) Limited (the “Manager”) or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction up to and including 24 May 2019, 5:00 p.m. (Hong Kong time)⁵. The

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

details of these funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 24 May 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

The Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. The Receiving Fund is treated as a “special category transparent offshore fund” for United Kingdom (the “UK”) tax purposes and the exchange of units in the Terminating Fund for units in the Receiving Fund may have UK tax implications to the UK tax resident unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

30 April 2019

Dear Investor,

Merger of JPMorgan Indonesia Fund into JPMorgan ASEAN Fund

We refer to our notice dated 4 March 2019, notifying you of the adjourned general meeting of unitholders for JPMorgan Indonesia Fund (the “Fund”) held on 9 April 2019 in which the proposed merger (the “Merger”) of the Fund into JPMorgan ASEAN Fund was considered. Please be informed that the resolution relating to the proposed Merger was not passed in the said adjourned general meeting and as a result, the proposed Merger will not proceed.

The Fund will resume processing subscriptions, redemptions and switching, including those through the Regular Investment Plan¹, eScheduler² and pension schemes (unless you have specifically changed your instruction(s)) with immediate effect.

You do not need to take any action. However, if you wish to redeem your units, or switch your holding in the Fund into other funds which are managed by JPMorgan Funds (Asia) Limited (the “Manager”) or for which it acts as Hong Kong representative³ and which are authorised by the Securities and Futures Commission (the “SFC”)⁴ for sale to the public in Hong Kong, you may continue to do so free of charge⁵ until 7 May 2019 after which the applicable charges will be resumed. The redemption charge applicable to the Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, continue to apply. Details of these funds (including the relevant offering documents) can be found at our website www.jpmmorganam.com.hk⁶.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda are available for inspection free of charge during normal working hours at the offices of the Manager⁷ in accordance with the Consolidated Explanatory Memoranda.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser if you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan
Director

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

30 April 2019

Dear Investor,

Merger of JPMorgan Japan Smaller Company (Yen) Fund into JPMorgan Japan (Yen) Fund

We refer to our notice dated 4 March 2019 (the “Notice”), notifying you of the adjourned general meeting of unitholders for JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”) held on 9 April 2019 in which the proposed merger (the “Merger”) of the Terminating Fund into JPMorgan Japan (Yen) Fund (the “Receiving Fund”) was considered. Please be informed that the resolution relating to the proposed Merger was passed in the said adjourned general meeting and as a result, the Terminating Fund will merge into the Receiving Fund on 14 June 2019 (the “Merger Date”).

As specified in the Notice, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan¹, eScheduler² and pension schemes, will be exchanged for units in the Receiving Fund on the Merger Date.

The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date. Unitholders should note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 6 June 2019, 5:00 p.m. (Hong Kong time). Investment from existing investors through Regular Investment Plan, eScheduler and pension schemes will still be permissible (insofar as there is no increase in the scheduled contribution amount) until 6 June 2019. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by JPMorgan Funds (Asia) Limited (the “Manager”) or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction up to and including 6 June 2019, 5:00 p.m. (Hong Kong time)⁵. The details of these funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 6 June 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

The Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. The Terminating Fund is treated as a “special category transparent offshore fund” for United Kingdom (the “UK”) tax purposes and the exchange of units in the Terminating Fund may be a taxable event for UK capital gain purposes for UK tax resident unitholders unless exemption approval is received from the UK tax authorities with respect to the Merger. The Manager intends to apply for this exemption approval but cannot guarantee that it will be issued. The outcome of this approval will be included in the UK Tax Vouchers to be sent to investors of the Terminating Fund. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

30 April 2019

Dear Investor,

Merger of JPMorgan Malaysia Fund into JPMorgan ASEAN Fund

We refer to our notice dated 4 March 2019, notifying you of the adjourned general meeting of unitholders for JPMorgan Malaysia Fund (the “Fund”) held on 9 April 2019 in which the proposed merger (the “Merger”) of the Fund into JPMorgan ASEAN Fund was considered. Please be informed that the resolution relating to the proposed Merger was not passed in the said adjourned general meeting and as a result, the proposed Merger will not proceed.

The Fund will resume processing subscriptions, redemptions and switching, including those through the Regular Investment Plan¹, eScheduler² and pension schemes (unless you have specifically changed your instruction(s)) with immediate effect.

You do not need to take any action. However, if you wish to redeem your units, or switch your holding in the Fund into other funds which are managed by JPMorgan Funds (Asia) Limited (the “Manager”) or for which it acts as Hong Kong representative³ and which are authorised by the Securities and Futures Commission (the “SFC”)⁴ for sale to the public in Hong Kong, you may continue to do so free of charge⁵ until 7 May 2019 after which the applicable charges will be resumed. The redemption charge applicable to the Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, continue to apply. Details of these funds (including the relevant offering documents) can be found at our website www.jpmmorganam.com.hk⁶.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda are available for inspection free of charge during normal working hours at the offices of the Manager⁷ in accordance with the Consolidated Explanatory Memoranda.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser if you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that, although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan
Director

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

30 April 2019

Dear Investor,

Merger of JPMorgan Philippine Fund into JPMorgan ASEAN Fund

We refer to our notice dated 4 March 2019, notifying you of the adjourned general meeting of unitholders for JPMorgan Philippine Fund (the “Fund”) held on 9 April 2019 in which the proposed merger (the “Merger”) of the Fund into JPMorgan ASEAN Fund was considered. Please be informed that the resolution relating to the proposed Merger was not passed in the said adjourned general meeting and as a result, the proposed Merger will not proceed.

The Fund will resume processing subscriptions, redemptions and switching, including those through the Regular Investment Plan¹, eScheduler² and pension schemes (unless you have specifically changed your instruction(s)) with immediate effect.

You do not need to take any action. However, if you wish to redeem your units, or switch your holding in the Fund into other funds which are managed by JPMorgan Funds (Asia) Limited (the “Manager”) or for which it acts as Hong Kong representative³ and which are authorised by the Securities and Futures Commission (the “SFC”)⁴ for sale to the public in Hong Kong, you may continue to do so free of charge⁵ until 7 May 2019 after which the applicable charges will be resumed. The redemption charge applicable to the Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, continue to apply. Details of these funds (including the relevant offering documents) can be found at our website www.jpmmorganam.com.hk⁶.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda are available for inspection free of charge during normal working hours at the offices of the Manager⁷ in accordance with the Consolidated Explanatory Memoranda.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser if you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that, although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan
Director

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

30 April 2019

Dear Investor,

Liquidation of JPMorgan Global Property Income Fund (the “Fund”)

We refer to our notice dated 4 March 2019 (the “Notice”), notifying you of the adjourned general meeting of unitholders for JPMorgan Global Property Income Fund (the “Fund”) held on 8 April 2019 in which the proposed liquidation of the Fund was considered (the “Liquidation”). Please be informed that the resolution relating to the proposed Liquidation was not passed in such adjourned general meeting and as a result, the proposed Liquidation will not proceed.

The Fund will resume processing subscriptions, redemptions and switching, including those through the Regular Investment Plan¹, eScheduler² and pension schemes (unless you have specifically changed your instruction(s)) with immediate effect.

You do not need to take any action. However, if you wish to redeem your units, or switch your holding in the Fund into other funds which are managed by JPMorgan Funds (Asia) Limited (the “Manager”) or for which it acts as Hong Kong representative³ and which are authorised by the Securities and Futures Commission (the “SFC”)⁴ for sale to the public in Hong Kong, you may continue to do so free of charge⁵ until 7 May 2019. The redemption charge applicable to the Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply. Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁶.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda are available for inspection free of charge during normal working hours at the offices of the Manager⁷ in accordance with the Consolidated Explanatory Memoranda.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser if you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan
Director

Addendum dated April 2019 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

The following changes to the Consolidated Explanatory Memoranda shall apply with effect from and including 3 April 2019, unless otherwise specified:

Changes to the Explanatory Memorandum of JPMorgan Multi Balanced Fund in Section C – Consolidated Explanatory Memoranda of Other Funds:

- The second sentence in the second paragraph under the section entitled "FUND PARTIES" shall be deleted in its entirety and replaced by the following:

"The Investment Manager has further appointed J.P. Morgan Investment Management Inc., a company incorporated in the United States of America and JPMorgan Asset Management (UK) Limited, a company incorporated in England and Wales with limited liability as sub-managers ("Sub-Managers")."

- The sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"Investment Objective and Policy

The investment objective of the Fund is to provide regular income by investing primarily in a conservatively constructed portfolio of income generating securities globally, including but not limited to, equities (including preferred shares), senior secured bonds, high yield bonds, investment grade bonds, below investment grade bonds, emerging market bonds, convertible bonds, asset backed securities (including asset backed commercial papers) and mortgage backed securities. The Fund seeks to construct a conservative portfolio with the aim of operating the portfolio as a whole with volatility lower than that of the broad market over the medium term. It may be achieved by having a significant bias towards fixed income securities, especially high quality (investment grade) fixed income securities, if the Manager believes market conditions and opportunities favour such investments, and less exposure to equity securities and other asset classes. The Manager will construct a global diversified portfolio where the Fund can capture different sources of income and utilise the lower or negative correlation across asset classes to dampen the overall portfolio volatility.

The Fund will primarily invest (i.e. at least 70% of its total net asset value) in debt and equity securities. Issuers of these securities may be located in any country, including emerging markets. The Fund may vary its asset allocation in response to market conditions.

Asset allocation decisions are the result of qualitative and quantitative research into a range of fundamental factors such as economic outlook, official policy actions, market valuation levels, investor sentiment and positioning. The Manager, Investment Manager and/or Sub-Managers exercise a judgment as to the relative importance of various fundamental conditions as well as degree of conviction in establishing the asset class and geographic allocations in the Fund.

The Fund may invest up to 50% of its total net asset value in investment grade (as defined below) mortgage backed securities while investments in non-investment grade mortgage backed securities will be subject to the 20% limit on non-investment grade debt securities as described below.

The Fund may invest less than 30% of its total net asset value in real estate investment trusts ("REITs").

The Fund will invest in equity and equity equivalent securities globally (including but not limited to American depositary receipts, global depositary receipts, equity-linked notes, participation notes etc.), provided that the Fund may only invest less than 10% of its total net asset value in equity-linked notes and participation notes. There are no restrictions on market capitalisations, industries or geographies.

The Fund's aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its total net asset value and should this investment policy in China A-Shares and/or B-Shares change in the future, not less than one month's prior notice will be given to unitholders and the offering document will be updated accordingly.

The Fund will invest in investment grade (rated Baa3/BBB- or higher using the highest rating available from one of the international independent rating agencies (e.g. Moody's, Standard & Poor's, Fitch)), non-investment grade (rated Ba1/BB+ or below using the highest rating available from one of the international independent rating agencies (e.g. Moody's, Standard & Poor's, Fitch)) and unrated debt securities (including but not limited to convertible bonds,

asset backed securities, collateralised loan obligations, mortgage backed securities and asset backed commercial papers etc.) issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and emerging markets, provided that, the Fund may only invest less than 30% of its total net asset value in convertible bonds, asset backed securities, collateralised loan obligations and asset backed commercial papers in aggregate. For the avoidance of doubt, the Fund will not invest more than 20% of its total net asset value in non-investment grade debt securities.

The Fund will not invest more than 10% of its total net asset value in:

- (i) securities issued or guaranteed by any single sovereign issuer (including its government, a public or local authority of that country) with a credit rating below investment grade;
- (ii) contingent convertible bonds;
- (iii) Chinese debt securities traded in the China interbank bond market ("CIBM") through the CIBM Initiative and/or Bond Connect; or
- (iv) PRC onshore securities (including equity and debt securities).

The Fund may have limited usage of derivatives as permitted by the SFC from time to time such as options, warrants and futures.

The Fund may under limited circumstances (e.g. for cash management purpose) as considered appropriate by the Manager, Investment Manager and/or Sub-Managers, hold up to 30% of its total net asset value in cash and cash based instruments.

The Fund will have limited Renminbi (RMB) denominated underlying investments.

The Fund may gain its exposure to equity and debt securities directly and/or through investing up to 50% of its total net asset value in units or shares of other collective investment schemes which are either authorised by the SFC¹ or eligible schemes in accordance with the list of recognised jurisdictions published by the SFC, provided that investment in any one of such schemes may not exceed 30% of the Fund's total net asset value. The investment objective and strategy of the underlying schemes which the Fund invests in are similar to those of the Fund, and such underlying schemes will not use derivatives extensively. There are no restrictions on asset classes or geographies of the underlying schemes.

The Fund may invest in assets denominated in any currency. Non USD currency exposure may be hedged. The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager, Investment Manager and/or Sub-Managers consider appropriate in the circumstances."

- The sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"Investment Restrictions and Guidelines"

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS" in Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, unless otherwise set out below.

The following investment restrictions and guidelines are applicable to the Fund:

- (i) The Fund will not invest more than 10% of its total net asset value in securities issued by or guaranteed by any single sovereign issuer with a credit rating below investment grade.
- (ii) The Fund may invest less than 30% of its total net asset value in convertible bonds, asset backed securities, collateralised loan obligations and asset backed commercial papers in aggregate.
- (iii) The Fund may invest up to 50% of its total net asset value in investment grade mortgage backed securities.
- (iv) The Fund will not invest more than 20% of its total net asset value in non-investment grade debt securities.
- (v) The Fund may invest less than 10% of its total net asset value in equity-linked notes and participation notes.

¹ SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of the fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

(vi) Notwithstanding (xiii), (xiv) and (xx) respectively in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

(a) The Fund may invest up to 50% of its total net asset value in units or shares of other collective investment schemes authorised by the SFC¹ or eligible schemes in accordance with the list of recognised jurisdictions published by the SFC, provided that investment in any one of such schemes may not exceed 30% of the Fund's total net asset value. The Fund may also invest not more than 10% of its total net asset value, in aggregate, in not eligible schemes.

For the purposes of (a), the Fund may invest in the underlying scheme provided that no more than 10% of the assets of such underlying scheme, whether individually or on an aggregate basis, be invested in other schemes.

(b) The Fund may not sell short any securities.

(c) The Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

(vii) The Fund will not invest more than 10% of its total net asset value in contingent convertible bonds.

(viii) The Fund will not invest more than 10% of its total net asset value in Chinese debt securities traded in the CIBM through the CIBM Initiative and/or Bond Connect.

(ix) The Fund will not invest more than 10% of its total net asset value in PRC onshore securities (including equity and debt securities).

(x) The Fund may invest less than 30% of its total net asset value in REITs."

- The last sentence of paragraph (i) under the section entitled "RISKS" shall be deleted in its entirety.
- The tenth bullet point under paragraph (iii) under the section entitled "RISKS" shall be deleted in its entirety and replaced with the following:

"• Risks associated with asset backed securities, mortgage backed securities, collateralised loan obligations and asset backed commercial papers - The Fund may invest substantially in mortgage backed securities. The asset backed securities, mortgage backed securities, collateralised loan obligations and asset backed commercial papers in which the Fund invests may be rated with non-investment grade and may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities."

- All references to "Sub-Manager" in the sub-section entitled "Management Fee" under the section entitled "FEES, CHARGES AND LIABILITIES" shall be deleted and replaced by the "Sub-Managers".
- The sub-section entitled "Sub-Manager" under the section entitled "MANAGEMENT AND ADMINISTRATION DIRECTORY" shall be deleted in its entirety and replaced by the following:

"Sub-Managers

*J.P. Morgan Investment Management Inc.
270 Park Avenue
New York, NY 10017-2070
United States of America*

*JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom"*

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the contents of this letter, please seek independent professional advice.

6 March 2019

Dear Investor,

JPMorgan India Fund (the “Fund”)

We are writing to inform you about the Indian tax provisioning arrangement of the Fund.

Reference is made to the Explanatory Memorandum of the Fund, in which it is stated that (i) the Fund obtains a certificate of tax residency (“TRC”) from the Mauritius Revenue Authority, and (ii) due to the Fund’s Mauritius tax residence status, pursuant to the India-Mauritius tax treaty, the Fund expects that no Indian tax will be payable in respect of any capital gains realised on its Indian securities.

The Fund is required to annually renew the TRC to evidence its Mauritius tax residence status. The renewal of the last TRC has been applied for by the Fund. However, as at the date of this letter, a renewed TRC has not yet been issued by the Mauritius Revenue Authority. Due to this uncertainty in obtaining the TRC, the manager of the Fund (the “Manager”), based on professional tax advice and having discussed this matter with the trustee, has decided to make a provision for 100% of the Fund’s potential Indian tax at the rate of approximately 16.22% on all realised and unrealised short-term gains (i.e., gains on securities held for less than one year) of Indian securities from 5 June 2018. As at 24 January 2019, the total Indian tax provision for realised and unrealised short-term gains on Indian securities amounted to 0.20% of the Fund’s net asset value. This amount is likely to change daily and may increase or decrease depending on sale activities, market movements and length of holding of Indian securities in the Fund’s portfolio.

The change in the tax provisioning basis of the Fund was implemented to reflect the likelihood of the Fund’s inability to claim the benefit under the India-Mauritius tax treaty due to the Mauritius Revenue Authority’s delay in issuing the renewed TRC. Provisioning for such tax obligation will put the Fund in a better position to meet the anticipated imposition of tax by the Indian government should such unrealised short-term gains become realised before issuance of the renewed TRC. This is considered to be in the best interest of the Fund and its investors and would not materially prejudice the interests of the investors.

The Manager will continue to closely monitor the situation and will further update all relevant investors if there is a significant change in the Indian tax provisioning arrangement in the Fund’s portfolio. In the event that any part of the tax provision is no longer required based on professional tax advice, it will be released back into the Fund. Any shortfall between the provision and the actual tax liabilities, which will be debited from the Fund’s assets, will adversely affect the Fund’s net asset value. Conversely, the actual tax liabilities may be lower than the tax provision made. Consequently, depending upon the final outcome of the issuance of the Fund’s renewed TRC and the timing of investors’ subscriptions and/or redemptions of their units in/from the Fund, as the tax

provision may not relate directly to the period in which investors hold their investment, investors may be disadvantaged as a result of any shortfall of tax provision and, in the case of overprovision, they will not have the right to claim any part of such overprovision. Investors should seek their own tax advice on their tax position with regard to their investment in the Fund.

The Manager accepts responsibility for the accuracy of the contents of this letter.

If you have any questions with regard to the contents of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan

Director

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

4 March 2019

Dear Investor,

JPMorgan ASEAN Fund

We refer to our notice dated 28 January 2019, notifying you of the adjournment of the general meetings of unitholders for JPMorgan Indonesia Fund, JPMorgan Malaysia Fund and JPMorgan Philippine Fund (collectively, the “Terminating Funds”) held on 11 January 2019. Please be informed that adjourned general meetings of unitholders for the Terminating Funds will be held on 9 April 2019 (collectively, the “Adjourned Meetings”) for the purpose of considering and, if thought fit, passing the resolution relating to the mergers of the respective Terminating Funds into JPMorgan ASEAN Fund (the “Receiving Fund”) (the “Mergers”) on 14 June 2019 (the “Merger Date”). JPMorgan Funds (Asia) Limited (the “Manager”), as the manager of the Terminating Funds, believes that the Mergers will benefit the unitholders as they will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Mergers will not have a negative effect on the value, costs, or performance of your investment.

Should the proposed Mergers be approved by the unitholders of each Terminating Fund at the respective Adjourned Meetings, the assets of the Terminating Funds will be transferred into the Receiving Fund on the Merger Date. The Mergers will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Mergers will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Funds will be transferred to the Receiving Fund, and the Terminating Funds will cease to exist.

You do not need to take any action. However, if, as a consequence of the potential Mergers, you wish to redeem your units, or switch your holding in the Receiving Fund into any other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may do so free of charge³ starting from the date of this letter. A separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁴ The website has not been reviewed by the SFC.

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

4 March 2019

Dear Investor,

JPMorgan Asia Growth Fund

We refer to our notice dated 28 January 2019, notifying you of the adjournment of the general meeting of unitholders for JPMorgan AsiaOne Fund (the “Terminating Fund”) held on 10 January 2019. Please be informed that an adjourned general meeting of unitholders for the Terminating Fund will be held on 8 April 2019 (the “Adjourned Meeting”) for the purpose of considering and, if thought fit, passing the resolution relating to the merger of the Terminating Fund into JPMorgan Asia Growth Fund (the “Receiving Fund”) (the “Merger”) on 31 May 2019 (the “Merger Date”). JPMorgan Funds (Asia) Limited (the “Manager”), as the manager of the Terminating Fund, believes that the Merger will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Merger will not have a negative effect on the value, costs, or performance of your investment.

Should the proposed Merger be approved by the unitholders of the Terminating Fund at the Adjourned Meeting, the assets of the Terminating Fund will be transferred into the Receiving Fund on the Merger Date. The Merger will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Merger will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Fund will be transferred to the Receiving Fund, and the Terminating Fund will cease to exist.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into any other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may do so free of charge³ starting from the date of this letter. A separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁴ The website has not been reviewed by the SFC.

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

4 March 2019

Dear Investor,

JPMorgan Eastern Smaller Companies Fund

We refer to our notice dated 28 January 2019, notifying you of the adjournment of the general meeting of unitholders for JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”) held on 10 January 2019. Please be informed that an adjourned general meeting of unitholders for the Terminating Fund will be held on 8 April 2019 (the “Adjourned Meeting”) for the purpose of considering and, if thought fit, passing the resolution relating to the merger of the Terminating Fund into JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”) (the “Merger”) on 31 May 2019 (the “Merger Date”). JPMorgan Funds (Asia) Limited (the “Manager”), as the manager of the Terminating Fund, believes that the Merger will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Merger will not have a negative effect on the value, costs, or performance of your investment.

Should the proposed Merger be approved by the unitholders of the Terminating Fund at the Adjourned Meeting, the assets of the Terminating Fund will be transferred into the Receiving Fund on the Merger Date. The Merger will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Merger will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Fund will be transferred to the Receiving Fund, and the Terminating Fund will cease to exist.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into any other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may do so free of charge³ starting from the date of this letter. A separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁴ The website has not been reviewed by the SFC.

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

4 March 2019

Dear Investor,

JPMorgan Japan (Yen) Fund

We refer to our notice dated 28 January 2019, notifying you of the adjournment of the general meeting of unitholders for JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”) held on 11 January 2019. Please be informed that an adjourned general meeting of unitholders for the Terminating Fund will be held on 9 April 2019 (the “Adjourned Meeting”) for the purpose of considering and, if thought fit, passing the resolution relating to the merger of the Terminating Fund into JPMorgan Japan (Yen) Fund (the “Receiving Fund”) (the “Merger”) on 14 June 2019 (the “Merger Date”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that the Terminating Fund is unlikely to grow to a size which can achieve potential economies of scale and efficient fund management. Since the investment objectives and policies of the Terminating Fund and Receiving Fund are similar, the Manager believes that this proposal will benefit the unitholders given the broader investment universe of the Receiving Fund as compared to that of the Terminating Fund. The Merger will not have a negative effect on the value, costs, or performance of your investment.

Should the proposed Merger be approved by the unitholders of the Terminating Fund at the Adjourned Meeting, the assets of the Terminating Fund will be transferred into the Receiving Fund on the Merger Date. The Merger will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Merger will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Fund will be transferred to the Receiving Fund, and the Terminating Fund will cease to exist.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into any other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may do so free of charge³ starting from the date of this letter. A separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply. Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁴ The website has not been reviewed by the SFC.

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

4 March 2019

Dear Investor,

JPMorgan Pacific Securities Fund

We refer to our notice dated 28 January 2019, notifying you of the adjournment of the general meeting of unitholders for JPMorgan Australia Fund (the “Terminating Fund”) held on 10 January 2019. Please be informed that an adjourned general meeting of unitholders for the Terminating Fund will be held on 8 April 2019 (the “Adjourned Meeting”) for the purpose of considering and, if thought fit, passing the resolution relating to the merger of the Terminating Fund into JPMorgan Pacific Securities Fund (the “Receiving Fund”) (the “Merger”) on 31 May 2019 (the “Merger Date”). JPMorgan Funds (Asia) Limited (the “Manager”), as the manager of the Terminating Fund, believes that the Merger will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Merger will not have a negative effect on the value, costs, or performance of your investment.

Should the proposed Merger be approved by the unitholders of the Terminating Fund at the Adjourned Meeting, the assets of the Terminating Fund will be transferred into the Receiving Fund on the Merger Date. The Merger will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Merger will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Fund will be transferred to the Receiving Fund, and the Terminating Fund will cease to exist.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into any other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may do so free of charge³ starting from the date of this letter. A separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁴ The website has not been reviewed by the SFC.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

4 March 2019

Dear Investor,

Merger of JPMorgan AsiaOne Fund into JPMorgan Asia Growth Fund

Please be informed that the general meeting of unitholders of JPMorgan AsiaOne Fund (the “Terminating Fund”) which was convened on 10 January 2019 could not be validly constituted so as to deliberate on the proposed resolution as the required quorum for the meeting was not met. As a result, the general meeting of unitholders was adjourned and will be reconvened on 8 April 2019, 9:15 a.m. (Hong Kong time) (the “Adjourned Meeting”) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The proposal to merge the Terminating Fund into JPMorgan Asia Growth Fund (the “Receiving Fund”) (the “Merger”) is to be decided at the Adjourned Meeting convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 22 August 2006, as further amended and supplemented from time to time (the “Trust Deed”)). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Adjourned Meeting.

The Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will continue to be permissible (insofar as there is no increase in the scheduled contribution amount) until 24 May 2019 if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

The Terminating Fund will be merged into the JPMorgan Asia Growth (acc) - USD class of the Receiving Fund. Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). Any unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of unitholders or number of units held by them, will form a quorum. The resolution will be passed by a majority of 75% or more of the votes expressed by the unitholders present or represented at such Adjourned Meeting. **The Forms of Proxy that have already been properly returned in time for the meeting held on 10 January 2019 will remain valid for the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Votes cast shall not include those which are attached to units where the unitholders have abstained, have not taken part in the vote or have returned a blank or invalid vote.** If you have not yet returned the Form of Proxy, please complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Adjourned Meeting.

Should the proposed Merger be approved by the unitholders at the Adjourned Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 31 May 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Adjourned Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger, are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 24 May 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Adjourned Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction on or before 24 May 2019, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 24 May 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Adjourned Meeting, starting from 27 May 2019, the portfolio of the Terminating Fund may start to be realised in anticipation of the Merger. Following such portfolio realisation, the Terminating Fund mainly hold cash until the Merger Date. All transaction costs arising from such portfolio realisation and the subsequent transfer of assets to the Receiving Fund will be borne by the Terminating Fund, **therefore unitholders who remain in the Terminating Fund when such portfolio realisation is carried out will be impacted**. Since the portfolio of the Terminating Fund consists primarily of collective investment schemes managed by the Manager or its connected persons and there is no redemption charge applicable to the realisation of the Terminating Fund’s investments from such underlying collective investment schemes, the transaction costs associated with the portfolio realisation and the subsequent transfer of assets, which will mainly be bank charges, should be minimal.

The Result Notice will be sent to unitholders as soon as practicable after the Adjourned Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

**Details of JPMorgan AsiaOne Fund (the “Terminating Fund”) and
JPMorgan Asia Growth Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment objective of the Terminating Fund is to seek to produce a competitive total return in different market conditions. The Terminating Fund seeks to achieve this primarily through an actively managed portfolio of collective investment schemes managed by the Manager or its connected persons (as defined in the Code on Unit Trusts and Mutual Funds) (“Connected Persons”) which are linked to the economies of Asian countries (including Australia) (“Underlying Funds”). The allocation to the Underlying Funds will be continually monitored and reviewed and changes will be made as considered appropriate to better achieve the Terminating Fund’s objective. In other words, the Terminating Fund may invest up to all of its assets in equity funds when the Investment Manager believes market conditions and opportunities favour equities. When the Investment Manager believes market conditions and opportunities do not favour equities the Terminating Fund may invest up to all of its assets in fixed income and money market funds and other funds with a low correlation to equities. The Manager may invest in a range of funds whose underlying assets embrace the full spectrum of the risk return trade off from low to high risk. The Investment Manager may carry out hedging activities via financial futures.</p> <p>The investment objective, policy and investment restrictions and guidelines of the Terminating Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.</p>	<p>The investment objective of the Receiving Fund is to provide investors with long-term capital appreciation by investing at least 70% of its non-cash assets in equity securities of companies whose predominant business will benefit from, or is related to, the growth in Asian economies. The Receiving Fund may invest up to 30% of its non-cash assets in equity securities of companies in non-Asian countries. The Receiving Fund may also invest up to 10% of its non-cash assets in non-equity securities in any countries.</p> <p>The Receiving Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month’s prior notice will be given to unitholders and the offering document will be updated accordingly.</p> <p>The Receiving Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p> <p>The Receiving Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
Investment restrictions and guidelines	Please refer to the sub-section entitled “Investment Restrictions and Guidelines” under the section entitled “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS” of the Explanatory Memorandum of JPMorgan AsiaOne Fund in Section C – EXPLANATORY MEMORANDA OF OTHER FUNDS in the Consolidated Explanatory Memoranda.	Please refer to the sub-section entitled “Investment Restrictions and Guidelines” under the section entitled “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS” of the Explanatory Memorandum of JPMorgan Asia Growth Fund in Section C – EXPLANATORY MEMORANDA OF OTHER FUNDS in the Consolidated Explanatory Memoranda.

Risk factors	<ul style="list-style-type: none">• Emerging markets risk• Restricted range of underlying funds• Currency risk• Liquidity risk• Equity risk	<ul style="list-style-type: none">• Emerging markets risk• Asian market risk• Currency risk• Liquidity risk• Equity risk• Hedging risk• Class currency risk• RMB currency risk• Currency Hedged Classes risk								
Manager	JPMorgan Funds (Asia) Limited									
Investment Manager	JF Asset Management Limited									
Sub-Manager	N/A	JPMorgan Asset Management (UK) Limited								
Trustee	HSBC Institutional Trust Services (Asia) Limited									
Dealing frequency	Daily									
Distribution policy	Only accumulation classes are offered for the Receiving Fund. All income will be accumulated and reinvested within the Terminating Fund and the accumulation classes of the Receiving Fund.									
Base currency	USD									
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent Regular Investment Plan: HKD1,000 per month	Lump-sum (initial / additional): RMB16,000 or equivalent for RMB denominated class and USD2,000 or equivalent for other classes Regular Investment Plan: HKD1,000 per month								
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.									
Initial charge	Up to 3.0% of NAV per unit	Up to 5.0% of NAV per unit								
Switching charge	Up to 1.0% of NAV per unit									
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)									
Management fee	0.5% of NAV p.a. (maximum 2.5%)	1.5% of NAV p.a. (maximum 2.5%)								
Trustee fee	0.03% of NAV p.a. (maximum 0.2%)	Up to 0.2% per annum of the NAV, with the current rate as follows:								
		<table><tr><td></td><td>Rate (per annum)</td></tr><tr><td>On the first USD40,000,000</td><td>0.06% of NAV</td></tr><tr><td>On the next USD30,000,000</td><td>0.04% of NAV</td></tr><tr><td>On the balance over USD70,000,000</td><td>0.025% of NAV</td></tr></table>		Rate (per annum)	On the first USD40,000,000	0.06% of NAV	On the next USD30,000,000	0.04% of NAV	On the balance over USD70,000,000	0.025% of NAV
			Rate (per annum)							
		On the first USD40,000,000	0.06% of NAV							
		On the next USD30,000,000	0.04% of NAV							
On the balance over USD70,000,000	0.025% of NAV									
Total expense ratio	JPMorgan AsiaOne Fund 2.42% as at 31 December 2018	JPMorgan Asia Growth (acc) - USD 1.69% as at 31 December 2018								
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund’s average net asset value.									
Fund size	USD29 million as at 31 December 2018	USD394 million as at 31 December 2018								

Notice of General Meeting of Unitholders

Unitholders were invited to attend a general meeting of Unitholders (defined in Note 1 below) of JPMorgan AsiaOne Fund (the “Terminating Fund”) which was convened on 10 January 2019. However, as the required quorum for the meeting was not met, the meeting could not be validly constituted so as to deliberate on the proposed resolution.

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of the Terminating Fund, that the meeting was adjourned and will be reconvened on 8 April 2019, 9:15 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong (the “Adjourned Meeting”), for the purpose of considering and, if thought fit, passing the same resolution as set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTION

THAT:

- (i) the proposed merger of JPMorgan AsiaOne Fund into JPMorgan Asia Growth Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

Any Unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of Unitholders or number of Units held by them, will form a quorum and the Chairman of the Adjourned Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Adjourned Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

Forms of Proxy that have already been properly returned in time for the meeting held on 10 January 2019 will remain valid for the resolution submitted to the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Adjourned Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Adjourned Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Adjourned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY

which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 28 March 2019.

**JPMorgan AsiaOne Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:

Account Number(s):

Master Account:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Adjourned Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Adjourned Meeting to be held on 8 April 2019, 9:15 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Adjourned Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan AsiaOne Fund into JPMorgan Asia Growth Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

<p>Individual:</p> <p>_____ Signature</p> <p>_____ Date</p>	<p>Corporation:</p> <p>_____ The Common Seal of</p> <p>_____ Affixed in the presence of</p> <p>_____ Date</p>
-------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------

Notes:

1. To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. on 28 March 2019 (Hong Kong time). The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
2. A proxy need not be a Unitholder.
3. The Chairman of the Adjourned Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman's satisfaction, by either or any joint Unitholders.
4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
5. This Form of Proxy shall be signed by a Unitholder or a Unitholder's attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.
7. Forms of Proxy for the meeting held on 10 January 2019 already received prior to 4 January 2019, 6:00 p.m. (Hong Kong time) will be used to vote at the Adjourned Meeting, unless specifically revoked in writing prior to the date and time specified in Note 1. Forms of Proxy for the meeting held on 10 January 2019 returned after 4 January 2019, 6:00 p.m. (Hong Kong time) but prior to the date and time specified in Note 1 will also be used to vote at the Adjourned Meeting.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 22 August 2006, as further amended and supplemented from time to time). The assets of the Receiving Fund

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the respective class of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the respective class of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 11 May 2007, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolution and to all conditions (if any) to such resolution being fulfilled.
12. If approved by the passing of the Extraordinary Resolution, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio realisation of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

4 March 2019

Dear Investor,

Merger of JPMorgan Australia Fund into JPMorgan Pacific Securities Fund

Please be informed that the general meeting of unitholders of JPMorgan Australia Fund (the “Terminating Fund”) which was convened on 10 January 2019 could not be validly constituted so as to deliberate on the proposed resolution as the required quorum for the meeting was not met. As a result, the general meeting of unitholders was adjourned and will be reconvened on 8 April 2019, 11:00 a.m. (Hong Kong time) (the “Adjourned Meeting”) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The proposal to merge the Terminating Fund into JPMorgan Pacific Securities Fund (the “Receiving Fund”) (the “Merger”) is to be decided at the Adjourned Meeting convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 5 June 1981, as further amended and supplemented from time to time (the “Trust Deed”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Adjourned Meeting.

The Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will continue to be permissible (insofar as there is no increase in the scheduled contribution amount) until 24 May 2019 if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

The Terminating Fund currently has two classes, namely JPMorgan Australia (acc) - AUD class and JPMorgan Australia (acc) - USD class, which will be merged into JPMorgan Pacific Securities (acc) - AUD class* and JPMorgan Pacific Securities (acc) - USD class of the Receiving Fund respectively. Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

* The class will be launched and made available to unitholders before the Merger Date, if the resolution in relation to the Merger are passed at the Adjourned Meeting.

Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). Any unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of unitholders or number of units held by them, will form a quorum. The resolution will be passed by a majority of 75% or more of the votes expressed by the unitholders present or represented at such Adjourned Meeting. **The Forms of Proxy that have already been properly returned in time for the meeting held on 10 January 2019 will remain valid for the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Votes cast shall not include those which are attached to units where the unitholders have abstained, have not taken part in the vote or have returned a blank or invalid vote.** If you have not yet returned the Form of Proxy, please complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Adjourned Meeting.

Should the proposed Merger be approved by the unitholders at the Adjourned Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 31 May 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Adjourned Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger, are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 24 May 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Adjourned Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction on or before 24 May 2019, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 24 May 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Adjourned Meeting, starting from 27 May 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, **therefore unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted.** The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.16% of the total net asset value of the Terminating Fund as of 31 December 2018.

The Result Notice will be sent to unitholders as soon as practicable after the Adjourned Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. The Terminating Fund is treated as a “special category transparent offshore fund” for United Kingdom (the “UK”) tax purposes and the exchange of units in the Terminating Fund may be a taxable event for UK capital gain purposes for UK tax resident unitholders unless exemption approval is received from the UK tax authorities with respect to the proposed Merger. The Manager intends to apply for this exemption approval but cannot guarantee that it will be issued. The outcome of this approval will be included in the UK Tax Vouchers to be sent to investors of the Terminating Fund. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

**Details of JPMorgan Australia Fund (the “Terminating Fund”) and
JPMorgan Pacific Securities Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment policy of the Terminating Fund is to provide investors with long term capital growth by investing primarily in Australian securities.</p> <p>The Terminating Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to provide investors with long term capital growth by investing primarily in the securities of companies in the Asia-Pacific region, including Japan, Australia and New Zealand.</p> <p>The Receiving Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>
Investment restrictions and guidelines	The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. Additional investment restrictions and guidelines applicable to the Terminating Fund and the Receiving Fund are set out as below:	
	The value of the Terminating Fund’s holding of securities of companies or other investments which are based in or operate principally in Australia shall not be less than 70 per cent. of its non-cash assets in securities and other investments.	The value of the Receiving Fund’s holding of securities of companies which are based in or operate principally in Asia-Pacific region, including Japan and Australia shall not be less than 70 per cent. of its non-cash assets in securities and other investments.
Risk factors	Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:	
	<ul style="list-style-type: none"> • Diversification risk • Currency risk • Liquidity risk • Equity risk 	<ul style="list-style-type: none"> • Emerging markets risk • Currency risk • Liquidity risk • Equity risk
Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Trustee	HSBC Institutional Trust Services (Asia) Limited	
Dealing frequency	Daily	
Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.	
Base currency	USD	
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent	
	Regular Investment Plan: HKD1,000 per month	
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.	
Initial charge	Up to 5.0% of NAV per unit	
Switching charge	Up to 1.0% of NAV per unit	

Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)	
Management fee	1.5% of NAV p.a. (maximum 2.5%)	
Trustee fee	Up to 0.2% per annum of the NAV, with the current rate as follows:	
		Rate (per annum)
	On the first USD40,000,000	0.06% of NAV
	On the next USD30,000,000	0.04% of NAV
	On the balance over USD70,000,000	0.025% of NAV
Total expense ratio	JPMorgan Australia (acc) - AUD 1.87% as at 31 December 2018	JPMorgan Pacific Securities (acc) - USD 1.62% as at 31 December 2018
	JPMorgan Australia (acc) - USD 1.87% as at 31 December 2018	JPMorgan Pacific Securities (acc) - AUD (The class will be launched and made available to unitholders before the Merger Date, if the resolution in relation to the Merger are passed. The estimated total expense ratio is 1.62%)
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund's average net asset value.	
Fund size	USD25 million as at 31 December 2018	USD529 million as at 31 December 2018

Notice of General Meeting of Unitholders

Unitholders were invited to attend a general meeting of Unitholders (defined in Note 1 below) of JPMorgan Australia Fund (the “Terminating Fund”) which was convened on 10 January 2019. However, as the required quorum for the meeting was not met, the meeting could not be validly constituted so as to deliberate on the proposed resolution.

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of the Terminating Fund, that the meeting was adjourned and will be reconvened on 8 April 2019, 11:00 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong (the “Adjourned Meeting”), for the purpose of considering and, if thought fit, passing the same resolution as set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTION

THAT:

- (i) the proposed merger of JPMorgan Australia Fund into JPMorgan Pacific Securities Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

Any Unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of Unitholders or number of Units held by them, will form a quorum and the Chairman of the Adjourned Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Adjourned Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

Forms of Proxy that have already been properly returned in time for the meeting held on 10 January 2019 will remain valid for the resolution submitted to the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Adjourned Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Adjourned Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Adjourned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY

which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 28 March 2019.

JPMorgan Australia Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders

Name(s) and Address of Client:

Account Number(s):

MasterAccount:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Adjourned Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Adjourned Meeting to be held on 8 April 2019, 11:00 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Adjourned Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Australia Fund into JPMorgan Pacific Securities Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual:**Corporation:**_____
Signature_____
Date_____
The Common Seal of_____
Affixed in the presence of_____
DateNotes:

1. To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. on 28 March 2019 (Hong Kong time). The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
2. A proxy need not be a Unitholder.
3. The Chairman of the Adjourned Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
5. This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.
7. Forms of Proxy for the meeting held on 10 January 2019 already received prior to 4 January 2019, 6:00 p.m. (Hong Kong time) will be used to vote at the Adjourned Meeting, unless specifically revoked in writing prior to the date and time specified in Note 1. Forms of Proxy for the meeting held on 10 January 2019 returned after 4 January 2019, 6:00 p.m. (Hong Kong time) but prior to the date and time specified in Note 1 will also be used to vote at the Adjourned Meeting.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 5 June 1981, as further amended and supplemented from time to time). The assets of the Receiving Fund shall be

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the respective classes of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the respective classes of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 7 April 1978, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolution and to all conditions (if any) to such resolution being fulfilled.
12. If approved by the passing of the Extraordinary Resolution, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

4 March 2019

Dear Investor,

**Merger of JPMorgan Greater China Smaller Companies Fund
into JPMorgan Eastern Smaller Companies Fund**

Please be informed that the general meeting of unitholders of JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”) which was convened on 10 January 2019 could not be validly constituted so as to deliberate on the proposed resolution as the required quorum for the meeting was not met. As a result, the general meeting of unitholders was adjourned and will be reconvened on 8 April 2019, 2:30 p.m. (Hong Kong time) (the “Adjourned Meeting”) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The proposal to merge the Terminating Fund into JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”) (the “Merger”) is to be decided at the Adjourned Meeting convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 26 August 2009, as further amended and supplemented from time to time (the “Trust Deed”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Adjourned Meeting.

The Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will continue to be permissible (insofar as there is no increase in the scheduled contribution amount) until 24 May 2019 if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

The Terminating Fund currently has only one class, i.e., JPMorgan Greater China Smaller Companies (acc) - HKD, which will be merged into the JPMorgan Eastern Smaller Companies (acc) - HKD class* of the Receiving Fund. Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. Unitholders should also refer to the relevant sections of the JPMorgan Funds

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

* The class will be launched and made available to unitholders before the Merger Date, if the resolution in relation to the Merger are passed at the Adjourned Meeting.

(Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). Any unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of unitholders or number of units held by them, will form a quorum. The resolution will be passed by a majority of 75% or more of the votes expressed by the unitholders present or represented at such Adjourned Meeting. **The Forms of Proxy that have already been properly returned in time for the meeting held on 10 January 2019 will remain valid for the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Votes cast shall not include those which are attached to units where the unitholders have abstained, have not taken part in the vote or have returned a blank or invalid vote.** If you have not yet returned the Form of Proxy, please complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Adjourned Meeting.

Should the proposed Merger be approved by the unitholders at the Adjourned Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 31 May 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Adjourned Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger, are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 24 May 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Adjourned Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction on or before 24 May 2019, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 24 May 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Adjourned Meeting, starting from 27 May 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, **therefore unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted.** The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.30% of the total net asset value of the Terminating Fund as of 31 December 2018.

The Result Notice will be sent to unitholders as soon as practicable after the Adjourned Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

**Details of JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”) and
JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment policy of the Terminating Fund is to provide investors with long-term capital growth by investing primarily in the securities of small to medium-sized companies in the People’s Republic of China, Hong Kong and Taiwan (“Greater China”).</p> <p>The Terminating Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to provide investors with long term capital growth by investing primarily in the securities of small to medium sized companies in the Asia-Pacific region, excluding Japan and Australia except the Manager may, from time to time, invest in Japan and Australia when appropriate investment opportunities arise.</p> <p>The Receiving Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>
Investment restrictions and guidelines	<p>The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. Additional investment restrictions and guidelines applicable to the Terminating Fund and the Receiving Fund are set out as below:</p>	
	<p>The value of the Terminating Fund’s holding of securities of small to medium-sized companies which are based in or operate principally in Greater China shall not be less than 70 per cent. of its non-cash assets in securities and other investments.</p> <p>In addition, the Terminating Fund will invest at least 70 per cent. of its net assets in securities listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars.</p>	<p>The value of the Receiving Fund’s holding of securities of small to medium sized companies which are based in or operate principally in the Asia-Pacific region, excluding Japan and Australia shall not be less than 70 per cent. of its non-cash assets in securities and other investments.</p>
Risk factors	<p>The risk factors of the Terminating Fund and the Receiving Fund are similar. Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:</p>	
	<ul style="list-style-type: none"> • Emerging markets risk • Smaller companies risk • Currency risk • Liquidity risk • Equity risk 	
Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Trustee	HSBC Institutional Trust Services (Asia) Limited	
Dealing frequency	Daily	
Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.	

Base currency	HKD	USD		
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent			
	Regular Investment Plan: HKD1,000 per month			
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.			
Initial charge	Up to 5.0% of NAV per unit			
Switching charge	Up to 1.0% of NAV per unit			
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)			
Management fee	1.75% of NAV p.a. (maximum 2.5%)	1.5% of NAV p.a. (maximum 2.5%)		
Trustee fee	Up to 0.2% per annum of the NAV, with the current rate as follows:			
		Rate (per annum)		Rate (per annum)
	On the first HKD310,000,000	0.06% of NAV	On the first USD40,000,000	0.06% of NAV
	On the next HKD230,000,000	0.04% of NAV	On the next USD30,000,000	0.04% of NAV
	On the balance over HKD540,000,000	0.025% of NAV	On the balance over USD70,000,000	0.025% of NAV
Total expense ratio	JPMorgan Greater China Smaller Companies (acc) - HKD 2.29% as at 31 December 2018	JPMorgan Eastern Smaller Companies (acc) - HKD (The class will be launched and made available to unitholders before the Merger Date, if the resolution in relation to the Merger are passed. The estimated total expense ratio is 1.68%)		
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund’s average net asset value.			
Fund size	HKD58 million as at 31 December 2018 (approximately USD7 million)	USD139 million as at 31 December 2018		

Notice of General Meeting of Unitholders

Unitholders were invited to attend a general meeting of Unitholders (defined in Note 1 below) of JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”) which was convened on 10 January 2019. However, as the required quorum for the meeting was not met, the meeting could not be validly constituted so as to deliberate on the proposed resolution.

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of the Terminating Fund, that the meeting was adjourned and will be reconvened on 8 April 2019, 2:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong (the “Adjourned Meeting”), for the purpose of considering and, if thought fit, passing the same resolution as set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTION

THAT:

- (i) the proposed merger of JPMorgan Greater China Smaller Companies Fund into JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

Any Unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of Unitholders or number of Units held by them, will form a quorum and the Chairman of the Adjourned Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Adjourned Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

Forms of Proxy that have already been properly returned in time for the meeting held on 10 January 2019 will remain valid for the resolution submitted to the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Adjourned Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Adjourned Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Adjourned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY

which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 28 March 2019.

**JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:

Account Number(s):

Master Account:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Adjourned Meeting”),

or _____

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Adjourned Meeting to be held on 8 April 2019, 2:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Adjourned Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Greater China Smaller Companies Fund into JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual:**Corporation:**_____
Signature_____
Date_____
The Common Seal of_____
Affixed in the presence of_____
DateNotes:

1. To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. on 28 March 2019 (Hong Kong time). The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
2. A proxy need not be a Unitholder.
3. The Chairman of the Adjourned Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
5. This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.
7. Forms of Proxy for the meeting held on 10 January 2019 already received prior to 4 January 2019, 6:00 p.m. (Hong Kong time) will be used to vote at the Adjourned Meeting, unless specifically revoked in writing prior to the date and time specified in Note 1. Forms of Proxy for the meeting held on 10 January 2019 returned after 4 January 2019, 6:00 p.m. (Hong Kong time) but prior to the date and time specified in Note 1 will also be used to vote at the Adjourned Meeting.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 26 August 2009, as further amended and supplemented from time to time). The assets of the Receiving Fund

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the respective classes of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the respective classes of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 2 December 1991, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolution and to all conditions (if any) to such resolution being fulfilled.
12. If approved by the passing of the Extraordinary Resolution, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

4 March 2019

Dear Investor,

Merger of JPMorgan Indonesia Fund into JPMorgan ASEAN Fund

Please be informed that the general meeting of unitholders of JPMorgan Indonesia Fund (the “Terminating Fund”) which was convened on 11 January 2019 could not be validly constituted so as to deliberate on the proposed resolution as the required quorum for the meeting was not met. As a result, the general meeting of unitholders was adjourned and will be reconvened on 9 April 2019, 9:15 a.m. (Hong Kong time) (the “Adjourned Meeting”) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The proposal to merge the Terminating Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) (the “Merger”) is to be decided at the Adjourned Meeting convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 19 September 2006, as further amended and supplemented from time to time (the “Trust Deed”)). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Adjourned Meeting.

The Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will continue to be permissible (insofar as there is no increase in the scheduled contribution amount) until 6 June 2019 if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

The Terminating Fund currently has only one class, i.e., JPMorgan Indonesia (acc) - USD, which will be merged into the JPMorgan ASEAN (acc) - USD class of the Receiving Fund. Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). Any unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of unitholders or number of units held by them, will form a quorum. The resolution will be passed by a majority of 75% or more of the votes expressed by the unitholders present or represented at such Adjourned Meeting. **The Forms of Proxy that have already been properly returned in time for the meeting held on 11 January 2019 will remain valid for the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Votes cast shall not include those which are attached to units where the unitholders have abstained, have not taken part in the vote or have returned a blank or invalid vote.** If you have not yet returned the Form of Proxy, please complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Adjourned Meeting.

Should the proposed Merger be approved by the unitholders at the Adjourned Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 14 June 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Adjourned Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger, are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 6 June 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Adjourned Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction on or before 6 June 2019, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 6 June 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Adjourned Meeting, starting from 10 June 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, **therefore unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted.** The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.22% of the total net asset value of the Terminating Fund as of 31 December 2018.

The trustee of the Receiving Fund is Bank of East Asia (Trustees) Limited. Upon completion of the termination of the Terminating Fund, the Trustee of the Terminating Fund will be released from its obligations as trustee in respect of the Terminating Fund’s assets.

The Result Notice will be sent to unitholders as soon as practicable after the Adjourned Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. The Terminating Fund is treated as a “special category transparent offshore fund” for United Kingdom (the “UK”) tax purposes and the exchange of units in the Terminating Fund may be a taxable event for UK capital gain purposes for UK tax resident unitholders unless exemption approval is received from the UK tax authorities with respect to the proposed Merger. The Manager intends to apply for this exemption approval but cannot guarantee that it will be issued. The outcome of this approval will be included in the UK Tax Vouchers to be sent to investors of the Terminating Fund. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

**Details of JPMorgan Indonesia Fund (the “Terminating Fund”)
and JPMorgan ASEAN Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment objective of the Terminating Fund is to provide investors with long-term capital appreciation through a portfolio consisting primarily of securities linked to the Indonesian economy. These include, but are not restricted to, securities traded on the stock exchanges of Indonesia. The Terminating Fund may also invest in derivatives such as interest rate forward contracts, currency forward contracts, options, warrants and futures for both investment and hedging purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and/or cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to enable investors to participate in a managed portfolio consisting primarily of securities with significant assets in, or significant earnings derived from one or more of the countries comprising the Association of South East Asian Nations. The Manager will aim to achieve capital growth in US dollar terms.</p> <p>The Receiving Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month’s prior notice will be given to unitholders and the offering document will be updated accordingly.</p> <p>The Receiving Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments. The Receiving Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
Investment restrictions and guidelines	<p>The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. Additional investment restrictions and guidelines applicable to the Terminating Fund and the Receiving Fund are set out as below:</p>	
	<p>The value of the Terminating Fund’s holding of securities linked to the Indonesian economy shall not be less than 70% of its non-cash assets in securities and other investments.</p>	<p>The value of this Receiving Fund’s holding of securities of companies which are based in or operate principally in the Association of South East Asian Nations shall not be less than 70% of its non-cash assets in securities and other investments.</p>
Risk factors	<p>The risk factors of the Terminating Fund and the Receiving Fund are similar, except that the Terminating Fund has an additional key risk factor in relation to diversification and the Receiving Fund has additional risk factors in relation to currency hedging and RMB exposure. Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:</p>	
	<ul style="list-style-type: none"> • Emerging markets risk • Diversification risk • Currency risk • Liquidity risk • Equity risk 	<ul style="list-style-type: none"> • Emerging markets risk • Currency risk • Liquidity risk • Equity risk • Hedging risk • Class currency risk • RMB currency risk • Currency Hedged Classes risk

Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Sub-Manager	JPMorgan Asset Management (Singapore) Limited	JPMorgan Asset Management (Singapore) Limited JPMorgan Asset Management (UK) Limited
Trustee	HSBC Institutional Trust Services (Asia) Limited	Bank of East Asia (Trustees) Limited
Dealing frequency	Daily	
Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.	
Base currency	USD	
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent	Lump-sum (initial / additional): RMB16,000 or equivalent for RMB denominated class and USD2,000 or equivalent for other classes
	Regular Investment Plan: HKD1,000 per month	Regular Investment Plan: HKD1,000 per month
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.	
Initial charge	Up to 5.0% of NAV per unit	
Switching charge	Up to 1.0% of NAV per unit	
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)	
Management fee	1.5% of NAV p.a. (maximum 2.5%)	
Trustee fee	Up to 0.2% per annum of the NAV, with the current rate as follows:	
		0.018% of NAV p.a. (maximum 0.2%)
Total expense ratio	1.77% as at 31 December 2018	1.59% as at 31 December 2018
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund's average net asset value.	
Fund size	USD58 million as at 31 December 2018	USD1,444 million as at 31 December 2018

Notice of General Meeting of Unitholders

Unitholders were invited to attend a general meeting of Unitholders (defined in Note 1 below) of JPMorgan Indonesia Fund (the “Terminating Fund”) which was convened on 11 January 2019. However, as the required quorum for the meeting was not met, the meeting could not be validly constituted so as to deliberate on the proposed resolution.

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of the Terminating Fund, that the meeting was adjourned and will be reconvened on 9 April 2019, 9:15 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong (the “Adjourned Meeting”), for the purpose of considering and, if thought fit, passing the same resolution as set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTION

THAT:

- (i) the proposed merger of JPMorgan Indonesia Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

Any Unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of Unitholders or number of Units held by them, will form a quorum and the Chairman of the Adjourned Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Adjourned Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

Forms of Proxy that have already been properly returned in time for the meeting held on 11 January 2019 will remain valid for the resolution submitted to the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Adjourned Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Adjourned Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Adjourned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY

which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 28 March 2019.

**JPMorgan Indonesia Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:

Account Number(s):

Master Account:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Adjourned Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Adjourned Meeting to be held on 9 April 2019, 9:15 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Adjourned Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Indonesia Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual:**Corporation:**_____
Signature_____
Date_____
The Common Seal of_____
Affixed in the presence of_____
DateNotes:

1. To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. on 28 March 2019 (Hong Kong time). The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
2. A proxy need not be a Unitholder.
3. The Chairman of the Adjourned Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
5. This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.
7. Forms of Proxy for the meeting held on 11 January 2019 already received prior to 4 January 2019, 6:00 p.m. (Hong Kong time) will be used to vote at the Adjourned Meeting, unless specifically revoked in writing prior to the date and time specified in Note 1. Forms of Proxy for the meeting held on 11 January 2019 returned after 4 January 2019, 6:00 p.m. (Hong Kong time) but prior to the date and time specified in Note 1 will also be used to vote at the Adjourned Meeting.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee of the Terminating Fund (the “Trustee”) and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 19 September 2006, as

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the JPMorgan ASEAN (acc) - USD class of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the JPMorgan ASEAN (acc) - USD class of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

further amended and supplemented from time to time). The assets of the Receiving Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 7 July 1983, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolution and to all conditions (if any) to such resolution being fulfilled.
12. If approved by the passing of the Extraordinary Resolution, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

4 March 2019

Dear Investor,

**Merger of JPMorgan Japan Smaller Company (Yen) Fund
into JPMorgan Japan (Yen) Fund**

Please be informed that the general meeting of unitholders of JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”) which was convened on 11 January 2019 could not be validly constituted so as to deliberate on the proposed resolution as the required quorum for the meeting was not met. As a result, the general meeting of unitholders was adjourned and will be reconvened on 9 April 2019, 4:30 p.m. (Hong Kong time) (the “Adjourned Meeting”) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The proposal to merge the Terminating Fund into JPMorgan Japan (Yen) Fund (the “Receiving Fund”) (the “Merger”) is to be decided at the Adjourned Meeting convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 5 June 1980, as further amended and supplemented from time to time (the “Trust Deed”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that the Terminating Fund is unlikely to grow to a size which can achieve potential economies of scale and efficient fund management. Since the investment objectives and policies of the Terminating Fund and Receiving Fund are similar, the Manager believes that this proposal will benefit the unitholders given the broader investment universe of the Receiving Fund as compared to that of the Terminating Fund. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Adjourned Meeting.

The Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will continue to be permissible (insofar as there is no increase in the scheduled contribution amount) until 6 June 2019 if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

The Terminating Fund currently has only one class, i.e., JPMorgan Japan Smaller Company (Yen) Fund, which will be merged into the JPMorgan Japan (Yen) (acc) - JPY class of the Receiving Fund. Please refer to Enclosure 1 which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies,

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

risk factors, latest fund size, fees and charges and total expense ratio) for reference. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). Any unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of unitholders or number of units held by them, will form a quorum. The resolution will be passed by a majority of 75% or more of the votes expressed by the unitholders present or represented at such Adjourned Meeting. **The Forms of Proxy that have already been properly returned in time for the meeting held on 11 January 2019 will remain valid for the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Votes cast shall not include those which are attached to units where the unitholders have abstained, have not taken part in the vote or have returned a blank or invalid vote.** If you have not yet returned the Form of Proxy, please complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Adjourned Meeting.

Should the proposed Merger be approved by the unitholders at the Adjourned Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 14 June 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Adjourned Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger, are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 6 June 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Adjourned Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction on or before 6 June 2019, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 6 June 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Adjourned Meeting, starting from 10 June 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, therefore unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted. The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.08% of the total net asset value of the Terminating Fund as of 31 December 2018.

The Result Notice will be sent to unitholders as soon as practicable after the Adjourned Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. The Terminating Fund is treated as a “special category transparent offshore fund” for United Kingdom (the “UK”) tax purposes and the exchange of units in the Terminating Fund may be a taxable event for UK capital gain purposes for UK tax resident unitholders unless exemption approval is received from the UK tax authorities with respect to the proposed Merger. The Manager intends to apply for this exemption approval but cannot guarantee that it will be issued. The outcome of this approval will be included in the UK Tax Vouchers to be sent to investors of the Terminating Fund. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

**Details of JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”)
and JPMorgan Japan (Yen) Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment policy of the Terminating Fund is to provide investors with long-term capital growth through investment primarily in the shares of small to medium sized Japanese companies.</p> <p>The Terminating Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to provide long-term capital growth through investment primarily in Japanese securities and other securities whose performance is linked to that of the Japanese economy.</p> <p>The Receiving Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p> <p>The Receiving Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
Investment restrictions and guidelines	The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. An additional investment restriction and guideline applicable to the Terminating Fund and the Receiving Fund is the value of each of the fund’s holding of securities of companies which are based in or operate principally in Japan shall not be less than 70% of its non-cash assets in securities and other investments.	
Risk factors	The risk factors of the Terminating Fund and the Receiving Fund are similar, except that the Terminating Fund has additional key risk factors in relation to smaller companies and liquidity and the Receiving Fund has additional risk factors in relation to currency hedging and RMB exposure. Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:	
	<ul style="list-style-type: none"> • Diversification risk • Smaller companies risk • Currency risk • Liquidity risk • Equity risk 	<ul style="list-style-type: none"> • Diversification risk • Currency risk • Equity risk • Hedging risk • Class currency risk • RMB currency risk • Currency Hedged Classes risk
Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Sub-Manager	JPMorgan Asset Management (Japan) Limited	JPMorgan Asset Management (Japan) Limited JPMorgan Asset Management (UK) Limited
Trustee	Bank of East Asia (Trustees) Limited	HSBC Institutional Trust Services (Asia) Limited
Dealing frequency	Daily	

Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.		
Base currency	YEN		
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent	Lump-sum (initial / additional): RMB16,000 or equivalent for RMB denominated class and USD2,000 or equivalent for other classes	
	Regular Investment Plan: HKD1,000 per month	Regular Investment Plan: HKD1,000 per month	
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.		
Initial charge	Up to 5.0% of NAV per unit		
Switching charge	Up to 1.0% of NAV per unit		
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)		
Management fee	1.5% of NAV p.a. (maximum 2.5%)		
Trustee fee	0.018% of NAV p.a. (maximum 0.2%)	Up to 0.2% per annum of the NAV, with the current rate as follows:	
			Rate (per annum)
		On the first JPY3,000,000,000	0.06% of NAV
		On the next JPY2,300,000,000	0.04% of NAV
		On the balance over JPY5,300,000,000	0.025% of NAV
Total expense ratio	1.63% as at 31 December 2018	1.69% as at 31 December 2018	
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund’s average net asset value.		
Fund size	USD62 million as at 31 December 2018	USD195 million as at 31 December 2018	

Notice of General Meeting of Unitholders

Unitholders were invited to attend a general meeting of Unitholders (defined in Note 1 below) of JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”) which was convened on 11 January 2019. However, as the required quorum for the meeting was not met, the meeting could not be validly constituted so as to deliberate on the proposed resolution.

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of the Terminating Fund, that the meeting was adjourned and will be reconvened on 9 April 2019, 4:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong (the “Adjourned Meeting”), for the purpose of considering and, if thought fit, passing the same resolution as set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTION

THAT:

- (i) the proposed merger of JPMorgan Japan Smaller Company (Yen) Fund into JPMorgan Japan (Yen) Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.
- (iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

Any Unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of Unitholders or number of Units held by them, will form a quorum and the Chairman of the Adjourned Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Adjourned Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

Forms of Proxy that have already been properly returned in time for the meeting held on 11 January 2019 will remain valid for the resolution submitted to the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Adjourned Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Adjourned Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Adjourned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY

which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 28 March 2019.

JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”)**Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:

Account Number(s):

Master Account:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Adjourned Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Adjourned Meeting to be held on 9 April 2019, 4:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Adjourned Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Japan Smaller Company (Yen) Fund into JPMorgan Japan (Yen) Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

<p>Individual:</p> <p>_____ Signature</p> <p>_____ Date</p>	<p>Corporation:</p> <p>_____ The Common Seal of</p> <p>_____ Affixed in the presence of</p> <p>_____ Date</p>
-------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------

Notes:

1. To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. on 28 March 2019 (Hong Kong time). The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
2. A proxy need not be a Unitholder.
3. The Chairman of the Adjourned Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman's satisfaction, by either or any joint Unitholders.
4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
5. This Form of Proxy shall be signed by a Unitholder or a Unitholder's attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.
7. Forms of Proxy for the meeting held on 11 January 2019 already received prior to 4 January 2019, 6:00 p.m. (Hong Kong time) will be used to vote at the Adjourned Meeting, unless specifically revoked in writing prior to the date and time specified in Note 1. Forms of Proxy for the meeting held on 11 January 2019 returned after 4 January 2019, 6:00 p.m. (Hong Kong time) but prior to the date and time specified in Note 1 will also be used to vote at the Adjourned Meeting.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee of the Terminating Fund (the “Trustee”) and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 5 June 1980, as further

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the JPMorgan Japan (Yen) (acc) - JPY class of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the JPMorgan Japan (Yen) (acc) - JPY class of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

amended and supplemented from time to time). The assets of the Receiving Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 1 August 1969, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolution and to all conditions (if any) to such resolution being fulfilled.
12. If approved by the passing of the Extraordinary Resolution, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

4 March 2019

Dear Investor,

Merger of JPMorgan Malaysia Fund into JPMorgan ASEAN Fund

Please be informed that the general meeting of unitholders of JPMorgan Malaysia Fund (the “Terminating Fund”) which was convened on 11 January 2019 could not be validly constituted so as to deliberate on the proposed resolution as the required quorum for the meeting was not met. As a result, the general meeting of unitholders was adjourned and will be reconvened on 9 April 2019, 11:00 a.m. (Hong Kong time) (the “Adjourned Meeting”) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The proposal to merge the Terminating Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) (the “Merger”) is to be decided at the Adjourned Meeting convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 12 December 1989, as further amended and supplemented from time to time (the “Trust Deed”)). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Adjourned Meeting.

The Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will continue to be permissible (insofar as there is no increase in the scheduled contribution amount) until 6 June 2019 if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

The Terminating Fund currently has only one retail class, i.e., JPMorgan Malaysia (acc) - USD, which will be merged into the JPMorgan ASEAN (acc) - USD class of the Receiving Fund. Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). Any unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of unitholders or number of units held by them, will form a quorum. The resolution will be passed by a majority of 75% or more of the votes expressed by the unitholders present or represented at such Adjourned Meeting. **The Forms of Proxy that have already been properly returned in time for the meeting held on 11 January 2019 will remain valid for the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Votes cast shall not include those which are attached to units where the unitholders have abstained, have not taken part in the vote or have returned a blank or invalid vote.** If you have not yet returned the Form of Proxy, please complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Adjourned Meeting.

Should the proposed Merger be approved by the unitholders at the Adjourned Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 14 June 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Adjourned Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger, are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 6 June 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Adjourned Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction on or before 6 June 2019, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 6 June 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Adjourned Meeting, starting from 10 June 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, **therefore unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted.** The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.29% of the total net asset value of the Terminating Fund as of 31 December 2018.

The trustee of the Receiving Fund is Bank of East Asia (Trustees) Limited. Upon completion of the termination of the Terminating Fund, the Trustee of the Terminating Fund will be released from its obligations as trustee in respect of the Terminating Fund’s assets.

The Result Notice will be sent to unitholders as soon as practicable after the Adjourned Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. The Terminating Fund is treated as a “special category transparent offshore fund” for United Kingdom (the “UK”) tax purposes and the exchange of units in the Terminating Fund may be a taxable event for UK capital gain purposes for UK tax resident unitholders unless exemption approval is received from the UK tax authorities with respect to the proposed Merger. The Manager intends to apply for this exemption approval but cannot guarantee that it will be issued. The outcome of this approval will be included in the UK Tax Vouchers to be sent to investors of the Terminating Fund. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

**Details of JPMorgan Malaysia Fund (the “Terminating Fund”)
and JPMorgan ASEAN Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment policy of the Terminating Fund is to provide long-term capital growth by investing primarily in securities linked to the Malaysian economy. There includes, but are not restricted to, securities listed on the Kuala Lumpur Stock Exchange.</p> <p>The Terminating Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to enable investors to participate in a managed portfolio consisting primarily of securities with significant assets in, or significant earnings derived from one or more of the countries comprising the Association of South East Asian Nations. The Manager will aim to achieve capital growth in US dollar terms.</p> <p>The Receiving Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month’s prior notice will be given to unitholders and the offering document will be updated accordingly.</p> <p>The Receiving Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments. The Receiving Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
Investment restrictions and guidelines	The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. Additional investment restrictions and guidelines applicable to the Terminating Fund and the Receiving Fund are set out as below:	
	The value of the Terminating Fund’s holding of securities of companies in Malaysia shall not be less than 70% of its non-cash assets in securities and other investments.	The value of this Receiving Fund’s holding of securities of companies which are based in or operate principally in the Association of South East Asian Nations shall not be less than 70% of its non-cash assets in securities and other investments.
Risk factors	The risk factors of the Terminating Fund and the Receiving Fund are similar, except that the Terminating Fund has an additional key risk factor in relation to diversification and the Receiving Fund has additional risk factors in relation to currency hedging and RMB exposure. Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:	
	<ul style="list-style-type: none"> • Emerging markets risk • Diversification risk • Currency risk • Liquidity risk • Equity risk 	<ul style="list-style-type: none"> • Emerging markets risk • Currency risk • Liquidity risk • Equity risk • Hedging risk • Class currency risk • RMB currency risk • Currency Hedged Classes risk

Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Sub-Manager	JPMorgan Asset Management (Singapore) Limited	JPMorgan Asset Management (Singapore) Limited JPMorgan Asset Management (UK) Limited
Trustee	HSBC Institutional Trust Services (Asia) Limited	Bank of East Asia (Trustees) Limited
Dealing frequency	Daily	
Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.	
Base currency	USD	
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent	Lump-sum (initial / additional): RMB16,000 or equivalent for RMB denominated class and USD2,000 or equivalent for other classes
	Regular Investment Plan: HKD1,000 per month	Regular Investment Plan: HKD1,000 per month
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.	
Initial charge	Up to 5.0% of NAV per unit	
Switching charge	Up to 1.0% of NAV per unit	
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)	
Management fee	1.5% of NAV p.a. (maximum 2.5%)	
Trustee fee	Up to 0.2% per annum of the NAV, with the current rate as follows:	
		0.018% of NAV p.a. (maximum 0.2%)
Total expense ratio	1.77% as at 31 December 2018	1.59% as at 31 December 2018
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund's average net asset value.	
Fund size	USD68 million as at 31 December 2018	USD1,444 million as at 31 December 2018

Notice of General Meeting of Unitholders

Unitholders were invited to attend a general meeting of Unitholders (defined in Note 1 below) of JPMorgan Malaysia Fund (the “Terminating Fund”) which was convened on 11 January 2019. However, as the required quorum for the meeting was not met, the meeting could not be validly constituted so as to deliberate on the proposed resolution.

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of the Terminating Fund, that the meeting was adjourned and will be reconvened on 9 April 2019, 11:00 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong (the “Adjourned Meeting”), for the purpose of considering and, if thought fit, passing the same resolution as set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTION

THAT:

- (i) the proposed merger of JPMorgan Malaysia Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

Any Unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of Unitholders or number of Units held by them, will form a quorum and the Chairman of the Adjourned Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Adjourned Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

Forms of Proxy that have already been properly returned in time for the meeting held on 11 January 2019 will remain valid for the resolution submitted to the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Adjourned Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Adjourned Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Adjourned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY

which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 28 March 2019.

**JPMorgan Malaysia Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:

Account Number(s):

MasterAccount:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Adjourned Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Adjourned Meeting to be held on 9 April 2019, 11:00 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Adjourned Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Malaysia Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual:**Corporation:**_____
Signature_____
Date_____
The Common Seal of_____
Affixed in the presence of_____
DateNotes:

1. To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. on 28 March 2019 (Hong Kong time). The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
2. A proxy need not be a Unitholder.
3. The Chairman of the Adjourned Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
5. This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.
7. Forms of Proxy for the meeting held on 11 January 2019 already received prior to 4 January 2019, 6:00 p.m. (Hong Kong time) will be used to vote at the Adjourned Meeting, unless specifically revoked in writing prior to the date and time specified in Note 1. Forms of Proxy for the meeting held on 11 January 2019 returned after 4 January 2019, 6:00 p.m. (Hong Kong time) but prior to the date and time specified in Note 1 will also be used to vote at the Adjourned Meeting.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee of the Terminating Fund (the “Trustee”) and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 12 December 1989, as

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the respective class of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the respective class of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

further amended and supplemented from time to time). The assets of the Receiving Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 7 July 1983, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolution and to all conditions (if any) to such resolution being fulfilled.
12. If approved by the passing of the Extraordinary Resolution, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

4 March 2019

Dear Investor,

Merger of JPMorgan Philippine Fund into JPMorgan ASEAN Fund

Please be informed that the general meeting of unitholders of JPMorgan Philippine Fund (the “Terminating Fund”) which was convened on 11 January 2019 could not be validly constituted so as to deliberate on the proposed resolution as the required quorum for the meeting was not met. As a result, the general meeting of unitholders was adjourned and will be reconvened on 9 April 2019, 2:30 p.m. (Hong Kong time) (the “Adjourned Meeting”) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The proposal to merge the Terminating Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) (the “Merger”) is to be decided at the Adjourned Meeting convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 29 July 1974, as further amended and supplemented from time to time (the “Trust Deed”)). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Adjourned Meeting.

The Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will continue to be permissible (insofar as there is no increase in the scheduled contribution amount) until 6 June 2019 if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

The Terminating Fund currently has only one retail class, i.e., JPMorgan Philippine (acc) - USD, which will be merged into the JPMorgan ASEAN (acc) - USD class of the Receiving Fund. Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). Any unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of unitholders or number of units held by them, will form a quorum. The resolution will be passed by a majority of 75% or more of the votes expressed by the unitholders present or represented at such Adjourned Meeting. **The Forms of Proxy that have already been properly returned in time for the meeting held on 11 January 2019 will remain valid for the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Votes cast shall not include those which are attached to units where the unitholders have abstained, have not taken part in the vote or have returned a blank or invalid vote.** If you have not yet returned the Form of Proxy, please complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Adjourned Meeting.

Should the proposed Merger be approved by the unitholders at the Adjourned Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 14 June 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Adjourned Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger, are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 6 June 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Adjourned Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction on or before 6 June 2019, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 6 June 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Adjourned Meeting, starting from 10 June 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, **therefore unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted.** The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.71% of the total net asset value of the Terminating Fund as of 31 December 2018.

The trustee of the Receiving Fund is Bank of East Asia (Trustees) Limited. Upon completion of the termination of the Terminating Fund, the Trustee of the Terminating Fund will be released from its obligations as trustee in respect of the Terminating Fund’s assets.

The Result Notice will be sent to unitholders as soon as practicable after the Adjourned Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. The Terminating Fund is treated as a “special category transparent offshore fund” for United Kingdom (the “UK”) tax purposes and the exchange of units in the Terminating Fund may be a taxable event for UK capital gain purposes for UK tax resident unitholders unless exemption approval is received from the UK tax authorities with respect to the proposed Merger. The Manager intends to apply for this exemption approval but cannot guarantee that it will be issued. The outcome of this approval will be included in the UK Tax Vouchers to be sent to investors of the Terminating Fund. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

**Details of JPMorgan Philippine Fund (the “Terminating Fund”)
and JPMorgan ASEAN Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment policy of the Terminating Fund is to provide long-term capital growth through investment primarily in the securities of companies based or operating in the Philippines.</p> <p>The Terminating Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to enable investors to participate in a managed portfolio consisting primarily of securities with significant assets in, or significant earnings derived from one or more of the countries comprising the Association of South East Asian Nations. The Manager will aim to achieve capital growth in US dollar terms.</p> <p>The Receiving Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month’s prior notice will be given to unitholders and the offering document will be updated accordingly.</p> <p>The Receiving Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments. The Receiving Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
Investment restrictions and guidelines	The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. Additional investment restrictions and guidelines applicable to the Terminating Fund and the Receiving Fund are set out as below:	
	The value of the Terminating Fund’s holding of securities of companies which are based in or operate principally in the Philippines, shall not be less than 70% of its non-cash assets in securities and other investments.	The value of this Receiving Fund’s holding of securities of companies which are based in or operate principally in the Association of South East Asian Nations shall not be less than 70% of its non-cash assets in securities and other investments.
Risk factors	The risk factors of the Terminating Fund and the Receiving Fund are similar, except that the Terminating Fund has an additional key risk factor in relation to diversification and the Receiving Fund has additional risk factors in relation to currency hedging and RMB exposure. Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:	
	<ul style="list-style-type: none"> • Emerging markets risk • Diversification risk • Currency risk • Liquidity risk • Equity risk 	<ul style="list-style-type: none"> • Emerging markets risk • Currency risk • Liquidity risk • Equity risk • Hedging risk • Class currency risk • RMB currency risk • Currency Hedged Classes risk

Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Sub-Manager	JPMorgan Asset Management (Singapore) Limited	JPMorgan Asset Management (Singapore) Limited JPMorgan Asset Management (UK) Limited
Trustee	HSBC Institutional Trust Services (Asia) Limited	Bank of East Asia (Trustees) Limited
Dealing frequency	Daily	
Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.	
Base currency	USD	
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent	Lump-sum (initial / additional): RMB16,000 or equivalent for RMB denominated class and USD2,000 or equivalent for other classes
	Regular Investment Plan: HKD1,000 per month	Regular Investment Plan: HKD1,000 per month
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.	
Initial charge	Up to 5.0% of NAV per unit	
Switching charge	Up to 1.0% of NAV per unit	
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)	
Management fee	1.5% of NAV p.a. (maximum 2.5%)	
Trustee fee	Up to 0.2% per annum of the NAV, with the current rate as follows:	
		0.018% of NAV p.a. (maximum 0.2%)
Total expense ratio	1.84% as at 31 December 2018	1.59% as at 31 December 2018
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund's average net asset value.	
Fund size	USD75 million as at 31 December 2018	USD1,444 million as at 31 December 2018

Notice of General Meeting of Unitholders

Unitholders were invited to attend a general meeting of Unitholders (defined in Note 1 below) of JPMorgan Philippine Fund (the “Terminating Fund”) which was convened on 11 January 2019. However, as the required quorum for the meeting was not met, the meeting could not be validly constituted so as to deliberate on the proposed resolution.

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of the Terminating Fund, that the meeting was adjourned and will be reconvened on 9 April 2019, 2:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong (the “Adjourned Meeting”), for the purpose of considering and, if thought fit, passing the same resolution as set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTION

THAT:

- (i) the proposed merger of JPMorgan Philippine Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

Any Unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of Unitholders or number of Units held by them, will form a quorum and the Chairman of the Adjourned Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Adjourned Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

Forms of Proxy that have already been properly returned in time for the meeting held on 11 January 2019 will remain valid for the resolution submitted to the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Adjourned Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Adjourned Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Adjourned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY
which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 28 March 2019.

**JPMorgan Philippine Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:

Account Number(s):

Master Account:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Adjourned Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Adjourned Meeting to be held on 9 April 2019, 2:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Adjourned Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Philippine Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 4 March 2019 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual: <div> <div>Signature</div> <div>Date</div> </div>	Corporation: <div> <div>The Common Seal of</div> <div>Affixed in the presence of</div> <div>Date</div> </div>
---------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------

Notes:

- To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. on 28 March 2019 (Hong Kong time). The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
- A proxy need not be a Unitholder.
- The Chairman of the Adjourned Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
- In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
- This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
- The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.
- Forms of Proxy for the meeting held on 11 January 2019 already received prior to 4 January 2019, 6:00 p.m. (Hong Kong time) will be used to vote at the Adjourned Meeting, unless specifically revoked in writing prior to the date and time specified in Note 1. Forms of Proxy for the meeting held on 11 January 2019 returned after 4 January 2019, 6:00 p.m. (Hong Kong time) but prior to the date and time specified in Note 1 will also be used to vote at the Adjourned Meeting.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee of the Terminating Fund (the “Trustee”) and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 29 July 1974, as further

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the respective class of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the respective class of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

amended and supplemented from time to time). The assets of the Receiving Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 7 July 1983, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolution and to all conditions (if any) to such resolution being fulfilled.
12. If approved by the passing of the Extraordinary Resolution, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

4 March 2019

Dear Investor,

Liquidation of JPMorgan Global Property Income Fund (the “Fund”)

Please be informed that the general meeting of unitholders of the Fund which was convened on 10 January 2019 could not be validly constituted so as to deliberate on the proposed resolution as the required quorum for the meeting was not met. As a result, the general meeting of unitholders was adjourned and will be reconvened on 8 April 2019, 4:30 p.m. (Hong Kong time) (the “Adjourned Meeting”) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The proposal to liquidate the Fund (the “Liquidation”) is to be decided at the Adjourned Meeting convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Fund’s trust deed dated 6 July 2005, as further amended and supplemented from time to time (the “Trust Deed”). JPMorgan Funds (Asia) Limited, the manager of the Fund (the “Manager”), believes that this proposal is in the interest of unitholders because the Fund is unlikely to grow to a size which can achieve potential economies of scale and efficient fund management. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Adjourned Meeting.

As at 31 December 2018, the fund size of the Fund was USD 13 million and the total expense ratios¹ (“TER”) of the following classes for the period from 1 January 2018 to 31 December 2018 were:

Class	TER
JPMorgan Global Property Income (div) - USD	1.95%
JPMorgan Global Property Income (mth) - HKD	1.95%
JPMorgan Global Property Income (mth) - USD	1.95%

The Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan², eScheduler³ and pension schemes, which will continue to be permissible (insofar as there is no increase in the scheduled contribution amount) until 6 June 2019 if the proposed Liquidation is approved by the unitholders at the Adjourned Meeting.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure I). Any unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of unitholders or number of units held by them, will form a quorum. The resolution will be passed by a majority of 75% or

¹ The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the average net asset value for the period from 1 January 2018 to 31 December 2018.

² If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

³ The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

more of the votes expressed by the unitholders present or represented at such Adjourned Meeting. **The Forms of Proxy that have already been properly returned in time for the meeting held on 10 January 2019 will remain valid for the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Votes cast shall not include those which are attached to units where the unitholders have abstained, have not taken part in the vote or have returned a blank or invalid vote.** If you have not yet returned the Form of Proxy, please complete and return the Form of Proxy (Enclosure II) to us **URGENTLY**, which in any event should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Adjourned Meeting.

Should the proposed Liquidation be approved by the unitholders at the Adjourned Meeting, redemption and switching of the Fund will cease after 6 June 2019, 5:00 p.m. (Hong Kong time) and units held by unitholders in the Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be compulsorily redeemed on 14 June 2019 or such other date as may be determined by the Manager (the "Liquidation Date") which will be set out in the notification letter to unitholders regarding the outcome of the Adjourned Meeting (the "Result Notice"). Those investing in the Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Fund will permanently cease on the Liquidation Date. For unitholders remaining in the Fund after 6 June 2019, 5:00 p.m., the amount due on the compulsory redemption of units of the Fund, adopting the net asset value per unit of the Fund as at the Liquidation Date, will normally be paid within five business days after the Liquidation Date.

Should there be any significant redemption from the Fund prior to the Liquidation, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled "Liquidity Risk Management" under the section entitled "GENERAL" in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the "Consolidated Explanatory Memoranda") to ensure unitholders are treated fairly.

The Result Notice will be sent to unitholders as soon as practicable after the Adjourned Meeting. In the event that unitholders do not approve the proposed Liquidation, the proposal to liquidate the Fund will not proceed. In such event, the Fund will resume processing subscriptions to the Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

The legal, mailing and other administrative expenses associated with the proposed Liquidation, are estimated to be approximately USD25,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Fund.

In light of the liquidation proposal, we are pleased to offer you the opportunity to switch your current holding in the Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative⁴ and are authorised by the Securities and Futures Commission ("SFC")⁵, provided that we receive your switching instruction on or before

⁴ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁵ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

6 June 2019, 5:00 p.m. (Hong Kong time)⁶. The details of such funds (including the relevant offering documents) can be found on our website www.jpmmorganam.com.hk⁷.

If you would prefer to redeem your holding in the Fund, you may do so up to and including 6 June 2019, 5:00 p.m. (Hong Kong time), free of charge⁸.

The proposed Liquidation will have no Hong Kong profits tax implications to the Fund. Unitholders of the Fund should note that the compulsory redemption of units in the Fund pursuant to the proposed Liquidation may be considered as a disposal of the units in the Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁹.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Notice of General Meeting of Unitholders
- II Form of Proxy

⁶ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁷ This website has not been reviewed by the SFC.

⁸ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁹ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

Notice of General Meeting of Unitholders

Unitholders were invited to attend a general meeting of Unitholders (defined in Note 1 below) of JPMorgan Global Property Income Fund (the “Fund”) which was convened on 10 January 2019. However, as the required quorum for the meeting was not met, the meeting could not be validly constituted so as to deliberate on the proposed resolution.

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of the Fund, that the meeting was adjourned and will be reconvened on 8 April 2019, 4:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong (the “Adjourned Meeting”), for the purpose of considering and, if thought fit, passing the same resolution as set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTION

THAT:

- (i) the proposed liquidation of JPMorgan Global Property Income Fund as set out in the letter dated 4 March 2019 (the “Liquidation”) shall be and is hereby approved.
- (ii) the Trustee of the Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Fund and to execute any document and do any act or thing for the purpose of terminating the Fund.
- (iii) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Fund in those jurisdictions where the Fund is registered or authorised for sale after the effective date of the Liquidation.

VOTING

Any Unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of Unitholders or number of Units held by them, will form a quorum and the Chairman of the Adjourned Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Adjourned Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

Forms of Proxy that have already been properly returned in time for the meeting held on 10 January 2019 will remain valid for the resolution submitted to the Adjourned Meeting unless specifically revoked in writing by 28 March 2019. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 4 January 2019, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 28 March 2019.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Adjourned Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 28 March 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Adjourned Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Adjourned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT**PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY****which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 28 March 2019.**

**JPMorgan Global Property Income Fund (the “Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:**Account Number(s):**

MasterAccount:

Regular Investment Plan:
(if applicable)**PLEASE COMPLETE IN BLOCK CAPITAL LETTERS**

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Adjourned Meeting”),

or _____

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Adjourned Meeting to be held on 8 April 2019, 4:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure I). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure I) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Adjourned Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE FUND

For unitholders placing the same voting direction to your representative for all units held in the Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed liquidation of JPMorgan Global Property Income Fund as set out in the letter dated 4 March 2019 (the “Liquidation”) shall be and is hereby approved.			
(ii) the Trustee of the Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Fund and to execute any document and do any act or thing for the purpose of terminating the Fund.			

Agenda	“For”	“Against”	“Abstain”
(iii) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Fund in those jurisdictions where the Fund is registered or authorised for sale after the effective date of the Liquidation.			

Individual:	Corporation:
<div></div> <div>Signature _____ Date _____</div>	<div></div> <div>The Common Seal of _____ Affixed in the presence of _____ Date _____</div>

Notes:

1. To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. on 28 March 2019 (Hong Kong time). The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
2. A proxy need not be a Unitholder.
3. The Chairman of the Adjourned Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
5. This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.
7. Forms of Proxy for the meeting held on 10 January 2019 already received prior to 4 January 2019, 6:00 p.m. (Hong Kong time) will be used to vote at the Adjourned Meeting, unless specifically revoked in writing prior to the date and time specified in Note 1. Forms of Proxy for the meeting held on 10 January 2019 returned after 4 January 2019, 6:00 p.m. (Hong Kong time) but prior to the date and time specified in Note 1 will also be used to vote at the Adjourned Meeting.

Addendum dated March 2019 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

The following changes to the Consolidated Explanatory Memoranda shall apply with immediate effect:

Changes to the Explanatory Memorandum of JPMorgan Asia Equity Dividend Fund in "APPENDIX I – FUND DETAILS OF ASIA PACIFIC EQUITY FUNDS" of Section A – CONSOLIDATED EXPLANATORY MEMORANDA OF ASIA PACIFIC EQUITY FUNDS:

- The paragraph under the section entitled "9. Sub-Manager" shall be deleted in its entirety and replaced by the following:

"JPMorgan Asset Management (UK) Limited, a company incorporated in England and Wales, is responsible for the currency management of the Currency Hedged Classes (other than the classes with the suffix "(PRC)"). For the Currency Hedged Classes with the suffix "(PRC)", the Investment Manager is responsible for the day-to-day investment management and currency management decision without any further delegation."

- The following shall be added as a new section after the section entitled "13. Distribution Policy":

"14. Offering to PRC investors

The Fund has received approval from the China Securities Regulatory Commission for offering to PRC investors and classes with the suffix "(PRC)" are available to PRC investors."

Changes to the Explanatory Memorandum of JPMorgan Global Bond Fund in Section B – EXPLANATORY MEMORANDA OF BOND AND CURRENCY FUNDS:

- The following paragraph shall be added as a new paragraph after the first paragraph under the section entitled "INTRODUCTION":

"The Fund has received approval from the China Securities Regulatory Commission for offering to PRC investors and classes with the suffix "(PRC)" are available to PRC investors."

- The second paragraph under the section entitled "FUND PARTIES" shall be deleted in its entirety and replaced with the following:

"Day-to-day investment management of the Fund and the currency management of the Currency Hedged Classes have been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong, without any further delegation."

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

JPMorgan ASEAN Fund

We refer to our notice dated 12 October 2018 (the “Oct 2018 Notice”), notifying you of the proposed mergers of JPMorgan Indonesia Fund, JPMorgan Malaysia Fund and JPMorgan Philippine Fund (collectively, the “Terminating Funds”) into JPMorgan ASEAN Fund (the “Receiving Fund” and such proposals, the “Mergers”). Please be informed that the general meetings of unitholders for the Terminating Funds held on 11 January 2019 (the “Meetings”), in which the Mergers were to be considered, were adjourned due to insufficient quorum. Adjourned meetings for the Terminating Funds will be convened with the same agenda not less than 15 clear days after the Meetings (the “Adjourned Meetings”). Details of the Adjourned Meetings will be notified to unitholders in a separate notice accordingly.

Details of the proposed Mergers relating to the Receiving Fund can be found in the Oct 2018 Notice.

You do not need to take any action. However, if, as a consequence of the potential Mergers, you wish to redeem your units, or switch your holding in the Receiving Fund into other funds, the free-of-charge redemption and switching¹ as stated in the Oct 2018 Notice continues to be available and a separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

JPMorgan Funds (Asia) Limited, manager of the Receiving Fund, accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;

¹ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan
Director

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

JPMorgan Asia Growth Fund

We refer to our notice dated 12 October 2018 (the “Oct 2018 Notice”), notifying you of the proposed merger of JPMorgan AsiaOne Fund (the “Terminating Fund”) into JPMorgan Asia Growth Fund (the “Receiving Fund” and such proposal, the “Merger”). Please be informed that the general meeting of unitholders for the Terminating Fund held on 10 January 2019 (the “Meeting”), in which the Merger was to be considered, was adjourned due to insufficient quorum. An adjourned meeting for the Terminating Fund will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders of the Terminating Fund in a separate notice.

Details of the proposed Merger relating to the Receiving Fund can be found in the Oct 2018 Notice.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into other funds, the free-of-charge redemption and switching¹ as stated in the Oct 2018 Notice continues to be available and a separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

JPMorgan Funds (Asia) Limited, manager of the Receiving Fund, accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;

¹ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan

Director

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

JPMorgan Eastern Smaller Companies Fund

We refer to our notice dated 12 October 2018 (the “Oct 2018 Notice”), notifying you of the proposed merger of JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”) into JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund” and such proposal, the “Merger”). Please be informed that the general meeting of unitholders for the Terminating Fund held on 10 January 2019 (the “Meeting”), in which the Merger was to be considered, was adjourned due to insufficient quorum. An adjourned meeting for the Terminating Fund will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders of the Terminating Fund in a separate notice.

Details of the proposed Merger relating to the Receiving Fund can be found in the Oct 2018 Notice.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into other funds, the free-of-charge redemption and switching¹ as stated in the Oct 2018 Notice continues to be available and a separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

JPMorgan Funds (Asia) Limited, manager of the Receiving Fund, accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;

¹ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', written in a cursive style.

Edwin TK Chan
Director

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

JPMorgan Japan (Yen) Fund

We refer to our notice dated 12 October 2018 (the “Oct 2018 Notice”), notifying you of the proposed merger of JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”) into JPMorgan Japan (Yen) Fund (the “Receiving Fund” and such proposal, the “Merger”). Please be informed that the general meeting of unitholders for the Terminating Fund held on 11 January 2019 (the “Meeting”), in which the Merger was to be considered, was adjourned due to insufficient quorum. An adjourned meeting for the Terminating Fund will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders of the Terminating Fund in a separate notice.

Details of the proposed Merger relating to the Receiving Fund can be found in the Oct 2018 Notice.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into other funds, the free-of-charge redemption and switching¹ as stated in the Oct 2018 Notice continues to be available and a separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

JPMorgan Funds (Asia) Limited, manager of the Receiving Fund, accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;

¹ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan

Director

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

JPMorgan Pacific Securities Fund

We refer to our notice dated 12 October 2018 (the “Oct 2018 Notice”), notifying you of the proposed merger of JPMorgan Australia Fund (the “Terminating Fund”) into JPMorgan Pacific Securities Fund (the “Receiving Fund” and such proposal, the “Merger”). Please be informed that the general meeting of unitholders for the Terminating Fund held on 10 January 2019 (the “Meeting”), in which the Merger was to be considered, was adjourned due to insufficient quorum. An adjourned meeting for the Terminating Fund will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders of the Terminating Fund in a separate notice.

Details of the proposed Merger relating to the Receiving Fund can be found in the Oct 2018 Notice.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into other funds, the free-of-charge redemption and switching¹ as stated in the Oct 2018 Notice continues to be available and a separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

JPMorgan Funds (Asia) Limited, manager of the Receiving Fund, accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;

¹ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan

Director

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

Merger of JPMorgan AsiaOne Fund into JPMorgan Asia Growth Fund

Please be informed that the general meeting of unitholders for JPMorgan AsiaOne Fund (the “Terminating Fund”) on 10 January 2019 (the “Meeting”), in which the proposal to merge the Terminating Fund into JPMorgan Asia Growth Fund (the “Receiving Fund” and such proposal, the “Merger”) was to be considered, was adjourned due to insufficient quorum. According to the Notice of General Meeting of Unitholders dated 12 October 2018, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders in a separate notice (the “Adjourned Meeting Notice”) accordingly.

Please note that the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible³ (insofar as there is no increase in the scheduled contribution amount) until the last dealing date to be determined by JPMorgan Funds (Asia) Limited (the “Manager”) (which will be set out in the Adjourned Meeting Notice) if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

Details of the proposed Merger can be found in the notice dated 12 October 2018 and will also be included in the Adjourned Meeting Notice. If you do not wish to hold units in the Receiving Fund after the Merger date (which will be set out in the Adjourned Meeting Notice) should the proposed Merger be approved by the unitholders at the Adjourned Meeting, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative⁴ and are authorised by the Securities and Futures Commission (“SFC”)⁵ from the date of this letter up to and including such date to be set out in the Adjourned Meeting Notice (the “Waiver Period”)⁶.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Kindly note that clients dealing via transfer agency outside of Hong Kong may be subject to different arrangements.

⁴ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁵ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁶ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁷.

If you would prefer to redeem your holding in the Terminating Fund, you may do so during the Waiver Period, free of charge⁸.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁹.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁷ This website has not been reviewed by the SFC.

⁸ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁹ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

Merger of JPMorgan Australia Fund into JPMorgan Pacific Securities Fund

Please be informed that the general meeting of unitholders for JPMorgan Australia Fund (the “Terminating Fund”) on 10 January 2019 (the “Meeting”), in which the proposal to merge the Terminating Fund into JPMorgan Pacific Securities Fund (the “Receiving Fund” and such proposal, the “Merger”) was to be considered, was adjourned due to insufficient quorum. According to the Notice of General Meeting of Unitholders dated 12 October 2018, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders in a separate notice (the “Adjourned Meeting Notice”) accordingly.

Please note that the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible³ (insofar as there is no increase in the scheduled contribution amount) until the last dealing date to be determined by JPMorgan Funds (Asia) Limited (the “Manager”) (which will be set out in the Adjourned Meeting Notice) if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

Details of the proposed Merger can be found in the notice dated 12 October 2018 and will also be included in the Adjourned Meeting Notice. If you do not wish to hold units in the Receiving Fund after the Merger date (which will be set out in the Adjourned Meeting Notice) should the proposed Merger be approved by the unitholders at the Adjourned Meeting, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative⁴ and are authorised by the Securities and Futures Commission (“SFC”)⁵ from the date of this letter up to and including such date to be set out in the Adjourned Meeting Notice (the “Waiver Period”)⁶.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Kindly note that clients dealing via transfer agency outside of Hong Kong may be subject to different arrangements.

⁴ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁵ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁶ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁷.

If you would prefer to redeem your holding in the Terminating Fund, you may do so during the Waiver Period, free of charge⁸.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁹.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁷ This website has not been reviewed by the SFC.

⁸ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁹ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

**Merger of JPMorgan Greater China Smaller Companies Fund
into JPMorgan Eastern Smaller Companies Fund**

Please be informed that the general meeting of unitholders for JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”) on 10 January 2019 (the “Meeting”), in which the proposal to merge the Terminating Fund into JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund” and such proposal, the “Merger”) was to be considered, was adjourned due to insufficient quorum. According to the Notice of General Meeting of Unitholders dated 12 October 2018, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders in a separate notice (the “Adjourned Meeting Notice”) accordingly.

Please note that the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible³ (insofar as there is no increase in the scheduled contribution amount) until the last dealing date to be determined by JPMorgan Funds (Asia) Limited (the “Manager”) (which will be set out in the Adjourned Meeting Notice) if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

Details of the proposed Merger can be found in the notice dated 12 October 2018 and will also be included in the Adjourned Meeting Notice. If you do not wish to hold units in the Receiving Fund after the Merger date (which will be set out in the Adjourned Meeting Notice) should the proposed Merger be approved by the unitholders at the Adjourned Meeting, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative⁴ and are authorised by the Securities and Futures Commission (“SFC”)⁵ from the date of this letter up to and including such date to be set out in the Adjourned Meeting Notice (the “Waiver Period”)⁶.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Kindly note that clients dealing via transfer agency outside of Hong Kong may be subject to different arrangements.

⁴ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁵ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁶ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁷.

If you would prefer to redeem your holding in the Terminating Fund, you may do so during the Waiver Period, free of charge⁸.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁹.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁷ This website has not been reviewed by the SFC.

⁸ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁹ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

Merger of JPMorgan Indonesia Fund into JPMorgan ASEAN Fund

Please be informed that the general meeting of unitholders for JPMorgan Indonesia Fund (the “Terminating Fund”) on 11 January 2019 (the “Meeting”), in which the proposal to merge the Terminating Fund into JPMorgan ASEAN Fund (the “Receiving Fund” and such proposal, the “Merger”) was to be considered, was adjourned due to insufficient quorum. According to the Notice of General Meeting of Unitholders dated 12 October 2018, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders in a separate notice (the “Adjourned Meeting Notice”) accordingly.

Please note that the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible³ (insofar as there is no increase in the scheduled contribution amount) until the last dealing date to be determined by JPMorgan Funds (Asia) Limited (the “Manager”) (which will be set out in the Adjourned Meeting Notice) if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

Details of the proposed Merger can be found in the notice dated 12 October 2018 and will also be included in the Adjourned Meeting Notice. If you do not wish to hold units in the Receiving Fund after the Merger date (which will be set out in the Adjourned Meeting Notice) should the proposed Merger be approved by the unitholders at the Adjourned Meeting, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative⁴ and are authorised by the Securities and Futures Commission (“SFC”)⁵ from the date of this letter up to and including such date to be set out in the Adjourned Meeting Notice (the “Waiver Period”)⁶.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Kindly note that clients dealing via transfer agency outside of Hong Kong may be subject to different arrangements.

⁴ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁵ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁶ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁷.

If you would prefer to redeem your holding in the Terminating Fund, you may do so during the Waiver Period, free of charge⁸.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁹.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁷ This website has not been reviewed by the SFC.

⁸ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁹ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

**Merger of JPMorgan Japan Smaller Company (Yen) Fund
into JPMorgan Japan (Yen) Fund**

Please be informed that the general meeting of unitholders for JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”) on 11 January 2019 (the “Meeting”), in which the proposal to merge the Terminating Fund into JPMorgan Japan (Yen) Fund (the “Receiving Fund” and such proposal, the “Merger”) was to be considered, was adjourned due to insufficient quorum. According to the Notice of General Meeting of Unitholders dated 12 October 2018, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders in a separate notice (the “Adjourned Meeting Notice”) accordingly.

Please note that the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible³ (insofar as there is no increase in the scheduled contribution amount) until the last dealing date to be determined by JPMorgan Funds (Asia) Limited (the “Manager”) (which will be set out in the Adjourned Meeting Notice) if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

Details of the proposed Merger can be found in the notice dated 12 October 2018 and will also be included in the Adjourned Meeting Notice. If you do not wish to hold units in the Receiving Fund after the Merger date (which will be set out in the Adjourned Meeting Notice) should the proposed Merger be approved by the unitholders at the Adjourned Meeting, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative⁴ and are authorised by the Securities and Futures Commission (“SFC”)⁵ from the date of this letter up to and including such date to be set out in the Adjourned Meeting Notice (the “Waiver Period”)⁶.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Kindly note that clients dealing via transfer agency outside of Hong Kong may be subject to different arrangements.

⁴ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁵ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁶ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁷.

If you would prefer to redeem your holding in the Terminating Fund, you may do so during the Waiver Period, free of charge⁸.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁹.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁷ This website has not been reviewed by the SFC.

⁸ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁹ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

Merger of JPMorgan Malaysia Fund into JPMorgan ASEAN Fund

Please be informed that the general meeting of unitholders for JPMorgan Malaysia Fund (the “Terminating Fund”) on 11 January 2019 (the “Meeting”), in which the proposal to merge the Terminating Fund into JPMorgan ASEAN Fund (the “Receiving Fund” and such proposal, the “Merger”) was to be considered, was adjourned due to insufficient quorum. According to the Notice of General Meeting of Unitholders dated 12 October 2018, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders in a separate notice (the “Adjourned Meeting Notice”) accordingly.

Please note that the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible³ (insofar as there is no increase in the scheduled contribution amount) until the last dealing date to be determined by JPMorgan Funds (Asia) Limited (the “Manager”) (which will be set out in the Adjourned Meeting Notice) if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

Details of the proposed Merger can be found in the notice dated 12 October 2018 and will also be included in the Adjourned Meeting Notice. If you do not wish to hold units in the Receiving Fund after the Merger date (which will be set out in the Adjourned Meeting Notice) should the proposed Merger be approved by the unitholders at the Adjourned Meeting, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative⁴ and are authorised by the Securities and Futures Commission (“SFC”)⁵ from the date of this letter up to and including such date to be set out in the Adjourned Meeting Notice (the “Waiver Period”)⁶.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Kindly note that clients dealing via transfer agency outside of Hong Kong may be subject to different arrangements.

⁴ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁵ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁶ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁷.

If you would prefer to redeem your holding in the Terminating Fund, you may do so during the Waiver Period, free of charge⁸.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁹.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁷ This website has not been reviewed by the SFC.

⁸ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁹ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

Merger of JPMorgan Philippine Fund into JPMorgan ASEAN Fund

Please be informed that the general meeting of unitholders for JPMorgan Philippine Fund (the “Terminating Fund”) on 11 January 2019 (the “Meeting”), in which the proposal to merge the Terminating Fund into JPMorgan ASEAN Fund (the “Receiving Fund” and such proposal, the “Merger”) was to be considered, was adjourned due to insufficient quorum. According to the Notice of General Meeting of Unitholders dated 12 October 2018, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders in a separate notice (the “Adjourned Meeting Notice”) accordingly.

Please note that the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible³ (insofar as there is no increase in the scheduled contribution amount) until the last dealing date to be determined by JPMorgan Funds (Asia) Limited (the “Manager”) (which will be set out in the Adjourned Meeting Notice) if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

Details of the proposed Merger can be found in the notice dated 12 October 2018 and will also be included in the Adjourned Meeting Notice. If you do not wish to hold units in the Receiving Fund after the Merger date (which will be set out in the Adjourned Meeting Notice) should the proposed Merger be approved by the unitholders at the Adjourned Meeting, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative⁴ and are authorised by the Securities and Futures Commission (“SFC”)⁵ from the date of this letter up to and including such date to be set out in the Adjourned Meeting Notice (the “Waiver Period”)⁶.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Kindly note that clients dealing via transfer agency outside of Hong Kong may be subject to different arrangements.

⁴ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁵ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁶ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁷.

If you would prefer to redeem your holding in the Terminating Fund, you may do so during the Waiver Period, free of charge⁸.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁹.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁷ This website has not been reviewed by the SFC.

⁸ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁹ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

28 January 2019

Dear Investor,

Liquidation of JPMorgan Global Property Income Fund (the “Fund”)

Please be informed that the general meeting of unitholders for the Fund on 10 January 2019 (the “Meeting”), in which the proposal to liquidate the Fund (the “Liquidation”) was to be considered, was adjourned due to insufficient quorum. According to the Notice of General Meeting of Unitholders dated 12 October 2018, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting (the “Adjourned Meeting”). Details of the Adjourned Meeting will be notified to unitholders in a separate notice (the “Adjourned Meeting Notice”) accordingly.

Please note that the Fund is no longer allowed to be marketed to the public in Hong Kong and further subscription and switching into the Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible³ (insofar as there is no increase in the scheduled contribution amount) until the last dealing date to be determined by JPMorgan Funds (Asia) Limited (the “Manager”) (which will be set out in the Adjourned Meeting Notice) if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

Details of the proposed Liquidation can be found in the notice dated 12 October 2018 and will also be included in the Adjourned Meeting Notice. In light of the liquidation proposal, we are pleased to offer you the opportunity to switch your current holding in the Fund, free of charge, into any other funds which are managed by the Manager or for which the Manager acts as Hong Kong representative⁴ and which are authorised by the Securities and Futures Commission (“SFC”)⁵ from the date of this letter up to and including such date to be set out in the Adjourned Meeting Notice (the “Waiver Period”)⁶. The details of such funds (including the relevant offering documents) can be found on our website www.jpmmorganam.com.hk⁷.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Kindly note that clients dealing via transfer agency outside of Hong Kong may be subject to different arrangements.

⁴ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁵ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁶ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁷ This website has not been reviewed by the SFC.

If you would prefer to redeem your holding in the Fund, you may do so during the Waiver Period, free of charge⁸.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁹.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁸ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁹ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

Addendum dated November 2018 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

The following change to the Consolidated Explanatory Memoranda shall apply with effect from and including 17 November 2018:

Change to Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

- The following shall be inserted as a new sub-section after the sub-section entitled "Documents Available for Inspection" under the section entitled "GENERAL":

"Leverage Information

The expected maximum level of leverage of each Fund and the basis of calculation of leverage will be available upon request during normal working hours at the offices of JPMorgan Funds (Asia) Limited."

Addendum dated October 2018 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

The following changes to the Consolidated Explanatory Memoranda shall apply with immediate effect, unless otherwise specified:

Change to Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

- The first paragraph in the risk factor entitled "(xii) Liquidity risk" under the section entitled "RISKS" shall be deleted in its entirety and replaced by the following:

"Some of the Funds may invest in instruments where the volume of transactions may fluctuate significantly depending on market sentiment or which are traded infrequently or on comparatively small markets. There is a risk that investments made by those Funds are less liquid or may become less liquid in response to market developments or adverse investor perceptions, particularly in respect of larger transaction sizes. In extreme market situations, there may be no willing buyer and the investments cannot be readily sold at the desired time or price, and those Funds may have to accept a lower price to sell the investments or may not be able to sell the investments at all. Trading in particular securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or supervisory authority and those Funds may incur a loss as a result. An inability to sell a portfolio position can adversely affect those Funds' value or prevent those Funds from being able to take advantage of other investment opportunities."

Change to the Explanatory Memorandum of JPMorgan Pacific Technology Fund in "APPENDIX I – FUND DETAILS OF ASIA PACIFIC EQUITY FUNDS" of Section A – CONSOLIDATED EXPLANATORY MEMORANDA OF ASIA PACIFIC EQUITY FUNDS with effect from 3 December 2018:

- The first paragraph in the section entitled "3. Investment Objective and Policy" shall be deleted in its entirety and replaced by the following:

"The investment policy of the Fund is to provide long-term capital growth through a portfolio consisting primarily of securities of technology companies (including but not limited to companies related to technology, media and telecommunication) in the Pacific region, including Japan."

Changes to the Explanatory Memorandum of JPMorgan Asian Total Return Bond Fund in Section B – EXPLANATORY MEMORANDA OF BOND AND CURRENCY FUNDS:

- The seventh paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"In order to achieve the investment objective, the Manager will adopt a dynamic approach in asset allocation primarily among a wide range of debt securities based on the anticipated changes in market conditions. The portfolio of the Fund will primarily consist of fixed and floating rate bonds and other debt securities issued by governments, government agencies, supra-national and corporate issuers in Asia (including Australia and New Zealand). The Fund may also invest in bonds and other debt securities which are:

- below investment grade (i.e. (a) bonds rated Ba1 or below by Moody's or BB+ or below by Standard & Poor's or such other terms used by international accredited rating agencies or (b) unrated bonds but their issuers are rated Ba1 or below by Moody's or BB+ or below by Standard & Poor's or such other terms used by international accredited rating agencies); or*
- rated BB+ or below by a PRC credit rating agency or unrated but their issuers are rated BB+ or below by a PRC credit rating agency; or*
- unrated (i.e. both the bonds and issuers are unrated by Moody's, Standard & Poor's, other international accredited rating agencies or PRC credit rating agencies)."*

- The following new risk factor shall be inserted as paragraph (xi) after paragraph (x) under the section entitled "RISKS".

"PRC credit rating agency risk - In relation to debt instruments rated by PRC credit rating agencies, the credit appraisal system in the mainland China and the rating methodologies employed in the mainland China may be different from those employed in other markets. Credit ratings given by mainland China rating agencies may therefore not be directly comparable with those given by other international rating agencies."

Changes to the Explanatory Memorandum of JPMorgan Asia Growth Fund in Section C – Consolidated Explanatory Memoranda of Other Funds with effect from 12 November 2018:

- The second sentence in the second paragraph under the section entitled “FUND PARTIES” shall be deleted in its entirety.
- The sub-section entitled “Management Fee” under the section entitled “FEES, CHARGES AND LIABILITIES” shall be deleted in its entirety and replaced by the following:

“Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1.5 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class) by giving to the Trustee and unitholders not less than one month’s notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of that Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class’ interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager and/or the Investment Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager and/or the Investment Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager.”

- The sub-section entitled “Sub-Manager” under the section entitled “MANAGEMENT AND ADMINISTRATION DIRECTORY” shall be deleted in its entirety.

Changes to the Explanatory Memorandum of JPMorgan China Income Fund in Section C – EXPLANATORY MEMORANDA OF OTHER FUNDS:

- The fifth paragraph in the sub-section entitled “Investment Objective and Policy” under the section entitled “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS” shall be deleted in its entirety and replaced by the following:

“The Fund may invest less than 30% of its total net asset value in aggregate in:

- (i) below investment grade bonds (i.e. (a) bonds rated Ba1 or below by Moody’s or BB+ or below by Standard & Poor’s or such other terms used by international accredited rating agencies or (b) unrated bonds but their issuers are rated Ba1 or below by Moody’s or BB+ or below by Standard & Poor’s or such other terms used by international accredited rating agencies); or*
- (ii) bonds rated BB+ or below by a PRC credit rating agency or unrated bonds but their issuers are rated BB+ or below by a PRC credit rating agency; or*
- (iii) unrated bonds (i.e. both the bonds and issuers are unrated by Moody’s, Standard & Poor’s, other international accredited rating agencies or PRC credit rating agencies).”*

- The eighth paragraph in the risk factor entitled “(ii) QFII risk” under the section entitled “RISKS” shall be deleted and replaced by the following:

“There are rules and restrictions under current QFII regulations including rules on remittance of principal, investment restrictions, and repatriation of principal and profits. Any restrictions on repatriation of principal and profits may impact on the Fund’s ability to meet redemption requests from the unitholders.”

- The following new risk factor shall be inserted as paragraph (xix) after paragraph (xviii) under the section entitled “RISKS”.

“PRC credit rating agency risk - In relation to debt instruments rated by PRC credit rating agencies, the credit appraisal system in the mainland China and the rating methodologies employed in the mainland China may be different from those employed in other markets. Credit ratings given by mainland China rating agencies may therefore not be directly comparable with those given by other international rating agencies.”

- The fourth paragraph in the sub-section entitled “Procedure for Redemption and Suspension of Redemptions” under the section entitled “REDEMPTIONS” shall be deleted and replaced by the following:

“As noted in paragraph (ii) under the section entitled “RISKS” above, there are rules and restrictions on repatriation of principal and profits under current QFII regulations. In cases where repatriation of funds from the PRC is restricted, payment of the amount due on the redemption of units may be delayed and the same will be paid

to investors as soon as practicable and in any event within 7 Business Days after completion of the relevant repatriation. The time required for the completion of the relevant repatriation will be beyond the Manager's control."

Changes to the Explanatory Memorandum of JPMorgan China Pioneer A-Share Fund in Section C - EXPLANATORY MEMORANDA OF OTHER FUNDS:

- The fourth paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"The Fund will not invest in any type of the following instruments: (i) urban investment bonds¹ (城投债); (ii) asset backed securities (including asset backed commercial papers); and (iii) below investment grade bonds (i.e. (a) bonds rated below Baa3 by Moody's or BBB- by Standard & Poor's or such other terms used by international accredited rating agencies or (b) unrated bonds but their issuers are rated below Baa3 by Moody's or BBB- by Standard & Poor's or such other terms used by international accredited rating agencies) or unrated bonds (i.e. both the bonds and issuers are unrated by Moody's, Standard & Poor's or other international accredited rating agencies)."

- The eighth paragraph in the risk factor entitled "(ii) QFII risk" under the section entitled "RISKS" shall be deleted and replaced by the following:

"There are rules and restrictions under current QFII regulations including rules on remittance of principal, investment restrictions, and repatriation of principal and profits. Any restrictions on repatriation of principal and profits may impact on the Fund's ability to meet redemption requests from the unitholders."

- The fourth paragraph in the sub-section entitled "Procedure for Redemption and Suspension of Redemptions" under the section entitled "REDEMPTIONS" shall be deleted and replaced by the following:

"As noted in paragraph (ii) under the section entitled "RISKS" above, there are rules and restrictions on repatriation of principal and profits under current QFII regulations. In cases where repatriation of funds from the PRC is restricted, the payment of the amount due on the redemption of units may be delayed and the same will be paid to investors as soon as practicable and in any event within 7 Business Days after completion of the relevant repatriation. The time required for the completion of the relevant repatriation will be beyond the Manager's control."

Change to the Explanatory Memorandum of JPMorgan Multi Income Fund in Section C - EXPLANATORY MEMORANDA OF OTHER FUNDS:

- The second paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"The Manager will seek to achieve the investment objectives by: (1) active security selection within a broad range of asset classes (including but not limited to, equities, high yield bonds, investment grade bonds, below investment grade bonds, emerging market bonds, convertible bonds, asset backed securities (including asset backed commercial papers), mortgage backed securities and REITs) whose focus is on income generation; (2) active allocation to and within different asset classes to take advantage of the most compelling income opportunities wherever they can be found; and (3) ensuring that risks taken are appropriate to the overall investment objective and that multifaceted risk control procedures - both investment and operational - are in place to mitigate the possibility of an undesirable outcome."

¹ Urban investment bonds are debt instruments issued by local government financing vehicles ("LGFVs") in the China listed bond and interbank bond-market. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects.

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

12 October 2018

Dear Investor,

JPMorgan ASEAN Fund

We are writing to inform you that there may be upcoming mergers of JPMorgan Indonesia Fund, JPMorgan Malaysia Fund and JPMorgan Philippine Fund (collectively, the “Terminating Funds”) into JPMorgan ASEAN Fund (the “Receiving Fund”) (the “Mergers”) on 22 March 2019 (the “Merger Date”), subject to the unitholders’ approval in extraordinary general meetings for the Terminating Funds on 11 January 2019. JPMorgan Funds (Asia) Limited (the “Manager”), as the manager of the Terminating Funds, believes that the Mergers will benefit the unitholders as they will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Mergers will not have a negative effect on the value, costs, or performance of your investment.

On the Merger Date, the assets of the Terminating Funds will be transferred into the Receiving Fund, assuming that the unitholders approve the Mergers in the extraordinary general meetings. The Mergers will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Mergers will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Funds will be transferred to the Receiving Fund, and the Terminating Funds will cease to exist.

You do not need to take any action. However, if, as a consequence of the potential Mergers, you wish to redeem your units, or switch your holding in the Receiving Fund into any other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may do so free of charge³ starting from the date of this letter. A separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply. Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁴ The website has not been reviewed by the SFC.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan
Director

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

12 October 2018

Dear Investor,

JPMorgan Asia Growth Fund

We are writing to inform you that there may be an upcoming merger of JPMorgan AsiaOne Fund (the “Terminating Fund”) into JPMorgan Asia Growth Fund (the “Receiving Fund”) (the “Merger”) on 8 March 2019 (the “Merger Date”), subject to the unitholders’ approval in extraordinary general meeting for the Terminating Fund on 10 January 2019. JPMorgan Funds (Asia) Limited (the “Manager”), as the manager of the Terminating Fund, believes that the Merger will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Merger will not have a negative effect on the value, costs, or performance of your investment.

On the Merger Date, the assets of the Terminating Fund will be transferred into the Receiving Fund, assuming that the unitholders approve the Merger in the extraordinary general meeting. The Merger will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Merger will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Fund will be transferred to the Receiving Fund, and the Terminating Fund will cease to exist.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into any other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may do so free of charge³ starting from the date of this letter. A separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply. Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁴ The website has not been reviewed by the SFC.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan
Director

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

12 October 2018

Dear Investor,

JPMorgan Eastern Smaller Companies Fund

We are writing to inform you that there may be an upcoming merger of JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”) into JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”) (the “Merger”) on 8 March 2019 (the “Merger Date”), subject to the unitholders’ approval in extraordinary general meeting for the Terminating Fund on 10 January 2019. JPMorgan Funds (Asia) Limited (the “Manager”), as the manager of the Terminating Fund, believes that the Merger will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Merger will not have a negative effect on the value, costs, or performance of your investment.

On the Merger Date, the assets of the Terminating Fund will be transferred into the Receiving Fund, assuming that the unitholders approve the Merger in the extraordinary general meeting. The Merger will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Merger will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Fund will be transferred to the Receiving Fund, and the Terminating Fund will cease to exist.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into any other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may do so free of charge³ starting from the date of this letter. A separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply. Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁴ The website has not been reviewed by the SFC.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan
Director

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

12 October 2018

Dear Investor,

JPMorgan Japan (Yen) Fund

We are writing to inform you that there may be an upcoming merger of JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”) into JPMorgan Japan (Yen) Fund (the “Receiving Fund”) (the “Merger”) on 22 March 2019 (the “Merger Date”), subject to the unitholders’ approval in extraordinary general meeting for the Terminating Fund on 11 January 2019. JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that the Terminating Fund is unlikely to grow to a size which can achieve potential economies of scale and efficient fund management. Since the investment objectives and policies of the Terminating Fund and Receiving Fund are similar, the Manager believes that this proposal will benefit the unitholders given the broader investment universe of the Receiving Fund as compared to that of the Terminating Fund. The Merger will not have a negative effect on the value, costs, or performance of your investment.

On the Merger Date, the assets of the Terminating Fund will be transferred into the Receiving Fund, assuming that the unitholders approve the Merger in the extraordinary general meeting. The Merger will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Merger will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Fund will be transferred to the Receiving Fund, and the Terminating Fund will cease to exist.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into any other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may do so free of charge³ starting from the date of this letter. A separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁴ The website has not been reviewed by the SFC.

IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

12 October 2018

Dear Investor,

JPMorgan Pacific Securities Fund

We are writing to inform you that there may be an upcoming merger of JPMorgan Australia Fund (the “Terminating Fund”) into JPMorgan Pacific Securities Fund (the “Receiving Fund”) (the “Merger”) on 8 March 2019 (the “Merger Date”), subject to the unitholders’ approval in extraordinary general meeting for the Terminating Fund on 10 January 2019. JPMorgan Funds (Asia) Limited (the “Manager”), as the manager of the Terminating Fund, believes that the Merger will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Merger will not have a negative effect on the value, costs, or performance of your investment.

On the Merger Date, the assets of the Terminating Fund will be transferred into the Receiving Fund, assuming that the unitholders approve the Merger in the extraordinary general meeting. The Merger will increase the assets under management of the Receiving Fund. There will be no rebalancing of the Receiving Fund and no costs associated with the Merger will be borne by the Receiving Fund. When the merger transaction occurs, all the assets, liabilities and any accrued income in the Terminating Fund will be transferred to the Receiving Fund, and the Terminating Fund will cease to exist.

You do not need to take any action. However, if, as a consequence of the potential Merger, you wish to redeem your units, or switch your holding in the Receiving Fund into any other funds which are managed by the Manager or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (the “SFC”)² for sale to the public in Hong Kong, you may do so free of charge³ starting from the date of this letter. A separate letter will be issued in advance to notify you about the end date of this fee waiver period. The redemption charge applicable to the Receiving Fund is currently at 0% of the net asset value per unit. All other switching and redemption conditions as disclosed in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time, still apply. Details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴.

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

³ Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁴ The website has not been reviewed by the SFC.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions regarding the contents of this letter or any other aspect of the Receiving Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan
Director

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

12 October 2018

Dear Investor,

Merger of JPMorgan AsiaOne Fund into JPMorgan Asia Growth Fund

We are writing to inform you of our proposal to merge JPMorgan AsiaOne Fund (the “Terminating Fund”) into JPMorgan Asia Growth Fund (the “Receiving Fund”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency.

The proposal to merge the Terminating Fund into the Receiving Fund (the “Merger”) is to be decided at a general meeting of unitholders of the Terminating Fund (the “Meeting”) convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 22 August 2006, as further amended and supplemented from time to time (the “Trust Deed”). The Meeting will be held on 10 January 2019, 9:15 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong. The Manager recommends that unitholders vote in favour of the resolutions being put to them at the Meeting.

Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. The Terminating Fund will be merged into the JPMorgan Asia Growth (acc) - USD class of the Receiving Fund. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). If you would like to vote but cannot personally attend the Meeting, you should complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Meeting.

With effect from and including the date of this letter, the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will be suspended until further notice, except for investment from existing

investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible (insofar as there is no increase in the scheduled contribution amount) until 1 March 2019 if the proposed Merger is approved by the unitholders at the Meeting.

Should the proposed Merger be approved by the unitholders at the Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 8 March 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 1 March 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction from the date of this letter up to and including 1 March 2019, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶. If you would prefer to redeem your holding in

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

the Terminating Fund, you may do so up to and including 1 March 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Meeting, starting from 4 March 2019, the portfolio of the Terminating Fund may start to be realised in anticipation of the Merger. Following such portfolio realisation, the Terminating Fund will mainly hold cash until the Merger Date. All transaction costs arising from such portfolio realisation and the subsequent transfer of assets to the Receiving Fund will be borne by the Terminating Fund, therefore **unitholders who remain in the Terminating Fund when such portfolio realisation is carried out will be impacted**. Since the portfolio of the Terminating Fund consists primarily of collective investment schemes managed by the Manager or its connected persons and there is no redemption charge applicable to the realisation of the Terminating Fund’s investments from such underlying collective investment schemes, the transaction costs associated with the portfolio realisation and the subsequent transfer of assets, which will mainly be bank charges, should be minimal.

The Result Notice will be sent to unitholders as soon as practicable after the Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

**Details of JPMorgan AsiaOne Fund (the “Terminating Fund”) and
JPMorgan Asia Growth Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment objective of the Terminating Fund is to seek to produce a competitive total return in different market conditions. The Terminating Fund seeks to achieve this primarily through an actively managed portfolio of collective investment schemes managed by the Manager or its connected persons (as defined in the Code on Unit Trusts and Mutual Funds) (“Connected Persons”) which are linked to the economies of Asian countries (including Australia) (“Underlying Funds”). The allocation to the Underlying Funds will be continually monitored and reviewed and changes will be made as considered appropriate to better achieve the Terminating Fund’s objective. In other words, the Terminating Fund may invest up to all of its assets in equity funds when the Investment Manager believes market conditions and opportunities favour equities. When the Investment Manager believes market conditions and opportunities do not favour equities the Terminating Fund may invest up to all of its assets in fixed income and money market funds and other funds with a low correlation to equities. The Manager may invest in a range of funds whose underlying assets embrace the full spectrum of the risk return trade off from low to high risk. The Investment Manager may carry out hedging activities via financial futures.</p> <p>The investment objective, policy and investment restrictions and guidelines of the Terminating Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.</p>	<p>The investment objective of the Receiving Fund is to provide investors with long-term capital appreciation by investing at least 70% of its non-cash assets in equity securities of companies whose predominant business will benefit from, or is related to, the growth in Asian economies. The Receiving Fund may invest up to 30% of its non-cash assets in equity securities of companies in non-Asian countries. The Receiving Fund may also invest up to 10% of its non-cash assets in non-equity securities in any countries.</p> <p>The Receiving Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month’s prior notice will be given to unitholders and the offering document will be updated accordingly.</p> <p>The Receiving Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p> <p>The Receiving Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
Investment restrictions and guidelines	Please refer to the sub-section entitled “Investment Restrictions and Guidelines” under the section entitled “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS” of the Explanatory Memorandum of JPMorgan AsiaOne Fund in Section C – EXPLANATORY MEMORANDA OF OTHER FUNDS in the Consolidated Explanatory Memoranda.	Please refer to the sub-section entitled “Investment Restrictions and Guidelines” under the section entitled “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS” of the Explanatory Memorandum of JPMorgan Asia Growth Fund in Section C – EXPLANATORY MEMORANDA OF OTHER FUNDS in the Consolidated Explanatory Memoranda.

Risk factors	<ul style="list-style-type: none">• Emerging markets risk• Restricted range of underlying funds• Currency risk• Liquidity risk• Equity risk	<ul style="list-style-type: none">• Emerging markets risk• Asian market risk• Currency risk• Liquidity risk• Equity risk• Hedging risk• Class currency risk• RMB currency risk• Currency Hedged Classes risk								
Manager	JPMorgan Funds (Asia) Limited									
Investment Manager	JF Asset Management Limited									
Sub-Manager	N/A	JPMorgan Asset Management (UK) Limited								
Trustee	HSBC Institutional Trust Services (Asia) Limited									
Dealing frequency	Daily									
Distribution policy	Only accumulation classes are offered for the Receiving Fund. All income will be accumulated and reinvested within the Terminating Fund and the accumulation classes of the Receiving Fund.									
Base currency	USD									
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent Regular Investment Plan: HKD1,000 per month	Lump-sum (initial / additional): RMB16,000 or equivalent for RMB denominated class and USD2,000 or equivalent for other classes Regular Investment Plan: HKD1,000 per month								
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.									
Initial charge	Up to 3.0% of NAV per unit	Up to 5.0% of NAV per unit								
Switching charge	Up to 1.0% of NAV per unit									
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)									
Management fee	0.5% of NAV p.a. (maximum 2.5%)	1.5% of NAV p.a. (maximum 2.5%)								
Trustee fee	0.03% of NAV p.a. (maximum 0.2%)	Up to 0.2% per annum of the NAV, with the current rate as follows:								
		<table><tr><td></td><td>Rate (per annum)</td></tr><tr><td>On the first USD40,000,000</td><td>0.06% of NAV</td></tr><tr><td>On the next USD30,000,000</td><td>0.04% of NAV</td></tr><tr><td>On the balance over USD70,000,000</td><td>0.025% of NAV</td></tr></table>		Rate (per annum)	On the first USD40,000,000	0.06% of NAV	On the next USD30,000,000	0.04% of NAV	On the balance over USD70,000,000	0.025% of NAV
			Rate (per annum)							
		On the first USD40,000,000	0.06% of NAV							
		On the next USD30,000,000	0.04% of NAV							
On the balance over USD70,000,000	0.025% of NAV									
Total expense ratio	JPMorgan AsiaOne Fund 2.48% as at 31 August 2018	JPMorgan Asia Growth (acc) - USD 1.68% as at 31 August 2018								
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund’s average net asset value.									
Fund size	USD34 million as at 31 August 2018	USD262 million as at 31 August 2018								

Notice of General Meeting of Unitholders

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of JPMorgan AsiaOne Fund (the “Terminating Fund”), that a general meeting of Unitholders (as defined in Note 1 below) for the Terminating Fund (the “Meeting”) will be held on 10 January 2019, 9:15 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, for the purpose of considering and, if thought fit, passing the resolutions set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTIONS

THAT:

- (i) the proposed merger of JPMorgan AsiaOne Fund into JPMorgan Asia Growth Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

The resolutions of the Meeting will require a quorum of Unitholders present in person or by proxy holding in aggregate at least 25% of the Units for the time being in issue and the Chairman of the Meeting will be instructed to demand a poll. The resolutions will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

If the quorum is not reached, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting. Any Unitholders present in person or by proxy at the adjourned meeting, whatever the number of Unitholders and number of Units held by them, will form a quorum and the chairman of such adjourned meeting will be instructed to demand a poll. The resolutions will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at such adjourned meeting.

Forms of Proxy (please see below, under “**VOTING ARRANGEMENTS**”) already received prior to the date and time specified below will be used to vote at the adjourned meeting, if any, unless specifically revoked.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.
4. If a quorum is not present within 30 minutes from the time appointed for the Meeting, the Meeting will be adjourned for a period not less than 15 clear days thereafter at such a place as may be appointed by the Chairman and any Unitholders present, in person or by proxy, at the adjourned meeting whatever their number and the number of Units held by them will constitute a quorum.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT**PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY****which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 4 January 2019.**

**JPMorgan AsiaOne Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:**Account Number(s):****MasterAccount:****Regular Investment Plan:
(if applicable)****PLEASE COMPLETE IN BLOCK CAPITAL LETTERS**

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Meeting”),

or _____

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Meeting to be held on 10 January 2019, 9:15 a.m. (Hong Kong time), and at any adjournment thereof, at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolutions specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolutions specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan AsiaOne Fund into JPMorgan Asia Growth Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual:	Corporation:
<div><div></div><div>Signature</div></div> <div><div></div><div>Date</div></div>	<div><div></div><div>The Common Seal of</div></div> <div><div></div><div>Affixed in the presence of</div></div> <div><div></div><div>Date</div></div>

- Notes:
- 1. To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. (Hong Kong time) on 4 January 2019, or if the meeting is adjourned, no later than 6:00 p.m. (Hong Kong time) on the fifth Hong Kong business day prior to the date of the adjourned meeting. The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
 - 2. A proxy need not be a Unitholder.
 - 3. The Chairman of the Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
 - 4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
 - 5. This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
 - 6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote. The votes “Abstain” will only be counted in the quorum for the Meeting.
 - 7. Forms of Proxy for the Meeting already received prior to the date and time specified in Note 1 will be used to vote at the adjourned meeting, if any, unless specifically revoked prior to the deadline.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 22 August 2006, as further amended and supplemented from time to time). The assets of the Receiving Fund

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the respective class of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the respective class of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 11 May 2007, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolutions and to all conditions (if any) to such resolutions being fulfilled.
12. If approved by the passing of the Extraordinary Resolutions, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio realisation of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

12 October 2018

Dear Investor,

Merger of JPMorgan Australia Fund into JPMorgan Pacific Securities Fund

We are writing to inform you of our proposal to merge JPMorgan Australia Fund (the “Terminating Fund”) into JPMorgan Pacific Securities Fund (the “Receiving Fund”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency.

The proposal to merge the Terminating Fund into the Receiving Fund (the “Merger”) is to be decided at a general meeting of unitholders of the Terminating Fund (the “Meeting”) convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 5 June 1981, as further amended and supplemented from time to time (the “Trust Deed”). The Meeting will be held on 10 January 2019, 11:00 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong. The Manager recommends that unitholders vote in favour of the resolutions being put to them at the Meeting.

Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. The Terminating Fund currently has two classes, namely JPMorgan Australia (acc) - AUD class and JPMorgan Australia (acc) - USD class, which will be merged into JPMorgan Pacific Securities (acc) - AUD class* and JPMorgan Pacific Securities (acc) - USD class of the Receiving Fund respectively. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). If you would like to vote but cannot personally attend the Meeting, you should complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Meeting.

* The class will be launched and made available to unitholders before the Merger Date, if the resolutions in relation to the Merger are passed at the Meeting.

With effect from and including the date of this letter, the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible (insofar as there is no increase in the scheduled contribution amount) until 1 March 2019 if the proposed Merger is approved by the unitholders at the Meeting.

Should the proposed Merger be approved by the unitholders at the Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 8 March 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 1 March 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction from the date of this letter up to and including 1 March 2019, 5:00 p.m.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan cTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

(Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶. If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 1 March 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Meeting, starting from 4 March 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, therefore **unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted**. The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.16% of the total net asset value of the Terminating Fund as of 7 September 2018.

The Result Notice will be sent to unitholders as soon as practicable after the Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

“Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients’ Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

**Details of JPMorgan Australia Fund (the “Terminating Fund”) and
JPMorgan Pacific Securities Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment policy of the Terminating Fund is to provide investors with long term capital growth by investing primarily in Australian securities.</p> <p>The Terminating Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to provide investors with long term capital growth by investing primarily in the securities of companies in the Asia-Pacific region, including Japan, Australia and New Zealand.</p> <p>The Receiving Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>
Investment restrictions and guidelines	The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. Additional investment restrictions and guidelines applicable to the Terminating Fund and the Receiving Fund are set out as below:	
	The value of the Terminating Fund’s holding of securities of companies or other investments which are based in or operate principally in Australia shall not be less than 70 per cent. of its non-cash assets in securities and other investments.	The value of the Receiving Fund’s holding of securities of companies which are based in or operate principally in Asia-Pacific region, including Japan and Australia shall not be less than 70 per cent. of its non-cash assets in securities and other investments.
Risk factors	Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:	
	<ul style="list-style-type: none"> • Diversification risk • Currency risk • Liquidity risk • Equity risk 	<ul style="list-style-type: none"> • Emerging markets risk • Currency risk • Liquidity risk • Equity risk
Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Trustee	HSBC Institutional Trust Services (Asia) Limited	
Dealing frequency	Daily	
Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.	
Base currency	USD	
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent	
	Regular Investment Plan: HKD1,000 per month	
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.	
Initial charge	Up to 5.0% of NAV per unit	
Switching charge	Up to 1.0% of NAV per unit	

Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)	
Management fee	1.5% of NAV p.a. (maximum 2.5%)	
Trustee fee	Up to 0.2% per annum of the NAV, with the current rate as follows:	
		Rate (per annum)
	On the first USD40,000,000	0.06% of NAV
	On the next USD30,000,000	0.04% of NAV
	On the balance over USD70,000,000	0.025% of NAV
Total expense ratio	JPMorgan Australia (acc) - AUD 1.89% as at 31 August 2018	JPMorgan Pacific Securities (acc) - USD 1.61% as at 31 August 2018
	JPMorgan Australia (acc) - USD 1.89% as at 31 August 2018	JPMorgan Pacific Securities (acc) - AUD (The class will be launched and made available to unitholders before the Merger Date, if the resolutions in relation to the Merger are passed. The estimated total expense ratio is 1.61%)
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund's average net asset value.	
Fund size	USD31 million as at 31 August 2018	USD624 million as at 31 August 2018

Notice of General Meeting of Unitholders

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of JPMorgan Australia Fund (the “Terminating Fund”), that a general meeting of Unitholders (as defined in Note 1 below) for the Terminating Fund (the “Meeting”) will be held on 10 January 2019, 11:00 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, for the purpose of considering and, if thought fit, passing the resolutions set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTIONS

THAT:

- (i) the proposed merger of JPMorgan Australia Fund into JPMorgan Pacific Securities Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant to giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

The resolutions of the Meeting will require a quorum of Unitholders present in person or by proxy holding in aggregate at least 25% of the Units for the time being in issue and the Chairman of the Meeting will be instructed to demand a poll. The resolutions will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

If the quorum is not reached, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting. Any Unitholders present in person or by proxy at the adjourned meeting, whatever the number of Unitholders and number of Units held by them, will form a quorum and the chairman of such adjourned meeting will be instructed to demand a poll. The resolutions will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at such adjourned meeting.

Forms of Proxy (please see below, under “**VOTING ARRANGEMENTS**”) already received prior to the date and time specified below will be used to vote at the adjourned meeting, if any, unless specifically revoked.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.
4. If a quorum is not present within 30 minutes from the time appointed for the Meeting, the Meeting will be adjourned for a period not less than 15 clear days thereafter at such a place as may be appointed by the Chairman and any Unitholders present, in person or by proxy, at the adjourned meeting whatever their number and the number of Units held by them will constitute a quorum.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY

which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 4 January 2019.

**JPMorgan Australia Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:

Account Number(s):

MasterAccount:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Meeting to be held on 10 January 2019, 11:00 a.m. (Hong Kong time), and at any adjournment thereof, at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolutions specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolutions specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Australia Fund into JPMorgan Pacific Securities Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual:	Corporation:
<div><div></div><div>Signature</div></div> <div><div></div><div>Date</div></div>	<div><div></div><div>The Common Seal of</div></div> <div><div></div><div>Affixed in the presence of</div></div> <div><div></div><div>Date</div></div>

- Notes:
- To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. (Hong Kong time) on 4 January 2019, or if the meeting is adjourned, no later than 6:00 p.m. (Hong Kong time) on the fifth Hong Kong business day prior to the date of the adjourned meeting. The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
 - A proxy need not be a Unitholder.
 - The Chairman of the Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
 - In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
 - This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
 - The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote. The votes “Abstain” will only be counted in the quorum for the Meeting.
 - Forms of Proxy for the Meeting already received prior to the date and time specified in Note 1 will be used to vote at the adjourned meeting, if any, unless specifically revoked prior to the deadline.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 5 June 1981, as further amended and supplemented from time to time). The assets of the Receiving Fund shall be

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the respective classes of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the respective classes of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 7 April 1978, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolutions and to all conditions (if any) to such resolutions being fulfilled.
12. If approved by the passing of the Extraordinary Resolutions, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

12 October 2018

Dear Investor,

**Merger of JPMorgan Greater China Smaller Companies Fund
into JPMorgan Eastern Smaller Companies Fund**

We are writing to inform you of our proposal to merge JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”) into JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency.

The proposal to merge the Terminating Fund into the Receiving Fund (the “Merger”) is to be decided at a general meeting of unitholders of the Terminating Fund (the “Meeting”) convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 26 August 2009, as further amended and supplemented from time to time (the “Trust Deed”). The Meeting will be held on 10 January 2019, 2:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong. The Manager recommends that unitholders vote in favour of the resolutions being put to them at the Meeting.

Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. The Terminating Fund currently has only one class, i.e., JPMorgan Greater China Smaller Companies (acc) - HKD, which will be merged into the JPMorgan Eastern Smaller Companies (acc) - HKD class* of the Receiving Fund. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). If you would like to vote but cannot personally attend the Meeting, you should complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Meeting.

* The class will be launched and made available to unitholders before the Merger Date, if the resolutions in relation to the Merger are passed at the Meeting.

With effect from and including the date of this letter, the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible (insofar as there is no increase in the scheduled contribution amount) until 1 March 2019 if the proposed Merger is approved by the unitholders at the Meeting.

Should the proposed Merger be approved by the unitholders at the Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 8 March 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 1 March 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction from the date of this letter up to and including 1 March 2019, 5:00 p.m.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan cTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

(Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jp.morganam.com.hk⁶. If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 1 March 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Meeting, starting from 4 March 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, therefore **unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted**. The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.31% of the total net asset value of the Terminating Fund as of 7 September 2018.

The Result Notice will be sent to unitholders as soon as practicable after the Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

“Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients’ Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

**Details of JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”) and
JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment policy of the Terminating Fund is to provide investors with long-term capital growth by investing primarily in the securities of small to medium-sized companies in the People’s Republic of China, Hong Kong and Taiwan (“Greater China”).</p> <p>The Terminating Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to provide investors with long term capital growth by investing primarily in the securities of small to medium sized companies in the Asia-Pacific region, excluding Japan and Australia except the Manager may, from time to time, invest in Japan and Australia when appropriate investment opportunities arise.</p> <p>The Receiving Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>
Investment restrictions and guidelines	<p>The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. Additional investment restrictions and guidelines applicable to the Terminating Fund and the Receiving Fund are set out as below:</p>	
	<p>The value of the Terminating Fund’s holding of securities of small to medium-sized companies which are based in or operate principally in Greater China shall not be less than 70 per cent. of its non-cash assets in securities and other investments.</p> <p>In addition, the Terminating Fund will invest at least 70 per cent. of its net assets in securities listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars.</p>	<p>The value of the Receiving Fund’s holding of securities of small to medium sized companies which are based in or operate principally in the Asia-Pacific region, excluding Japan and Australia shall not be less than 70 per cent. of its non-cash assets in securities and other investments.</p>
Risk factors	<p>The risk factors of the Terminating Fund and the Receiving Fund are similar. Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:</p>	
	<ul style="list-style-type: none"> • Emerging markets risk • Smaller companies risk • Currency risk • Liquidity risk • Equity risk 	
Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Trustee	HSBC Institutional Trust Services (Asia) Limited	
Dealing frequency	Daily	
Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.	

Base currency	HKD	USD		
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent			
	Regular Investment Plan: HKD1,000 per month			
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.			
Initial charge	Up to 5.0% of NAV per unit			
Switching charge	Up to 1.0% of NAV per unit			
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)			
Management fee	1.75% of NAV p.a. (maximum 2.5%)	1.5% of NAV p.a. (maximum 2.5%)		
Trustee fee	Up to 0.2% per annum of the NAV, with the current rate as follows:			
		Rate (per annum)		Rate (per annum)
	On the first HKD310,000,000	0.06% of NAV	On the first USD40,000,000	0.06% of NAV
	On the next HKD230,000,000	0.04% of NAV	On the next USD30,000,000	0.04% of NAV
	On the balance over HKD540,000,000	0.025% of NAV	On the balance over USD70,000,000	0.025% of NAV
Total expense ratio	JPMorgan Greater China Smaller Companies (acc) - HKD 2.23% as at 31 August 2018		JPMorgan Eastern Smaller Companies (acc) - HKD (The class will be launched and made available to unitholders before the Merger Date, if the resolutions in relation to the Merger are passed. The estimated total expense ratio is 1.70%)	
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund's average net asset value.			
Fund size	HKD65 million as at 31 August 2018 (approximately USD8 million)		USD153 million as at 31 August 2018	

Notice of General Meeting of Unitholders

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”), that a general meeting of Unitholders (as defined in Note 1 below) for the Terminating Fund (the “Meeting”) will be held on 10 January 2019, 2:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, for the purpose of considering and, if thought fit, passing the resolutions set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTIONS

THAT:

- (i) the proposed merger of JPMorgan Greater China Smaller Companies Fund into JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

The resolutions of the Meeting will require a quorum of Unitholders present in person or by proxy holding in aggregate at least 25% of the Units for the time being in issue and the Chairman of the Meeting will be instructed to demand a poll. The resolutions will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

If the quorum is not reached, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting. Any Unitholders present in person or by proxy at the adjourned meeting, whatever the number of Unitholders and number of Units held by them, will form a quorum and the chairman of such adjourned meeting will be instructed to demand a poll. The resolutions will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at such adjourned meeting.

Forms of Proxy (please see below, under “**VOTING ARRANGEMENTS**”) already received prior to the date and time specified below will be used to vote at the adjourned meeting, if any, unless specifically revoked.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 4 January 2019 at 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.
4. If a quorum is not present within 30 minutes from the time appointed for the Meeting, the Meeting will be adjourned for a period not less than 15 clear days thereafter at such a place as may be appointed by the Chairman and any Unitholders present, in person or by proxy, at the adjourned meeting whatever their number and the number of Units held by them will constitute a quorum.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY
which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 4 January 2019.

**JPMorgan Greater China Smaller Companies Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:

Account Number(s):

MasterAccount:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Meeting to be held on 10 January 2019, 2:30 p.m. (Hong Kong time), and at any adjournment thereof, at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolutions specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolutions specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Greater China Smaller Companies Fund into JPMorgan Eastern Smaller Companies Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual:	Corporation:
<div></div> <div>SignatureDate</div>	<div></div> <div>The Common Seal ofAffixed in the presence ofDate</div>

- Notes:
- To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. (Hong Kong time) on 4 January 2019, or if the meeting is adjourned, no later than 6:00 p.m. (Hong Kong time) on the fifth Hong Kong business day prior to the date of the adjourned meeting. The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
 - A proxy need not be a Unitholder.
 - The Chairman of the Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
 - In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
 - This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
 - The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote. The votes “Abstain” will only be counted in the quorum for the Meeting.
 - Forms of Proxy for the Meeting already received prior to the date and time specified in Note 1 will be used to vote at the adjourned meeting, if any, unless specifically revoked prior to the deadline.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 26 August 2009, as further amended and supplemented from time to time). The assets of the Receiving Fund

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the respective classes of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the respective classes of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 2 December 1991, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolutions and to all conditions (if any) to such resolutions being fulfilled.
12. If approved by the passing of the Extraordinary Resolutions, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

12 October 2018

Dear Investor,

Merger of JPMorgan Indonesia Fund into JPMorgan ASEAN Fund

We are writing to inform you of our proposal to merge JPMorgan Indonesia Fund (the “Terminating Fund”) into JPMorgan ASEAN Fund (the “Receiving Fund”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency.

The proposal to merge the Terminating Fund into the Receiving Fund (the “Merger”) is to be decided at a general meeting of unitholders of the Terminating Fund (the “Meeting”) convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 19 September 2006, as further amended and supplemented from time to time (the “Trust Deed”). The Meeting will be held on 11 January 2019, 9:15 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Meeting.

Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. The Terminating Fund currently has only one class, i.e., JPMorgan Indonesia (acc) - USD, which will be merged into the JPMorgan ASEAN (acc) - USD class of the Receiving Fund. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). If you would like to vote but cannot personally attend the Meeting, you should complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Meeting.

With effect from and including the date of this letter, the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will be suspended until further notice, except for investment from existing

investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible (insofar as there is no increase in the scheduled contribution amount) until 15 March 2019 if the proposed Merger is approved by the unitholders at the Meeting.

Should the proposed Merger be approved by the unitholders at the Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 22 March 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 15 March 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction from the date of this letter up to and including 15 March 2019, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶. If you would prefer to redeem your holding in

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

the Terminating Fund, you may do so up to and including 15 March 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee of the Terminating Fund, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Meeting, starting from 18 March 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, therefore **unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted**. The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.23% of the total net asset value of the Terminating Fund as of 7 September 2018. The trustee of the Receiving Fund is Bank of East Asia (Trustees) Limited. Upon completion of the termination of the Terminating Fund, the Trustee of the Terminating Fund will be released from its obligations as trustee in respect of the Terminating Fund’s assets.

The Result Notice will be sent to unitholders as soon as practicable after the Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

**Details of JPMorgan Indonesia Fund (the “Terminating Fund”)
and JPMorgan ASEAN Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment objective of the Terminating Fund is to provide investors with long-term capital appreciation through a portfolio consisting primarily of securities linked to the Indonesian economy. These include, but are not restricted to, securities traded on the stock exchanges of Indonesia. The Terminating Fund may also invest in derivatives such as interest rate forward contracts, currency forward contracts, options, warrants and futures for both investment and hedging purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and/or cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to enable investors to participate in a managed portfolio consisting primarily of securities with significant assets in, or significant earnings derived from one or more of the countries comprising the Association of South East Asian Nations. The Manager will aim to achieve capital growth in US dollar terms.</p> <p>The Receiving Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month’s prior notice will be given to unitholders and the offering document will be updated accordingly.</p> <p>The Receiving Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments. The Receiving Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
Investment restrictions and guidelines	<p>The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. Additional investment restrictions and guidelines applicable to the Terminating Fund and the Receiving Fund are set out as below:</p>	
	<p>The value of the Terminating Fund’s holding of securities linked to the Indonesian economy shall not be less than 70% of its non-cash assets in securities and other investments.</p>	<p>The value of this Receiving Fund’s holding of securities of companies which are based in or operate principally in the Association of South East Asian Nations shall not be less than 70% of its non-cash assets in securities and other investments.</p>
Risk factors	<p>The risk factors of the Terminating Fund and the Receiving Fund are similar, except that the Terminating Fund has an additional key risk factor in relation to diversification and the Receiving Fund has additional risk factors in relation to currency hedging and RMB exposure. Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:</p>	
	<ul style="list-style-type: none"> • Emerging markets risk • Diversification risk • Currency risk • Liquidity risk • Equity risk 	<ul style="list-style-type: none"> • Emerging markets risk • Currency risk • Liquidity risk • Equity risk • Hedging risk • Class currency risk • RMB currency risk • Currency Hedged Classes risk

Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Sub-Manager	JPMorgan Asset Management (Singapore) Limited	JPMorgan Asset Management (Singapore) Limited JPMorgan Asset Management (UK) Limited
Trustee	HSBC Institutional Trust Services (Asia) Limited	Bank of East Asia (Trustees) Limited
Dealing frequency	Daily	
Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.	
Base currency	USD	
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent	Lump-sum (initial / additional): RMB16,000 or equivalent for RMB denominated class and USD2,000 or equivalent for other classes
	Regular Investment Plan: HKD1,000 per month	Regular Investment Plan: HKD1,000 per month
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.	
Initial charge	Up to 5.0% of NAV per unit	
Switching charge	Up to 1.0% of NAV per unit	
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)	
Management fee	1.5% of NAV p.a. (maximum 2.5%)	
Trustee fee	Up to 0.2% per annum of the NAV, with the current rate as follows:	
		0.018% of NAV p.a. (maximum 0.2%)
Total expense ratio	1.73% as at 31 August 2018	1.60% as at 31 August 2018
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund's average net asset value.	
Fund size	USD57 million as at 31 August 2018	USD1,545 million as at 31 August 2018

Notice of General Meeting of Unitholders

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of JPMorgan Indonesia Fund (the “Terminating Fund”), that a general meeting of Unitholders (as defined in Note 1 below) for the Terminating Fund (the “Meeting”) will be held on 11 January 2019, 9:15 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, for the purpose of considering and, if thought fit, passing the resolution set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTIONS

THAT:

- (i) the proposed merger of JPMorgan Indonesia Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant to giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

The resolution of the Meeting will require a quorum of Unitholders present in person or by proxy holding in aggregate at least 25% of the Units for the time being in issue and the Chairman of the Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

If the quorum is not reached, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting. Any Unitholders present in person or by proxy at the adjourned meeting, whatever the number of Unitholders and number of Units held by them, will form a quorum and the chairman of such adjourned meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at such adjourned meeting.

Forms of Proxy (please see below, under “**VOTING ARRANGEMENTS**”) already received prior to the date and time specified below will be used to vote at the adjourned meeting, if any, unless specifically revoked.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.
4. If a quorum is not present within 30 minutes from the time appointed for the Meeting, the Meeting will be adjourned for a period not less than 15 clear days thereafter at such a place as may be appointed by the Chairman and any Unitholders present, in person or by proxy, at the adjourned meeting whatever their number and the number of Units held by them will constitute a quorum.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT**PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY****which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 4 January 2019.**

**JPMorgan Indonesia Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:**Account Number(s):**

MasterAccount:

Regular Investment Plan:
(if applicable)**PLEASE COMPLETE IN BLOCK CAPITAL LETTERS**

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Meeting”),

or _____

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Meeting to be held on 11 January 2019, 9:15 a.m. (Hong Kong time), and at any adjournment thereof, at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Indonesia Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual:		Corporation:		
<div style="border-bottom: 1px solid black; height: 40px; width: 100%;"></div>		<div style="border-bottom: 1px solid black; height: 40px; width: 100%;"></div>		
Signature	Date	The Common Seal of	Affixed in the presence of	Date

Notes:

1. To be valid, the Form of Proxy and any answer of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. (Hong Kong time) on 4 January 2019, or if the meeting is adjourned, no later than 6:00 p.m. (Hong Kong time) on the fifth Hong Kong business day prior to the date of the adjourned meeting. The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
2. A proxy need not be a Unitholder.
3. The Chairman of the Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman's satisfaction, by either or any joint Unitholders.
4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
5. This Form of Proxy shall be signed by a Unitholder or a Unitholder's attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote. The votes "Abstain" will only be counted in the quorum for the Meeting.
7. Forms of Proxy for the Meeting already received prior to the date and time specified in Note 1 will be used to vote at the adjourned meeting, if any, unless specifically revoked prior to the deadline.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee of the Terminating Fund (the “Trustee”) and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 19 September 2006, as

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the JPMorgan ASEAN (acc) - USD class of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the JPMorgan ASEAN (acc) - USD class of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

further amended and supplemented from time to time). The assets of the Receiving Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 7 July 1983, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolution and to all conditions (if any) to such resolution being fulfilled.
12. If approved by the passing of the Extraordinary Resolution, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

12 October 2018

Dear Investor,

**Merger of JPMorgan Japan Smaller Company (Yen) Fund
into JPMorgan Japan (Yen) Fund**

We are writing to inform you of our proposal to merge JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”) into JPMorgan Japan (Yen) Fund (the “Receiving Fund”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that the Terminating Fund is unlikely to grow to a size which can achieve potential economies of scale and efficient fund management. Since the investment objectives and policies of the Terminating Fund and Receiving Fund are similar, the Manager believes that this proposal will benefit the unitholders given the broader investment universe of the Receiving Fund as compared to that of the Terminating Fund.

The proposal to merge the Terminating Fund into the Receiving Fund (the “Merger”) is to be decided at a general meeting of unitholders of the Terminating Fund (the “Meeting”) convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 5 June 1980, as further amended and supplemented from time to time (the “Trust Deed”). The Meeting will be held on 11 January 2019, 4:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Meeting.

Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. The Terminating Fund currently has only one class, i.e., JPMorgan Japan Smaller Company (Yen) Fund, which will be merged into the JPMorgan Japan (Yen) (acc) - JPY class of the Receiving Fund. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). If you would like to vote but cannot personally attend the Meeting, you should complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Meeting.

With effect from and including the date of this letter, the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible (insofar as there is no increase in the scheduled contribution amount) until 15 March 2019 if the proposed Merger is approved by the unitholders at the Meeting.

Should the proposed Merger be approved by the unitholders at the Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 22 March 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 15 March 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction from the date of this letter up to and including 15 March 2019, 5:00 p.m.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

(Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jp.morganam.com.hk⁶. If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 15 March 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee of the Terminating Fund, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Meeting, starting from 18 March 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, therefore **unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted**. The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.08% of the total net asset value of the Terminating Fund as of 7 September 2018.

The Result Notice will be sent to unitholders as soon as practicable after the Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

“Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients’ Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

**Details of JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”)
and JPMorgan Japan (Yen) Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment policy of the Terminating Fund is to provide investors with long-term capital growth through investment primarily in the shares of small to medium sized Japanese companies.</p> <p>The Terminating Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to provide long-term capital growth through investment primarily in Japanese securities and other securities whose performance is linked to that of the Japanese economy.</p> <p>The Receiving Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p> <p>The Receiving Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
Investment restrictions and guidelines	The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. An additional investment restriction and guideline applicable to the Terminating Fund and the Receiving Fund is the value of each of the fund’s holding of securities of companies which are based in or operate principally in Japan shall not be less than 70% of its non-cash assets in securities and other investments.	
Risk factors	The risk factors of the Terminating Fund and the Receiving Fund are similar, except that the Terminating Fund has additional key risk factors in relation to smaller companies and liquidity and the Receiving Fund has additional risk factors in relation to currency hedging and RMB exposure. Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:	
	<ul style="list-style-type: none"> • Diversification risk • Smaller companies risk • Currency risk • Liquidity risk • Equity risk 	<ul style="list-style-type: none"> • Diversification risk • Currency risk • Equity risk • Hedging risk • Class currency risk • RMB currency risk • Currency Hedged Classes risk
Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Sub-Manager	JPMorgan Asset Management (Japan) Limited	JPMorgan Asset Management (Japan) Limited JPMorgan Asset Management (UK) Limited
Trustee	Bank of East Asia (Trustees) Limited	HSBC Institutional Trust Services (Asia) Limited
Dealing frequency	Daily	

Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.		
Base currency	YEN		
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent	Lump-sum (initial / additional): RMB16,000 or equivalent for RMB denominated class and USD2,000 or equivalent for other classes Regular Investment Plan: HKD1,000 per month	
	Regular Investment Plan: HKD1,000 per month		
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.		
Initial charge	Up to 5.0% of NAV per unit		
Switching charge	Up to 1.0% of NAV per unit		
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)		
Management fee	1.5% of NAV p.a. (maximum 2.5%)		
Trustee fee	0.018% of NAV p.a. (maximum 0.2%)	Up to 0.2% per annum of the NAV, with the current rate as follows:	
			Rate (per annum)
		On the first JPY3,000,000,000	0.06% of NAV
		On the next JPY2,300,000,000	0.04% of NAV
		On the balance over JPY5,300,000,000	0.025% of NAV
Total expense ratio	1.64% as at 31 August 2018	1.70% as at 31 August 2018	
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund’s average net asset value.		
Fund size	USD85 million as at 31 August 2018	USD302 million as at 31 August 2018	

Notice of General Meeting of Unitholders

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”), that a general meeting of Unitholders (as defined in Note 1 below) for the Terminating Fund (the “Meeting”) will be held on 11 January 2019, 4:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, for the purpose of considering and, if thought fit, passing the resolution set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTIONS

THAT:

- (i) the proposed merger of JPMorgan Japan Smaller Company (Yen) Fund into JPMorgan Japan (Yen) Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

The resolution of the Meeting will require a quorum of Unitholders present in person or by proxy holding in aggregate at least 25% of the Units for the time being in issue and the Chairman of the Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

If the quorum is not reached, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting. Any Unitholders present in person or by proxy at the adjourned meeting, whatever the number of Unitholders and number of Units held by them, will form a quorum and the chairman of such adjourned meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at such adjourned meeting.

Forms of Proxy (please see below, under “**VOTING ARRANGEMENTS**”) already received prior to the date and time specified below will be used to vote at the adjourned meeting, if any, unless specifically revoked.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.
4. If a quorum is not present within 30 minutes from the time appointed for the Meeting, the Meeting will be adjourned for a period not less than 15 clear days thereafter at such a place as may be appointed by the Chairman and any Unitholders present, in person or by proxy, at the adjourned meeting whatever their number and the number of Units held by them will constitute a quorum.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY
which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 4 January 2019.

JPMorgan Japan Smaller Company (Yen) Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders

Name(s) and Address of Client:

Account Number(s):

MasterAccount:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Meeting to be held on 11 January 2019, 4:30 p.m. (Hong Kong time), and at any adjournment thereof, at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Japan Smaller Company (Yen) Fund into JPMorgan Japan (Yen) Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual:	Corporation:
<div><div></div><div>Signature</div></div> <div><div></div><div>Date</div></div>	<div><div></div><div>The Common Seal of</div></div> <div><div></div><div>Affixed in the presence of</div></div> <div><div></div><div>Date</div></div>

- Notes:**
- To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. (Hong Kong time) on 4 January 2019, or if the meeting is adjourned, no later than 6:00 p.m. (Hong Kong time) on the fifth Hong Kong business day prior to the date of the adjourned meeting. The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
 - A proxy need not be a Unitholder.
 - The Chairman of the Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
 - In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
 - This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
 - The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote. The votes “Abstain” will only be counted in the quorum for the Meeting.
 - Forms of Proxy for the Meeting already received prior to the date and time specified in Note 1 will be used to vote at the adjourned meeting, if any, unless specifically revoked prior to the deadline.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee of the Terminating Fund (the “Trustee”) and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 5 June 1980, as further

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the JPMorgan Japan (Yen) (acc) - JPY class of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the JPMorgan Japan (Yen) (acc) - JPY class of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

amended and supplemented from time to time). The assets of the Receiving Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 1 August 1969, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolution and to all conditions (if any) to such resolution being fulfilled.
12. If approved by the passing of the Extraordinary Resolution, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

12 October 2018

Dear Investor,

Merger of JPMorgan Malaysia Fund into JPMorgan ASEAN Fund

We are writing to inform you of our proposal to merge JPMorgan Malaysia Fund (the “Terminating Fund”) into JPMorgan ASEAN Fund (the “Receiving Fund”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency.

The proposal to merge the Terminating Fund into the Receiving Fund (the “Merger”) is to be decided at a general meeting of unitholders of the Terminating Fund (the “Meeting”) convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 12 December 1989, as further amended and supplemented from time to time (the “Trust Deed”). The Meeting will be held on 11 January 2019, 11:00 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Meeting.

Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. The Terminating Fund currently has only one retail class, i.e., JPMorgan Malaysia (acc) - USD, which will be merged into the JPMorgan ASEAN (acc) - USD class of the Receiving Fund. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). If you would like to vote but cannot personally attend the Meeting, you should complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Meeting.

With effect from and including the date of this letter, the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will be suspended until further notice, except for investment from existing

investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible (insofar as there is no increase in the scheduled contribution amount) until 15 March 2019 if the proposed Merger is approved by the unitholders at the Meeting.

Should the proposed Merger be approved by the unitholders at the Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 22 March 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 15 March 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction from the date of this letter up to and including 15 March 2019, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶. If you would prefer to redeem your holding in

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

the Terminating Fund, you may do so up to and including 15 March 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee of the Terminating Fund, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Meeting, starting from 18 March 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, therefore **unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted**. The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.30% of the total net asset value of the Terminating Fund as of 7 September 2018. The trustee of the Receiving Fund is Bank of East Asia (Trustees) Limited. Upon completion of the termination of the Terminating Fund, the Trustee of the Terminating Fund will be released from its obligations as trustee in respect of the Terminating Fund’s assets.

The Result Notice will be sent to unitholders as soon as practicable after the Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

**Details of JPMorgan Malaysia Fund (the “Terminating Fund”)
and JPMorgan ASEAN Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment policy of the Terminating Fund is to provide long-term capital growth by investing primarily in securities linked to the Malaysian economy. There includes, but are not restricted to, securities listed on the Kuala Lumpur Stock Exchange.</p> <p>The Terminating Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to enable investors to participate in a managed portfolio consisting primarily of securities with significant assets in, or significant earnings derived from one or more of the countries comprising the Association of South East Asian Nations. The Manager will aim to achieve capital growth in US dollar terms.</p> <p>The Receiving Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month’s prior notice will be given to unitholders and the offering document will be updated accordingly.</p> <p>The Receiving Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments. The Receiving Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
Investment restrictions and guidelines	The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. Additional investment restrictions and guidelines applicable to the Terminating Fund and the Receiving Fund are set out as below:	
	The value of the Terminating Fund’s holding of securities of companies in Malaysia shall not be less than 70% of its non-cash assets in securities and other investments.	The value of this Receiving Fund’s holding of securities of companies which are based in or operate principally in the Association of South East Asian Nations shall not be less than 70% of its non-cash assets in securities and other investments.
Risk factors	The risk factors of the Terminating Fund and the Receiving Fund are similar, except that the Terminating Fund has an additional key risk factor in relation to diversification and the Receiving Fund has additional risk factors in relation to currency hedging and RMB exposure. Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:	
	<ul style="list-style-type: none"> • Emerging markets risk • Diversification risk • Currency risk • Liquidity risk • Equity risk 	<ul style="list-style-type: none"> • Emerging markets risk • Currency risk • Liquidity risk • Equity risk • Hedging risk • Class currency risk • RMB currency risk • Currency Hedged Classes risk

Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Sub-Manager	JPMorgan Asset Management (Singapore) Limited	JPMorgan Asset Management (Singapore) Limited JPMorgan Asset Management (UK) Limited
Trustee	HSBC Institutional Trust Services (Asia) Limited	Bank of East Asia (Trustees) Limited
Dealing frequency	Daily	
Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.	
Base currency	USD	
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent	Lump-sum (initial / additional): RMB16,000 or equivalent for RMB denominated class and USD2,000 or equivalent for other classes
	Regular Investment Plan: HKD1,000 per month	Regular Investment Plan: HKD1,000 per month
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.	
Initial charge	Up to 5.0% of NAV per unit	
Switching charge	Up to 1.0% of NAV per unit	
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)	
Management fee	1.5% of NAV p.a. (maximum 2.5%)	
Trustee fee	Up to 0.2% per annum of the NAV, with the current rate as follows:	
		0.018% of NAV p.a. (maximum 0.2%)
Total expense ratio	1.76% as at 31 August 2018	1.60% as at 31 August 2018
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund's average net asset value.	
Fund size	USD92 million as at 31 August 2018	USD1,545 million as at 31 August 2018

Notice of General Meeting of Unitholders

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of JPMorgan Malaysia Fund (the “Terminating Fund”), that a general meeting of Unitholders (as defined in Note 1 below) for the Terminating Fund (the “Meeting”) will be held on 11 January 2019, 11:00 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, for the purpose of considering and, if thought fit, passing the resolution set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTIONS

THAT:

- (i) the proposed merger of JPMorgan Malaysia Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant to giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

The resolution of the Meeting will require a quorum of Unitholders present in person or by proxy holding in aggregate at least 25% of the Units for the time being in issue and the Chairman of the Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

If the quorum is not reached, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting. Any Unitholders present in person or by proxy at the adjourned meeting, whatever the number of Unitholders and number of Units held by them, will form a quorum and the chairman of such adjourned meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at such adjourned meeting.

Forms of Proxy (please see below, under “**VOTING ARRANGEMENTS**”) already received prior to the date and time specified below will be used to vote at the adjourned meeting, if any, unless specifically revoked.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.
4. If a quorum is not present within 30 minutes from the time appointed for the Meeting, the Meeting will be adjourned for a period not less than 15 clear days thereafter at such a place as may be appointed by the Chairman and any Unitholders present, in person or by proxy, at the adjourned meeting whatever their number and the number of Units held by them will constitute a quorum.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY

which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 4 January 2019.

**JPMorgan Malaysia Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:

Account Number(s):

Master Account:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Meeting to be held on 11 January 2019, 11:00 a.m. (Hong Kong time), and at any adjournment thereof, at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Malaysia Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual:	Corporation:
<div><div></div><div>Signature</div></div> <div><div></div><div>Date</div></div>	<div><div></div><div>The Common Seal of</div></div> <div><div></div><div>Affixed in the presence of</div></div> <div><div></div><div>Date</div></div>

- Notes:
1. To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. (Hong Kong time) on 4 January 2019, or if the meeting is adjourned, no later than 6:00 p.m. (Hong Kong time) on the fifth Hong Kong business day prior to the date of the adjourned meeting. The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
 2. A proxy need not be a Unitholder.
 3. The Chairman of the Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
 4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
 5. This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
 6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote. The votes “Abstain” will only be counted in the quorum for the Meeting.
 7. Forms of Proxy for the Meeting already received prior to the date and time specified in Note 1 will be used to vote at the adjourned meeting, if any, unless specifically revoked prior to the deadline.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee of the Terminating Fund (the “Trustee”) and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 12 December 1989, as

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the respective class of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the respective class of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

further amended and supplemented from time to time). The assets of the Receiving Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 7 July 1983, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolution and to all conditions (if any) to such resolution being fulfilled.
12. If approved by the passing of the Extraordinary Resolution, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

12 October 2018

Dear Investor,

Merger of JPMorgan Philippine Fund into JPMorgan ASEAN Fund

We are writing to inform you of our proposal to merge JPMorgan Philippine Fund (the “Terminating Fund”) into JPMorgan ASEAN Fund (the “Receiving Fund”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency.

The proposal to merge the Terminating Fund into the Receiving Fund (the “Merger”) is to be decided at a general meeting of unitholders of the Terminating Fund (the “Meeting”) convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 29 July 1974, as further amended and supplemented from time to time (the “Trust Deed”)). The Meeting will be held on 11 January 2019, 2:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Meeting.

Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. The Terminating Fund currently has only one retail class, i.e., JPMorgan Philippine (acc) - USD, which will be merged into the JPMorgan ASEAN (acc) - USD class of the Receiving Fund. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). If you would like to vote but cannot personally attend the Meeting, you should complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, which in any event should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Meeting.

With effect from and including the date of this letter, the Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will be suspended until further notice, except for investment from existing

investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will be still permissible (insofar as there is no increase in the scheduled contribution amount) until 15 March 2019 if the proposed Merger is approved by the unitholders at the Meeting.

Should the proposed Merger be approved by the unitholders at the Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 22 March 2019 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger are estimated to be approximately USD40,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 15 March 2019, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction from the date of this letter up to and including 15 March 2019, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶. If you would prefer to redeem your holding in

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

the Terminating Fund, you may do so up to and including 15 March 2019, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee of the Terminating Fund, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Meeting, starting from 18 March 2019, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, therefore **unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted**. The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.70% of the total net asset value of the Terminating Fund as of 7 September 2018.

The trustee of the Receiving Fund is Bank of East Asia (Trustees) Limited. Upon completion of the termination of the Terminating Fund, the Trustee of the Terminating Fund will be released from its obligations as trustee in respect of the Terminating Fund’s assets.

The Result Notice will be sent to unitholders as soon as practicable after the Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan

Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

**Details of JPMorgan Philippine Fund (the “Terminating Fund”)
and JPMorgan ASEAN Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment policy of the Terminating Fund is to provide long-term capital growth through investment primarily in the securities of companies based or operating in the Philippines.</p> <p>The Terminating Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>	<p>The investment policy of the Receiving Fund is to enable investors to participate in a managed portfolio consisting primarily of securities with significant assets in, or significant earnings derived from one or more of the countries comprising the Association of South East Asian Nations. The Manager will aim to achieve capital growth in US dollar terms.</p> <p>The Receiving Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month’s prior notice will be given to unitholders and the offering document will be updated accordingly.</p> <p>The Receiving Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments. The Receiving Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
Investment restrictions and guidelines	The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. Additional investment restrictions and guidelines applicable to the Terminating Fund and the Receiving Fund are set out as below:	
	The value of the Terminating Fund’s holding of securities of companies which are based in or operate principally in the Philippines, shall not be less than 70% of its non-cash assets in securities and other investments.	The value of this Receiving Fund’s holding of securities of companies which are based in or operate principally in the Association of South East Asian Nations shall not be less than 70% of its non-cash assets in securities and other investments.
Risk factors	The risk factors of the Terminating Fund and the Receiving Fund are similar, except that the Terminating Fund has an additional key risk factor in relation to diversification and the Receiving Fund has additional risk factors in relation to currency hedging and RMB exposure. Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:	
	<ul style="list-style-type: none"> • Emerging markets risk • Diversification risk • Currency risk • Liquidity risk • Equity risk 	<ul style="list-style-type: none"> • Emerging markets risk • Currency risk • Liquidity risk • Equity risk • Hedging risk • Class currency risk • RMB currency risk • Currency Hedged Classes risk

Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Sub-Manager	JPMorgan Asset Management (Singapore) Limited	JPMorgan Asset Management (Singapore) Limited JPMorgan Asset Management (UK) Limited
Trustee	HSBC Institutional Trust Services (Asia) Limited	Bank of East Asia (Trustees) Limited
Dealing frequency	Daily	
Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.	
Base currency	USD	
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent	Lump-sum (initial / additional): RMB16,000 or equivalent for RMB denominated class and USD2,000 or equivalent for other classes
	Regular Investment Plan: HKD1,000 per month	Regular Investment Plan: HKD1,000 per month
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.	
Initial charge	Up to 5.0% of NAV per unit	
Switching charge	Up to 1.0% of NAV per unit	
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)	
Management fee	1.5% of NAV p.a. (maximum 2.5%)	
Trustee fee	Up to 0.2% per annum of the NAV, with the current rate as follows:	
		0.018% of NAV p.a. (maximum 0.2%)
Total expense ratio	1.85% as at 31 August 2018	1.60% as at 31 August 2018
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund's average net asset value.	
Fund size	USD94 million as at 31 August 2018	USD1,545 million as at 31 August 2018

Notice of General Meeting of Unitholders

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of JPMorgan Philippine Fund (the “Terminating Fund”), that a general meeting of Unitholders (as defined in Note 1 below) for the Terminating Fund (the “Meeting”) will be held on 11 January 2019, 2:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, for the purpose of considering and, if thought fit, passing the resolution set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTIONS

THAT:

- (i) the proposed merger of JPMorgan Philippine Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant to giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

The resolution of the Meeting will require a quorum of Unitholders present in person or by proxy holding in aggregate at least 25% of the Units for the time being in issue and the Chairman of the Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

If the quorum is not reached, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting. Any Unitholders present in person or by proxy at the adjourned meeting, whatever the number of Unitholders and number of Units held by them, will form a quorum and the chairman of such adjourned meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at such adjourned meeting.

Forms of Proxy (please see below, under “**VOTING ARRANGEMENTS**”) already received prior to the date and time specified below will be used to vote at the adjourned meeting, if any, unless specifically revoked.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.
4. If a quorum is not present within 30 minutes from the time appointed for the Meeting, the Meeting will be adjourned for a period not less than 15 clear days thereafter at such a place as may be appointed by the Chairman and any Unitholders present, in person or by proxy, at the adjourned meeting whatever their number and the number of Units held by them will constitute a quorum.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY
which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 4 January 2019.

**JPMorgan Philippine Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:

Account Number(s):

Master Account:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Meeting to be held on 11 January 2019, 2:30p.m. (Hong Kong time), and at any adjournment thereof, at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Philippine Fund into JPMorgan ASEAN Fund (the “Receiving Fund”) as set out in the letter dated 12 October 2018 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual:	Corporation:
<div><div></div><div>Signature</div></div> <div><div></div><div>Date</div></div>	<div><div></div><div>The Common Seal of</div></div> <div><div></div><div>Affixed in the presence of</div></div> <div><div></div><div>Date</div></div>

- Notes:
- To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. (Hong Kong time) on 4 January 2019, or if the meeting is adjourned, no later than 6:00 p.m. (Hong Kong time) on the fifth Hong Kong business day prior to the date of the adjourned meeting. The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
 - A proxy need not be a Unitholder.
 - The Chairman of the Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
 - In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
 - This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
 - The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote. The votes “Abstain” will only be counted in the quorum for the Meeting.
 - Forms of Proxy for the Meeting already received prior to the date and time specified in Note 1 will be used to vote at the adjourned meeting, if any, unless specifically revoked prior to the deadline.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee of the Terminating Fund (the “Trustee”) and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

$C = M \times Q$ with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 29 July 1974, as further

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the respective class of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the respective class of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

amended and supplemented from time to time). The assets of the Receiving Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 7 July 1983, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolution and to all conditions (if any) to such resolution being fulfilled.
12. If approved by the passing of the Extraordinary Resolution, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

12 October 2018

Dear Investor,

Liquidation of JPMorgan Global Property Income Fund (the “Fund”)

We are writing to inform you of our proposal to liquidate the Fund. JPMorgan Funds (Asia) Limited, the manager of the Fund (the “Manager”), believes that this proposal is in the interest of unitholders because the Fund is unlikely to grow to a size which can achieve potential economies of scale and efficient fund management.

The proposal to liquidate the Fund (the “Liquidation”) is to be decided at a general meeting of unitholders of the Fund (the “Meeting”) convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Fund’s trust deed dated 6 July 2005, as further amended and supplemented from time to time (the “Trust Deed”). The Meeting will be held on 10 January 2019, 4:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Meeting.

As at 31 August 2018, the fund size of the Fund was USD 23 million and the total expense ratios¹ (“TER”) of the following classes for the period from 1 September 2017 to 31 August 2018 were:

Class	TER
JPMorgan Global Property Income (div) - USD	1.96%
JPMorgan Global Property Income (mth) - HKD	1.96%
JPMorgan Global Property Income (mth) - USD	1.96%

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure I). If you would like to vote but cannot personally attend the Meeting, you should complete and return the Form of Proxy (Enclosure II) to us **URGENTLY**, which in any event should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Meeting.

With effect from and including the date of this letter, the Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Fund will be suspended until further notice, except for investment from existing investors through Regular Investment

¹ The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the average net asset value for the period from 1 September 2017 to 31 August 2018.

Plan², eScheduler³ and pension schemes, which will be still permissible (insofar as there is no increase in the scheduled contribution amount) until 15 March 2019 if the proposed Liquidation is approved by the unitholders at the Meeting.

Should the proposed Liquidation be approved by the unitholders at the Meeting, redemption and switching of the Fund will cease after 15 March 2019, 5:00 p.m. (Hong Kong time) and units held by unitholders in the Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be compulsorily redeemed on 22 March 2019 or such other date as may be determined by the Manager (the “Liquidation Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Meeting (the “Result Notice”). Those investing in the Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Fund will permanently cease on the Liquidation Date. For unitholders remaining in the Fund after 15 March 2019, 5:00 p.m., the amount due on the compulsory redemption of units of the Fund, adopting the net asset value per unit of the Fund as at the Liquidation Date, will normally be paid within five business days after the Liquidation Date.

Should there be any significant redemption from the Fund prior to the Liquidation Date, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) to ensure unitholders are treated fairly.

The Result Notice will be sent to unitholders as soon as practicable after the Meeting. In the event that unitholders do not approve the proposed Liquidation, the proposal to liquidate the Fund will not proceed. The Fund will resume processing subscriptions to the Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in Consolidated Explanatory Memoranda.

The legal, mailing and other administrative expenses associated with the proposed Liquidation are estimated to be approximately USD 25,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Fund.

In light of the liquidation proposal, we are pleased to offer you the opportunity to switch your current holding in the Fund, free of charge, into any other funds which are managed by the Manager or for which the Manager acts as Hong Kong representative⁴ and which are authorised by the Securities and Futures Commission (“SFC”)⁵, provided that we receive your switching instruction between the date of this letter and 15 March 2019, 5:00 p.m. (Hong Kong time)⁶ (both dates inclusive). The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁷.

² If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

³ The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

⁴ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁵ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁶ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁷ This website has not been reviewed by the SFC.

If you would prefer to redeem your holding in the Fund, you may do so up to and including 15 March 2019, 5:00 p.m. (Hong Kong time), free of charge⁸.

The proposed Liquidation will have no Hong Kong profits tax implications to the Fund. Unitholders of the Fund should note that the compulsory redemption of units in the Fund pursuant to the proposed Liquidation may be considered as a disposal of the units in the Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deed, base terms and any other documents of the Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁹.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients’ Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

Enclosures:

- I. Notice of General Meeting of Unitholders
- II. Form of Proxy

⁸ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁹ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

Notice of General Meeting of Unitholders

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of JPMorgan Global Property Income Fund (the “Fund”), that a general meeting of Unitholders (as defined in Note 1 below) for the Fund (the “Meeting”) will be held on 10 January 2019, 4:30 p.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, for the purpose of considering and, if thought fit, passing the resolution set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTIONS

THAT:

- (i) the proposed liquidation of JPMorgan Global Property Income Fund as set out in the letter dated 12 October 2018 (the “Liquidation”) shall be and is hereby approved.
- (ii) the Trustee of the Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Fund and to execute any document and do any act or thing for the purpose of terminating the Fund.
- (iii) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Fund in those jurisdictions where the Fund is registered or authorised for sale after the effective date of the Liquidation.

VOTING

The resolution of the Meeting will require a quorum of Unitholders present in person or by proxy holding in aggregate at least 25% of the Units for the time being in issue and the Chairman of the Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

If the quorum is not reached, an adjourned meeting will be convened with the same agenda not less than 15 clear days after the Meeting. Any Unitholders present in person or by proxy at the adjourned meeting, whatever the number of Unitholders and number of Units held by them, will form a quorum and the chairman of such adjourned meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at such adjourned meeting.

Forms of Proxy (please see below, under “**VOTING ARRANGEMENTS**”) already received prior to the date and time specified below will be used to vote at the adjourned meeting, if any, unless specifically revoked.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 4 January 2019, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.
4. If a quorum is not present within 30 minutes from the time appointed for the Meeting, the Meeting will be adjourned for a period not less than 15 clear days thereafter at such a place as may be appointed by the Chairman and any Unitholders present, in person or by proxy, at the adjourned meeting whatever their number and the number of Units held by them will constitute a quorum.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT

PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY
which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 4 January 2019.

**JPMorgan Global Property Income Fund (the “Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:

Account Number(s):

MasterAccount:

Regular Investment Plan:
(if applicable)

PLEASE COMPLETE IN BLOCK CAPITAL LETTERS

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Meeting”),

or

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Meeting to be held on 10 January 2019, 4:30 p.m. (Hong Kong time), and at any adjournment thereof, at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure I). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure I) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE FUND

For unitholders placing the same voting direction to your representative for all units held in the Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed liquidation of JPMorgan Global Property Income Fund as set out in the letter dated 12 October 2018 (the “Liquidation”) shall be and is hereby approved.			
(ii) the Trustee of the Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Fund and to execute any document and do any act or thing for the purpose of terminating the Fund.			

Agenda	“For”	“Against”	“Abstain”
(iii) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Fund in those jurisdictions where the Fund is registered or authorised for sale after the effective date of the Liquidation.			

Individual:	Corporation:
<div></div> <div>Signature _____ Date _____</div>	<div></div> <div>The Common Seal of _____ Affixed in the presence of _____ Date _____</div>

Notes:

1. To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. (Hong Kong time) on 4 January 2019, or if the meeting is adjourned, no later than 6:00 p.m. (Hong Kong time) on the fifth Hong Kong business day prior to the date of the adjourned meeting. The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
2. A proxy need not be a Unitholder.
3. The Chairman of the Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
5. This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote. The votes “Abstain” will only be counted in the quorum for the Meeting.
7. Forms of Proxy for the Meeting already received prior to the date and time specified in Note 1 will be used to vote at the adjourned meeting, if any, unless specifically revoked prior to the deadline.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

10 September 2018

Dear Investor,

Merger of JPMorgan Eastern Fund into JPMorgan Asia Growth Fund

Please be informed that the resolutions set out in the Notice of General Meeting of Unitholders were passed at the general meeting held on 23 August 2018. As a result, JPMorgan Eastern Fund (the “Terminating Fund”) will merge into JPMorgan Asia Growth Fund (the “Receiving Fund”) on 7 December 2018 (the “Merger Date”).

Further to our letter dated 21 June 2018, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan¹, eScheduler² and pension schemes, will be exchanged for units in the Receiving Fund on the Merger Date.

The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date. Unitholders should note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 30 November 2018, 5:00 p.m. (Hong Kong time). Investment from existing investors through Regular Investment Plan, eScheduler and pension schemes will still be permissible (insofar as there is no increase in the scheduled contribution amount) until 30 November 2018. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by JPMorgan Funds (Asia) Limited (the “Manager”) or for which it acts as Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction up to and including 30 November 2018, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 30 November 2018, 5:00 p.m. (Hong Kong time), free of charge⁷.

The merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”), trust deeds, base terms, and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients’ Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

IMPORTANT: This letter requires your immediate attention. If you have any questions about the contents of this letter, please seek independent professional advice.

27 August 2018

Dear Investor,

JPMorgan Funds (Hong Kong Unit Trust Range)

We are writing to inform you of our intention to propose the merger of the following funds into the corresponding receiving funds as listed below. The potential proposed mergers will be subject to regulatory approvals and subsequently unitholders' approval in extraordinary general meetings. Should we proceed with the proposed mergers, the anticipated effective date will be in the first quarter of 2019. Unitholders of the respective funds would be informed accordingly with sufficient notice containing details of the relevant merger in advance of the extraordinary general meetings and the mergers.

Merging funds	Receiving funds
JPMorgan AsiaOne Fund	JPMorgan Asia Growth Fund
JPMorgan Indonesia Fund	JPMorgan ASEAN Fund
JPMorgan Malaysia Fund	JPMorgan ASEAN Fund
JPMorgan Philippine Fund	JPMorgan ASEAN Fund
JPMorgan Australia Fund	JPMorgan Pacific Securities Fund
JPMorgan Greater China Smaller Companies Fund	JPMorgan Eastern Smaller Companies Fund
JPMorgan Japan Smaller Company (Yen) Fund	JPMorgan Japan (Yen) Fund

In addition, we intend to propose the liquidation of the JPMorgan Global Property Income Fund, which will be subject to regulatory approval and subsequently unitholders' approval in extraordinary general meeting. Should we proceed with the proposed liquidation, the anticipated effective date will be in the first quarter of 2019. Unitholders would be informed accordingly with sufficient notice in advance of the extraordinary general meeting and the liquidation.

From the date of the extraordinary general meeting notifications on the proposed mergers and proposed liquidation, further subscription and switching into the merging funds and liquidating fund will be suspended until further notice. Details will be provided in the upcoming notifications.

The offering document of the funds is available free of charge upon request during normal working hours at the registered office of the Manager, JPMorgan Funds (Asia) Limited¹, and on our website www.jpmorganam.com.hk².

¹ The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

² The website has not been reviewed by the Securities and Futures Commission.

The Manager of the funds accepts responsibility for the accuracy of the contents of this letter.

Should you have any questions on the above or any other aspect of the funds, please do not hesitate to contact:

- your bank or financial adviser;
- your designated account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan

Director

Addendum dated June 2018 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

The following changes to the Consolidated Explanatory Memoranda shall apply with effect from and including 28 June 2018, unless otherwise specified:

- All references to the list of directors of JPMorgan Funds (Asia) Limited shall be deleted in their entirety and replaced by the following with immediate effect:

"Directors of JPMorgan Funds (Asia) Limited

*Chan, Tsun Kay, Edwin
Cheah, Kheng Leong
Falcon, Michael Irving
Wang, Qionghui"*

Change to Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

- The first paragraph in the risk factor entitled "(xxvii) China market risk" under the section entitled "RISKS" shall be deleted in its entirety and replaced by the following:

"China market risk - Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market."

Changes to the Explanatory Memorandum of JPMorgan Pacific Technology Fund in "APPENDIX I – FUND DETAILS OF ASIA PACIFIC EQUITY FUNDS" of Section A – CONSOLIDATED EXPLANATORY MEMORANDA OF ASIA PACIFIC EQUITY FUNDS:

- The paragraph and the table in the section entitled "5. Classes of Units" shall be deleted in their entirety and replaced by the following:

"Currently, the following Classes are available:

<i>Class</i>	<i>Class Currency</i>
<i>JPMorgan Pacific Technology (acc) - AUD (hedged)</i>	<i>Australian dollars</i>
<i>JPMorgan Pacific Technology (acc) - HKD</i>	<i>HK dollars</i>
<i>JPMorgan Pacific Technology (acc) - SGD (hedged)</i>	<i>Singapore dollars</i>
<i>JPMorgan Pacific Technology (acc) - USD</i>	<i>US dollars</i>

- The following paragraph and table shall be inserted as a new paragraph after the first paragraph in the section entitled "10. Initial Issue Price":

"In addition, the first issue of units of the following Classes will be made at the prices below, excluding the initial charge:

<i>Class</i>	<i>Initial issue price per unit, excluding the initial charge</i>
<i>JPMorgan Pacific Technology (acc) - AUD (hedged)</i>	<i>AU\$10.00</i>
<i>JPMorgan Pacific Technology (acc) - HKD</i>	<i>HK\$10.00</i>
<i>JPMorgan Pacific Technology (acc) - SGD (hedged)</i>	<i>SG\$10.00</i>

Change to the Explanatory Memorandum of JPMorgan China A-Share Opportunities Fund in Section C – EXPLANATORY MEMORANDA OF OTHER FUNDS:

- The first paragraph of the risk factor entitled "(i) China market risk" under the section entitled "RISKS" shall be deleted in its entirety and replaced by the following:

"China market risk - Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market."

Change to the Explanatory Memorandum of JPMorgan China Income Fund in Section C – EXPLANATORY MEMORANDA OF OTHER FUNDS:

- The fifth paragraph in the sub-section entitled “Investment Objective and Policy” under the section entitled “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS” shall be deleted in its entirety and replaced by the following:

“The Fund may invest less than 30% of its total net asset value in below investment grade bonds (i.e. (a) bonds rated below Baa3 by Moody’s or BBB- by Standard & Poor’s or such other terms used by international accredited rating agencies or (b) unrated bonds but their issuers are rated below Baa3 by Moody’s or BBB- by Standard & Poor’s or such other terms used by international accredited rating agencies) or unrated bonds (i.e. both the bonds and issuers are unrated by Moody’s, Standard & Poor’s or other international accredited rating agencies).

The Fund may not invest more than 10% of its total net asset value in each type of the following instruments: (i) urban investment bonds¹(城投債); and (ii) asset backed securities (including asset backed commercial papers).”
- The first paragraph of the risk factor entitled “(i) China market risk” under the section entitled “RISKS” shall be deleted in its entirety and replaced by the following:

“China market risk – Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market.”

Change to the Explanatory Memorandum of JPMorgan China Pioneer A-Share Fund in Section C – EXPLANATORY MEMORANDA OF OTHER FUNDS:

- The first paragraph of the risk factor entitled “(i) China market risk” under the section entitled “RISKS” shall be deleted in its entirety and replaced by the following:

“China market risk – Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market.”

Change to Section E – NAMES OF FUNDS/CLASSES of the Consolidated Explanatory Memoranda:

- The following shall be inserted as new rows in the table entitled “Asia Pacific Equity Funds” in Section E – NAMES OF FUNDS/CLASSES:

“

Fund/Class
<i>JPMorgan Pacific Technology (acc) - AUD (hedged)</i>
<i>JPMorgan Pacific Technology (acc) - HKD</i>
<i>JPMorgan Pacific Technology (acc) - SGD (hedged)</i>

”

¹ Urban investment bonds are debt instruments issued by local government financing vehicles (“LGFVs”) in the China listed bond and interbank bond-market. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.

21 June 2018

Dear Investor,

Merger of JPMorgan Eastern Fund into JPMorgan Asia Growth Fund

Please be informed that the general meeting of unitholders of JPMorgan Eastern Fund (the “Terminating Fund”) which was convened on 3 May 2018 could not be validly constituted so as to deliberate on the proposed resolution as the required quorum for the meeting was not met. As a result, the general meeting of unitholders was adjourned and will be reconvened on 23 August 2018, 10 a.m. (Hong Kong time) (the “Adjourned Meeting”) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

The proposal to merge the Terminating Fund into JPMorgan Asia Growth Fund (the “Receiving Fund”) (the “Merger”) is to be decided at the Adjourned Meeting convened in accordance with paragraphs 28 and 29.4 of the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 20 January 1971, as further amended and supplemented from time to time (the “Trust Deed”). JPMorgan Funds (Asia) Limited, the manager of the Terminating Fund (the “Manager”), believes that this proposal will benefit the unitholders as it will create a larger pool of assets which should not only provide potential economies of scale but also enhance fund management efficiency. The Manager recommends that unitholders vote in favour of the resolution being put to them at the Adjourned Meeting.

The Terminating Fund is no longer allowed to be marketed to the public in Hong Kong, and further subscription and switching into the Terminating Fund will continue to be suspended until further notice, except for investment from existing investors through Regular Investment Plan¹, eScheduler² and pension schemes, which will continue to be permissible (insofar as there is no increase in the scheduled contribution amount) until 30 November 2018 if the proposed Merger is approved by the unitholders at the Adjourned Meeting.

The Terminating Fund currently has only one class, i.e., JPMorgan Eastern (acc) - USD, which will be merged into the JPMorgan Asia Growth (acc) - USD class of the Receiving Fund. Please refer to Enclosure I which highlights the key differences and similarities between the Terminating Fund and the Receiving Fund (including the investment objective and policies, risk factors, latest fund size, fees and charges and total expense ratio) for reference. Unitholders should also refer to the relevant sections of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time (the “Consolidated Explanatory Memoranda”) and the relevant Product Key Fact Statements which set out a description of the investment policies and specific risk factors of the Terminating Fund and the Receiving Fund.

¹ If you invest through a bank, distributor or financial adviser, please note that the arrangement of your Regular Investment Plan may be different. You are advised to contact your bank, distributor or financial adviser should you have any questions.

² The eScheduler is only available to clients dealing via J.P. Morgan eTrading platform in Hong Kong.

Kindly take careful note of the details of the agenda as well as the quorum and voting requirements as set out in the Notice of General Meeting of Unitholders (Enclosure II). Any unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of unitholders or number of units held by them, will form a quorum. The resolution will be passed by a majority of 75% or more of the votes expressed by the unitholders present or represented at such Adjourned Meeting. **The Forms of Proxy that have already been properly returned in time for the meeting held on 3 May 2018 will remain valid for the Adjourned Meeting unless specifically revoked in writing by 16 August 2018. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 26 April 2018, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 16 August 2018. Votes cast shall not include those which are attached to units where the unitholders have abstained, have not taken part in the vote or have returned a blank or invalid vote.** If you have not yet returned the Form of Proxy, please complete and return the Form of Proxy (Enclosure III) to us **URGENTLY**, and in any event should be received by us no later than 16 August 2018, 6:00 p.m. (Hong Kong time), using the envelope provided. If, however, we do not hear from you by this date and time, your instructions will not be reflected in respect of your holdings and therefore will not be considered at the Adjourned Meeting.

Should the proposed Merger be approved by the unitholders at the Adjourned Meeting, units held by unitholders in the Terminating Fund, including those units invested through the Regular Investment Plan, eScheduler and pension schemes, will be exchanged for units in the Receiving Fund on 7 December 2018 or such other date as may be determined by the Manager (the “Merger Date”) which will be set out in the notification letter to unitholders regarding the outcome of the Adjourned Meeting (the “Result Notice”). Those investing in the Terminating Fund through the Regular Investment Plan, eScheduler and pension schemes should note that future investments into the Terminating Fund will permanently cease on the Merger Date.

The Merger will be in accordance with the terms and arrangements as set out in Enclosure IV “Details of the Merger Process”. Units in the Terminating Fund will be exchanged for units in the Receiving Fund on the basis of the formula set out in Enclosure IV. In particular, the Terminating Fund’s assets will be transferred to the Receiving Fund on the Merger Date after deduction of such amount as appropriate to meet all outstanding liabilities of the Terminating Fund. Accordingly, **unitholders who intend to remain in the Terminating Fund should note that such deduction will impact the net asset value of the Terminating Fund, which in turn may impact the number of units in the Receiving Fund that you may receive.** Unitholders should also note that the net asset value per unit of the Terminating Fund and the Receiving Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of your holding (except for rounding adjustments, if any) will remain the same, you may receive a different number of units in the Receiving Fund from what you previously held in the Terminating Fund. The contract notes for the disposal of units in the Terminating Fund and the issue of units in the Receiving Fund will be issued as soon as practicable after the Merger Date.

The legal, mailing and other administrative expenses associated with the proposed Merger, are estimated to be approximately USD 39,000 and will be borne by the Manager. There are no unamortised establishment costs outstanding relating to the Terminating Fund.

Redemption and switching from the Terminating Fund will cease after 30 November 2018, 5:00 p.m. (Hong Kong time) should the proposed Merger be approved by the unitholders at the Adjourned Meeting. If you do not wish to hold units in the Receiving Fund after the Merger Date, we are pleased to offer you the opportunity to switch your current holding in the Terminating Fund, free of charge, into any other funds which are managed by the Manager or for which it acts as

Hong Kong representative³ and are authorised by the Securities and Futures Commission (“SFC”)⁴, provided that we receive your switching instruction from on or before 30 November 2018, 5:00 p.m. (Hong Kong time)⁵. The details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk⁶.

If you would prefer to redeem your holding in the Terminating Fund, you may do so up to and including 30 November 2018, 5:00 p.m. (Hong Kong time), free of charge⁷.

Should there be any significant redemption from the Terminating Fund prior to the Merger, the Manager may, with due care, skill and diligence, and in consultation with the Trustee, apply any liquidity risk management tools specified in the sub-section entitled “Liquidity Risk Management” under the section entitled “GENERAL” in the Consolidated Explanatory Memoranda to ensure unitholders are treated fairly.

Please note that, should the proposed Merger be approved by the unitholders at the Adjourned Meeting, starting from 3 December 2018, the portfolio of the Terminating Fund may be rebalanced to closely resemble that of the Receiving Fund. From that point onwards, the Terminating Fund will follow the investment objective and policies of the Receiving Fund, until the Merger Date. All transaction costs arising from such portfolio rebalancing will be borne by the Terminating Fund, therefore **unitholders who remain in the Terminating Fund when such portfolio rebalancing is carried out will be impacted**. The Terminating Fund is also expected to incur transaction costs in its subsequent transfer of assets to the Receiving Fund, which, together with the transaction costs arising from portfolio rebalancing, are estimated to be approximately 0.27% of the total net asset value of the Terminating Fund as of 31 May 2018.

The Result Notice will be sent to unitholders as soon as practicable after the Adjourned Meeting. In the event that unitholders do not approve the proposed Merger, the proposal to merge the Terminating Fund into the Receiving Fund will not proceed. In such event, the Terminating Fund will resume processing subscriptions to the Terminating Fund, including those through the Regular Investment Plan, eScheduler and pension schemes, with effect from the date of the Result Notice and will continue to process redemptions and switching as set out in the Consolidated Explanatory Memoranda.

The proposed Merger will have no Hong Kong profits tax implications to the Terminating Fund or the Receiving Fund. Unitholders of the Terminating Fund should note that the exchange of units in the Terminating Fund for units in the Receiving Fund pursuant to the proposed Merger may be considered as a disposal of the units in the Terminating Fund for tax purposes and any gains derived may be subject to tax. Generally, unitholders will not be liable to Hong Kong profits tax on gains realised on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue

³ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

⁴ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

⁵ Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

⁶ This website has not been reviewed by the SFC.

⁷ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Copies of the Consolidated Explanatory Memoranda, trust deeds, base terms and any other documents of the Terminating Fund and the Receiving Fund set out under the section entitled “Documents Available for Inspection” in the Consolidated Explanatory Memoranda, are available for inspection free of charge during normal working hours at the offices of the Manager⁸.

The Manager accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Terminating Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients’ Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited



Edwin TK Chan
Director

Enclosures:

- I Details of the Terminating Fund and the Receiving Fund
- II Notice of General Meeting of Unitholders
- III Form of Proxy
- IV Details of the Merger Process

⁸ The registered office of the Manager is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

**Details of JPMorgan Eastern Fund (the “Terminating Fund”) and
JPMorgan Asia Growth Fund (the “Receiving Fund”)**

	Terminating Fund	Receiving Fund
Investment objective and policies	<p>The investment policy of the Terminating Fund is to provide investors with long term capital growth by investing primarily in the securities of companies in the Asia-Pacific region, excluding Japan and Australia except the Manager may, from time to time, invest in Japan and Australia when appropriate investment opportunities arise.</p> <p>The Terminating Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p>	<p>The investment objective of the Receiving Fund is to provide investors with long-term capital appreciation by investing at least 70% of its non-cash assets in equity securities of companies whose predominant business will benefit from, or is related to, the growth in Asian economies. The Receiving Fund may invest up to 30% of its non-cash assets in equity securities of companies in non-Asian countries. The Receiving Fund may also invest up to 10% of its non-cash assets in non-equity securities in any countries.</p> <p>The Receiving Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month’s prior notice will be given to unitholders and the offering document will be updated accordingly.</p> <p>The Receiving Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p> <p>The Receiving Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
Investment restrictions and guidelines	<p>The investment restrictions and guidelines of the Terminating Fund and the Receiving Fund are similar. Additional investment restrictions and guidelines applicable to the Terminating Fund and the Receiving Fund are set out as below:</p> <p>The value of the Terminating Fund’s holding of securities of companies which are based in or operate primarily in Hong Kong, China, Singapore, Korea, Taiwan, Thailand, Malaysia, Indonesia and the Philippines shall not be less than 70 per cent. of its non-cash assets in securities and other investments.</p>	<p>The value of the Receiving Fund’s holding of equity securities of companies in Asian economies shall not be less than 70 per cent. of its non-cash assets.</p>

Risk factors	The risk factors of the Terminating Fund and the Receiving Fund are similar, except that the Receiving Fund has additional risk factors in relation to currency hedging and RMB exposure. Key risk factors for the Terminating Fund and the Receiving Fund are set out as below:	
	<ul style="list-style-type: none">• Emerging markets risk• Currency risk• Liquidity risk• Equity risk	<ul style="list-style-type: none">• Emerging markets risk• Asian market risk• Currency risk• Liquidity risk• Equity risk• Hedging risk• Class currency risk• RMB currency risk• Currency Hedged Classes risk
Manager	JPMorgan Funds (Asia) Limited	
Investment Manager	JF Asset Management Limited	
Sub-Manager	N/A	JPMorgan Asset Management (UK) Limited
Trustee	HSBC Institutional Trust Services (Asia) Limited	
Dealing frequency	Daily	
Distribution policy	Only accumulation classes are offered for the Terminating Fund and the Receiving Fund. All income will be accumulated and reinvested within the accumulation classes.	
Base currency	USD	
Minimum investment	Lump-sum (initial / additional): USD2,000 or equivalent	Lump-sum (initial / additional): RMB16,000 or equivalent for RMB denominated class and USD2,000 or equivalent for other classes
	Regular Investment Plan: HKD1,000 per month	
	The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment.	
Initial charge	Up to 5.0% of NAV per unit	
Switching charge	Up to 1.0% of NAV per unit	
Redemption charge	Currently 0% (Up to 0.5% of NAV per unit)	
Management fee	1.5% of NAV p.a. (maximum 2.5%)	
Trustee fee	Up to 0.2% per annum of the NAV, with the current rate as follows:	
		Rate (per annum)
	On the first US\$40,000,000	0.06% of NAV
	On the next US\$30,000,000	0.04% of NAV
	On the balance over US\$70,000,000	0.025% of NAV
Total expense ratio	1.65% as at 31 May 2018	1.69% as at 31 May 2018
	The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Terminating Fund or the Receiving Fund’s average net asset value.	
Fund size	USD 235 million as at 31 May 2018	USD 326 million as at 31 May 2018

Notice of General Meeting of Unitholders

Unitholders were invited to attend a general meeting of Unitholders (defined in Note 1 below) of JPMorgan Eastern Fund (the “Terminating Fund”) which was convened on 3 May 2018. However, as the required quorum for the meeting was not met, the meeting could not be validly constituted so as to deliberate on the proposed resolution.

Notice is hereby given by JPMorgan Funds (Asia) Limited (the “Manager”), the manager of the Terminating Fund, that the meeting was adjourned and will be reconvened on 23 August 2018, 10:00 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong (the “Adjourned Meeting”), for the purpose of considering and, if thought fit, passing the same resolution as set out below.

Capitalised terms used in this notice shall have the same meanings as in the trust deed of the Terminating Fund (the “Trust Deed”) unless otherwise specified.

EXTRAORDINARY RESOLUTION

THAT:

- (i) the proposed merger of JPMorgan Eastern Fund into JPMorgan Asia Growth Fund (the “Receiving Fund”) as set out in the letter dated 21 June 2018 (the “Merger”) shall be and is hereby approved.
- (ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed) to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.

The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.

- (iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.
- (iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.

VOTING

Any Unitholders present in person or by proxy at the Adjourned Meeting, whatever the number of Unitholders or number of Units held by them, will form a quorum and the Chairman of the Adjourned Meeting will be instructed to demand a poll. The resolution will be passed by a majority of 75% or more of the votes expressed by the Unitholders present or represented at the Adjourned Meeting. Votes cast shall not include those which are attached to Units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.

Forms of Proxy that have already been properly returned in time for the meeting held on 3 May 2018 will remain valid for the resolution submitted to the Adjourned Meeting unless specifically revoked in writing by 16 August 2018. Forms of Proxy returned after the designated date and time for the first meeting (i.e. 26 April 2018, 6:00 p.m. (Hong Kong time)) but prior to the date and time stipulated below will be counted towards the resolution at the Adjourned Meeting unless specifically revoked in writing by 16 August 2018.

VOTING ARRANGEMENTS

Unitholders who cannot personally attend the Adjourned Meeting are requested to use the enclosed Form of Proxy (copy also available via the website www.jpmorganam.com.hk¹), which should be received by us no later than 16 August 2018, 6:00 p.m. (Hong Kong time) at GPO Box 11448, Hong Kong.

For and on behalf of
JPMorgan Funds (Asia) Limited

Notes:

1. The term “Unitholder” means a person entered on the register of the Terminating Fund maintained under the Trust Deed as a holder of a Unit and includes persons jointly registered.
2. A corporation may by resolution of its directors or other governing body authorise a person as it thinks fit to act as its representative at the Adjourned Meeting and that person so authorised shall be entitled to exercise the powers on behalf of the corporation provided that person produces a copy of the resolution certified by a director of the corporation to be a true copy.
3. Each Unitholder entitled to attend and vote at the above mentioned Adjourned Meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a Unitholder. A Form of Proxy is enclosed.

¹ This website has not been reviewed by the Securities and Futures Commission.

IMPORTANT**PLEASE COMPLETE AND RETURN THIS FORM IMMEDIATELY****which in any event should be received by us no later than 6:00 p.m. (Hong Kong time) on 16 August 2018.**

**JPMorgan Eastern Fund (the “Terminating Fund”)
Form of Proxy for Use at the General Meeting of Unitholders**

Name(s) and Address of Client:**Account Number(s):**

MasterAccount:

Regular Investment Plan:
(if applicable)**PLEASE COMPLETE IN BLOCK CAPITAL LETTERS**

I/We the undersigned,

Corporate Name/First Name(s)

Last Name

hereby appoint the Chairman of the General Meeting of Unitholders (the “Adjourned Meeting”),

or _____

as my/our representative to vote for me/us on my/our behalf on the item of the agenda, as indicated below, of the Adjourned Meeting to be held on 23 August 2018, 10 a.m. (Hong Kong time) at 27th Floor, Chater House, 8 Connaught Road Central, Hong Kong, as more fully described in the Notice of General Meeting of Unitholders (Enclosure II). Capitalised terms used in this Form of Proxy shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) unless otherwise defined.

Direction to your representative

If you want your representative to vote in a certain way on the resolution specified, please indicate with an “✓” in the spaces below. If you fail to select any of the given options, your representative can vote as he/she chooses or can decide not to vote at all. The representative can also do this on any other resolution that is put to the Adjourned Meeting. If you appoint the Chairman as your representative and you do not indicate with an “✓” in the spaces below how you wish your votes to be cast, the Chairman will vote ‘for’ in favour of the resolution specified.

VOTING INSTRUCTIONS FOR THE TERMINATING FUND

For unitholders placing the same voting direction to your representative for all units held in the Terminating Fund, please indicate with an “✓” in the spaces below. If you wish your representative to vote only part of your units in the Terminating Fund, please indicate the number of units to be voted in the relevant box. If you indicate more units than are actually held on your behalf, your representative may vote the total number of units on your behalf in the same proportions to that indicated below. Please note that this Form of Proxy must be duly executed in order to be effective.

Agenda	“For”	“Against”	“Abstain”
To consider and approve the following resolution:			
1. (i) the proposed merger of JPMorgan Eastern Fund into JPMorgan Asia Growth Fund (the “Receiving Fund”) as set out in the letter dated 21 June 2018 (the “Merger”) shall be and is hereby approved.			
(ii) the scheme arrangement (the “Scheme”) set out in Enclosure IV headed “Details of the Merger Process”, a copy of which has been laid before this meeting and signed for the purpose of identification by the chairman thereof (the “Chairman”), shall be and is hereby approved. The Trustee of the Terminating Fund and the Manager shall be and are hereby authorised (insofar as they are not already authorised by the Trust Deed)			

Agenda	“For”	“Against”	“Abstain”
<p>to terminate the Terminating Fund by implementing the Scheme and to execute any document and do any act or thing for the purpose of terminating the Terminating Fund and implementing the Scheme and the Merger.</p> <p>The Manager shall be and is hereby authorised and directed to arrange for distribution to Unitholders of contract notes for Units to be issued by way of satisfaction and discharge of those Unitholders’ respective interests in the assets of the Terminating Fund as shall be transferred to the Receiving Fund in accordance with the Scheme.</p> <p>(iii) on a termination pursuant and giving effect to the Scheme, the Unitholders’ rights attaching to the Units in respect of the assets of the Terminating Fund shall be satisfied by Unitholders receiving their respective entitlements in the Receiving Fund in accordance with the Scheme.</p> <p>(iv) the Manager shall be and is hereby authorised to take all steps necessary to withdraw the registration or authorisation of the Terminating Fund in those jurisdictions where the Terminating Fund is registered or authorised for sale after the effective date of the Merger.</p>			

Individual: <div> <div>Signature</div> <div>Date</div> </div>	Corporation: <div> <div>The Common Seal of</div> <div>Affixed in the presence of</div> <div>Date</div> </div>
-------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------

Notes:

1. To be valid, the Form of Proxy and any power of attorney under which it is signed must be received by JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong no later than 6:00 p.m. on 16 August 2018 (Hong Kong time). The Form of Proxy may be sent in the first instance by facsimile on (852) 2868 1577, but the original Form of Proxy should follow by mail to JPMorgan Funds (Asia) Limited at GPO Box 11448, Hong Kong.
2. A proxy need not be a Unitholder.
3. The Chairman of the Adjourned Meeting will be entitled to rely and act upon any instruction given, or purported to be given to the Chairman’s satisfaction, by either or any joint Unitholders.
4. In the case of joint Unitholders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first name being senior.
5. This Form of Proxy shall be signed by a Unitholder or a Unitholder’s attorney duly authorised in writing. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed by an officer or attorney so authorised.
6. The votes cast shall not include those which are attached to units where the Unitholders have abstained, have not taken part in the vote in person or by proxy, or have returned a blank or invalid vote.
7. Forms of Proxy for the meeting held on 3 May 2018 already received prior to 26 April 2018, 6:00 p.m. (Hong Kong time) will be used to vote at the Adjourned Meeting, unless specifically revoked in writing prior to the date and time specified in Note 1. Forms of Proxy for the meeting held on 3 May 2018 returned after 26 April 2018, 6:00 p.m. (Hong Kong time) but prior to the date and time specified in Note 1 will also be used to vote at the Adjourned Meeting.

Details of the Merger Process

Scheme arrangement (the “Scheme”)¹

1. The Trustee and the Manager shall transfer all the Terminating Fund’s assets (after deduction of such amount as the Trustee and the Manager determine to be appropriate to meet all outstanding liabilities of the Terminating Fund) to the Receiving Fund on the effective date of the Merger (the “Merger Date”) in consideration for the issue of units of the Receiving Fund to the unitholders of the Terminating Fund (the “Unitholders”).
2. The Terminating Fund shall terminate on the Merger Date following the final transfer (in accordance with paragraph 1 above) of the Terminating Fund’s assets to the Receiving Fund.
3. The Trustee and the Manager will take reasonable care to ensure the provision for liabilities of the Terminating Fund to be a fair estimate. If there shall be any surplus after discharging all outstanding liabilities of the Terminating Fund, the Manager shall arrange for that surplus to be transferred to the Receiving Fund. If the provision for liabilities is insufficient to discharge all outstanding liabilities of the Terminating Fund, the Manager shall bear the deficit at its own cost.
4. The issue of units of the Receiving Fund shall be made to Unitholders on the basis of the following formula:

$$N = C / P$$

Where:

N = Number of units² in the Receiving Fund (rounded to 3 decimal places) issued to the Unitholder

P = Net Asset Value per unit³ of the Receiving Fund (rounded to 2 decimal places) where the assets of the Receiving Fund are valued in accordance with paragraph 5 below

C = M x Q with the resultant sum rounded to 2 decimal places

M = Number of units and fractions thereof in the Terminating Fund held by the Unitholder

Q = Net Asset Value per unit of the Terminating Fund (rounded to 4 decimal places⁴) where the assets of the Terminating Fund are valued in accordance with paragraph 5 below after the deduction of an appropriate amount as set out in paragraph 1 above

5. The assets of the Terminating Fund shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Terminating Fund’s trust deed dated 20 January 1971, as further amended and supplemented from time to time). The assets of the Receiving Fund

¹ Capitalised terms used herein shall have the same meanings as in the Notice of General Meeting of Unitholders (Enclosure II) and the trust deed of the Terminating Fund, unless otherwise defined.

² This refers to the number of units in the JPMorgan Asia Growth (acc) - USD class of the Receiving Fund.

³ This refers to the Net Asset Value per unit of the JPMorgan Asia Growth (acc) - USD class of the Receiving Fund.

⁴ Please note that this rounding treatment only applies to the Merger in the calculation of the number of units in the Receiving Fund that will be issued to Unitholders, and is intended to reduce the impact of rounding in the calculation so that the number of units that Unitholders will receive will more accurately reflect the value of their holdings in the Terminating Fund on the Merger Date.

shall be valued on the Merger Date in accordance with the base terms dated 31 October 2016 (which have been incorporated by way of an amended and restated trust deed into the Receiving Fund's trust deed dated 11 May 2007, as further amended and supplemented from time to time). The manager of the Terminating Fund and the Receiving Fund shall use and apply the same valuation means, determinations or methods for the Terminating Fund and the Receiving Fund.

6. All liabilities attributable to the Terminating Fund or the Receiving Fund prior to the Merger Date shall be binding solely upon the Terminating Fund or the Receiving Fund as the case may be. In calculating the liabilities of the Terminating Fund or the Receiving Fund for the purposes of the Net Asset Value, the Manager or, as the case may be, the manager of the Receiving Fund shall value such liabilities in accordance with the normal accounting policies or valuation principles of the Terminating Fund or the Receiving Fund, as the case may be.
7. In relation to units of the Receiving Fund issued pursuant to this Scheme:-
 - A) JPMorgan Funds (Asia) Limited will issue contract notes for such units on or before the second Business Day immediately following the Merger Date or as soon as practicable thereafter, to the persons entitled thereto at their respective addresses appearing in the Terminating Fund's register of Unitholders (and, in the case of joint Unitholders, to the address of the first named); and
 - B) the Manager shall be entitled to assume that all information contained in the Terminating Fund's register of Unitholders is correct and to utilise the same in procuring registration of the units issued pursuant to the Scheme.
8. The provisions in this Scheme shall have effect subject to such modifications or additions as the Manager and the Trustee may from time to time approve in writing and consider it is in the best interests of Unitholders.
9. The trustee and the manager of the Receiving Fund shall be entitled to act and rely upon any certificate, opinion, advice or information furnished by the Trustee, the Manager, the Registrar, the Auditors of the Terminating Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
10. The Trustee and the Manager of the Terminating Fund shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the trustee, the manager, the registrar, the auditors of the Receiving Fund and its or their other professional advisers and shall not be liable or responsible for any loss suffered as a result thereof.
11. The Scheme is conditional upon the passing of the Extraordinary Resolutions and to all conditions (if any) to such resolutions being fulfilled.
12. If approved by the passing of the Extraordinary Resolutions, this Scheme shall be binding on all Unitholders in accordance with its terms and on all persons claiming through or under them.
13. The legal, mailing and other administrative expenses associated with the proposed Merger shall be borne by the Manager. All transaction costs arising from the portfolio rebalancing of the Terminating Fund for the purpose of the Merger will be borne by the Terminating Fund.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the contents of this letter, please seek independent professional advice.

30 May 2018

Dear Investor,

JPMorgan India Smaller Companies Fund (the “Fund”)

We are writing to inform you about the Indian tax provisioning arrangement of the Fund.

Effective 1 April 2018, a tax of approximately 12% will apply on long-term capital gains (i.e., capital gains on assets held for more than 12 months prior to sale) arising from the transfer of listed Indian equity shares and equity oriented mutual funds on an Indian exchange. Where such assets were acquired prior to 1 February 2018, the cost of acquisition will be deemed to be the higher of the actual cost of acquisition, or the fair market value on 31 January 2018, subject to certain conditions. In effect, capital gains up to 31 January 2018 will be grandfathered to the previous tax exemption that was available prior to this change. The change was introduced in the 2018 Union Budget announced on 1 February 2018 in India and received Presidential assent on 29 March 2018.

As a result of the above change, the manager of the Fund (the “Manager”), based on professional tax advice and having discussed this matter with the Fund’s auditor and trustee (the “Trustee”), has decided to make a provision for 100% of the Fund’s potential Indian tax on all realised and unrealised long-term capital gains of Indian securities acquired on or after 1 February 2018.

The Manager will keep the provisioning policy for capital gains tax liability under review, and may, in its discretion from time to time (in consultation with the Trustee), change the provisioning policy for potential tax liabilities of the Fund. In the event that any part of the tax provision is no longer required based on professional tax advice, it will be released back into the Fund. Any shortfall between the provision and the actual tax liabilities, which will be debited from the Fund’s assets, will adversely affect the Fund’s net asset value. Conversely, the actual tax liabilities may be lower than the tax provision made. Consequently, depending upon the timing of investors’ subscriptions and/or redemptions of their units in/from the Fund, as the tax provision may not relate directly to the period in which investors hold their investment, investors may be disadvantaged as a result of any shortfall of tax provision and, in the case of overprovision, they will not have the right to claim any part of such overprovision. Investors should seek their own tax advice on their tax position with regard to their investment in the Fund.

The Manager accepts responsibility for the accuracy of the contents of this letter.

If you have any questions with regard to the contents of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;

- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan
Director

Addendum dated February 2018 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

The following changes to the Consolidated Explanatory Memoranda shall apply with effect from and including 1 February 2018:

Changes to Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

- The following shall be inserted as a new paragraph at the end of the section entitled "FUND PARTIES":

"Subject to the consent of the Trustee of the relevant Fund, JPMorgan Funds (Asia) Limited may at its discretion outsource the transfer agency and administrative functions in respect of the Funds from time to time."

- The risk factor entitled "(xxxii) Risks associated with investments in the China interbank bond market (the "CIBM")" under the section entitled "RISKS" shall be deleted in its entirety and replaced by the following:

"(xxxii) Risks associated with investments in the China interbank bond market (the "CIBM") – Certain Funds may invest in Chinese debt securities traded on the CIBM through the CIBM Initiative¹ and/or Bond Connect². The CIBM is in a stage of development and the market capitalisation and trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume may result in prices of debt securities traded on such market fluctuating significantly. The bid and offer spreads of the prices of such debt securities may be large, and the relevant Funds may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. Investments in CIBM may be subject to liquidity, volatility, regulatory, PRC tax risk and risks associated with settlement procedures and default of counterparties.

Under the prevailing regulations in Mainland China, if foreign institutional investors wish to invest in CIBM through the CIBM Initiative and/or Bond Connect, the relevant filings, registration with People's Bank of China and account opening for investment in the CIBM have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the relevant Fund is subject to the risks of default or errors on the part of such third parties.

In terms of fund remittance and repatriation under the CIBM Initiative, foreign investors (such as the relevant Fund) may remit investment principal in RMB or foreign currency into Mainland China for investing in the CIBM. An investor will need to remit investment principal matching at least 50% of its anticipated investment size within nine months after filing with the Shanghai Head Office of People's Bank of China, or else an updated filing will need to be made through the onshore settlement agent. Where the relevant Fund repatriates funds out of Mainland China, the ratio of RMB to foreign currency ("Currency Ratio") should generally match the original Currency Ratio when the investment principal was remitted into Mainland China, with a maximum permissible deviation of 10%.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The relevant Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

The relevant rules and regulations on the CIBM Initiative and Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the CIBM, the relevant Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the relevant Fund may suffer substantial losses as a result.

There are risks and uncertainties associated with current PRC tax laws, regulations and practice on a Fund's investments in the PRC. For details on PRC tax risk consideration and taxation of the Funds in the PRC market, please refer to the risk factor "(xvii) People's Republic of China ("PRC") tax risk consideration" under the section entitled "RISKS" and the sub-paragraph entitled "The People's Republic of China ("PRC")" under the sub-section entitled "(iv) Investment Markets" under Section D – TAX NOTES of the Consolidated Explanatory Memoranda."

¹ In February 2016, the People's Bank of China announced the opening-up of the CIBM to a wider group of eligible foreign institutional investors free of quota restriction (the "CIBM Initiative").

² As defined in the joint announcement of the People's Bank of China and the Hong Kong Monetary Authority dated 16 May 2017, "Bond Connect" is an arrangement that establishes mutual bond market access between Hong Kong and mainland China. Eligible foreign investors can invest in the CIBM through Northbound Trading of the Bond Connect.

Changes to the Explanatory Memorandum of JPMorgan Asian Total Return Bond Fund in Section B - Consolidated Explanatory Memoranda of Bond and Currency Funds:

- The following new paragraphs shall be inserted after the first paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS":

"The Fund will not invest more than 10% of its total net asset value in PRC onshore securities (including equity and debt securities).

The Fund will not invest more than 10% of its total net asset value in Chinese debt securities traded in the CIBM through the CIBM Initiative and/or Bond Connect."

- The second paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"The Fund's aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its total net asset value and should this investment policy in China A-Shares and/or B-Shares change in the future, one month's prior notice will be given to unitholders and the offering document will be updated accordingly."

Changes to the Explanatory Memorandum of JPMorgan Global Bond Fund in Section B - Consolidated Explanatory Memoranda of Bond and Currency Funds:

- The following new paragraph shall be inserted after the third paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS":

"The Fund will not invest more than 10% of its total net asset value in PRC onshore securities (including equity and debt securities).

The Fund will not invest more than 10% of its total net asset value in Chinese debt securities traded in the CIBM through Bond Connect."

- The fourth paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"The Fund's aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its total net asset value."

Changes to the Explanatory Memorandum of JPMorgan Europe High Yield Bond Fund in Section B - Consolidated Explanatory Memoranda of Bond and Currency Funds:

- The second sentence in the second paragraph under the section entitled "FUND PARTIES" shall be deleted in its entirety and replaced by the following:

"The Investment Manager has further appointed JPMorgan Asset Management (UK) Limited, a company incorporated in England and Wales with limited liability as sub-manager ("Sub-Manager")."

- All references to "Sub-Managers" in the sub-section entitled "Management Fee" under the section entitled "FEES, CHARGES AND LIABILITIES" shall be deleted and replaced by the "Sub-Manager".
- The sub-section entitled "Sub-Managers" under the section entitled "MANAGEMENT AND ADMINISTRATION DIRECTORY" shall be deleted in its entirety and replaced by the following:

"Sub-Manager

*JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom"*

Change to the Explanatory Memorandum of JPMorgan China Income Fund in Section C - Consolidated Explanatory Memoranda of Other Funds:

- The fourth paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"The Fund may invest up to 60% of its non-cash assets in Chinese debt securities issued and/or distributed in or outside the PRC, including but are not limited to bonds, money market instruments and other debt securities which are issued by the Chinese issuers such as government, quasi-government organizations, agencies, financial

institutions, and other corporations, organizations or entities domiciled in the PRC. The Chinese debt securities issued and/or distributed in the PRC are traded on the listed bond markets and/or the CIBM. The Fund will invest in Chinese debt securities traded in the CIBM through the CIBM Initiative and/or Bond Connect."

Changes to the Explanatory Memorandum of JPMorgan China Pioneer A-Share Fund in Section C - Consolidated Explanatory Memoranda of Other Funds:

- Paragraph (vii) in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:
"(vii) the Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;"
- Paragraph (viii) in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS" shall be deleted in its entirety and the remaining paragraph (ix) shall be re-numbered as paragraph (viii) accordingly.
- The section entitled "Borrowing and Securities Lending Policy" shall be deleted in its entirety and replaced by the following:

"Borrowing and Securities Lending Policy"

For details of the borrowing and securities lending policy of the Fund, please refer to the sections entitled "Borrowing Policies" and "Securities Lending Policies" respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds."

Changes to the Explanatory Memorandum of JPMorgan Multi Balanced Fund in Section C - Consolidated Explanatory Memoranda of Other Funds:

- The eighth paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:
"The Fund will not invest more than 10% of its total net asset value in:
(i) securities issued or guaranteed by any single sovereign issuer (including its government, a public or local authority of that country) with a credit rating below investment grade;
(ii) contingent convertible bonds;
(iii) Chinese debt securities traded in the CIBM through the CIBM Initiative and/or Bond Connect; or
(iv) PRC onshore securities (including equity and debt securities)."
- Point (vi) under the second paragraph in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:
"(vi) The Fund will not invest more than 10% of its total net asset value in Chinese debt securities traded in the CIBM through the CIBM Initiative and/or Bond Connect."

Changes to the Explanatory Memorandum of JPMorgan Multi Income Fund in Section C - Consolidated Explanatory Memoranda of Other Funds:

- The following new paragraphs shall be inserted after the fourth paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS":
"The Fund will not invest more than 10% of its total net asset value in PRC onshore securities (including equity and debt securities).
The Fund will not invest more than 10% of its total net asset value in Chinese debt securities traded in the CIBM through the CIBM Initiative and/or Bond Connect."
- The fifth paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:
"The Fund's aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its total net asset value and should this investment policy in China A-Shares and/or B-Shares change in the future, one month's prior notice will be given to unitholders and the offering document will be updated accordingly."

Addendum dated December 2017 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

The following changes to the Consolidated Explanatory Memoranda shall apply with effect from and including 1 December 2017, unless otherwise specified:

- All references to the list of directors of JF India Management Limited shall be deleted in their entirety and replaced by the following with immediate effect:

"Directors of JF India Management Limited

*Grossmann, Martin
Modi, Satish Kumar
Mundy, David James
Sullivan, Daniel A"*

- All references to the list of directors of JPMorgan Funds (Asia) Limited shall be deleted in their entirety and replaced by the following with immediate effect:

"Directors of JPMorgan Funds (Asia) Limited

*Chan, Tsun Kay, Edwin
Cheah, Kheng Leong
Falcon, Michael Irving
Mundy, David James
Wang, Qionghui"*

Changes to Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

- The risk factor entitled "(xviii) US tax withholding and reporting under the Foreign Account Tax Compliance Act ("FATCA")" under the section entitled "RISKS" shall be deleted in its entirety and replaced by the following:

"(xviii) US tax withholding and reporting under the Foreign Account Tax Compliance Act ("FATCA") –

(a) For the Funds domiciled in Hong Kong – Under the FATCA provisions of the US Hiring Incentives to Restore Employment ("HIRE") Act, 30% US withholding may be levied on certain US sourced income received (for the Funds, principally dividends and interest paid by US corporations and institutions including the US Government) and after 31 December 2018 on the gross proceeds of sales of (or receipt of principal repayments on) the assets giving rise to that US sourced income (for the Funds, principally equity and debt securities issued by US corporations and institutions including the US Government) unless the Funds are considered FATCA-compliant. The Funds are established in Hong Kong and are subject to a Model 2 Intergovernmental Agreement signed between Hong Kong and the US ("Hong Kong IGA"). Under the Hong Kong IGA and applicable US Treasury Regulations, FATCA compliance can be achieved (i) by being subject to the terms of an Foreign Financial Institution ("FFI") agreement with the US Internal Revenue Service ("IRS") under which the Funds would, among other things, conduct certain due diligence on investors and provide certain US tax reporting to the IRS with respect to the holdings of and payments to certain investors in the Funds (such as certain "Specified US Persons" as defined in the US Treasury Regulations under FATCA, or certain non-US entities owned by certain Specified US Person(s) – see page 1 of the Preamble to the Consolidated Explanatory Memoranda), or (ii) by a "sponsoring entity" agreeing to perform, on behalf of the Funds, such due diligence and reporting. The Hong Kong IGA modifies certain FATCA requirements set forth in the US Treasury Regulations but generally requires similar information to be disclosed by the FFI to the IRS. The Manager is the "sponsoring entity" for the Funds, which are registered as "Sponsored Investment Entity" and treated as "Non-Reporting IGA FFI" under the Hong Kong IGA and are therefore "registered deemed-compliant FFIs" for FATCA purpose. The Funds are unlikely to be subject to 30% FATCA withholding tax on US sourced income or other above-described amounts paid to the Funds and are also not expected to impose FATCA withholding on any payments made to investors at least until 2019. The Funds are registered deemed-compliant FFIs for FATCA purposes. If in the unlikely event where the Funds were unable to satisfy the obligations imposed on them to avoid the imposition of FATCA withholding, certain US sourced income or other above-described amounts paid to the Funds may be subject to a 30% FATCA withholding, which could have adverse impact on the Funds (e.g. reduction in cash available for investors) and result in a decrease in the net asset value per unit of the Funds which may give rise to material loss to investors. Any amounts withheld under FATCA may not be refundable by the IRS.

Prospective investors should consult their own tax advisers regarding (i) the possible implications of FATCA on the Funds established in Hong Kong and on their investment in the Funds based on their particular circumstances and (ii) the information that may be required to be provided and disclosed to the Funds' Manager, the Funds and distributors, and in certain circumstances ultimately to the IRS. Prospective investors may also be affected by FATCA rules as implemented in jurisdictions other than Hong Kong. The application of the FATCA rules and the information that may be required to be reported and disclosed are subject to change.

(b) For the Funds domiciled in Mauritius - Under the FATCA provisions of the US HIRE Act, 30% US withholding may be levied on certain US sourced income received (for the Funds, principally dividends and interest paid by US corporations and institutions including the US Government) and after 31 December 2018 on the gross proceeds of sales of (or receipt of principal repayments on) the assets giving rise to that US sourced income (for the Funds, principally equity and debt securities issued by US corporations and institutions including the US Government) unless the Funds are considered FATCA-compliant. The Funds are established in Mauritius, which signed an Intergovernmental Agreement with the US on 27 December 2013 ("Mauritius IGA"). FATCA compliance can be achieved (i) by the Funds being subject to Mauritius-enacted legislation and local guidance under which the Funds would, among other things, conduct due diligence on investors and report to the Mauritius Revenue Authority ("MRA") holdings of and payments to certain investors in the Funds, or (ii) by a "sponsoring entity" agreeing to perform, on behalf of the Funds, such due diligence and reporting. Investors reported on include certain US investors and certain non-US entities owned by US persons. The MRA will transmit the reported information to the IRS. JPMFAL is the "sponsoring entity" for the Funds, which are registered as "Sponsored Investment Entity" and treated as "Non-Reporting Mauritius IGA FFI" under the Mauritius IGA and are therefore "deemed-compliant FFIs" for FATCA purposes. The Funds are unlikely to be subject to 30% FATCA withholding on US sourced income or other above-described amounts paid to the Funds and are also not expected to impose FATCA withholding on any payments made to investors at least until 2019. The Funds are deemed-compliant FFIs for FATCA purposes. If in the unlikely event where the Funds were unable to satisfy the obligations imposed on them to avoid the imposition of FATCA withholding, certain US sourced income or other above-described amounts paid to the Funds may be subject to a 30% FATCA withholding, which could have adverse impact on the Funds (e.g. reduction in cash available for investors) and result in a decrease in the net asset value per unit of the Funds which may give rise to material loss to investors. Any amounts withheld under FATCA may not be refundable by the IRS.

Prospective investors should consult their own tax advisers regarding (i) the possible implications of FATCA on the Funds established in Mauritius and on their investment in the Funds based on their particular circumstances and (ii) the information that may be required to be provided and disclosed to JPMFAL, the Funds and distributors, and in certain circumstances ultimately to the MRA and the IRS. Prospective investors may also be affected by FATCA rules as implemented in jurisdictions other than Mauritius. The application of the FATCA rules and the information that may be required to be reported and disclosed are subject to change."

- The sub-section entitled "Sub-Managers" under the section entitled "MANAGEMENT AND ADMINISTRATION DIRECTORY" shall be deleted in its entirety and replaced by the following:

"Sub-Managers

*JPMorgan Asset Management (Japan) Limited
Tokyo Building
7-3, Marunouchi 2-chome
Chiyoda-ku, Tokyo
100-6432, Japan*

*JPMorgan Asset Management (Singapore) Limited
168 Robinson Road
17th Floor, Capital Tower
Singapore 068912*

*JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom"*

- The sub-section entitled "6. Sub-Manager" of JPMorgan Pacific Technology Fund in "APPENDIX I - FUND DETAILS OF ASIA PACIFIC EQUITY FUNDS" shall be deleted in its entirety and the remaining sub-sections shall be re-numbered accordingly.

Changes to the Explanatory Memorandum of JPMorgan Asia Growth Fund in Section C – Consolidated Explanatory Memoranda of Other Funds:

- The table under the second paragraph in the section entitled “CLASSES OF UNITS” shall be deleted in its entirety and replaced by the following:

“

Class	Class Currency
<i>JPMorgan Asia Growth (acc) - HKD</i>	<i>HK dollars</i>
<i>JPMorgan Asia Growth (acc) - RMB (hedged)</i>	<i>Renminbi</i>
<i>JPMorgan Asia Growth (acc) - USD</i>	<i>US dollars</i>

”

- The sub-section entitled “Initial Issue Price” under the section entitled “SUBSCRIPTIONS” shall be deleted in its entirety and replaced by the following:

“Initial Issue Price

The first issue of units of the existing Classes were made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
<i>JPMorgan Asia Growth (acc) - RMB (hedged)</i>	<i>RMB10.00</i>
<i>JPMorgan Asia Growth (acc) - USD</i>	<i>US\$10.00</i>

In addition, the first issue of units of the following Class will be made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
<i>JPMorgan Asia Growth (acc) - HKD</i>	<i>HK\$10.00</i>

”

Changes to the Explanatory Memorandum of JPMorgan China Income Fund in Section C – Consolidated Explanatory Memoranda of Other Funds:

- The table under the second paragraph in the section entitled “CLASSES OF UNITS” shall be deleted in its entirety and replaced by the following:

“

Class	Class Currency
<i>JPMorgan China Income (acc) - USD</i>	<i>US dollars</i>
<i>JPMorgan China Income (mth) - AUD (hedged)</i>	<i>Australian dollars</i>
<i>JPMorgan China Income (mth) - HKD</i>	<i>HK dollars</i>
<i>JPMorgan China Income (mth) - RMB (hedged)</i>	<i>Renminbi</i>
<i>JPMorgan China Income (mth) - USD</i>	<i>US dollars</i>

”

- The table under the first paragraph in the sub-section entitled “Other Classes” under the section entitled “DISTRIBUTION POLICY” shall be deleted in its entirety and replaced by the following:

“

Class
<i>JPMorgan China Income (mth) - AUD (hedged)</i>
<i>JPMorgan China Income (mth) - HKD</i>
<i>JPMorgan China Income (mth) - RMB (hedged)</i>
<i>JPMorgan China Income (mth) - USD</i>

”

- The sub-section entitled “Initial Issue Price” under the section entitled “SUBSCRIPTIONS” shall be deleted in its entirety and replaced by the following:

“Initial Issue Price

The first issue of units of the existing Classes were made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
<i>JPMorgan China Income (acc) - USD</i>	<i>US\$10.00</i>
<i>JPMorgan China Income (mth) - HKD</i>	<i>HK\$10.00</i>
<i>JPMorgan China Income (mth) - RMB (hedged)</i>	<i>RMB10.00</i>
<i>JPMorgan China Income (mth) - USD</i>	<i>US\$10.00</i>

In addition, the first issue of units of the following Class will be made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
<i>JPMorgan China Income (mth) - AUD (hedged)</i>	<i>AU\$10.00</i>

”

Change to Section E - NAMES OF FUNDS/CLASSES of the Consolidated Explanatory Memoranda:

- The following shall be inserted as new rows in the table entitled “Other Funds” in Section E - NAMES OF FUNDS/CLASSES:

“

Fund/Class
<i>JPMorgan Asia Growth (acc) - HKD</i>
<i>JPMorgan China Income (mth) - AUD (hedged)</i>

”

Addendum dated November 2017 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

The following changes to the Consolidated Explanatory Memoranda shall apply with effect from and including 3 November 2017 unless otherwise specified:

Changes to Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds with immediate effect:

- The section entitled "CONFLICTS OF INTEREST" shall be deleted in its entirety and replaced by the following:

"CONFLICTS OF INTEREST"

The Manager, the Investment Manager and/or the Sub-Manager may provide services to, or effect transactions with or for, the Funds which may involve an actual or potential conflict of interest with their duties to the Funds. The Manager, the Investment Manager and/or the Sub-Manager will, however, have regard in such event to their obligations to act in the best interests of unitholders when such conflicts of interest arise and will seek to resolve such conflicts fairly.

The Manager, the Investment Manager, the Sub-Manager and other affiliates of the Manager ("JPMorgan Affiliates") have adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest. In addition, these policies and procedures are designed to comply with applicable law where the activities that give rise to conflicts of interest are limited and/or prohibited by law, unless an exception is available.

The Manager, the Investment Manager and/or the Sub-Manager and any of their Connected Persons may provide a variety of different services to a Fund, for which the Fund compensates them, including the execution of portfolio transactions for or with that particular Fund (either as agent or, with the approval of the Trustee, as principal). As a result, the Manager, the Investment Manager and/or the Sub-Manager and any of their Connected Persons have an incentive to enter into arrangements with a Fund, and face conflicts of interest when balancing that incentive against the best interests of the unitholders of the relevant Fund. Such persons may receive and retain their normal commissions, charges, fees or other benefits provided they are arm's length commercial rates for transactions or services of a similar size and nature.

The Manager, the Investment Manager and/or the Sub-Manager and any of their Connected Persons may enter into soft commission arrangements with brokers under which certain goods and services are received, provided such goods and services are of demonstrable benefit to unitholders. Cash payment will not be made for these services but instead those persons may transact an agreed amount of business with the brokers on behalf of the relevant Fund. Commission will be paid by the relevant Fund for these transactions, provided that execution of the transactions are consistent with best execution standards and the relevant brokerage rates are not in excess of customary institutional full-service brokerage rates.

No cash, commission or other rebates from brokers, dealers or market makers may be retained by the Manager, the Investment Manager and/or the Sub-Manager or any of their Connected Persons in consideration of directing transactions on behalf of a Fund to such brokers, dealers or market makers. Further, the Manager, the Investment Manager and/or the Sub-Manager may not obtain a rebate on any fees or charges levied by an underlying collective investment scheme or its management company.

In addition, the Manager, together with JPMorgan Affiliates to which it delegates responsibility for investment management, also face conflicts of interest in their service as investment manager to other funds or clients, and, from time to time, make investment decisions that differ from and/or negatively impact those made by the Manager or its delegates on behalf of the Funds.

JPMorgan Affiliates provide a broad range of services and products to their clients and are major participants in the global currency, equity, commodity, fixed-income and other markets in which a Fund invests or will invest. In certain circumstances by providing services and products to their clients, JPMorgan Affiliates' activities may disadvantage or restrict the Funds and/or benefit these JPMorgan Affiliates.

Potential conflicts of interest may also arise as a consequence of an affiliated group company of the Manager (which is part of JPMorgan Affiliates) providing administrative services to the Funds. For example, potential conflicts of interest may arise where an appointed service provider is an affiliated group company of the Manager and is providing a product or service to the Funds and has a financial or business interest in such product or service or where an appointed service provider is an affiliated group company of the Manager which receives remuneration for other related products or services it provides to the Funds, such as foreign exchange, securities lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the Manager will at all times have regard to its obligations under applicable laws including those to act

honestly, fairly, professionally and independently and solely in the interests of the unitholders of the Funds, and will also manage, monitor and disclose any conflicts of interest to prevent negative effects on the interests of the Funds and its unitholders.

Where a conflict cannot be avoided, the Manager will endeavour to manage and resolve the conflict fairly by appropriate safeguards and measures and ensure investors' interests are sufficiently protected. The Manager has adopted policies and procedures throughout its businesses to identify and manage actual, potential and perceived conflicts of interest which are subject to ongoing monitoring and review. Ongoing risk-based and targeted training for employees are conducted as part of its effort to identify and manage actual, potential and perceived conflicts of interest. Physical and electronic information barriers are established to help prevent the exchange or misuse of material, non-public information and mitigate existing and potential conflicts of interests.

If the Manager and its delegates acquire material non-public information regarding an issuer, they will be restricted from purchasing or selling securities of that issuer for their clients until the information has been publicly disclosed or is no longer deemed material, thereby negatively affecting a Fund's ability to transact in securities affected by such information.

Further information about conflicts of interest is available on the website www.jpmorganam.com.hk.[#]

- The following shall be inserted as a new section after the section entitled "CONFLICTS OF INTEREST":

"CROSS-TRADE

Cross-trades between the Funds and/or other funds managed by the Manager or JPMorgan Affiliates may be undertaken where the Manager considers that, as part of its portfolio management, cross-trades between such Funds or funds would be in the best interests of the unitholders to achieve the investment objective and policy of the relevant Fund. By conducting cross-trades, the Manager may achieve trading efficiencies and savings for the benefit of the unitholders.

In conducting transactions, the Manager will ensure that the trades are executed on arm's length terms at current market value and the reason for such trades shall be documented prior to execution, in accordance with the SFC's Fund Manager Code of Conduct."

Changes to the Explanatory Memorandum of JPMorgan Global Bond Fund in Section B – Consolidated Explanatory Memoranda of Bond and Currency Funds:

- The second sentence in the second paragraph under the section entitled "FUND PARTIES" shall be deleted in its entirety.
- The third paragraph under the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"The Fund invests at least 90% of its non-cash assets in global debt securities rated investment grade (rated Baa3/BBB- or higher using the highest rating available from one of the international independent rating agencies (e.g. Moody's, Standard and Poor's, Fitch)) indirectly (through investing in collective investment schemes) or directly. The Fund may invest up to 10% of its non-cash assets in global debt securities rated below investment grade (rated Ba1/BB+ or below using the highest rating available from one of the international independent rating agencies (e.g. Moody's, Standard and Poor's, Fitch)) or unrated securities indirectly (through investing in collective investment schemes) or directly. When investing in debt securities, the Investment Manager will first consider the credit rating of a debt security itself and only if such credit rating is unavailable, the Investment Manager will then consider the credit rating of its issuer, which will become the implied rating of the relevant debt security. An unrated debt security refers to a debt security which neither the debt security itself nor its issuer has a credit rating. The Fund's investment in collective investment schemes will be restricted to less than 30% of its non-cash assets. The investment objective and strategy of the underlying schemes which the Fund invests in are similar to those of the Fund. Both the Fund and the underlying schemes will not use derivatives extensively and will not use derivatives primarily for investment purposes."

- Paragraph (i) under the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"(i) The value of the Fund's holdings in global investment grade debt securities (directly or indirectly through collective investment schemes) shall not be less than 90% of its non-cash assets."

- The following new risk factor shall be inserted as paragraph (xiii) after paragraph (xii) under the section entitled "RISKS".

"(xiii) Risks of investing in other collective investment schemes - The Fund will be subject to the risks associated with the underlying collective investment schemes it invests in. The Fund does not have control of the

[#] The website has not been reviewed by the SFC.

investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the net asset value of the Fund.

The underlying schemes in which the Fund may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the Fund's redemption requests as and when made."

- The sub-section entitled "Management Fee" under the section entitled "FEES, CHARGES AND LIABILITIES" shall be deleted in its entirety and replaced by the following:

"Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 0.8 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of each Class) by giving to the Trustee and unitholders not less than one month's notice of the increased level of management fee. This fee shall accrue daily based on the net asset value of that Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its connected persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class' interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager and/or the Investment Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager and/or the Investment Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager."

- The sub-section entitled "Sub-Manager" under the section entitled "MANAGEMENT AND ADMINISTRATION DIRECTORY" shall be deleted in its entirety.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the contents of this letter, please seek independent professional advice.

30 October 2017

Dear Investor,

JPMorgan India Smaller Companies Fund (the “Fund”)

We are writing to inform you about the Indian tax provisioning arrangement of the Fund.

Reference is made to the Explanatory Memorandum of the Fund, in which it is stated that (i) the Fund obtains a certificate of tax residency (“TRC”) from the Mauritius Revenue Authority, and (ii) due to the Fund’s Mauritius tax residence status, pursuant to the India-Mauritius tax treaty, the Fund expects that no Indian tax will be payable in respect of any capital gains realised on its Indian securities.

The Fund is required to annually renew the TRC to evidence its Mauritius tax residence status. The renewal of the last TRC has been applied for by the Fund. However, as at the date of this letter, a renewed TRC has not yet been issued by the Mauritius Revenue Authority. Due to this uncertainty in obtaining the TRC, the manager of the Fund (the “Manager”), based on professional tax advice and having discussed this matter with the Fund’s auditor and trustee, has decided to make a provision for 100% of the Fund’s potential Indian tax at the rate of approximately 17.77% on all realized and unrealized short-term gains (i.e., gains on securities held for less than one year) of Indian securities after 20 August 2017, i.e., the date of expiration of the last TRC, with effect from 26 September 2017. As a result, the total Indian tax provision for unrealized short-term gains on Indian securities as at 26 September 2017 amounted to 0.25% of the Fund’s net asset value. This amount is likely to change daily and may increase or decrease depending on sale activities, market movements and length of holding of Indian securities in the Fund’s portfolio.

The change in the tax provisioning basis of the Fund was implemented to reflect the likelihood of the Fund’s inability to claim the benefit under the India-Mauritius tax treaty due to the Mauritius Revenue Authority’s delay in issuing the renewed TRC. Provisioning for such tax obligation will put the Fund in a better position to meet the anticipated imposition of tax by the Indian government should such unrealized short-term gains become realized before issuance of the renewed TRC. This is considered to be in the best interest of the Fund and its investors and would not materially prejudice the interests of the investors.

The Manager will continue to closely monitor the situation and will further update all relevant investors if there is a significant change in the Indian tax provisioning arrangement in the Fund’s portfolio. In the event that any part of the tax provision is no longer required based on professional tax advice, it will be released back into the Fund. Any shortfall between the provision and the actual tax liabilities, which will be debited from the Fund’s assets, will adversely affect the Fund’s net asset value. Conversely, the actual tax liabilities may be lower than the tax provision made. Consequently, depending upon the final outcome of the issuance of the Fund’s renewed TRC and the timing of investors’ subscriptions and/or redemptions of their units in/from the Fund, as the tax

provision may not relate directly to the period in which investors hold their investment, investors may be disadvantaged as a result of any shortfall of tax provision and, in the case of overprovision, they will not have the right to claim any part of such overprovision. Investors should seek their own tax advice on their tax position with regard to their investment in the Fund.

The Manager accepts responsibility for the accuracy of the contents of this letter.

If you have any questions with regard to the contents of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,

For and on behalf of

JPMorgan Funds (Asia) Limited

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', with a stylized flourish at the end.

Edwin TK Chan

Director

Addendum dated April 2017 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

For the avoidance of doubt, this Addendum shall prevail over all previous addenda to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, including the addendum of even date in relation to JPMorgan Multi Balanced Fund.

The following changes to the Consolidated Explanatory Memoranda shall apply with immediate effect:

- All references to the list of directors of JPMorgan Funds (Asia) Limited shall be deleted in their entirety and replaced by the following:

"Directors of JPMorgan Funds (Asia) Limited

*Chan, Tsun Kay, Edwin
Cheah, Kheng Leong
Falcon, Michael Irving
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy"*

Changes to Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

- The following new sub-section shall be inserted after the sub-section entitled "Complaints and Enquiries Handling" under the section entitled "GENERAL":

"Liquidity Risk Management

The following applies to all Funds set out in Appendix I of Section A, Sections B and C of the Consolidated Explanatory Memoranda.

The Manager has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of the Funds and at all times exercise due care, skill and diligence in managing the liquidity of the Funds under its management in order to ensure investors are treated fairly and the Funds' dealing arrangements are appropriate for their respective investment strategies and underlying assets throughout the entire product life cycle.

An overarching framework for liquidity risk management and a liquidity risk management process that is independent from the day-to-day portfolio investment team are set up to monitor the implementation of liquidity risk management policies and procedures on a day-to-day basis. Various committees are also set up to provide oversight on exceptional situations and activation of liquidity risk management tools and measures where applicable and in consultation with the Trustee. Significant liquidity risk events and issues will be further escalated to local or global committees/forums and boards. Various liquidity risk management tools are identified that can be tailored and applied to specific requirements of individual funds or strategies. These tools, including but not limited to fair valuation, fiscal charge and suspension of redemption, are designed to reduce the impact of liquidity risk but their existence may not be able to fully eliminate liquidity risk for investors.

The Manager conducts ongoing liquidity risk monitoring and stress testing to assess the liquidity profile of the Funds' assets and liabilities and the adequacy of liquidity risk management tools. Fund holdings will be classified under different liquidity buckets taking into account both individual security liquidity characteristics and higher level asset class market depth constraints. The Manager will assess the asset and liability side liquidity under both normal and stressed market scenarios and closely monitor concentration of client holdings.

For further details of the liquidity risk management tools relating to the Funds, i.e. fair valuation, fiscal charge and suspension of redemption, please refer to the section entitled "BASES OF VALUATIONS" in the respective section of these Consolidated Explanatory Memoranda, the section entitled "FEES, CHARGES AND LIABILITIES - Fiscal Charges" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds and the sections entitled "REDEMPTIONS - Suspension of Redemptions" and "REDEMPTIONS - Procedure for Redemption and Suspension of Redemptions" in the respective section of these Consolidated Explanatory Memoranda."

- The risk factor entitled “(xviii) US tax withholding and reporting under the Foreign Account Tax Compliance Act (“FATCA”)” under the section entitled “RISKS” shall be deleted in its entirety and replaced by the following:

“(xviii) US tax withholding and reporting under the Foreign Account Tax Compliance Act (“FATCA”) –

(a) For the Funds domiciled in Hong Kong – Under the FATCA provisions of the US Hiring Incentives to Restore Employment (“HIRE”) Act, 30% US withholding may be levied on certain US sourced income received (for the Funds, principally dividends and interest paid by US corporations and institutions including the US Government) and after 31 December 2018 on the gross proceeds of sales of (or receipt of principal repayments on) the assets giving rise to that US sourced income (for the Funds, principally equity and debt securities issued by US corporations and institutions including the US Government) unless the Funds are considered FATCA-compliant. The Funds are established in Hong Kong and are subject to a Model 2 Intergovernmental Agreement signed between Hong Kong and the US (“Hong Kong IGA”). Under the Hong Kong IGA and applicable US Treasury Regulations, FATCA compliance can be achieved (i) by being subject to the terms of an Foreign Financial Institution (“FFI”) agreement with the US Internal Revenue Service (“IRS”) under which the Funds would, among other things, conduct certain due diligence on investors and provide certain US tax reporting to the IRS with respect to the holdings of and payments to certain investors in the Funds (such as certain “Specified US Persons” as defined in the US Treasury Regulations under FATCA, or certain non-US entities owned by certain Specified US Person(s) – see page 1 of the Preamble to the Consolidated Explanatory Memoranda), or (ii) by a “sponsoring entity” agreeing to perform, on behalf of the Funds, such due diligence and reporting. The Hong Kong IGA modifies certain FATCA requirements set forth in the US Treasury Regulations but generally requires similar information to be disclosed on an FFI to the IRS. The Manager is the “sponsoring entity” for the Funds, which are intended to be “Non-Reporting HK SAR Financial Institutions” under the Hong Kong IGA and therefore “registered deemed-compliant FFIs” for FATCA purpose. The Funds are unlikely to be subject to 30% FATCA withholding tax on US sourced income or other above-described amounts paid to the Funds and are also not expected to impose FATCA withholding on any payments made to investors at least until 2019.

The Funds intend to be registered deemed-compliant FFIs for FATCA purposes. However, this cannot be assured given the complexity of the FATCA requirements.

Prospective investors should consult their own tax advisers regarding (i) the possible implications of FATCA on the Funds established in Hong Kong and on their investment in the Funds based on their particular circumstances and (ii) the information that may be required to be provided and disclosed to the Funds’ Manager, the Funds and distributors, and in certain circumstances ultimately to the IRS. Prospective investors may also be affected by FATCA rules as implemented in jurisdictions other than Hong Kong. The application of the FATCA rules and the information that may be required to be reported and disclosed are subject to change.

(b) For the Funds domiciled in Mauritius – Under the FATCA provisions of the US HIRE Act, 30% US withholding may be levied on certain US sourced income received (for the Funds, principally dividends and interest paid by US corporations and institutions including the US Government) and after 31 December 2018 on the gross proceeds of sales of (or receipt of principal repayments on) the assets giving rise to that US sourced income (for the Funds, principally equity and debt securities issued by US corporations and institutions including the US Government) unless the Funds are considered FATCA-compliant. The Funds are established in Mauritius, which signed an Intergovernmental Agreement with the US on 27 December 2013 (“Mauritius IGA”). FATCA compliance can be achieved (i) by the Funds being subject to Mauritius-enacted legislation and local guidance under which the Funds would, among other things, conduct due diligence on investors and report to the Mauritius Revenue Authority (“MRA”) holdings of and payments to certain investors in the Funds, or (ii) by a “sponsoring entity” agreeing to perform, on behalf of the Funds, such due diligence and reporting. Investors reported on include certain US investors and certain non-US entities owned by US persons. The MRA will transmit the reported information to the IRS. JPMFAL is the “sponsoring entity” for the Funds, which are intended to be “Non-Reporting Mauritius Financial Institutions” under the Mauritius IGA and therefore “deemed-compliant FFIs” for FATCA purposes. The Funds are unlikely to be subject to 30% FATCA withholding on US sourced income or other above-described amounts paid to the Funds and are also not expected to impose FATCA withholding on any payments made to investors at least until 2019.

The Funds intend to be deemed-compliant FFIs for FATCA purposes. However, this cannot be assured given the complexity of the FATCA requirements.

Prospective investors should consult their own tax advisers regarding (i) the possible implications of FATCA on the Funds established in Mauritius and on their investment in the Funds based on their particular circumstances and (ii) the information that may be required to be provided and disclosed to JPMFAL, the Funds and distributors, and in certain circumstances ultimately to the MRA and the IRS. Prospective investors may also be affected by FATCA rules as implemented in jurisdictions other than Mauritius. The application of the FATCA rules and the information that may be required to be reported and disclosed are subject to change.”

Change to Section D – TAX NOTES of the Consolidated Explanatory Memoranda:

- Section D of the Consolidated Explanatory Memoranda shall be deleted in its entirety and replaced by the following:

“SECTION D – TAX NOTES

(i) General

The Consolidated Explanatory Memoranda are not intended to provide a comprehensive guide to the taxation treatment of investors. The Consolidated Explanatory Memoranda are intended as a general guide only and do not necessarily describe the tax consequences for all types of investors in the Funds and no reliance, therefore, should be placed upon them. All prospective unitholders, and in particular those from jurisdictions other than those specifically referred to below or of classifications not referred to below should inform themselves of, and take their own advice on, the taxes applicable to the subscription, holding, transfer and redemption of units, and any distribution (each, a “Relevant Event”) under the laws of the place of their operation, domicile, residence, citizenship and/or incorporation. Neither the Funds nor any of the parties listed in the section entitled “MANAGEMENT AND ADMINISTRATION DIRECTORY” of the Consolidated Explanatory Memoranda give or make any warranty and/or representation as to the tax consequences in relation to any Relevant Event (or combination of Relevant Events), take any responsibility for any tax consequences in relation to any Relevant Event (or combination of Relevant Events), and each of the Funds and such parties expressly disclaim any liability whatsoever for any tax consequences in relation to any Relevant Event (or combination of Relevant Events) and/or for any loss howsoever arising (whether directly or indirectly) from any Relevant Event (or combination of Relevant Events).

Dividends, interest income, gains on the disposal of investments and other income received by a Fund or by any collective investment schemes in which it invests or on a Fund’s investments in some countries may be liable to the imposition of income tax, irrecoverable withholding tax or other tax. Where commercially feasible, the Fund will seek to obtain a reduction in the rate of withholding tax or relief under an applicable tax treaty.

In some jurisdictions that the Funds invest in there may be uncertainty as to: the interpretation and implementation of the current tax rules; the tax rules being changed; and taxes being applied retrospectively. Therefore, any provision for taxation made by the Manager may be excessive or inadequate to meet final tax liabilities and any penalties and interest. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provisioning and when they subscribed for and/or redeemed their units in/from the Funds.

Automatic Exchange of Information/Common Reporting Standard

Automatic Exchange of Financial Account Information (“AEOI”) in Tax Matters and Common Reporting Standard (“CRS”) (collectively, “AEOI”) – The Inland Revenue (Amendment) (No.3) Ordinance (the “Ordinance”) came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of AEOI. AEOI generally requires financial institutions (“FIs”) in Hong Kong to collect information relating to their account holders’ tax residence jurisdictions and report such information to the Hong Kong Inland Revenue Department (“IRD”), to enable the IRD to exchange such information with certain such tax residence jurisdictions. Generally, tax information will be exchanged with jurisdictions with which Hong Kong has a Competent Authority Agreement (“CAA”) in place regarding AEOI. However, the Funds and/or their agents may also collect information relating to tax residents of other jurisdictions.

The Funds are required to comply with the requirements of AEOI as implemented by Hong Kong, which means that the Funds and/or their agents will collect and provide to the IRD certain tax information relating to investors in the Funds.

The AEOI rules as implemented by Hong Kong require a Fund to, amongst other things: (i) register the Fund’s status as a “Reporting Financial Institution” with the IRD, (ii) conduct due diligence on its accounts holders (i.e., investors) to identify whether any such accounts are considered “Reportable Accounts” for AEOI purposes, and (iii) report to the IRD information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has signed a CAA and in which holders of the relevant Reportable Accounts are tax resident. In general, AEOI contemplates that Hong Kong FIs would report on: (i) individual or entity account holders that are tax resident in jurisdictions with which Hong Kong has signed a CAA, and (ii) individuals who control certain entity account holders and who are tax resident in such jurisdictions. Under the Ordinance, details of investors, including but not limited to their name, address, tax residence jurisdictions, taxpayer identification numbers, their holdings, payments made by a Fund to them and information on certain investors’ beneficial owners, may be reported to the IRD and subsequently exchanged by the IRD with government authorities in the relevant tax residence jurisdictions.

Similar laws and provisions as outlined above apply to the Mauritius domiciled Funds.

By investing in the Funds and/or continuing to invest in the Funds, investors acknowledge that they may be required to provide additional information to the Funds, the Manager and/or the Funds’ agents in order for the Funds to

comply with AEOL, FATCA and the Hong Kong and Mauritius IGAs. The investors' information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with certain entity investors), may be communicated by the IRD to authorities in other jurisdictions (in the case of AEOL) or by the Funds or the Manager to the IRS (in the case of FATCA).

Prospective investors should consult their own tax advisers regarding the possible implications of AEOL on the Funds and on their investment in the Funds based on their particular circumstances.

The tax notes that are set out in this Section apply to the Funds in the Consolidated Explanatory Memoranda (as the case may be) and are based on the law and practice currently in force as at the date of the Consolidated Explanatory Memoranda and are subject to changes in content and interpretation.

(ii) Taxation of Funds in their Country/Region of Formation

Funds domiciled in the following country/region are taxed as follows:

Hong Kong

The Funds are authorised under Section 104 of the SFO. Therefore, any Hong Kong income or profits they derive will be exempt from Hong Kong profits tax provided that the Funds are carried on in accordance with the purposes stated in their constitutive documents as approved by the SFC and in accordance with the requirements of the SFC.

Mauritius

Generally, funds residing in Mauritius are subject to Mauritius income tax at the current rate of 15% on their chargeable income. A tax credit equivalent to the higher of actual foreign tax suffered or a deemed 80% credit of the Mauritius tax payable in respect of its foreign sourced income may be able to be claimed. Credits for actual foreign tax suffered includes both withholding and underlying taxes and, if the foreign tax rate is at least 15%, no additional tax is payable in Mauritius (with any excess credit being lost where the foreign tax paid is more than 15%).

Any foreign tax credit claim should be duly supported by documentary evidence. Where the foreign tax has not actually been paid at the time of the return of income, a note to that effect should be provided in the entity's accounts. The Funds have a period up to two years to pay the foreign tax from the year in which the foreign tax credit is claimed. If the foreign tax is not paid within two years, such credit should be clawed back and treated as additional tax in the year the claw-back is made.

The Funds should be taxed at an effective rate of 0% to 3%. This is on the basis that the Funds hold a Category 1 Global Business License (GBC 1) under the Financial Services Act 2007.

There is no withholding tax in Mauritius on the Funds' distribution to unitholders and no capital gains tax regime. Further, under the Income Tax Act 1995, any profit on sale of shares or securities derived by a company holding a GBC 1 license and dividends paid by companies resident in Mauritius are exempt from income tax in Mauritius.

(iii) Taxation of Unitholders

Hong Kong

A unitholder will not be liable to Hong Kong profits tax on gains realised on the sale or redemption of units except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholder in Hong Kong and the gains are Hong Kong sourced and not otherwise of a capital nature.

Ascertaining the source and the classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. As a matter of Inland Revenue Department practice, unitholders also should not be taxed in Hong Kong on distributions of income from the Funds. Unitholders should take advice from their own professional advisers as to their particular tax position.

Mauritius

Mauritian tax resident unitholders (if allowed by the Mauritius FSC to purchase or to hold units in the Funds) should seek their own tax advice on their tax position with regard to their investment in the Funds.

Taiwan

Taiwanese Individual Investors

Under Taiwan Income Tax Law, Taiwanese individuals are only subject to Taiwan income tax on their Taiwan sourced income. Distributions and capital gains distributed by the Funds, from investing in offshore securities and bonds, are not considered Taiwan sourced income. Further, gains on the disposal of units in the Funds are currently considered to be foreign sourced income and therefore, are not taxed in Taiwan.

However, from 1 January 2010, distributions and gains on the disposal of units in the Funds are subject to Alternative Minimum Tax (AMT). AMT is calculated as 20% of the foreign sourced income subject to AMT (after taking into account the exemption for the first TWD 6.7 million of income). If the AMT is greater than the amount of income tax payable, a taxpayer needs to pay the additional tax on the difference between AMT and regular income tax.

Taiwanese Corporate Investors

Under Taiwan Income Tax Law, Taiwanese corporate investors are subject to Taiwanese corporate income tax on their worldwide income. Therefore, distributions and capital gains distributed by the Funds, as well as gains derived on the disposal of units in the Funds should be subject to 17% corporate income tax in Taiwan.

Tax credits for the foreign withholding tax suffered on this foreign sourced income are available, subject to certain limitations and the availability of certain documentation.

The United States of America

The Funds are passive foreign investment companies ("PFIC") within the meaning of the US Inland Revenue Code ("IRC"), the US tax treatment to U.S. investors (directly or indirectly through their custodian or financial intermediary) under the PFIC provisions of the IRC can be disadvantageous and that the Funds are unlikely to qualify U.S. investors to either elect to mark-to-market their investment in the Funds under IRC § 1296 or elect to treat the Funds as Qualified Electing Funds under IRC §1294.

(iv) Investment Markets

The taxation of the Funds in the key markets in which they invest is as follows:

Australia

Taxation in Australia relies on the concepts of both residency and source. Australian tax residents are subject to tax on their worldwide income. Non-residents for Australian tax purposes are generally only subject to tax on their Australian sourced income and capital gains derived from the disposal of certain assets that are "taxable Australian property". On the basis that the Funds' central management and control are outside Australia and the Trustee is not an Australian resident, the Funds should be non-residents of Australia for tax purposes. Therefore, a liability to Australian tax should only arise in respect of the Funds Australian sourced income and certain capital gains.

Taxation of the Funds

Dividends

Unfranked dividends (i.e. dividends paid from profits to which corporate tax payments have not been attributed) are subject to withholding tax at the rate of 30%. Franked dividends (i.e. dividends paid out of profits to which corporate tax payments have been attributed) and unfranked dividends declared to be 'conduit foreign income' (i.e. non-Australian sourced) should not be subject to Australian withholding tax.

Interest income

Interest income should be subject to withholding tax at the rate of 10%.

Capital gains

The Funds may derive capital gains that, prima facie, are subject to tax in Australia ("an Australian capital gain") and the unitholders may incur a tax liability on their proportionate interest in the Australian sourced capital gain.

A non-resident of Australia for income tax purposes is, however, only subject to capital gains tax in relation to assets that are considered to be "taxable Australian property". Assets which are "taxable Australian property" currently include:

- Real property (e.g. land and buildings) situated in Australia;
- Indirect non-portfolio interests in entities (whether resident in Australia or not) which hold significant Australian real property; and
- Assets used in carrying on a business through a taxable presence (i.e. a permanent establishment) in Australia.

If a non-resident of Australia for tax purposes disposes of certain "taxable Australian property", the purchaser will be required to withhold 10% of the purchase price and remit this to the local Australian tax authority, unless an exemption applies such as where the relevant transaction occurred on an approved stock exchange (e.g. the Australian Securities Exchange).

The Funds propose to invest principally in listed equities. Such equities will only constitute taxable Australian property if:

- *The Fund (and its associates) hold shares or interests of at least 10% in the entity; and*
- *More than 50% of the value of the entity's underlying assets consist of real property in Australia.*

There is a 'look back' period in relation to the 10% test which operates as an integrity rule to counter staggered sell downs.

If the Funds held listed equities on revenue account for Australian tax purposes, any gains arising on disposal of the listed equities may give rise to Australian sourced gains which may be subject to Australian income tax (regardless of whether the assets are "taxable Australian property"). However, in such circumstances, Australian sourced gains still may be exempt from Australian income tax under the Investment Management Regime ("IMR"), subject to the particular Fund meeting the requirements for the concession in each relevant year.

If the Funds directly invest in Australian real property, a gain on disposal of the real property may give rise to a capital gain taxable in Australia.

Other income

Trust distributions attributable to Australian sources (other than dividends, interest, royalties and capital gains that are not "taxable Australian property") are subject to Australian withholding tax. If the Fund invests into an Australian managed investment trust ("MIT") withholding tax at the rates of 15% or 30% should apply to Australian sourced income. If the Fund invests into an Australian trust that is not a MIT, trustee withholding tax at the rate of either 30% or 47% should generally apply to amounts of Australian sourced income.

Recent reforms

A new regime for certain MITs has recently been enacted, which permits eligible MITs (referred to as "Attribution MITs") to elect to allocate taxable income to investors on an attribution basis rather than on amounts distributed to each investor. However, if the Funds invest into Attribution MITs, it is not anticipated that allocating taxable income to the Funds on an attribution basis would result in significant changes to the overall Australian income tax implications for the Funds (provided that the Funds continue to distribute taxable income).

Taxation of unitholders

Non-resident unitholders for Australian tax purposes should not be subject to Australian tax in respect of distributions made by the Funds and gains derived from the disposal of units in the Funds (provided that the Funds do not hold significant interests in "taxable Australian real property").

Australian tax residents and non-residents with a permanent establishment in Australia should seek their own advice on the tax implications of investing in the Funds.

Bangladesh

Taxation in Bangladesh relies on the concepts of both residency and source. Bangladesh tax residents are subject to tax on their worldwide income. Non-residents for Bangladesh tax purposes should only subject to tax on their Bangladesh sourced income.

On the basis that the Funds' management and control are located outside Bangladesh, the Funds should be treated as non-residents of Bangladesh for tax purposes and a liability to Bangladesh tax will only arise in respect of their Bangladesh sourced income.

Taxation of the Funds

The below domestic withholding tax rates will apply, unless a reduced rate or exemption is available under an applicable tax treaty.

Dividends

Dividend income is subject to withholding tax at the rate of 20%. A stock dividend (i.e. bonus shares) is not subject to withholding tax in Bangladesh at the time of receipt, however, withholding tax at the rate of 15% will apply to capital gains arising from the subsequent disposal of such shares.

Interest income

Interest income received from non-government securities is subject to a non-final withholding tax at the rate of 10%. Interest income received from government securities (excluding treasury bonds and bills) and securities which are based on Islamic principles, is subject to a non-final withholding tax at the rate of 5%.

The Funds will ultimately be required to pay tax on interest income at the maximum rate applicable to a company, which is currently 35%. However, a tax credit for the withholding tax suffered on the interest income should be allowed.

Capital gains

Capital gains arising from the disposal of both listed and unlisted shares (including the subsequent disposal of stock dividends) are subject to withholding tax at the rate of 15%. However, capital gains arising from the sale of listed shares by the Funds may be tax exempt in Bangladesh to the extent to which the Fund is not subject to tax on capital gains in their country of their residence.

Taxation of unitholders

Non-resident unitholders for Bangladesh tax purposes should not be subject to Bangladesh tax in respect of gains derived from the disposal of units in the Funds and distributions made by the Funds.

Bangladesh tax residents and non-residents with a permanent establishment in Bangladesh should seek their own advice on the tax implications of investing in the Funds.

India

This outline of Indian tax applies only to JPMorgan India Fund and JPMorgan India Smaller Companies Fund. For the purposes of this Indian tax outline only, these funds are referred to as "the Funds".

Income tax in India is based both on the concept of residency and source. A resident for income tax purposes is generally taxed in India on his world-wide income. A person who is treated as non-resident for Indian income tax purpose, is subject to tax in India only on Indian sourced income (i.e. income received or deemed to be received in India or income accruing or arising or deemed to accrue or arise in India).

As all management and control of the Funds are situated outside India and the Funds do not have any presence in India in the form of a business connection, the Funds should be treated as a non-resident for Indian tax purposes. Accordingly, the Funds should be subject to tax in India only on its Indian sourced income.

The Funds are domiciled and administered in Mauritius and their trustees are located there. In addition, the Funds obtain a certificate of tax residency from the Mauritius Revenue Authority. The Funds should therefore be considered as resident of Mauritius for the purposes of the India-Mauritius tax treaty. As a result, their Indian sourced income should benefit from the terms of the India-Mauritius tax treaty.

Taxation of the Funds

The Indian sourced income earned by the Funds primarily comprises capital gains arising on the transfer of Indian securities, dividend income and interest on securities.

Dividends

Pursuant to Indian tax law, dividend income earned by the Funds from investments in equity securities of Indian companies, and income distributions from investments in units of Indian mutual funds, will be exempt from tax in the hands of the Funds. However, the Indian company paying the dividend is subject to dividend distribution tax at a rate of 15% plus applicable surcharge and cess (comprising of (a) education cess and (b) secondary and higher education cess), and subject to grossing up.

Interest income

Pursuant to Indian tax law, interest income earned by the Funds from investments in Indian debt securities is subjected to tax in India at the rate of 20% (plus surcharge and cess, as applicable) provided that the borrowing is in foreign currency.

Capital gains

Pursuant to the provisions of the India-Mauritius tax treaty, any capital gains earned by the Funds on disposal of Indian securities should not be liable to tax in India, subject to the paragraph below.

The Funds expect that, under the India-Mauritius tax treaty, no Indian tax will be payable till 31 March 2017 in respect of any capital gains realized on their Indian securities. The Governments of India and Mauritius signed a protocol amending the India-Mauritius tax treaty on the 10 May 2016 altering the tax treatment of capital gains, while at the same time seeking to preserve the position of existing investments. Under the protocol India shall have the right to tax capital gains arising from alienation of shares acquired on or after 1 April 2017 in a company resident in India effective as from financial year 2017-18. 1 April 2017 to 31 March 2019 will be a transitional period where the tax rate in India will be limited to 50% of the domestic applicable tax on capital gains tax if the disposal

of the assets occurs at latest on 31 March 2019. However, there can be no assurance that any future changes to the India-Mauritius tax treaty or future interpretations of the India-Mauritius tax treaty will not adversely affect the tax position of the Funds in India.

Taxation of unitholders

For unitholders resident outside India and who do not carry on a business in India, there should be no Indian tax levied on distributions received from the Funds or on gains derived from disposal of units of the Funds. Indian tax residents and non-residents of India with an Indian permanent establishment should seek their own advice on the tax implications of investing in the Funds.

Indonesia

Taxation in Indonesia relies on the concepts of both residency and source. Indonesian tax residents are subject to tax on their worldwide income. Non-residents for Indonesian tax purposes should only be subject to tax on their Indonesian sourced income.

On the basis that the Funds are established and domiciled outside of Indonesia, the Funds should be treated as non-residents of Indonesia for tax purposes and generally, a liability to Indonesian tax will only arise in respect of their Indonesian sourced income.

Taxation of the Funds

The below domestic withholding tax rates will apply, unless a reduced rate or exemption is available under an applicable tax treaty.

Dividends

Dividend income is subject to withholding tax at the rate of 20%.

Interest income

Interest income (including coupon interest on bonds and interest/discounts earned by the Funds in respect of other interest bearing securities, such as medium term notes, promissory notes and negotiable certificate of deposits) is subject to withholding tax at the rate of 20%.

Capital gains

The sale of Indonesian listed shares is subject to withholding tax of 0.1% of the gross proceeds irrespective of whether or not the sale generates a capital gain or loss. This tax is withheld at the time of settlement.

The sale of Indonesian unlisted shares by non-residents (other than the non-residents who have a permanent establishment in Indonesia) are subject to withholding tax at the rate of 5% on the gross consideration. This 5% withholding tax is considered as tax on the "deemed capital gain".

Capital gains and other gains realised upon maturity or redemption gains of Indonesian bonds derived by the Funds are subject to withholding tax at the rate of 20%. The tax is withheld upon sale for capital gains and upon maturity for bonds. Capital gains, which constitute the difference between the selling price and the acquisition price, and gains on maturity, which constitute the difference between the nominal value and the acquisition price of the bonds, are treated in most respects in the same way as interest for Indonesian tax purposes. Therefore in some circumstances, a loss realised on sale or maturity of the bonds can be offset against accrued interest in calculating the Indonesian withholding tax due. However, it should be noted that losses cannot always be offset, especially where the person responsible for withholding the tax on the interest is different from the person responsible for withholding the tax on the capital gain.

Taxation of unitholders

Non-resident unitholders for Indonesian tax purposes should not be subject to Indonesian tax in respect of gains derived from the disposal of units in the Funds and distributions made by the Funds.

Indonesian tax residents and non-residents with a permanent establishment in Indonesia should seek their own advice on the tax implications of investing in the Funds.

Japan

Taxation in Japan relies on the concepts of both residency and source. In general terms, Japanese tax residents are subject to tax on their worldwide income, whereas non-residents are only taxed on their Japanese sourced income (subject to certain exceptions and relief).

On the basis that the Funds:

- *Are constituted as a unit trust, which is regarded as similar to a Japanese investment trust under the Laws relating to Investment Trust and Investment Corporation of Japan;*
- *Are established outside Japan and governed by the law of the countries in which they were established; and*
- *The Trustees of the Funds are companies incorporated and resident in the countries where the Funds are formed;*

the Funds should be treated as foreign investment funds, which do not constitute a taxable entity for Japanese corporate tax purposes other than through withholding tax on specific Japanese sourced income.

Taxation of the Funds

The below domestic withholding tax rates will apply, unless a reduced rate or exemption is available under an applicable tax treaty.

Dividends

Dividends from non-listed companies are subject to withholding tax at the rate of 20%. However, dividends from Japanese listed companies are subject to withholding tax at the reduced rate of 15%.

Interest income

Interest on bonds issued in Japan (including redemption income from certain discount bonds issued by the Japanese governments and Japanese corporations) is subject to withholding tax at the rate of 15% and interest on loans distributed in the form of trust beneficiary rights such as commercial mortgage-backed securities ("CMBS") is subject to withholding tax at 20%. However where certain conditions are met, an exemption from withholding tax on the interest on bonds may be available.

Income derived from the trading in equity index futures and debt securities futures is not subject to Japanese withholding tax.

Dividend and interest income (as described above), paid during the period from January 1, 2013 to December 31, 2037 will also be subject to additional Japanese withholding tax (under the Special Tax Measures for Tohoku Earthquake Restoration) as a surtax at the rate of 2.1% of the original tax rate. This represents an additional tax of 0.315% on dividends from listed shares, 0.42% on dividends from non-listed shares, 0.315% on interest on bonds and 0.42% on interest on loans.

Capital gains

Capital gains from the sale of portfolio securities in Japan are generally exempt from Japanese taxation, except in certain exceptional cases.

If the Funds were deemed to not be similar to "Japanese investment trusts" and dispose of shares in a Japanese corporation, the Funds would be subject to corporate tax at the rate of 23.9% (reduced to 23.4% in fiscal years beginning between 1 April 2016 and 31 March 2018, and 23.2% thereafter) on any capital gains if any of the following applies:

- *The "25/5 Rule" where the Funds own or have owned (together with special related persons) 25% or more of the shares in the Japanese corporation at any time during the fiscal year of sale (or during the previous two years prior to sale) and the Funds sell 5% or more of the shares in the Japanese corporation;*
- *The Japanese corporation is characterised as a "real estate holding company" and the Funds owned (together with special related persons) more than 5% of the shares if it is a listed corporation or 2% of the shares if it is an unlisted corporation, at the prior fiscal year-end in which the shares are sold; or*
- *The Funds have engaged in improper market manipulation (such as "greenmail")*

Any taxable sale of Japanese securities mentioned above is subject to local corporation tax, in addition to corporate tax, at the rate of 1.052% (changed to 1.030% in fiscal years beginning on or after 1 April 2016, 2.410% in fiscal years beginning between 1 April 2017 and 31 March 2018, and 2.390% thereafter).

Taxation of unitholders

Non-resident unitholders for Japanese tax purposes, which do not carry on a business in Japan, should not be subject to Japanese tax in respect of gains derived from the disposal of units in the Funds and distributions made by the Funds.

Japanese tax residents and non-residents with permanent establishments in Japan should seek their own tax advice with regard to their investments in the Funds.

The Republic of Korea

Taxation in Korea relies on the concepts of both residency and source. A tax resident of Korea is generally subject to tax on their worldwide income. Non-residents for Korean tax purposes should only be subject to tax on their Korean sourced income.

On the basis that the Funds are established outside Korea, governed by the law of the countries in which they were established and the Trustees of the Funds are companies incorporated and resident in the countries where the Funds are formed, the Funds should only be subject to tax on their Korean sourced income. This also assumes that the Funds do not have a permanent establishment in Korea.

Taxation of the Funds

Dividends

Dividend income should be subject to withholding tax at the rate of 22%.

Interest income

Interest derived from Korean companies should be subject to withholding tax at the rate of 22%. Interest accrued on Korean Won denominated bonds issued by the Korean government and Korean companies, will be subject to a lower withholding tax rate of 15.4%. However, for non-Korean Won denominated bonds issued outside Korea, an exemption from withholding tax on interest is available.

Capital gains

The withholding tax rate for capital gains derived from both listed and unlisted securities (except for certain real estate rich company shares) is the lesser of 22% of the gain or 11% of the gross proceeds. However, capital gains earned by a non-resident (who does not have a permanent establishment in Korea) from the transfer of shares through the Korean Exchange are not taxable if the non-resident, together with certain related parties, hold or have held less than 25% of the shares of the company in question at all times during the calendar year of the share transfer and the immediately preceding five calendar years (the "25% rule").

Income derived by a non-resident, who does not have a permanent establishment in Korea, from the trading in the listed derivatives (e.g. futures, options, etc.) within the meaning of the Financial Investment Services and Capital Market Act is not subject to Korean withholding tax.

Taxation of unitholders

Non-resident unitholders for Korean tax purposes who do not carry on business in Korea should not be subject to Korean tax in respect of gains derived from the disposal of units in the Funds and distributions made by the Funds, if Korean withholding tax is already paid when income is paid to the Trustees of the Funds.

Korean tax residents and non-residents with a permanent establishment in Korea should seek their own advice on the tax implications of investing in the Funds.

Additional considerations

There are no specific rules in the Korean tax laws that govern the treatment of trusts established outside Korea. The Korean tax authorities may consider the Funds as the beneficial owners of any income derived in Korea. If this is the case, the tax treatment of dividends, interest and capital gains from the Funds' investment in Korea should be as described above.

It may also be possible that the Korean tax authorities consider the Funds as look-through entities and attribute the individual unitholders as the "beneficial owner" of the Korean sourced income from the Funds. If this is the case, the unitholders would be liable for Korean tax on their respective shares of the Funds' income. The Funds may need to disclose the tax residency of the unitholders to withholding agents, to withhold tax based on treaty (if applicable) or non-treaty rates, failing which the withholding agents will withhold tax at the non-treaty rates. However, where the Funds are "qualified public funds" which satisfy the below conditions, they are not required to disclose the details of the beneficial owner and are only required to disclose the number of beneficial owners by each country and the total investment amount:

- *A Foreign Investment Vehicle ("FIV") which is similar to a collective investment scheme provided in the Financial Investment Services and Capital Markets Act and is registered or approved under the laws of the counterpart country of the tax treaty;*
- *The FIV does not issue securities through private offering and the number of investors (one investor in case the investor itself is a FIV) as at the end of the immediately preceding business year (in the case of a newly established FIV, as at the submission date of a FIV report) is 100 or more; and*
- *The FIV is not one of FIVs which are excluded from treaty benefits pursuant to a tax treaty.*

Malaysia

Income tax in Malaysia is generally imposed on income accruing in or derived from Malaysia. On the basis that the Trustees of the Funds are non-resident and the Funds are administered outside Malaysia, the Funds should be non-residents for Malaysian tax purposes.

Taxation of the Funds

The below domestic withholding tax rates will apply, unless a reduced rate or exemption is available under an applicable tax treaty.

Dividends

Dividends from Malaysian investments will not be subject to withholding tax. This is on the basis that, under the single tier system, profits are only taxed at the company level and therefore, dividends received by shareholders are exempt from tax.

Interest income

Interest income from Malaysian investments will generally be subject to withholding tax at the rate of 15%. However, interest income earned from certain sources is exempt from tax, including (not exhaustive):

- *Licensed Malaysian banks;*
- *Securities or bonds issued or guaranteed by the Malaysian Government;*
- *Debentures or sukuk, other than convertible loan stock, approved or authorised by, or lodged with, the Securities Commission of Malaysia; and*
- *Saving bonds (i.e. Bon Simpanan Malaysia) issued by the Central Bank of Malaysia.*

Capital gains

Capital gains arising on the disposal of investments are normally not taxable in Malaysia. However, revenue gains may be subject to income tax where the non-resident has a business in Malaysia. It follows that should a disposal result in a loss, the Funds would not be entitled to any relief for these losses, unless the losses are attributed to a business carried on by the Funds in Malaysia. Gains on the sale of property in Malaysia or shares in real property companies (as defined) are subject to real property gains tax at rates ranging from 5% to 30%.

Taxation of unitholders

Non-resident unitholders for Malaysian tax purposes should not be subject to Malaysian tax in respect of gains derived from the disposal of units in the Funds and distributions made by the Funds.

Malaysian tax residents and non-residents with a permanent establishment in Malaysia should seek their own advice on the tax implications of investing in the Funds.

Pakistan

Taxation in Pakistan relies on the concepts of both residency and source. A tax resident of Pakistan is subject to tax on their worldwide income. Non-residents for Pakistan tax purposes should only be subject to tax on their Pakistan sourced income.

Trusts, whether or not formed by or under foreign laws, are treated as a company. Accordingly, on the basis that the Funds are formed outside Pakistan and the control and management of the Funds is outside Pakistan, the Funds should be non-resident for Pakistan tax purposes.

Taxation of the Funds

The below domestic withholding tax rates will apply, unless a reduced rate or exemption is available under an applicable tax treaty.

Dividends

Dividends paid by a Pakistan resident company (other than mutual funds) should generally be subject to withholding tax at the rate of 20% (assuming that the Fund does not file Pakistan income tax returns).

Dividends from certain Pakistan companies and funds are subject to specific withholding tax rates as follows:

- *Dividends paid by power generation companies are subject to the reduced withholding tax rate of 7.5%;*
- *Dividends paid by a money market fund, income fund, Real Estate Investment Trust ("REIT") scheme or any other fund (other than stock fund) are subject to withholding tax at the rate of 25%;*

- Dividends paid by a stock fund are subject to withholding tax at the reduced rate of 10%. If the dividend receipt from the stock fund are less than the capital gain, the rate of withholding tax is 12.5%; and
- Dividends paid by a Developmental REIT scheme (i.e. with the objective of development and construction of residential buildings which is set up by 30 June 2018) should be subject to a reduced rate of withholding by 50% for three years from 30 June 2018.

Interest income (i.e. profit-on-debt)

Profit-on-debt includes any yield, profit, interest, discount, premium or other amount arising on a debt and any service fee or other charge in respect of a debt.

Profit-on-debt paid to the Funds by Pakistan tax residents, or non-residents with a permanent establishment in Pakistan, constitutes Pakistan sourced income and should be subject to withholding tax at the rate of 10% (assuming that the Fund does not file Pakistan income tax returns).

Capital gains

Capital gains arising on the disposal of listed shares (including units in a mutual fund and debt securities) are tax exempt (with effect from 1 July 2016) if they were acquired before 1 July 2012. Capital gains on listed shares (including units in a mutual fund and debt securities) acquired on or after 1 July 2012 are taxable at variable rates depending on the length of time held as detailed below:

- 15% or 18% for filers and non-filers of Pakistan income tax returns respectively, if held less than 12 months;
- 12.5% or 15% for filers and non-filers of Pakistan income tax returns respectively, if held between 12 months and 24 months; and
- 7.5% or 11% for filers and non-filers of Pakistan income tax returns respective, if held for more than 24 months.

The Funds are liable to pay advance tax on a quarterly basis in respect of capital gains on the disposal of shares. The rate of advance tax is 1.5% in respect of shares held for more than 6 but less than 12 months, whilst the tax rate of 2% is applicable for shares held for less than 6 months.

Stamp duty of 1.5% of par value of shares is also levied on the purchase of shares if the transfer of shares is in physical form, however, if the shares are transferred in electric form (i.e. through Central Depository Company) no stamp duty is payable.

Tax on capital gains from the disposal of listed shares and units in a mutual fund is to be collected and deposited on behalf of the taxpayer by the National Clearing Company of Pakistan Limited (NCCPL). The tax collected by NCCPL is creditable against the advance tax liability. The NCCPL shall compute tax on the basis of status of taxpayer, as a filer or non-filer of Pakistan income tax returns. Any excess tax paid by non-filer may be refundable by filing an income tax return.

Capital gains arising on future commodity contracts entered into at Pakistan Mercantile Exchange Limited are subject to tax at 5% and similar to the above, the NCCPL is required to collect and deposit such tax.

Taxation of unitholders

Non-resident unitholders for Pakistan tax purposes should not be subject to Pakistan tax in respect of gains derived from the disposal of units in the Funds and distributions made by the Funds.

Pakistan tax residents and non-residents with a permanent establishment in Pakistan should seek their own advice on the tax implications of investing in the Funds.

The People's Republic of China ("PRC")

Currently, there is no specific PRC legislation governing the taxation of income derived by a unit trust. There is legislation for a company (including a foreign trustee company) which derives income from the PRC.

Taxation of the Funds

The PRC Enterprise Income Tax Law ("EITL") imposes an Enterprise Income Tax ("EIT") of 20% on the PRC sourced income derived by a foreign enterprise without a permanent establishment in China. The rate is reduced to 10% by the Implementation Rules of the EITL. Income includes profit (including gains from disposal of PRC securities), dividend, interest, rental, royalties, etc.

The Funds investing in PRC securities may be subject to EIT withholding and other taxes imposed in the PRC.

Dividends

Dividends paid by PRC companies are subject to 10% tax. The paying entity in China will be responsible for withholding such tax when making a payment.

Interest income

Interest paid by PRC companies is subject to 10% tax. The paying entity in China will be responsible for withholding such tax when making a payment. Interest income from government bonds is specifically exempt from EIT.

Capital gains

Gains from disposal of PRC securities would normally be subject to a 10% EIT under the EITL. Except for gains from the disposal of China A-Shares which are specifically exempt under temporary exemptions from EIT, full PRC tax provision of 10% is made for gains from disposal of PRC securities that are not specifically exempt from EIT. However, generally there is no withholding mechanism for EIT on gains from PRC securities.

The Philippines

Taxation in the Philippines relies on the concepts of citizenship, residency and source. Domestic companies and resident citizens are taxable on their worldwide income. Foreign companies (whether or not engaged in trade or business in the Philippines) and non-resident alien individuals (who are not engaged in trade or business in the Philippines) are taxable only on income derived from sources within the Philippines (albeit on a gross basis in respect of non-residents).

For Philippine tax purposes, the Funds will normally be classified as trusts. The tax treatment of the trust generally depends on whether it is revocable or irrevocable, with an irrevocable trust being treated as a distinct taxable entity and taxed in the same manner as an individual. On the basis that the Funds are irrevocable in nature, governed by the laws of countries other than the Philippines, managed outside the Philippines and the Trustees are not based in the Philippines, the Funds may qualify as non-resident aliens not engaged in trade or business for Philippine tax purposes.

Taxation of the Funds

Dividends

Dividends paid by a Philippine company should be subject to withholding tax at the rate of 25% (on the basis that the Fund is taxed as a non-resident alien individual which is not engaged in trade or business in the Philippines).

Interest income

Interest income paid by a Philippine company should be subject to withholding tax at the rate of 25% (on the basis that the Fund is taxed as a non-resident alien individual which is not engaged in trade or business in the Philippines).

Capital gains

Shares of stock listed and traded through the Philippine stock exchange by the Funds are subject to a stock transaction tax of 0.5% on the gross selling price.

Capital gains on the sale of unlisted shares in a domestic company, or of shares in a listed company where the sale is not traded through the Philippine stock exchange, would be taxed at 5% on the first 100,000 peso of gains and 10% on the excess of the gains over 100,000 pesos. Further, the sale of unlisted or listed but not traded shares, is also subject to documentary stamp tax at the rate of 0.375% of the par value of the shares sold.

Taxation of unitholders

Unitholders residing outside the Philippines and who do not carry on a business in the Philippines, should not be subject to Philippine tax in respect of gains derived from the disposal of units in the Funds and distributions made by the Funds.

Philippine tax residents and non-residents with a permanent establishment in the Philippines should seek their own advice on the tax implications of investing in the Funds.

Singapore

The Singapore taxation system is quasi-territorial in nature and tax is imposed on income accruing in or derived from Singapore. For persons who are not individuals, tax is also imposed on foreign sourced income that is received or deemed to be received in Singapore (subject to certain exceptions).

Taxation of the Funds

JPMorgan Asset Management (Singapore) Limited ("JPMAMSL") holding a capital markets services licence for fund management under the Securities and Futures Act of Singapore, has been appointed as a sub-manager of the

Funds and, in this capacity, exercises discretionary investment management authority. The Funds may therefore be construed to be carrying on a trade or business in Singapore. Accordingly, income derived by the Funds may be considered income accruing in or derived from Singapore and subject to Singapore income tax at prevailing income tax rate (currently 17%), unless the income is specifically exempted from tax under Section 13CA of the Income Tax Act (Chapter 134) (the "Act") and the Income Tax (Exemption of Income of Non-Residents Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (the "Regulations") (collectively referred to as the "Offshore Fund Regime").

Under the Offshore Fund Regime, the Funds which qualify as a 'prescribed person' and are managed by JPMAMSL will be granted a tax exemption on 'specified income' derived in respect of 'designated investments'. Specified income includes gains and designated investments and covers a wide range of investments including stocks and shares (but excluding immovable property in Singapore).

Taxation of unitholders

Non-resident individual and corporate unitholders, with no permanent establishment in Singapore and who do not carry on a trade or business in Singapore, should not be subject to Singapore tax in respect of gains derived from the disposal of units in the Funds and distributions made by the Funds.

Certain non-individual investors from Singapore who beneficially hold (either alone or together with its associates) more than 30% (for funds with less than 10 unitholders) or 50% (for funds with at least 10 unitholders) of the total value of each of the Funds at the last day of the Funds' financial year end, would be required to declare and pay a penalty to the Comptroller of Income Tax in Singapore in their respective income tax returns. If applicable, the penalty is calculated based on the percentage of such investor's beneficial ownership in each of the Funds multiplied by the income of each of the Funds as reflected in their respective audited accounts and assessed at the prevailing income tax rate (currently 17%). Such non-individuals should seek their own advice on the application of the penalty.

Singapore tax residents and non-residents with a permanent establishment in Singapore should seek their own advice on the tax implications of investing in the Funds.

Sri Lanka

Taxation in Sri Lanka relies on the concepts of residency and source. A tax resident of Sri Lanka is subject to tax on their worldwide income. Non-residents for Sri Lankan tax purposes should only be subject to tax on their Sri Lankan sourced income.

For Sri Lankan tax purposes, a company or body of persons will be considered a tax resident of Sri Lanka if it has its registered office in Sri Lanka or if the control and the management of the business is exercised in Sri Lanka. On the basis that the Funds are formed and domiciled outside Sri Lanka and the Trustees (as well as the investment advisers) are resident outside Sri Lanka, the control and management of the Funds should not be considered to be exercised in Sri Lanka. Therefore, the Funds should not be considered tax residents of Sri Lanka.

Taxation of the Funds

The below domestic withholding tax rates will apply, unless a reduced rate or exemption is available under an applicable tax treaty.

Dividends

Cash dividends paid by a Sri Lankan company will be subject to withholding tax at the rate of 10% which should constitute a final tax. However, no withholding tax should apply where:

The distribution is made by a unit trust approved by the Securities and Exchange Commission of Sri Lanka;

- The distribution is out of dividends received from another resident company, which have already been subject to withholding tax; or*
- An exemption from tax in the hands of the recipient shareholder is statutorily provided.*
- In the case of in-specie dividends (in the form of shares or debentures), a non-final withholding tax of 10% should apply. However, the receipt of the dividend by the Funds would not be subject to any further tax if:*
- The Funds are not considered "companies" in the jurisdiction in which they have been domiciled; or*
- The Funds are considered "companies" in the jurisdiction in which they have been domiciled, and the amount has been distributed by a company listed on the Colombo Stock Exchange.*

In all other cases, the dividend in specie would also be taxed in the hands of the Funds at the current income tax rate of 28%, with a no tax credit available.

Interest income

Generally, interest income should be subject to withholding tax at the rate of 10%. However, certain interest income is exempt from withholding tax, including interest derived by the Funds from:

- *Corporate debt securities listed on the Colombo Stock Exchange where the investment was made on or after 1 January 2013;*
- *Debt securities where the investment has been made out of foreign currency brought into Sri Lanka on or after 1 April 2012; and*
- *Certain dollar denominated Treasury bonds.*

In practice, withholding tax at the rate of 10% will often be withheld from interest income in the case of Rupee denominated Government bonds and certain other corporate debt securities. In such an event, the 10% tax withheld will be a final tax. Furthermore, in the case of Rupee denominated Governments bonds and certain corporate debt securities, there is no mechanism to refrain from paying the 10% tax which is withheld at the time of issuance of the security. In such an event, the 10% withheld will not be refunded.

It should also be noted that the following profits/gains are also exempt from Sri Lankan income tax:

- *Profits/gains derived in respect of Government bonds on secondary market transactions are exempt from income tax, to the extent the investment is made via a Securities Investment Account; and*
- *Profits/gains from the disposal of corporate debt securities listed on the Colombo Stock Exchange.*

Capital gains

Capital gains are not currently liable to income tax in Sri Lanka. The Government of Sri Lanka has implied that capital gains would be chargeable to tax in the future, however, to date, the scope of such chargeability and the tax rate has not been provided.

Whether a particular gain is characterised as a capital gain or a trading profit depends on the facts and circumstances of the case. Any profit or gain derived from the sale of listed shares is currently exempt from income tax, provided that the 0.3% share transaction levy is paid on both the buy side and sell side of the trade.

Taxation of unitholders

Non-resident unitholders for Sri Lankan tax purposes should not be subject to tax on gains derived from the disposal of their units in the Funds and distributions made by the Funds.

Sri Lankan tax residents and non-residents with a permanent establishment in Sri Lanka, should seek their own advice on the tax implications of investing in the Funds.

Taiwan

Taxation in Taiwan relies on the concepts of both residency and source. A domestic profit-seeking enterprise is subject to tax on its worldwide income. A foreign profit-seeking enterprise is subject to tax only on income derived in Taiwan. Similar to other foreign profit-seeking enterprises, the Funds should only be subject to tax only on income derived in Taiwan.

Taxation of the Funds

Dividends

Dividends received from Taiwanese companies will be subject to withholding tax at the rate of 20%.

Interest income

Interest income earned on Taiwanese securities would generally be subject to withholding tax at the rate of 20%. However, interest income derived from commercial papers, beneficiary securities, bonds and repo trades of specific financial instruments is subject to a reduced 15% withholding tax.

Capital gains

Capital gains arising from the sale of Taiwanese securities by the Funds should not be subject to tax.

Taxation of unitholders

Non-resident unitholders for Taiwan tax purposes, who do not carry on a business in Taiwan, should not be subject to tax on gains derived from the disposal of their units in the Funds and distributions received from the Funds.

Taiwanese tax residents and non-residents of Taiwan with fixed place of business in Taiwan should seek their own advice on the tax implications of investing in the Funds.

Thailand

Taxation in Thailand relies on the concepts of both residency and source. Thai tax resident corporate entities are taxed on their worldwide income. Non-resident corporate entities for Thai tax purposes are generally only subject to tax only on profits arising from or in consequence of carrying on business in Thailand.

Thailand does not recognise trusts and hence for the purposes of levying income tax, the Funds, being similar in the nature to a limited partnership, will be treated as corporations. On the basis that the Funds are managed outside Thailand, the Trustees of the Funds are based outside and that the Funds do not have a permanent establishment in Thailand (i.e. no agent or go-between), it is expected that the Funds will be treated as a foreign company not carrying on business in Thailand for tax purposes.

Taxation of the Funds

The below domestic withholding tax rates will apply, unless a reduced rate or exemption is available under an applicable tax treaty.

Dividends

Dividends paid by Thai companies should be subject to withholding tax at the rate of 10%. An exception to this is if the payer of dividend in Thailand has been granted an investment promotion and the dividend is paid to the Funds during the tax holiday period by such promoted company, which may result in 0% withholding tax being applied.

Interest income

Interest income should generally be subject to withholding tax at the rate of 15%. However, interest paid from government bonds or a financial institution incorporated under the specific Thai laws for the purpose of lending to promote agriculture, commerce or industry, is exempt from withholding tax.

Capital gains

Capital gains on the sale of investments derived from or in Thailand by the Funds should be subject to withholding tax at the rate of 15%.

Taxation of unitholders

Non-resident unitholders for Thai tax purposes, who do not carry on a business in Thailand, should not be subject to Thai tax in respect of gains derived from the disposal of units in the Funds and distributions made by the Funds.

Thai tax residents and non-residents of Thailand with a permanent establishment in Thailand should seek their own advice on the tax implications of investing in the Funds.

The United States of America

This document was not intended or written to be used, and it cannot be used, for the purpose of avoiding U.S. federal, state or local tax penalties.

This section is based upon the current provisions of the IRC, existing and currently proposed Treasury Regulations promulgated thereunder ("Regulations"), existing rulings and administrative decisions of the U.S. Internal Revenue Service ("IRS"), and existing judicial decisions, all of which are potentially subject to change or modification, possibly with retroactive effect. No ruling has been sought or obtained from the IRS or any other tax authority with respect to the matters discussed herein.

This section discusses only the principal U.S. federal income tax consequences to the Funds (which are in the form of trusts) and to those unitholders in the Funds that are not United States persons (as that term is defined in Section 7701(a)(30) of the IRC) and that are not engaged in a trade or business within the United States of America (a "U.S. trade or business"). This section does not address all of the tax consequences that might be relevant to a unitholder in light of the unitholder's particular circumstances and does not address the provisions of the IRC applicable to any non-United States person that is engaged in a U.S. trade or business.

Taxation of the Funds

Under the Regulations, each Fund should be viewed as a "business entity" (and not as a trust). Furthermore, under the default provisions of the so-called "check-the-box" Regulations, each Fund should be treated as a corporation for U.S. federal income tax purposes.

A foreign corporation generally is subject to U.S. federal income tax (calculated using graduated rates up to 35%) on its taxable income that is effectively connected with the conduct of a U.S. trade or business plus an additional 30% U.S. branch profits tax. State and local taxes may also apply.

Pursuant to the safe harbour provisions of Section 864(b) of the IRC, a foreign corporation will not be considered to be engaged in a trade or business within the United States of America solely because such foreign corporation (directly or through an agent) effects transactions in the United States of America in stocks, securities or commodities for its own account, provided such foreign corporation is not a dealer (be it in stocks, securities or commodities) and, if it trades in commodities, only trades commodities which are of a kind customarily dealt in on an organised commodity exchange in transactions of a kind customarily consummated on such an exchange.

In the event that the Funds' activities are viewed as trading (rather than merely investing) in securities and commodities, it is currently anticipated that such activities should qualify under the exemption discussed in the preceding paragraph. Alternatively, if the Funds are viewed as merely investing in securities and commodities, those activities would not constitute the conduct of a U.S. trade or business. Accordingly, the Funds should not be viewed as engaged in a trade or business within the United States of America.

Dividends and interest

The Funds will generally be subject to a U.S. withholding tax at the rate of 30% (subject to reduction or exemption under an applicable tax treaty, although no such treaty applies to the Funds) imposed on the gross amount of items of U.S. sourced interest, dividends, and certain other types of investment income which are not effectively connected with the conduct of a U.S. trade or business. The withholding tax is not recoverable to the Funds.

In general, U.S. withholding tax must be withheld at the source by any person having custody or control over such income (a "Withholding Agent"). However, the withholding tax generally does not apply to (i) original issue discount on U.S. Treasury bills and other debt obligations having a maturity, in substance (e.g., including rollovers), of 183 days or less; (ii) commercial bank deposits; (iii) gains on capital assets (subject to the discussion below on United States real property interests); and (iv) interest income attributable to United States Treasury obligations and other debt obligations in "registered form" issued on or after 14 July, 1984, provided the beneficial owner provides the Withholding Agent with a Form W-8BEN or a prescribed substitute documentation, and certain other requirements are met.

Capital gains

No U.S. income or capital gains tax is anticipated to be payable on the realised capital appreciation of the Funds' investments by the unitholders. However, as discussed in more detail below, the Funds may incur a U.S. income or capital gains tax upon the disposition of certain U.S. investments, if those investments are considered United States real property interests (as that term is defined under Section 897(c) of the IRC).

The Foreign Investment in Real Property Tax Act of 1980, as amended ("FIRPTA"), imposes a tax on gain realised on disposition by a foreign person on a "United States real property interest" ("USRPI") by treating such gain as income that is effectively connected with a U.S. trade or business ("ECI"). USRPIs include real property located in the U.S. and stock of a U.S. corporation if U.S. real property constitutes at least 50% by value, of certain of the corporation's assets. The Funds will be subject to U.S. federal income taxation, at graduated rates, on net gain realised upon the disposition of a USRPI as if such gain were ECI.

Gain treated as ECI earned by the Funds is subject to withholding under IRC Sections 1445. Under IRC Section 1445, 15% of the gross proceeds attributable to the sale of a USRPI must generally be withheld by the buyer of such real property interest and remitted to the IRS.

Any amounts properly withheld under IRC Section 1445 generally can be applied as a credit against the U.S. federal income tax liability of each Fund on its net gain from the disposition upon filing a U.S. federal income tax return and can be recovered as a refund in the event of overpayment.

Special FIRPTA rules apply to any Fund's investment in a REIT. Specifically, (i) a distribution by a REIT attributable to gain from the disposition of a USRPI will be treated under FIRPTA as ECI; (ii) any other dividend distribution by a REIT will generally be subject to withholding based on the general withholding tax rules applicable to dividends from sources within the U.S. as discussed above; and (iii) the Funds will not be taxable on any gain from the disposition of an investment in a REIT, provided that (a) the REIT is "domestically controlled" (i.e., less than 50% of its stock is, at all times during a 5-year look-back period, held, directly or indirectly, by foreign shareholders), or, (b) in the case of a REIT whose shares are publicly traded, the Fund making the disposition did not own, at any time during a 5-year look-back period, more than 10% of the shares of the REIT.

Taxation of unitholders

In general, subject to the above, unitholders of the Funds should not be liable to U.S. federal income tax on any income or gains derived through the Funds or upon a sale or other disposition of units in the Funds.

A unitholder of the Funds that is resident in a country which has an income tax treaty with the United States of America, under certain circumstances, may be entitled to reclaim all or a portion of its share of any U.S. withholding tax imposed on its share of the Funds' income. Unitholders should consult their own tax advisers to determine the effect of any such tax treaty and reclaim procedures. Although there is currently an income tax treaty between the United States of America and the People's Republic of China, both governments have indicated that the provisions of the treaty will not be extended to include Hong Kong.

Vietnam

Taxation in Vietnam relies on the concepts of both residency and source. Vietnamese tax residents are generally taxed on their worldwide income. Non-residents for Vietnamese tax purposes are generally only subject to tax on Vietnamese sourced income.

However, the Vietnam tax rules are characterised by uncertainty and by a lack of interpretative guidance. Both the substantive provisions of Vietnam tax law and the interpretation and application of such provisions by the Vietnam tax authorities may be subject to more rapid and unpredictable change than in a jurisdiction with more developed capital markets. In particular, the interpretation and application of such provisions will in practice rest in part with the local tax inspectors.

Under the tax regulations, the Funds are likely to be classified as a foreign investment funds established under the laws of a foreign country and not physically present in Vietnam. The Funds' presence in Vietnam would only be via their investments which are not of themselves indicative of a permanent establishment.

Note that the permanent establishment status of the Funds would vary depending on changes in the Funds' operation, structure or the tax regulations in Vietnam. Under this tax note, it is assumed that the Funds' operations will not create any permanent establishment in Vietnam, as discussed above.

Taxation of the Funds – Vietnamese investments

As the Funds should not be considered to have a permanent establishment in Vietnam, income tax will be imposed on the Funds in different ways, depending on the form of investment as detailed below.

Investment in the form of capital contributed in limited liability companies established under the laws of Vietnam

When contributing capital and participating in the management of limited liability companies, the Funds would be considered to be foreign investors who directly own interests in the limited liability companies and their name will be listed in the investment certificate of the limited liability companies. The limited liability companies themselves do not constitute permanent establishment status of the Funds in Vietnam.

Under this form of investment, the Funds may be subject to Vietnamese tax on the following types of income.

Dividends

The Funds will not be subject to Corporate Income Tax ("CIT") in Vietnam on dividends received from the Vietnamese Companies. Further, Vietnam has no withholding tax on dividends or any other levy on the remittance of dividends overseas.

Capital gains

Selling an interest or transferring ownership by a foreign investor of the capital contributed in a company established under the laws of Vietnam to another investor in Vietnam shall be viewed as a "capital assignment" and the vendor is subject to Capital Assignment Tax ("CAT") at the rate of 20% on any gain derived from the capital assignment.

As per a recent change in regulation and the practice of the tax authority, if the transaction is structured outside of Vietnam at the holding company level and above, there would be a potential risk that the transaction will be subject to tax at 20%, even though the assignment does not involve the change of the direct investor in the Vietnamese limited liability company.

Investment in securities listed in the stock market and shares of joint stock companies through a Vietnamese bank account

When investing in securities listed on the stock market or over the counter market through a Vietnamese bank account, the Funds will be subject to CIT on a "deemed taxation" basis as follows.

Dividends

No withholding tax on dividends or any other levy on the remittance of dividends overseas to foreign investors.

Interest income

Interest income from bonds and certificates of deposits (CDs) is subject to withholding tax at the rate of 5%. Further, proceeds from transferring CDs of foreign investors are subject to withholding tax of 0.1%.

Interest income (other than from bonds and CDs) paid to the Funds is subject to withholding tax at the rate of 5% under the Foreign Contractor Tax regulations.

Capital gains

CIT is imposed on the gross value of securities sold on each transaction. This is a "deemed profits" tax, equivalent to 0.1% of the value of the sale transaction (including the sale of shares, bonds, except tax-free bonds, and investment fund certificates). No relief is allowed for transaction costs and no allowance is taken for the cost of investments (i.e. the earning of actual profits is irrelevant).

Bonds 'transferred' by a bondholder should also be subject to a deemed CIT of 0.1% of the total value of the proceeds received at the time the bonds are transferred. 'Transfer' may be understood to include the sale of the bond to a third party. However it is unclear whether it includes bonds purchased, cancelled, redeemed by the issuer or when the issuer repays the principal on the maturity date.

Investment in Securities Investment Funds in Vietnam

If the Funds invest in domestic securities investment funds, they will not be subject to CIT (assuming the Funds do not have a permanent establishment in Vietnam).

Profits distributed by domestic securities investment funds will be subject to withholding tax at the rate of 20%, unless the profits in question have already borne Vietnamese CIT, or are derived from tax-free bonds.

Taxation of the Funds – Other investments in Vietnam

Income sourced in Vietnam, not otherwise classified above, will likely be taxable under the Law on CIT at the standard CIT rate of 20%, or, subject to foreign contractor tax, depending on the type of income.

Taxation of the Funds – Non-Vietnamese investments

Under a recent change in tax practice in Vietnam, indirect capital transfers are subject to tax in Vietnam. An indirect capital transfer means an offshore transfer of capital where the vendor, purchaser and investment company are overseas entities but the investment company has an investment(s) in Vietnam. However, at present, there is no detailed guidance on this matter and therefore, the mechanism to tax this indirect transfer is still not in place.

Taxation of unitholders

Non-resident unitholders for Vietnamese tax purposes should not be liable to Vietnamese tax in respect of gains derived from the disposal of their units in the Funds and distributions received from the Funds. However, as noted previously (in relation to the Funds), if the disposal of the interest in the Funds is related (directly or indirectly) to any lower-tier investments in Vietnam, Vietnamese tax is likely to apply.

Vietnamese tax residents and non-residents of Vietnam with a permanent establishment in Vietnam should seek their own advice on the tax implications of investing in the Funds."

Addendum dated April 2017 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

The following changes to the Consolidated Explanatory Memoranda shall apply with immediate effect:

Change to Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

- The last paragraph under the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"The following Funds may invest up to 10 per cent. of their respective total net asset value in eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect:

*JPMorgan Asia Equity Dividend Fund
JPMorgan Asia Growth Fund
JPMorgan Eastern Fund
JPMorgan Eastern Smaller Companies Fund
JPMorgan Greater China Smaller Companies Fund
JPMorgan Multi Balanced Fund
JPMorgan Multi Income Fund
JPMorgan Pacific Securities Fund
JPMorgan Pacific Technology Fund"*

- The following new risk factors shall be inserted as paragraphs (xxxii) and (xxxiii) after paragraph (xxxi) under the section entitled "RISKS":

"(xxxii) Risks associated with investments in the China interbank bond market (the "CIBM") - Certain Funds may invest in Chinese debt securities directly via the CIBM. The CIBM is in a stage of development and the market capitalisation and trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume may result in prices of debt securities traded on such market fluctuating significantly. The bid and offer spreads of the prices of such debt securities may be large, and the relevant Funds may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. Investments in CIBM may be subject to liquidity, volatility, regulatory, PRC tax risk and risks associated with settlement procedures and default of counterparties.

Under the prevailing regulations in Mainland China, foreign institutional investors who wish to invest directly in CIBM may do so via an onshore settlement agent and there is no quota limitation. Since the relevant filings and account opening for investment in the CIBM have to be carried out via an onshore settlement agent, the relevant Fund is subject to the risks of default or errors on the part of the onshore settlement agent.

In terms of fund remittance and repatriation, foreign investors (such as the relevant Fund) may remit investment principal in RMB or foreign currency into Mainland China for investing in the CIBM. An investor will need to remit investment principal matching at least 50% of its anticipated investment size within nine months after filing with the Shanghai Head Office of People's Bank of China, or else an updated filing will need to be made through the onshore settlement agent. Where the relevant Fund repatriates funds out of Mainland China, the ratio of RMB to foreign currency ("Currency Ratio") should generally match the original Currency Ratio when the investment principal was remitted into Mainland China, with a maximum permissible deviation of 10%. The relevant rules and regulations on investment in the CIBM is subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the CIBM, the relevant Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the relevant Fund may suffer substantial losses as a result.

(xxxiii) Risks associated with equity-linked notes and participation notes - Certain Funds may invest in instruments which are linked to the performance of securities or indices such as participation notes and equity-linked notes. Investment in these instruments can be illiquid, if there is no active market for these instruments. Such instruments are complex in nature. Therefore there are risks of mispricing or improper valuation and possibilities that these instruments do not always perfectly track the value of the securities or indices they are designed to track. Improper valuations can result in increased payments to counterparties or a loss in the value of the relevant Fund.

These instruments will also be subject to insolvency or default risk of the issuers or counterparties. In addition, investment through these instruments may lead to a dilution of performance of the relevant Fund when compared

to a fund investing directly in similar assets. Besides, many such structured products involve an embedded leverage. This is because such instruments provide significantly larger market exposure than the money paid or deposited when the transaction is entered into, so a relatively small adverse market movement could expose the relevant Fund to the possibility of a loss exceeding the original amount invested."

- The last paragraph in the sub-section entitled "Fiscal Charges" under the section entitled "FEES, CHARGES AND LIABILITIES" shall be deleted in its entirety and replaced by the following:

"The following Funds set out in Appendix I of Section A, Sections B and C are subject to fiscal charges:

*JPMorgan ASEAN Fund
JPMorgan Asia Equity Dividend Fund
JPMorgan Australia Fund
JPMorgan China A-Share Opportunities Fund
JPMorgan China Income Fund
JPMorgan Eastern Fund
JPMorgan Eastern Smaller Companies Fund
JPMorgan Europe High Yield Bond Fund
JPMorgan Europe Strategic Dividend Fund
JPMorgan Global Bond Fund
JPMorgan Global Property Income Fund
JPMorgan Greater China Smaller Companies Fund
JPMorgan India Fund
JPMorgan India Smaller Companies Fund
JPMorgan Indonesia Fund
JPMorgan Japan (Yen) Fund
JPMorgan Japan Smaller Company (Yen) Fund
JPMorgan Korea Fund
JPMorgan Malaysia Fund
JPMorgan Money Fund
JPMorgan Multi Balanced Fund
JPMorgan Multi Income Fund
JPMorgan Pacific Securities Fund
JPMorgan Pacific Technology Fund
JPMorgan Philippine Fund
JPMorgan Thailand Fund"*

Change to Section C – Consolidated Explanatory Memoranda of Other Funds:

- The following shall be inserted at the end of Section C – Explanatory Memoranda of Other Funds:

"JPMorgan Multi Balanced Fund

INTRODUCTION

JPMorgan Multi Balanced Fund ("Fund") is a unit trust constituted by a Trust Deed dated 23 February 2017 ("Trust Deed") governed by the laws of Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission ("SFC") under Section 104 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund's portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited ("Manager"), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong. The Investment Manager has further appointed JPMorgan Asset Management (UK) Limited, a company incorporated in England and Wales with limited liability as sub-manager ("Sub-Manager").

HSBC Institutional Trust Services (Asia) Limited, acting as trustee of the Fund ("Trustee"), is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

HSBC Trustee (Cayman) Limited is the registrar of the Fund ("Registrar") and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective of the Fund is to achieve capital growth in excess of its reference benchmark by investing primarily in securities globally.

At least 70% of the Fund's total net asset value will be invested in debt and equity securities globally.

The Fund may hold between 10% and 50% of its total net asset value in equity securities and between 50% and 90% of its total net asset value in debt securities. Asset allocation decisions are the result of qualitative and quantitative research into a range of fundamental factors such as economic outlook, official policy actions, market valuation levels, investor sentiment and positioning. The Manager, Investment Manager and/or Sub-Manager exercise a judgment as to the relative importance of various fundamental conditions as well as degree of conviction in establishing the asset class and geographic allocations in the Fund.

The reference benchmark of the Fund is 45% JPM Government Bond Index Global (Total Return Gross) Hedged to USD / 30% MSCI World Index (Total Return Net) Hedged to USD / 25% Bloomberg Barclays Global Aggregate Corporate - Total Return index hedged USD.

The Fund will invest in equity and equity equivalent securities globally (including but not limited to American depositary receipts, global depositary receipts, equity-linked notes, participation notes etc.), provided that the Fund may only invest less than 10% of its total net asset value in equity-linked notes and participation notes. There are no restrictions on market capitalizations, industries or geographies.

The Fund's aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its total net asset value and should this investment policy in China A-Shares and/or B-Shares change in the future, not less than one month's prior notice will be given to unitholders and the offering document will be updated accordingly.

The Fund will invest in investment grade (rated Baa3/BBB- or higher using the highest rating available from one of the international independent rating agencies (e.g. Moody's, Standard & Poor's, Fitch)), non-investment grade (rated Ba1/BB+ or below using the highest rating available from one of the international independent rating agencies (e.g. Moody's, Standard & Poor's, Fitch)) and unrated debt securities (including but not limited to convertible bonds, asset backed securities, mortgage backed securities and asset backed commercial papers etc.) issued or guaranteed by governments, government agencies or supranational bodies worldwide or companies in both developed and emerging markets, provided that, the Fund may only invest less than 30% of its total net asset value in convertible bonds, asset backed securities, mortgage backed securities and asset backed commercial papers in aggregate. There are no restrictions on the minimum credit ratings of the debt securities that the Fund may hold, directly or indirectly.

The Fund will not invest more than 10% of its total net asset value in:

- (i) securities issued or guaranteed by any single sovereign issuer (including its government, a public or local authority of that country) with a credit rating below investment grade;
- (ii) contingent convertible bonds; or
- (iii) Chinese debt securities through direct investment in the CIBM.

The Fund may gain its exposure to equity and debt securities directly and/or through investing up to 50% of its total net asset value in units or shares of other collective investment schemes authorised by the SFC¹, or in recognised jurisdiction schemes (i.e. schemes domiciled in Luxembourg, Ireland and the United Kingdom) provided that investment in any one of such schemes may not exceed 30% of the Fund's total net asset value. The investment objective and strategy of the underlying schemes which the Fund invests in are similar to those of the Fund, and such underlying schemes will not use derivatives extensively or primarily for investment purposes. There are no restrictions on asset classes or geographies of the underlying schemes.

¹ SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of the fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund may invest less than 30% of its total net asset value in real estate investment trusts ("REITs").

The Fund may have limited usage of derivatives as permitted by the SFC from time to time such as options, warrants and futures and may under limited circumstances (e.g. for cash management purpose) as considered appropriate by the Manager, Investment Manager and/or Sub-Manager, hold up to 30% of its total net asset value in cash and cash based instruments.

The Fund will have limited Renminbi (RMB) denominated underlying investments.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager, Investment Manager and/or Sub-Manager consider appropriate in the circumstances.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, unless otherwise set out below.

The following investment restrictions and guidelines are applicable to the Fund:

- (i) The Fund will not invest more than 10% of its total net asset value in securities issued by or guaranteed by any single sovereign issuer with a credit rating below investment grade.*
- (ii) The Fund may invest less than 30% of its total net asset value in convertible bonds, asset backed securities, mortgage backed securities and asset backed commercial papers in aggregate.*
- (iii) The Fund may invest less than 10% of its total net asset value in equity-linked notes and participation notes.*
- (iv) Notwithstanding (iii), (xiii), (xiv), (xix) and (xx) respectively in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:*

- (a) The Fund may invest up to 50% of its total net asset value in units or shares of other collective investment schemes authorised by the SFC¹, or in recognised jurisdiction schemes (i.e. schemes domiciled in Luxembourg, Ireland and the United Kingdom) provided that investment in any one of such schemes may not exceed 30% of the Fund's total net asset value. The Fund may also invest not more than 10% of its total net asset value in non-recognised jurisdiction schemes not authorised by the SFC.*

For the purposes of (a), the Fund may invest in the underlying scheme provided that no more than 10% of the assets of such underlying scheme, whose acquisition is contemplated, can, according to its constitutional documents, in aggregate be invested in other schemes.

- (b) The Fund may not sell short any securities.*
- (c) The Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.*
- (d) The value of the Fund's holding of securities neither listed nor quoted on a market may not exceed 10% of its total net asset value.*

For the purposes of (d), market means any stock exchange, over-the-counter market or other organised securities market that is open to the international public and on which such securities are regularly traded.

- (v) The Fund will not invest more than 10% of its total net asset value in contingent convertible bonds.*
- (vi) The Fund will not invest more than 10% of its total net asset value in Chinese debt securities through direct investment in the CIBM.*
- (vii) The Fund may invest less than 30% of its total net asset value in REITs.*

Borrowing Policy

The Fund may enter into borrowing arrangements for investment purposes or otherwise provided that the aggregate principal amount of borrowing outstanding shall not exceed 25 per cent. of the total net asset value of the Fund. The Fund's assets may be charged or pledged as security for any such borrowings. Back-to-back loans

¹ SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of the fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

do not count as borrowing. The Fund may borrow money from the Trustee, the Manager or any of their Connected Persons provided that the lender is permitted to lend money and the interest and any fee is no higher than an arm's length commercial rate or fee for a loan of the same size and nature.

Securities Lending Policy

Although the Trust Deed contains provisions which allow the Manager to, on behalf of the Fund, enter into securities lending arrangements, repurchase agreements, reverse repurchase agreements or other similar over-the-counter transactions, the Manager does not currently intend to enter into such arrangements, agreements and/or transactions. Should the Manager decide to enter into these arrangements, agreements and/or transactions, this Explanatory Memorandum will be amended and unitholders will be provided with not less than one month's (or such other period as the SFC may require) prior written notification in respect of such amendment.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively the "China Connect")

The sub-section entitled "Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively the "China Connect")" under the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS" in Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled "RISKS" in Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) *Investment risk* – The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal. Although the investment objective of the Fund is to achieve capital growth in excess of its reference benchmark, there is no guarantee or assurance that the Fund can always achieve this.
- (ii) *Risk relating to dynamic asset allocation strategy* – The investments of the Fund may be periodically rebalanced and therefore the Fund may incur greater transaction costs than a fund with static allocation strategy.
- (iii) *Risks associated with debt securities* – the Fund's investments in debt securities are subject to the following risks:
 - *Interest rate risk* – Investment in the Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
 - *Downgrading risk* – The credit rating of a debt security or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Fund may be adversely affected. The Manager/Investment Manager may or may not be able to dispose of the debt securities that are being downgraded.
 - *Below investment grade/unrated investment risk* – The Fund may invest in bonds and other debt securities which are unrated or with ratings below investment grade. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.
 - *Investment grade bond risk* – Investment grade bonds are assigned ratings within the top rating categories by rating agencies (including but not limited to Fitch, Moody's and/or Standard & Poor's) on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review such assigned ratings and bonds may therefore be subject to the downgrading risk if economic circumstances (e.g. subject to market or other conditions) impact the relevant bond issues. Also, the Fund may face higher risks of default in interest payment and principal repayment. As a result, investors may get back less than they originally invested.
 - *Sovereign debt risk* – The Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.
 - *Valuation risk* – Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Fund.
 - *Credit rating risk* – Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

- *Credit risk* - If the issuer of any of the debt securities in which the Fund's assets are invested defaults, the performance of the Fund will be negatively affected and the Fund could suffer substantial loss. Furthermore, most emerging market debt securities are not given a rating by internationally recognised credit rating agencies and subject to the "Emerging markets risk" set out in the section entitled "RISKS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds and below.
- *Risks associated with convertible bonds* - Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertible bonds will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.
- *Risks associated with asset backed securities, mortgage backed securities and asset backed commercial papers* - The Fund invests in asset backed securities, mortgage backed securities and asset backed commercial papers which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.
- *Risks associated with contingent convertible bonds* - A contingent convertible bond is a type of complex debt security which may be converted into the issuer's equity or be partly or wholly written off if a pre-specified trigger event occurs.

Contingent convertible bonds are likely to be adversely impacted should such specific trigger events occur (as specified in the contract terms of the issuing company). This may be as a result of the security converting to equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.

Trigger events may be outside of the issuer's control. Common trigger events may include the issuer's capital ratio falling to a pre-determined level. Trigger levels differ between specific contingent convertible bonds and determine exposure to conversion risk depending on the difference between the capital ratio and the trigger level. It might be difficult for the Fund to anticipate the happening of trigger events that would require the debt to convert into equity.

Further, it might be difficult for the Fund to assess how the securities will behave upon conversion. In case of conversion into equity, the Fund might be forced to sell these new equity shares, subject to the investment policy of the Fund. Such a forced sale, and the increased availability of these shares might have an effect on market liquidity of such shares in so far as there may not be sufficient demand for these shares. Investment in contingent convertible bonds may also lead to an increased industry concentration risk and thus counterparty risk as such securities are issued by a limited number of banks.

- (iv) *Equity market risk* - The Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- (v) *Emerging markets risk* - The Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.
- (vi) *Risks of investing in other collective investment schemes* - The Fund will be subject to the risks associated with the underlying collective investment schemes it invests in. The Fund does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the net asset value of the Fund.

The underlying schemes in which the Fund may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the Fund's redemption requests as and when made.

- (vii) *REITs risk* - The Fund may invest in REITs which invest primarily in real estate and this may involve a higher level of risk as compared to a diversified fund and other securities. Real estate investments are relatively illiquid and may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest

rates, real estate market or other condition. REITs may have limited financial resources, may trade less frequently and in a limited volume and may be subject to more abrupt or erratic price movements than other securities.

REITs are dependent upon management skills, are not diversified, are subject to heavy cash flow dependency, default on borrowings and self-liquidation. REITs are also subject to the possibility of failing to qualify for tax-free pass-through of income, as in some jurisdictions special tax rules may apply to impose tax on the REITs or withhold tax on income derived from REITs and the Fund will not obtain a credit for any tax paid by the REITs or tax on payments out of the REITs.

REITs are also subject to interest rate risks. When interest rates decline, the value of a REIT's investment in fixed rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT's investment in fixed rate obligations can be expected to decline. For adjustable rate mortgage loans, interest rates are reset periodically to reflect changes in market interest rates. Therefore, yields on a REIT's investments in such loans will gradually align themselves to reflect changes in market, causing the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments in fixed rate obligations. However, income generated from adjustable rate mortgage loans may be more volatile in response to interest rate fluctuations than would fixed rate obligations. Consequently, the value of a REIT held by the Fund may increase or decrease which in turn, affects the value of the Fund.

The underlying REITs which the Fund may invest may not necessarily be authorised by the SFC and their distribution or payout policies are not representative of the distribution policy of the Fund.

- (viii) Credit risk for investment in REITs – A decline in the credit rating or perceived credit quality of a REIT can have a negative impact on the value of its shares or units. Lower credit quality may also affect liquidity and make it difficult for the Fund to sell a REIT.
- (ix) Distribution risk – The Manager intends to distribute at least 85 per cent. of the income (net of expenses) attributable to each Class in respect of each accounting period. However, there is no assurance on such distribution or the distribution rate or dividend yield.
- (x) Payment of distributions out of capital risk – Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment, as a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value per unit. Also, a high distribution yield does not imply a positive or high return on the total investment. The distribution amount and net asset value per unit of a Currency Hedged Class may be adversely affected by differences in the interest rates of the reference currency of the relevant Currency Hedged Class and the Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other Classes of units.
- (xi) Class currency risk – The Class currency of each Class may be different from the Fund's base currency, the currencies of which the Fund's assets are invested and/or investors' base currencies of investment. If an investor converts its base currency of investment to the Class currency in order to invest in a particular Class and subsequently converts the redemption proceeds from that Class currency back to its original base currency of investment, the investor may suffer a loss due to the depreciation of the Class currency against the original currency. For example, if an investor whose base currency of investment is Hong Kong dollars (i.e. not Australian dollars) and chooses to invest in the AUD Hedged Class, the investor may be exposed to a higher currency risk. The investor may suffer a higher loss as a result of exchange rate fluctuations between Hong Kong dollars and Australian dollars upon the reconversion of its Australian dollars investment back to Hong Kong dollars as compared to an investor whose base currency of investment is originally in Australian dollars. For further details, please refer to the sub-section entitled "Currency Hedged Classes" in the section entitled "CLASSES OF UNITS" below.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Classes are available:

Class	Class Currency
<i>JPMorgan Multi Balanced (mth) - USD</i>	<i>US dollars</i>
<i>JPMorgan Multi Balanced (mth) - HKD</i>	<i>HK dollars</i>
<i>JPMorgan Multi Balanced (mth) - AUD (hedged)</i>	<i>Australian dollars</i>
<i>JPMorgan Multi Balanced (mth) - EUR (hedged)</i>	<i>Euro</i>
<i>JPMorgan Multi Balanced (mth) - RMB (hedged)</i>	<i>Renminbi</i>

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month's notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution thereof (if any).

Currency Hedged Classes

For details of Currency Hedged Classes of the Fund, please refer to the sections entitled "Currency Hedged Classes" and "AUD Hedged Class/CAD Hedged Class/EUR Hedged Class/GBP Hedged Class/HKD Hedged Class/NZD Hedged Class/RMB Hedged Class/SGD Hedged Class/USD Hedged Class" respectively in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

DISTRIBUTION POLICY

The Manager has the sole and absolute discretion to amend the distribution policy, subject to the SFC's prior approval (if applicable) and one month's prior notice to the relevant unitholders.

It is the intention of the Manager to have at least 85 per cent. of the income attributable to the following Classes respectively in respect of each accounting period, after charging the expenses attributable to these Classes respectively, to be distributed to unitholders of these Classes respectively:

Class
<i>JPMorgan Multi Balanced (mth) - USD</i>
<i>JPMorgan Multi Balanced (mth) - HKD</i>
<i>JPMorgan Multi Balanced (mth) - AUD (hedged)</i>
<i>JPMorgan Multi Balanced (mth) - EUR (hedged)</i>
<i>JPMorgan Multi Balanced (mth) - RMB (hedged)</i>

It is the intention of the Manager to make distributions on a monthly basis or/and at such other time as the Manager may, with the prior approval of the Trustee, notify to unitholders. The Manager expects to be able to pay distributions from income generated by the Fund from its investment but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. Please also refer to the risk factors entitled "Distribution risk" and "Payment of distributions out of capital risk".

Composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months² are available from the Manager upon request and at the website www.jpmorganam.com.hk.

The transferee of a unit will be entitled to a distribution in respect of such unit if the Registrar has received a valid instrument of transfer (duly stamped if required) in respect of the unit by 3:30 p.m. (Hong Kong time) on the last cum distribution dealing date. The subscriber of a unit shall be entitled to a distribution in respect of such unit if the application for the unit is received by the Manager by 5:00 p.m. (Hong Kong time) on the last cum distribution dealing date.

Reinvestment of Distributions

It is the Manager's current policy to reinvest automatically any distributions in the subscription of further units of the corresponding Class of units of the Fund, unless unitholders notify the Manager otherwise in writing and the amount of the relevant distribution equals to or exceeds US\$250 (or its equivalent in another currency). Such

² This refers to a rolling 12 month period after 27 March 2017.

[#] The website has not been reviewed by the SFC.

further units will be issued on the date of distribution, or if that is not a dealing day, on the next following dealing day. No initial charge will be made on the issue of such further units. In the event that a unitholder redeems or switches its entire holding of the relevant Class before the actual payment date of any distributions, the Manager will redeem the reinvested units on the actual payment date and pay the redemption proceeds to the unitholder in cash if the reinvested units do not meet the relevant minimum holding requirement.

Payment of Distributions by cheque

For unitholders who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units (except for unitholders of the RMB denominated Class), payment will be made by cheque in the offering currency of the relevant Class and sent, at the risk of the persons entitled thereto, to such persons at the address (or first address in the case of any joint holding) shown in the register of unitholders or as they may direct. Any distribution which is not claimed for six years will be forfeited and becomes part of the assets of the relevant Class (and in case such relevant Class has been terminated, the Fund).

Payment of Distributions by telegraphic transfer

For unitholders of the RMB denominated Class who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units, payment will normally be made by telegraphic transfer, unless otherwise agreed by the Manager. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Notwithstanding the aforesaid, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, the Manager may pay distributions in Fund's base currency.

BASES OF VALUATIONS

The method of establishing the net asset value of each Class is set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less liabilities of that Class, by the total number of units of that Class in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class and the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "REPORTS AND ACCOUNTS" below.

DEALING

For details of the dealing procedure of the Fund, please refer to the section entitled "DEALING" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

The section entitled "SUBSCRIPTIONS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Initial Issue Price

The first issue of units of the following Classes will be made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Multi Balanced (mth) - USD	US\$10.00
JPMorgan Multi Balanced (mth) - HKD	HK\$10.00
JPMorgan Multi Balanced (mth) - AUD (hedged)	AU\$10.00
JPMorgan Multi Balanced (mth) - EUR (hedged)	EUR10.00
JPMorgan Multi Balanced (mth) - RMB (hedged)	RMB10.00

REDEMPTIONS

For details on redemption of units of the Fund, please refer to the section entitled “REDEMPTIONS” in Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SWITCHING

For details on how to switch between Classes of units within the Fund, between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled “SWITCHING” in Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge for each Class (normally up to 5 per cent. of the net asset value per unit) from the gross subscription amount on the issue of units where applicable and receive a redemption charge for each Class (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, “Distributors”), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1.25 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class) by giving to the Trustee and unitholders not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of each Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class' interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager, the Investment Manager and/or the Sub-Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager, the Investment Manager and/or the Sub-Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager. The fees of the Sub-Manager will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund. However, the Trustee currently receives a fee at the following rates of the Fund's net asset value:-

	<u>Rate (per annum)</u>
On the first US\$40,000,000	0.06%
On the next US\$30,000,000	0.04%
On the balance over US\$70,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Fiscal Charges

For details of the fiscal charges policy of the Fund, please refer to the sub-section entitled "Fiscal Charges" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The cost of establishing the Fund which has not been fully amortised as at the date of this Explanatory Memorandum amounts to approximately HK\$487,700. These costs will be borne by the Fund and amortised by no later than the third financial year end (for the avoidance of doubt, if the Fund were to terminate for whatever reason before the third financial year end, any such cost remaining unamortised would be written off upon the Fund's termination).

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D - TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- i) "(i) General";*
- ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/ Region of Formation"; and*
- iii) "(iii) Taxation of Unitholders of Major Retail Distribution Countries".*

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled "REPORTS AND ACCOUNTS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

The general provisions under the section entitled "General" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to the Fund.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

*JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong*

Trustee

*HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong*

Directors of JPMorgan Funds (Asia) Limited

*Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy*

Registrar

*HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands*

Investment Manager

*JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong*

Auditors

*PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong*

Sub-Manager

*JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom*

Additional information is available from:-

*JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong*

*Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013"*

Change to Section E - NAMES OF FUNDS/CLASSES of the Consolidated Explanatory Memoranda:

- The following shall be inserted at the end of the table entitled “Other Funds” in Section E - NAMES OF FUNDS/CLASSES:

“

Fund/Class
<i>JPMorgan Multi Balanced (mth) - USD</i>
<i>JPMorgan Multi Balanced (mth) - HKD</i>
<i>JPMorgan Multi Balanced (mth) - AUD (hedged)</i>
<i>JPMorgan Multi Balanced (mth) - EUR (hedged)</i>
<i>JPMorgan Multi Balanced (mth) - RMB (hedged)</i>

”

Addendum dated December 2016 to the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016

The following should be read in conjunction with and forms part of the JPMorgan Funds (Unit Trust Range) Explanatory Memoranda dated October 2016, as amended from time to time ("Consolidated Explanatory Memoranda"). All capitalised terms in this Addendum shall have the same meaning as in the Consolidated Explanatory Memoranda unless otherwise stated.

The following changes to the Consolidated Explanatory Memoranda shall apply with immediate effect:

Changes to Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

- The last paragraph in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"The following Funds may invest up to 10 per cent. of their respective total net asset value in eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect:

*JPMorgan Asia Equity Dividend Fund
JPMorgan Asia Growth Fund
JPMorgan Eastern Fund
JPMorgan Eastern Smaller Companies Fund
JPMorgan Greater China Smaller Companies Fund
JPMorgan Multi Income Fund
JPMorgan Pacific Securities Fund
JPMorgan Pacific Technology Fund"*

- The sub-section entitled "Shanghai-Hong Kong Stock Connect" under the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:

"Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively the "China Connect")

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), the Hong Kong Securities Clearing Company Limited ("HKSCC"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear") and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing linked program developed by HKEx, HKSCC, Shenzhen Stock Exchange ("SZSE") and ChinaClear. The aim of the China Connect is to achieve mutual stock market access between mainland China and Hong Kong.

Each China Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the relevant Funds), through their Hong Kong brokers and a securities trading service company established by The Stock Exchange of Hong Kong Limited ("SEHK"), can trade eligible shares listed on SSE and SZSE respectively.

Eligible securities

Under the Shanghai-Hong Kong Stock Connect, Hong Kong and overseas investors will be able to trade certain stocks listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- (a) SSE-listed shares which are not traded in RMB; and*
- (b) SSE-listed shares which are included in the "risk alert board".*

Under the Shenzhen-Hong Kong Stock Connect, Hong Kong and overseas investors will be able to trade certain stocks listed on the SZSE. These include all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than RMB6 billion, and all the SZSE-listed China A-Shares which have corresponding H-Shares listed on SEHK, except the following:

- (a) SZSE-listed shares which are not traded in RMB; and*
- (b) SZSE-listed shares which are included in the "risk alert board".*

The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

Trading quota

Trading under China Connect is subject to a daily quota ("Daily Quota"). Northbound Shanghai Trading Link and Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect and Northbound Shenzhen Trading Link and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect will each be subject to a separate set of Daily Quota.

The Daily Quota limits the maximum net buy value of cross-boundary trades under China Connect each day. The Northbound Daily Quota is set at RMB13 billion for Shanghai-Hong Kong Stock Connect and RMB13 billion for Shenzhen-Hong Kong Stock Connect.

The Daily Quota may be increased or reduced subject to the review and approval by the relevant PRC regulators from time to time.

SEHK will monitor and publish the remaining balance of the Northbound Daily Quota at scheduled times on the HKEx's website.

Settlement and custody

HKSCC is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The China A-Shares traded through China Connect are issued in scripless form, so investors will not hold any physical China A-Shares. Hong Kong and overseas investors who have acquired China A-Shares through Northbound trading should maintain the China A-Shares with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK).

Corporate actions and shareholders' meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE and SZSE securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE and/or SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE and SZSE securities.

HKSCC will monitor the corporate actions affecting SSE and SZSE securities and keep the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

Currency

Hong Kong and overseas investors will trade and settle SSE and SZSE securities in RMB only. Hence, the relevant Funds will need to use RMB to trade and settle SSE and SZSE securities.

Investor compensation

The relevant Funds' investments through Northbound trading under China Connect will not be covered by Hong Kong's Investor Compensation Fund.

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via China Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund.

On the other hand, since the relevant Funds are carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, therefore they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC.

Further information about China Connect is available online at the website:
<http://www.hkex.com.hk/eng/csm/chinaconnect.asp?LangCode=en>

- The risk factor entitled "(xxviii) Risk associated with foreign shareholding restrictions on China A-Shares" under the section entitled "RISKS" shall be deleted in its entirety and replaced by the following:

"(xxviii) Risk associated with foreign shareholding restrictions on China A-Shares - Investments in China A-Shares through China Connect are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor (such as the relevant Funds) in a China A-Share must not exceed 10% of the total issued shares; and

- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors (such as the relevant Funds) in a China A-Share must not exceed 30% of the total issued shares.

When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the "Measures for the Administration of Strategic Investment of Foreign Investors in Listed Companies" (《外國投資者對上市公司戰略投資管理辦法》), the shareholding of the strategic investments is not capped by the abovementioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE/SZSE (as the case may be) and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total shareholding is approaching the upper limit.

As there are limits on the total shares held by all underlying foreign investors in one listed company in the PRC, the capacity of the relevant Funds to make investments in A-Shares will be affected by the activities of all underlying foreign investors investing through China Connect or any other permissible ways to obtain A-Shares investment exposures."

- The risk factor entitled "(xxix) Risk associated with short swing profit rule" under the section entitled "RISKS" shall be deleted in its entirety and replaced by the following:

"(xxix) Risk associated with short swing profit rule - According to the PRC Securities Law (《中華人民共和國證券法》), a shareholder of 5% or more of the total issued shares of a PRC listed company ("major shareholder") has to return any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the event that a relevant Fund or the Investment Manager (deemed as person acting in concert) becomes a major shareholder of a PRC listed company by investing in China A-Shares via China Connect, the profits that the relevant Fund may derive from such investments may be limited, and thus the performance of the relevant Fund may be adversely affected."

- The risk factor entitled "(xxx) Risks associated with the Shanghai-Hong Kong Stock Connect" under the section entitled "RISKS" shall be deleted in its entirety and replaced by the following:

"(xxx) Risks associated with China Connect - Certain Funds may invest through China Connect. In addition to the risks associated with the China market, RMB currency risk, risk associated with foreign shareholding restrictions on China A-Shares and risk associated with short swing profit rule, they are also subject to the following additional risks:

Quota limitations

- *China Connect is subject to daily quota limitations. In particular, once the remaining balance of the relevant Northbound Daily Quota drops to zero or the relevant Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Funds' ability to invest in China A-Shares through China Connect on a timely basis, and the relevant Funds may not be able to effectively pursue its investment strategies.*

Suspension risk

- *It is contemplated that each of SEHK, SSE and SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through China Connect is effected, the relevant Funds' ability to access the PRC market will be adversely affected. The relevant Funds may therefore not be able to sell the A shares acquired via China Connect to meet any redemption requests in timely manner. In such event, the relevant Fund's ability to achieve its investment objective could be negatively affected.*

Operational risk

- *China Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.*
- *It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.*

- Further, the “connectivity” in the China Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system (“China Stock Connect System”) set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both Hong Kong and Shanghai or Shenzhen (as the case maybe) markets. In the event that the relevant systems failed to function properly, trading in both Hong Kong and Shanghai or Shenzhen (as the case maybe) markets through the program could be disrupted. The relevant Funds’ ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring

- PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE (as the case may be) will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.
- If the relevant Funds desire to sell certain China A-Shares they hold, they must transfer those China A-Shares to the respective accounts of their brokers before the market opens on the day of selling (“trading day”) unless their brokers can otherwise confirm that the Funds have sufficient shares in their respective accounts. If a Fund fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the relevant Fund may not be able to dispose of holdings of China A-Shares in a timely manner.

Alternatively, if a Fund maintains its China A-Shares with a custodian which is a custodian participant or general clearing participant participating in CCASS, the relevant Fund may request such custodian to open a special segregated account (“SPSA”) in CCASS to maintain its holdings in China A-Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique “Investor ID” by CCASS for the purpose of facilitating the China Connect system to verify the holdings of an investor such as the relevant Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the relevant Fund’s sell order, the relevant Fund will only need to transfer China A-Shares from its SPSA to its broker’s account after execution and not before placing the sell order and the relevant Fund will not be subject to the risk of being unable to dispose of its holdings of China A-Shares in a timely manner due to failure to transfer China A-Shares to its brokers in a timely manner.

Recalling of eligible stocks

- When a stock is recalled from the scope of eligible stocks for trading via China Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds, for example, when the Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Clearing and settlement risk

- The HKSCC and ChinaClear has established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.
- Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC’s liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, the relevant Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Participation in corporate actions and shareholders’ meetings

- HKSCC will keep CCASS participants informed of corporate actions of SSE and SZSE securities. Hong Kong and overseas investors (including the relevant Funds) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of China A-Shares may be as short as one business day only. Therefore, the relevant Funds may not be able to participate in some corporate actions in a timely manner.
- Hong Kong and overseas investors (including the relevant Funds) are holding China A-Shares traded via the China Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the relevant Funds may not be able to appoint proxies to attend or participate in shareholders’ meetings in respect of the China A-Shares.

No protection by Investor Compensation Fund

- *Investment through China Connect is conducted through broker(s), and is subject to the risks of default by such broker(s) in their obligations.*
- *The relevant Funds' investments through Northbound trading under China Connect are not covered by the Hong Kong's Investor Compensation Fund. Therefore the relevant Funds are exposed to the risks of default of the broker(s) they engage in their trading in China A-Shares through the program.*

Regulatory risk

- *China Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under China Connect.*
- *It should be noted that the rules and regulations are untested and there is no certainty as to how they will be applied. Moreover, the current rules and regulations are subject to change which may have potential retrospective effect. There can be no assurance that China Connect will not be abolished. The relevant Funds, which may invest in the PRC markets through China Connect, may be adversely affected as a result of such changes."*
- The following new risk factor shall be inserted as paragraph (xxxi) after paragraph (xxx) under the section entitled "RISKS":

"(xxxi) Risks associated with the investments in stocks listed on the Small and Medium Enterprise Board ("SME Board") and/or the ChiNext Board of the SZSE - Certain Funds may invest in stocks listed on the SME Board and/or the ChiNext Board of the SZSE via the Shenzhen-Hong Kong Stock Connect. Investments in the SME Board and/or ChiNext Board may result in significant losses for the relevant Funds and their investors. The following additional risks apply:

Higher fluctuation on stock prices

Listed companies on the SME Board and/or ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

Over-valuation risk

Stocks listed on the SME Board and/or ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulations

The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those on the main board and SME Board.

Delisting risk

It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the relevant Funds if the companies that they invest in are delisted."

Changes to the Explanatory Memorandum of JPMorgan China A-Share Opportunities Fund in Section C of the Consolidated Explanatory Memoranda:

- The second paragraph in the sub-section entitled "Investment Objective and Policy" under the section entitled "INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:
"The Fund will invest in PRC securities via the Renminbi Qualified Foreign Institutional Investor ("RQFII") quota of the Investment Manager. For the investment in China A-Shares, the Fund may also invest and have direct access to certain eligible China A-Shares via China Connect (as further described in the sub-section headed "China Connect" below) and/or other similar programs as approved by the relevant regulators from time to time. The Fund may invest 30% or more of its total net asset value in stocks listed on the Small and Medium Enterprise Board and/or the ChiNext Board of the Shenzhen Stock Exchange."
- Point iv) in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS" shall be deleted in its entirety and replaced by the following:
"iv) The Fund may invest up to 100 per cent. of its total net asset value in China A-Shares via China Connect."

- The sub-section entitled “Shanghai-Hong Kong Stock Connect” under the section entitled “INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS” shall be deleted in its entirety and replaced by the following:

“China Connect

The section entitled “Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively the “China Connect”)” in Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.”

- All references to “Shanghai-Hong Kong Stock Connect” in the risk factors entitled “(vi) Risk associated with foreign shareholding restrictions on China A-Shares” and “(vii) Risk associated with short swing profit rule” under the section entitled “RISKS” shall be deleted in their entirety and replaced by “China Connect”.
- The third paragraph in the risk factor entitled “(vi) Risk associated with foreign shareholding restrictions on China A-Shares” under the section entitled “RISKS” shall be deleted in its entirety and replaced by the following:

“Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE/SZSE (as the case may be) and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total shareholding is approaching the upper limit.”

- The risk factor entitled “(xii) Risks associated with the Shanghai-Hong Kong Stock Connect” under the section entitled “RISKS” shall be renamed as “(xii) Risks associated with China Connect” and all references to “Shanghai-Hong Kong Stock Connect” in this risk factor shall be deleted in their entirety and replaced by “China Connect”. Further, in this risk factor:

- The first two sentences under the heading “Quota limitations” shall be deleted in their entirety and replaced by the following:

“China Connect is subject to daily quota limitations. In particular, once the remaining balance of the relevant Northbound Daily Quota drops to zero or the relevant Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross boundary securities regardless of the quota balance).”

- The bullet point under the heading “Suspension risk” shall be deleted in its entirety and replaced by the following:

“It is contemplated that each of SEHK, SSE and SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through China Connect is effected, the Fund’s ability to access the PRC market will be adversely affected. The Fund may therefore not be able to sell the A shares acquired via China Connect to meet any redemption requests in timely manner. In such event, the Fund’s ability to achieve its investment objective could be negatively affected.”

- The first bullet point under the heading “Operational risk” shall be deleted in its entirety, and the fourth bullet point under this heading shall be deleted in its entirety and replaced by the following:

“Further, the “connectivity” in the China Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system (“China Stock Connect System”) set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both Hong Kong and Shanghai or Shenzhen (as the case maybe) markets. In the event that the relevant systems failed to function properly, trading in both Hong Kong and Shanghai or Shenzhen (as the case maybe) markets through the program could be disrupted. The Fund’s ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected.”

- The first bullet point under the heading “Restrictions on selling imposed by front-end monitoring” shall be deleted in its entirety and replaced by the following:

“PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE (as the case may be) will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.”

- The two bullet points under the heading "Participation in corporate actions and shareholders' meetings" shall be deleted in their entirety and replaced by the following:

"• HKSCC will keep CCASS participants informed of corporate actions of SSE and SZSE securities. Hong Kong and overseas investors (including the Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of China A-Shares may be as short as one business day only. Therefore, the Fund may not be able to participate in some corporate actions in a timely manner."

• Hong Kong and overseas investors (including the Fund) are holding China A-Shares traded via the China Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the Fund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the China A-Shares."

- The two bullet points under the heading "No protection by Investor Compensation Fund" shall be deleted in their entirety and replaced by the following:

"• Investment through China Connect is conducted through broker(s), and is subject to the risks of default by such broker(s) in their obligations."

• The Fund's investments through Northbound trading under China Connect is not covered by the Hong Kong's Investor Compensation Fund. Therefore the Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the program."

- The two bullet points under the heading "Regulatory risk" shall be deleted in their entirety and replaced by the following:

"• China Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under China Connect."

• It should be noted that the rules and regulations are untested and there is no certainty as to how they will be applied. Moreover, the current rules and regulations are subject to change which may have potential retrospective effect. There can be no assurance that China Connect will not be abolished. The Fund, which may invest in the PRC markets through China Connect, may be adversely affected as a result of such changes."

- The following new risk factor shall be inserted as paragraph (xiii) after paragraph (xii) under the section entitled "RISKS":

"(xiii) Risks associated with the investments in stocks listed on the Small and Medium Enterprise Board ("SME Board") and/or the ChiNext Board of the SZSE - The Fund may invest in stocks listed on the SME Board and/or the ChiNext Board of the SZSE via the Shenzhen-Hong Kong Stock Connect. Investments in the SME Board and/or ChiNext Board may result in significant losses for the Fund and its investors. The following additional risks apply:

Higher fluctuation on stock prices

Listed companies on the SME Board and/or ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

Over-valuation risk

Stocks listed on the SME Board and/or ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulations

The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those on the main board and SME Board.

Delisting risk

It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted."

Changes to the Explanatory Memorandum of JPMorgan China Income Fund in Section C of the Consolidated Explanatory Memoranda:

- The third paragraph in the sub-section entitled “Investment Objective and Policy” under the section entitled “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS” shall be deleted in its entirety and replaced by the following:
“The Fund may invest up to 100% of its non-cash assets in certain eligible China A-Shares via China Connect (as further described in the sub-section headed “China Connect” below) and/or other similar programs as approved by the relevant regulators from time to time. The Fund may invest 30% or more of its total net asset value in stocks listed on the Small and Medium Enterprise Board and/or the ChiNext Board of the Shenzhen Stock Exchange.”
- Point (vii) in the sub-section entitled “Investment Restrictions and Guidelines” under the section entitled “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS” shall be deleted in its entirety and replaced by the following:
“(vii) The Fund may invest up to 100 per cent. of its total net asset value in China A-Shares via China Connect.”

Changes to the Explanatory Memorandum of JPMorgan China Pioneer A-Share Fund in Section C of the Consolidated Explanatory Memoranda:

- The section entitled “INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS” shall be renamed as “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS”.
- The second paragraph in the sub-section entitled “Investment Objective and Policy” under the section entitled “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS” shall be deleted in its entirety and replaced by the following:
“The Fund will invest in PRC securities via the Qualified Foreign Institutional Investor (“QFII”) quota of the Investment Manager. For the investment in China A-Shares, the Fund may also invest and have direct access to certain eligible China A-Shares via China Connect (as further described in the sub-section entitled “China Connect” below) and/or other similar programs as approved by the relevant regulators from time to time. The Fund may invest 30% or more of its total net asset value in stocks listed on the Small and Medium Enterprise Board and/or the ChiNext Board of the Shenzhen Stock Exchange.”
- Point (ix) in the sub-section entitled “Investment Restrictions and Guidelines” under the section entitled “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS” shall be deleted in its entirety and replaced by the following:
“(ix) The Fund may invest up to 100 per cent. of its total net asset value in China A-Shares via China Connect.”

Changes to the Respective Explanatory Memoranda of JPMorgan China Income Fund and JPMorgan China Pioneer A-Share Fund in Section C of the Consolidated Explanatory Memoranda:

- The sub-section entitled “Shanghai-Hong Kong Stock Connect” under the section entitled “INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS” shall be deleted in its entirety and replaced by the following:

“China Connect

The section entitled “Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively the “China Connect”)” in Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.”

- All references to “Shanghai-Hong Kong Stock Connect” in the risk factors entitled “(iii) Risk associated with foreign shareholding restrictions on China A-Shares” and “(iv) Risk associated with short swing profit rule” under the section entitled “RISKS” shall be deleted in their entirety and replaced by “China Connect”.
- The third paragraph in the risk factor entitled “(iii) Risk associated with foreign shareholding restrictions on China A-Shares” under the section entitled “RISKS” shall be deleted in its entirety and replaced by the following:
“Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE/SZSE (as the case may be) and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total shareholding is approaching the upper limit.”
- The risk factor entitled “(vii) Risks associated with the Shanghai-Hong Kong Stock Connect” under the section entitled “RISKS” shall be renamed as “(vii) Risks associated with China Connect” and all references to “Shanghai-Hong Kong Stock Connect” in this risk factor shall be deleted in their entirety and replaced by “China Connect”. Further, in this risk factor:
 - The first two sentences under the heading “Quota limitations” shall be deleted in their entirety and replaced by the following:

“China Connect is subject to daily quota limitations. In particular, once the remaining balance of the relevant Northbound Daily Quota drops to zero or the relevant Northbound Daily Quota is exceeded during the opening

call session, new buy orders will be rejected (though investors will be allowed to sell their cross boundary securities regardless of the quota balance)."

- The bullet point under the heading "Suspension risk" shall be deleted in its entirety and replaced by the following:

"It is contemplated that each of SEHK, SSE and SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through China Connect is effected, the Fund's ability to access the PRC market will be adversely affected. The Fund may therefore not be able to sell the A shares acquired via China Connect to meet any redemption requests in timely manner. In such event, the Fund's ability to achieve its investment objective could be negatively affected."

- The first bullet point under the heading "Operational risk" shall be deleted in its entirety, and the fourth bullet point under this heading shall be deleted in its entirety and replaced by the following:

"Further, the "connectivity" in the China Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both Hong Kong and Shanghai or Shenzhen (as the case maybe) markets. In the event that the relevant systems failed to function properly, trading in both Hong Kong and Shanghai or Shenzhen (as the case maybe) markets through the program could be disrupted. The Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected."

- The first bullet point under the heading "Restrictions on selling imposed by front-end monitoring" shall be deleted in its entirety and replaced by the following:

"PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE (as the case may be) will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling."

- The two bullet points under the heading "Participation in corporate actions and shareholders' meetings" shall be deleted in their entirety and replaced by the following:

"• HKSCC will keep CCASS participants informed of corporate actions of SSE and SZSE securities. Hong Kong and overseas investors (including the Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of China A-Shares may be as short as one business day only. Therefore, the Fund may not be able to participate in some corporate actions in a timely manner."

• Hong Kong and overseas investors (including the Fund) are holding China A-Shares traded via the China Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the Fund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the China A-Shares."

- The two bullet points under the heading "No protection by Investor Compensation Fund" shall be deleted in their entirety and replaced by the following:

"• Investment through China Connect is conducted through broker(s), and is subject to the risks of default by such broker(s) in their obligations."

• The Fund's investments through Northbound trading under China Connect is not covered by the Hong Kong's Investor Compensation Fund. Therefore the Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the program."

- The two bullet points under the heading "Regulatory risk" shall be deleted in their entirety and replaced by the following:

"• China Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under China Connect."

• It should be noted that the rules and regulations are untested and there is no certainty as to how they will be applied. Moreover, the current rules and regulations are subject to change which may have potential retrospective effect. There can be no assurance that China Connect will not be abolished. The Fund, which may invest in the PRC markets through China Connect, may be adversely affected as a result of such changes."

- The following new risk factor shall be inserted (A) as paragraph (xviii) after paragraph (xvii) under the section entitled "RISKS" of the Explanatory Memorandum of JPMorgan China Income Fund and (B) as paragraph (xi) after paragraph (x) under the section entitled "RISKS" of the Explanatory Memorandum of JPMorgan China Pioneer A-Share Fund:

"Risks associated with the investments in stocks listed on the Small and Medium Enterprise Board ("SME Board") and/or the ChiNext Board of the SZSE - The Fund may invest in stocks listed on the SME Board and/or the ChiNext Board of the SZSE via the Shenzhen-Hong Kong Stock Connect. Investments in the SME Board and/or ChiNext Board may result in significant losses for the Fund and its investors. The following additional risks apply:

Higher fluctuation on stock prices

Listed companies on the SME Board and/or ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

Over-valuation risk

Stocks listed on the SME Board and/or ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulations

The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those on the main board and SME Board.

Delisting risk

It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted."

Change to Section D - TAX NOTES of the Consolidated Explanatory Memoranda:

- The second bullet point in the sub-section entitled "The People's Republic of China ("PRC")" under the section entitled "(iv) Investment Markets" shall be deleted in its entirety and replaced by the following:

"Gains from disposal of PRC securities would normally be subject to a 10% EIT under the EITL. Except for gains from China A-Shares which are specifically exempt under a temporary exemption from the EITL effective from 17 November 2014, full PRC tax provision of 10% is made for gains from disposal of PRC securities that are currently not specifically exempt from EIT. Generally, there is no withholding mechanism for EIT on gains from PRC securities."

Explanatory Memoranda – October 2016

JPMorgan Funds

Unit Trust Range

JPMorgan Funds (Asia) Limited and JF India Management Limited accept full responsibility for the accuracy of the information contained in these Explanatory Memoranda related to the funds managed by them respectively and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading as at the date of publication.

Selling Restrictions

General: No action has been taken to permit an offering of units in the funds specified in Sections A, B and C ("JPMorgan Funds (Unit Trust Range)"), or the distribution of these Explanatory Memoranda, in any jurisdiction where action would be required for such purpose, other than Hong Kong and certain other jurisdictions. For details, please contact the relevant manager or the Hong Kong representative of JPMorgan Funds (Unit Trust Range). Accordingly, these Explanatory Memoranda are not offers or solicitation in any jurisdictions or in any circumstances in which such offers or solicitation are not authorised or to any persons to whom it is unlawful to make such offers or solicitation.

United States: The JPMorgan Funds (Unit Trust Range) have not been registered under the United States (the "US") Securities Act, as amended, (the "Act") or under any similar or analogous provision of law enacted by any jurisdiction in the US. The units may not be offered or sold to any US Person unless the Manager, at its absolute discretion, grants an exception. For this purpose, a US Person is one falling under the definition of US Person under the Act, under the guidelines set forth by the US Commodities Futures Trading Commission in its Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, as amended, or under the US Internal Revenue Code ("IRC") as specified below or under the US federal income tax law (as described below under paragraphs 1 through 4), or a non-US entity with certain US owners (as described below under paragraph 5):

1. An individual who is a citizen of the US or a resident alien for US federal income tax purposes. In general, the term "resident alien" is defined for this purpose to include any individual who (i) holds an Alien Registration Card (a "green card") issued by the US Citizenship and Immigration Services or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any calendar year if (i) the individual was present in the US on at least 31 days during such year and (ii) the sum of the number of days in which such individual was present in the US during such year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days;
2. A corporation, an entity taxable as a corporation, or a partnership, created or organised in or under the laws of the US or any state or political subdivision thereof or therein, including the District of Columbia (other than a partnership that is not treated as a US person under Treasury Regulations);
3. An estate the income of which is subject to US federal income tax regardless of the source thereof;
4. A trust with respect to which a court within the US is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of its substantial decisions, or certain electing trusts that were in existence on August 20, 1996 and were treated as domestic trusts on August 19, 1996; or
5. A Passive Non-Financial Foreign Entity ("Passive NFFE") with one or more "Controlling Persons" (within the meaning of any Intergovernmental Agreement relating to the Foreign Account Tax Compliance Act (as set forth in Sections 1471 through 1474 of the IRC ("FATCA")) that may be entered into by the US and any other jurisdiction ("IGA")) that is a US Person (as described above under paragraph 1). A Passive NFFE is generally a non-US and non-financial institution entity that is neither a "publicly traded corporation" nor an "active NFFE" (within the meaning of the applicable IGA).

United Kingdom: These Explanatory Memoranda are not available for general distribution in, from or into the United Kingdom because the JPMorgan Funds (Unit Trust Range) are unregulated collective investment schemes whose promotion are restricted by sections 238 and 240 of the Financial Services and Markets Act 2000. When distributed in, from or into the United Kingdom these Explanatory Memoranda are only intended for investment professionals, high net worth companies, partnerships, associations or trusts and investment personnel of any of the foregoing (each within the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005), persons outside the European Economic Area receiving them electronically, persons outside the United Kingdom receiving them non-electronically and any other persons to whom they may be communicated lawfully. No other person should act or rely on them. Persons distributing these Explanatory Memoranda in, from or into the United Kingdom must satisfy themselves that it is lawful to do so.

Singapore: Certain JPMorgan Funds (Unit Trust Range) (the "Restricted Funds") have been entered onto the list of restricted schemes maintained by the Monetary Authority of Singapore (the "MAS") for purpose of restricted offer in Singapore pursuant to section 305 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and the list of Restricted Funds may be accessed at the MAS website at <https://masnetvc2.mas.gov.sg/cisnet/home/CISNetHome.action>.

The Restricted Funds are not authorised or recognised by the MAS, and the units in the Restricted Funds are not allowed to be offered to the retail public in Singapore. An offer of units of each Restricted Fund is made under and in reliance of sections 304 and/or 305 of the SFA.

These Explanatory Memoranda and any other document or material issued in connection with this offer or sale of the Restricted Funds is not a prospectus as defined in the SFA and has not been registered as a prospectus with the MAS. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you after reviewing these Explanatory Memoranda.

These Explanatory Memoranda and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Restricted Funds may not be circulated or distributed, nor may the units be offered or sold, or be made the subject of an invitation for subscription or purchase, pursuant to these Explanatory Memoranda whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor, and in accordance with the conditions specified in section 304 of the SFA; (b) to a relevant person pursuant to section 305(1), or any person pursuant to section 305(2) of the SFA, and in accordance with the conditions specified in section 305 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where units of the Restricted Funds are subscribed or purchased under section 305 by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in section 4A of the SFA)) the sole business of which is to hold investments, and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments, and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the units pursuant to an offer made under section 305 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in section 305(5) of the SFA, or to any person arising from an offer referred to in section 275(1A) or section 305A(3)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in section 305A(5) of the SFA; or
- (5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

Investors should note further that the other funds referred to in these Explanatory Memoranda other than the Restricted Funds, are not available to Singapore investors and references to such other funds is not and should not be construed as an offer of units of such other funds in Singapore.

Investors in Singapore should note that if they wish to obtain information on the past performance and a copy of the annual report of the Funds, they should contact the relevant distributors to obtain such information.

Mauritius: These Explanatory Memoranda may not be distributed in Mauritius nor shall the units be offered for sale or transfer to a resident of Mauritius except where the approval of the Financial Services Commission of Mauritius ("Mauritius FSC") has been obtained.

British Virgin Islands: The JPMorgan Funds (Unit Trust Range), these Explanatory Memoranda and the units offered hereby have not been, and will not be, recognised or registered under the laws and regulations of the British Virgin Islands. The units may not be offered or sold in the British Virgin Islands except in circumstances in which the JPMorgan Funds (Unit Trust Range), these Explanatory Memoranda and the units do not require the recognition by or registration with the authorities of the British Virgin Islands.

Australia: This is an offer to apply for interests in the funds specified in Sections A, B and C ("Funds") and is made by JPMorgan Funds (Asia) Limited ("JPMFAL") on behalf of the Funds. Pursuant to ASIC Class Order 03/1103, JPMFAL is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 (Cth) (Corporations Act) in respect of

the financial services provided by JPMFAL in Australia. JPMFAL is regulated by the Securities and Futures Commission (“SFC”) under the laws of Hong Kong, which differ from Australian laws. JPMFAL is responsible for the information contained in these Explanatory Memoranda when distributing in Australia.

The Placement Agent for the Funds is JPMorgan Asset Management (Australia) Ltd (“JPMAM (Aus)”). JPMAM (Aus) holds Australian Financial Services Licence No.376919.

These Explanatory Memoranda are not a disclosure document nor product disclosure statement within the meaning of the Corporations Act 2001 (Cth) (Corporations Act). These Explanatory Memoranda may not contain the same level of disclosure as those documents and have not been, and are not required to be, lodged with the Australian Securities & Investments Commission (“ASIC”). An investment in the Funds involves significant risks which could include delays in repayment, and loss of income and capital invested. See “RISKS” in the Explanatory Memoranda for further information in relation to those risks.

Neither the Funds nor JPMFAL or their respective directors, employees, agents, officers or advisers (“Specified Persons”) assume liability to any person in connection with an investment in the Funds or guarantees the performance of the Funds or the meeting of any investment objectives, the repayment of capital or any particular rate of return. Investments in the Funds are not deposits or a debt obligation of, and are not guaranteed by, the Specified Persons. Past performance is not indicative of future performance.

Interests in the Funds are offered and issued subject to the terms and conditions set out in these Explanatory Memoranda.

JPMFAL has taken all reasonable care to ensure that the information contained in these Explanatory Memoranda is accurate as of the date of these Explanatory Memoranda (or such other date as stated herein). Under no circumstances should the delivery of these Explanatory Memoranda, irrespective of when it is made, create an inference that there has been no change in the affairs of the Funds since such date.

The Specified Persons make no representations as to the accuracy or completeness of the information in these Explanatory Memoranda. The Specified Persons accept no liability for any loss or damage suffered or incurred by any investor in the Funds or any other person or entity however caused relating in any way to these Explanatory Memoranda (including, without limitation, the accuracy or completeness of the information, any errors or omissions or any other written or oral communications made by any Specified Person in relation to these Explanatory Memoranda).

No Investment or Tax Advice

These Explanatory Memoranda are provided for information purposes only and are not intended to be, and do not constitute, a recommendation by JPMFAL or any other Specified Person to make an investment in the Funds or constitute a basis for any investment decision to do so. The information in these Explanatory Memoranda is general information only and does not take into account the investment objectives, financial and/or tax situation or needs of any particular person and may not contain all of the information that a prospective investor needs to make an investment decision.

Consequently, each prospective investor should, before investing in the Funds, conduct their own investigation and analysis of the investment (including, without limitation, consideration and review of the documents referred in these Explanatory Memoranda) and consider the appropriateness of the investment having regard to the prospective investor’s objectives, financial situations and needs. Each prospective investor is encouraged to seek independent legal advice, financial and taxation advice before making any decision with respect to the Funds.

Distribution

The offer described in these Explanatory Memoranda is only available to residents of Australia who are ‘wholesale clients’ as defined in the Corporations Act. These Explanatory Memoranda shall not constitute an offer of interests in any jurisdiction in which, or to any person to whom, it would be unlawful to offer the interests under these Explanatory Memoranda. None of the interests offered have been approved or disapproved by ASIC, and neither ASIC, the SFC, which is the regulatory and supervisory authority of the Funds in Hong Kong, nor any such other authority has passed upon the accuracy or adequacy of these Explanatory Memoranda, nor is it intended that the SFC, ASIC or any such other authority will do so. None of the interests will be registered in Australia under the Corporations Act. There will be no public market in Australia for any of the interests.

Each prospective investor must be prepared, through an investment in the Funds, to bear the economic risk of an investment in the Funds as set forth in these Explanatory Memoranda. Prospective investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of their entire investment or lack of liquidity in the interests) that may be characteristic of an investment in the Funds and should consult their financial advisors regarding the appropriateness of making investments in interests in the Funds.

Privacy and Anti-Money Laundering

Privacy

The Placement Agent collects personal information to be able to process a prospective investor's application, administer its investment and comply with any relevant laws. If a prospective investor does not provide the Placement Agent with its relevant personal information, the Placement Agent will not be able to do so.

Privacy laws apply to the Placement Agent's handling of personal information and it will collect, use and disclose personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information the Placement Agent collects and holds;
- how the Placement Agent collects and holds personal information;
- the purposes for which the Placement Agent collects, holds, uses and discloses personal information;
- how to access personal information that the Placement Agent holds about an investor and seek correction of such information (note that exceptions apply in some circumstances);
- how to complain about a breach of the Australian Privacy Principles (**APP**), or a registered APP code (if any) that binds the Placement Agent, and how the Placement Agent will deal with such a complaint; and
- whether the Placement Agent is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for it to specify those countries.

The Placement Agent may also give personal information to service providers of the Funds, including the administrators, legal counsel, accountants and their related bodies corporate ("Service Providers") which may require transferring such information to entities located outside Australia where it may not receive the level of protection afforded under Australian law. The Placement Agent and the Service Providers may use personal information collected about such investors to notify them of other products.

The Placement Agent privacy policy is available on its website at jpmorganam.com.au or a free of charge copy can be obtained by contacting the Placement Agent.

Tax

Please note that the tax information contained in these Explanatory Memoranda may not be applicable to Australian investors. The Placement Agent does not provide any tax or regulatory advice. None of the Placement Agent, the Funds, or their respective directors, employees, agents, officers or advisers have or will be providing tax advice in relation to an investment in the Funds. Each prospective investor must therefore seek independent taxation advice before making any decision with respect to the Funds.

Queries

JPMAM (Aus), as placement agent, will be available to discuss the information contained in these Explanatory Memoranda with prospective investors and to answer questions in Australia about the Funds, to the extent that responsive information is available or can be acquired without undue effort or expense.

Inquiries from prospective investors should be directed to:

JPMorgan Asset Management (Australia) Limited
Level 31, 101 Collins Street
Melbourne, VIC 3000
Phone: 03 9633 4000
jpmorgan.funds.au@jpmorgan.com

Distribution of these Explanatory Memoranda are not authorised in any jurisdiction unless they are accompanied by copies of the most recent annual report and audited accounts of the relevant funds and, if later, the most recent half yearly report. Such annual report and accounts and half yearly report (where applicable) will form part of these Explanatory Memoranda.

Units will be offered on the basis only of the information contained in these Explanatory Memoranda, such annual report and accounts and such half yearly report. Any further information or representations made by any dealer, salesperson or other person must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of any of the foregoing documents nor any offer, issue or sale of units shall, under any circumstances, constitute a representation that the information given in any such document is correct as of any time subsequent to the date of such document.

In these Explanatory Memoranda references to "Australian dollars" and the sign "AU\$" are to the currency of Australia, references to "Canadian dollars" and the sign "CA\$" are to the currency of Canada, references to "Chinese renminbi" and the sign "RMB" are to the currency of the People's Republic of China, references to "Euro" and the sign "EUR" are to the official single European

currency adopted by a number of EU Member States participating in the Economic and Monetary Union (as defined in European Union legislation), references to “US dollars” and the sign “US\$” are to the currency of the United States of America, references to “HK dollars” and “HK\$” are to the currency of Hong Kong Special Administrative Region, People’s Republic of China (“Hong Kong”), references to “Japanese yen” are to the currency of Japan, references to “New Zealand dollars” and the sign “NZ\$” are to the currency of New Zealand, references to “Singapore dollars” and the sign “SG\$” are to the currency of Singapore and references to “Sterling” and “GBP” are to the currency of the United Kingdom.

Unless otherwise provided herein, words and expressions defined in the relevant trust deed of the JPMorgan Funds (Unit Trust Range) shall have the same meaning when used in the relevant Explanatory Memorandum and words denoting the singular number shall be deemed to include the plural number and vice versa.

If you are in any doubt about the contents of these Explanatory Memoranda, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other financial adviser. Prospective investors should review these Explanatory Memoranda carefully and in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal and regulatory requirements within their own countries for the subscription, purchase, holding, conversion, redemption or disposition of units of the JPMorgan Funds (Unit Trust Range); (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscription, purchase, holding, conversion, redemption or disposition of units of the JPMorgan Funds (Unit Trust Range); (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of units of the JPMorgan Funds (Unit Trust Range); and (iv) any other consequences of such activities.

JPMorgan India Fund and JPMorgan India Smaller Companies Fund (each an “India Fund”, collectively the “India Funds”) are incorporated under the laws of Mauritius. Each India Fund holds a Category 1 Global Business Licence issued by the Mauritius Financial Services Commission (“Mauritius FSC”) pursuant to the Financial Services Act 2007 of Mauritius. Each licence is granted for a period of one year on a rolling basis. While the Directors of JPMorgan Funds (Asia) Limited and/or JF India Management Limited (as the case may be) expect that each India Fund’s respective licence will be renewed on a regular basis and will conduct the affairs of the India Funds so they will qualify for such renewal, there is no guarantee that the licence will be so renewed. If the licence is not renewed, it is likely that the relevant India Funds will have to be liquidated.

The India Funds are authorised by the Mauritius FSC to operate as collective investment schemes and thus are classified as global schemes pursuant to the Securities Act 2005 of Mauritius and the regulations made thereunder. Units of the India Funds are offered to the public in Hong Kong and are classified as reporting issuers as defined under the Securities Act 2005 of Mauritius.

It must be understood that by giving its authorization, the Mauritius FSC does not vouch for the financial soundness and correctness of any of the statements made or opinions expressed with regard to the India Funds. Investors are not protected by any statutory compensation arrangements in Mauritius in the event of failure of the India Funds.

Contents

	Page
SECTION A - CONSOLIDATED EXPLANATORY MEMORANDA OF ASIA PACIFIC EQUITY FUNDS.....	1
INTRODUCTION	1
FUND PARTIES	1
INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS.....	2
Investment Objective and Policies.....	2
Currency Hedged Classes.....	2
Investment Restrictions and Guidelines.....	2
Borrowing Policies.....	5
Securities Lending Policies.....	5
Shanghai-Hong Kong Stock Connect	5
RISKS	7
CLASSES OF UNITS	17
Currency Hedged Classes.....	17
AUD Hedged Class/CAD Hedged Class/EUR Hedged Class/GBP Hedged Class/HKD Hedged Class/ NZD Hedged Class/RMB Hedged Class/SGD Hedged Class/USD Hedged Class	17
DISTRIBUTION POLICY.....	18
BASES OF VALUATIONS	18
DEALING.....	19
SUBSCRIPTIONS.....	20
Issue of Units	20
Procedure for Application	20
Evidence of Identity - Anti-Money Laundering.....	21
REDEMPTIONS	21
Redemption of Units.....	21
Procedure for Redemption.....	21
Suspension of Redemptions.....	22
SWITCHING.....	23
FEEs, CHARGES AND LIABILITIES	24
Initial and Redemption Charges	24
Management Fee	24
Trustee Fee.....	25
Fiscal Charges.....	25
Other Liabilities	26
CONFLICTS OF INTEREST.....	26
TAXATION	26
REPORTS AND ACCOUNTS.....	26
GENERAL	27
Price Information.....	27
Trust Deeds	27
Documents Available for Inspection.....	27
Laws of Mauritius.....	27
Joint Holders	28
Certificates.....	28
Transfers of Units and Transmission of Units.....	28
Cancellation of Units.....	28
Notices and Meetings of Unitholders	28
Duration of the Funds.....	28
Indemnification, Retirement and Removal of the Trustee and the Manager.....	28
Complaints and Enquiries Handling.....	29
MANAGEMENT AND ADMINISTRATION DIRECTORY	30
APPENDIX I - FUND DETAILS OF ASIA PACIFIC EQUITY FUNDS	32
JPMorgan ASEAN Fund.....	32
JPMorgan Asia Equity Dividend Fund	34
JPMorgan Australia Fund	39
JPMorgan Eastern Fund	40
JPMorgan Eastern Smaller Companies Fund	41

JPMorgan Greater China Smaller Companies Fund	42
JPMorgan India Fund.....	43
JPMorgan Indonesia Fund	45
JPMorgan Japan (Yen) Fund.....	46
JPMorgan Japan Smaller Company (Yen) Fund.....	48
JPMorgan Korea Fund	49
JPMorgan Malaysia Fund.....	50
JPMorgan Pacific Securities Fund	51
JPMorgan Pacific Technology Fund	52
JPMorgan Philippine Fund	53
JPMorgan Thailand Fund.....	54
SECTION B - EXPLANATORY MEMORANDA OF BOND AND CURRENCY FUNDS	55
JPMorgan Asian Total Return Bond Fund.....	55
JPMorgan Global Bond Fund	65
JPMorgan Money Fund	74
JPMorgan Europe High Yield Bond Fund.....	82
SECTION C - EXPLANATORY MEMORANDA OF OTHER FUNDS	91
JPMorgan AsiaOne Fund	91
JPMorgan Asia Growth Fund	97
JPMorgan China A-Share Opportunities Fund.....	103
JPMorgan China Income Fund	118
JPMorgan China Pioneer A-Share Fund.....	134
JPMorgan Evergreen Fund	147
JPMorgan Global Property Income Fund	154
JPMorgan India Smaller Companies Fund.....	166
JPMorgan Multi Income Fund	172
JPMorgan Vietnam Opportunities Fund	182
JPMorgan Europe Strategic Dividend Fund.....	189
SECTION D - TAX NOTES.....	197
(i) General.....	197
(ii) Taxation of Funds in their Country/Region of Formation.....	197
Hong Kong.....	197
Mauritius	197
(iii) Taxation of Unitholders.....	198
Hong Kong.....	198
Macau	198
Taiwan	198
The United States of America	199
(iv) Investment Markets.....	199
Australia	199
Bangladesh.....	200
India.....	200
Indonesia.....	201
Japan	202
The Republic of Korea	203
Malaysia	204
Pakistan.....	205
The People's Republic of China ("PRC")	205
The Philippines	206
Singapore	206
Sri Lanka	207
Taiwan	207
Thailand.....	208
The United States of America	208
Vietnam.....	210
SECTION E - NAMES OF FUNDS/CLASSES	212

SECTION A – CONSOLIDATED EXPLANATORY MEMORANDA OF ASIA PACIFIC EQUITY FUNDS

INTRODUCTION

The main part of the Consolidated Explanatory Memoranda in Section A contains general provisions which apply to each of the funds in Appendix I of Section A (individually, a “Fund” and collectively, the “Funds”). Specific details of each Fund are described in the relevant section of Appendix I. Certain provisions in the main part of the Consolidated Explanatory Memoranda in Section A also apply to the Funds in Section B and Section C.

The Consolidated Explanatory Memoranda, together with its appendices, may be modified from time to time with the approval of the Securities and Futures Commission (“SFC”) of 35/F, Cheung Kong Center, 2 Queen’s Road Central, Hong Kong, Tel (852) 2231 1222 and Fax (852) 2521 7836.

The Funds are unit trusts constituted by their respective trust deeds, as amended from time to time (individually, a “Trust Deed” and collectively, the “Trust Deeds”) and governed by the laws of Hong Kong or Mauritius (as the case may be). The governing law and date of the Trust Deed of each Fund are described in the relevant section of Appendix I.

The offer or invitation for subscription or purchase of the units of the Funds is regulated by the SFC and the Funds have been authorised or deemed to have been authorised as collective investment schemes by the SFC under section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) (“SFO”) and the Code on Unit Trusts and Mutual Funds (“SFC Code”). SFC authorisation is not a recommendation or endorsement of the Funds nor does it guarantee the commercial merits of the Funds or their performance. It does not mean the Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

FUND PARTIES

With the exception of JPMorgan India Fund, JPMorgan Funds (Asia) Limited is the manager of the Funds, is incorporated with limited liability under the laws of Hong Kong and is regulated by the SFC. JF India Management Limited is the manager of JPMorgan India Fund, is incorporated with limited liability under the laws of the British Virgin Islands and is regulated by the British Virgin Islands Financial Services Commission (“BVI FSC”) of Pasea Estate, P.O. Box 418 Road Town, Tortola, VG 1110 British Virgin Islands, Tel (284) 494 1324 and Fax (284) 494 5016. The Funds are managed by JPMorgan Funds (Asia) Limited or JF India Management Limited (as the case may be) (“Manager”), both of which are part of the JPMorgan Chase & Co. group of companies.

JPMorgan Funds (Asia) Limited has been appointed by JF India Management Limited as the Hong Kong representative to represent JF India Management Limited in Hong Kong generally in relation to the affairs of JPMorgan India Fund (“Hong Kong Representative”).

Day-to-day investment management of the Funds has been delegated to JF Asset Management Limited (“Investment Manager”), a company incorporated with limited liability in Hong Kong. For certain Funds, the Investment Manager has appointed a sub-manager (“Sub-Manager”) to manage a part or all of that Fund’s assets and/or an investment adviser to provide non-discretionary investment advice to the Investment Manager. Such appointments are described in the relevant section of Appendix I.

JPMorgan Funds (Asia) Limited, as Manager and/or Hong Kong Representative (as the case may be), will receive applications for units from prospective investors, deal with redemption requests and other enquiries from unitholders and provide such unitholders with information on the Funds.

HSBC Institutional Trust Services (Asia) Limited (“HTHK”), the trustee of certain Funds established in Hong Kong as described in the relevant section of Appendix I, is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. It is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury. HTHK is regulated by the Mandatory Provident Fund Schemes Authority (“MPFSA”) of Level 36, Tower 1, Metroplaza, 223 Hing Fong Road, Kwai Fong, New Territories, Tel (852) 2918 0102 and Fax (852) 2259 8806.

Subject as provided in the relevant Trust Deed, HTHK shall not normally be liable for losses caused by the performance of investments made by the relevant Funds. Save for the responsibility of making investment decisions in relation to the Funds by the Manager and/or its delegates, the Manager shall not be liable for losses caused by the performance of investments made by the relevant Funds. Subject to applicable law and the provisions of the relevant Trust Deed, each of the parties described in the sections entitled “FUND PARTIES” herein shall not, in the absence of incurring any liability to the unitholders under the applicable laws or any breach of trust through fraud or negligence by it or any of its respective agent or delegate, or, in respect of HTHK and BEAT, any sub-custodian appointed by HTHK or BEAT (as the case may be), be liable for any losses, costs or damage to the Fund or any unitholder. Other than the offer of the units by the Manager pursuant to these Consolidated Explanatory Memoranda, each

of the parties described in the sections entitled “FUND PARTIES” herein in no way acts as guarantor or offeror of the Units or any underlying investment. HTHK has no responsibility or authority to make investment decisions, or render investment advice with respect to any Fund. HTHK will not participate in transactions and activities, or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to sanctions by The Office of Foreign Assets Control (the “OFAC”) of the US Department of the Treasury. HSBC group of companies has adopted a policy of compliance with the sanctions issued by OFAC. As part of its policy, HTHK may request for additional information if deemed necessary. HTHK (including its delegate) is not responsible and has no liability for any investment decision made by the Manager in relation to the Funds.

Bank of East Asia (Trustees) Limited (“BEAT”), the trustee of certain Funds established in Hong Kong as described in the relevant section of Appendix I, is incorporated with limited liability in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. It is a wholly owned subsidiary of The Bank of East Asia, Limited (“BEA”), a company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong, Limited. BEAT is regulated by the MPFSA of Level 36, Tower 1, Metroplaza, 223 Hing Fong Road, Kwai Fong, New Territories, Tel (852) 2918 0102 and Fax (852) 2259 8806.

BEAT will not participate in transactions and activities, or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to sanctions by OFAC of the US Department of the Treasury. BEA group of companies has adopted a policy of compliance with the sanctions issued by OFAC. As part of its policy, BEAT may request for additional information if deemed necessary.

HSBC Institutional Trust Services (Mauritius) Limited, the trustee and the registrar of the Funds established in Mauritius, is incorporated with limited liability in Mauritius. It is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. HSBC Institutional Trust Services (Mauritius) Limited is regulated by Financial Services Commission (“FSC”) of FSC House, 54 Cybercity Ebene, Mauritius, Tel (230) 403 7000 and Fax (230) 467 7172.

HSBC Trustee (Cayman) Limited, the registrar of the Funds for which HTHK is acting as trustee, is incorporated with limited liability in the Cayman Islands. It is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales.

East Asia International Trustees Limited, the registrar of the Funds for which BEAT is acting as trustee, is incorporated with limited liability in the British Virgin Islands. It is an indirectly wholly owned subsidiary of BEA, a company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong, Limited.

HTHK, BEAT and HSBC Institutional Trust Services (Mauritius) Limited are collectively referred to in the Consolidated Explanatory Memoranda as the “Trustees” and individually as the “Trustee” of the relevant Fund. Under each Trust Deed, the Trustee is responsible for the safe-keeping of the respective Fund’s assets.

HSBC Trustee (Cayman) Limited, East Asia International Trustees Limited and HSBC Institutional Trust Services (Mauritius) Limited are collectively referred to in the Consolidated Explanatory Memoranda as the “Registrars” and individually as the “Registrar” of the relevant Fund. The Registrars and JPMorgan Funds (Asia) Limited have entered into a Registrar Services Delegation Agreement pursuant to which the Registrars have delegated their duties as Registrar of the relevant Funds to JPMorgan Funds (Asia) Limited.

INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

Investment Objective and Policies

The investment objective and policies of each Fund are described in the relevant section of Appendix I to the Consolidated Explanatory Memoranda.

The investment objective, policies and investment restrictions and guidelines of each Fund may, subject to the approval of the relevant Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Currency Hedged Classes

Investors who invest in the Currency Hedged Classes should refer to the section entitled “CLASSES OF UNITS” for details on the objective, strategy and risks associated with the Currency Hedged Classes.

Investment Restrictions and Guidelines

The Funds may invest in anything into which a person may invest, subject to the following investment restrictions. The following investment restrictions and guidelines shall apply to the Funds as at the immediate preceding valuation. Additional investment restrictions and guidelines applicable to each Fund are described in the relevant section of Appendix I.

- (i) The value of each Fund's holding of securities issued by any single issuer may not exceed 10 per cent. of its total net asset value. An issuer of investments based on an underlying security (such as an issuer of covered warrants) is treated separately from an issuer of the underlying security, provided that the 10 per cent. restriction applicable to any single issuer is not exceeded if and when any rights of convertibility are exercised.
- (ii) Each Fund may not hold more than 10 per cent. of any ordinary shares (including securities issued by real estate investment trusts) issued by any single issuer.
- (iii) The value of each Fund's holding of securities neither listed, quoted nor dealt in on a market may not exceed 15 per cent. of its total net asset value.

For the purposes of (iii), market means any stock exchange, over-the-counter market or other organised securities market that is open to the international public and on which such securities are regularly traded.

- (iv) Notwithstanding (i), (ii) and (iii):
 - (a) where direct investment in a market by each Fund is not in the best interest of investors, each Fund may invest through a wholly owned subsidiary company established solely for the purpose of making direct investments in such market. In such circumstances, the underlying investments of the subsidiary, together with the direct investments made by that Fund must in aggregate comply with the requirements of these investment restrictions and guidelines. The Manager has no present intention to make use of such subsidiaries and unitholders will be informed of any change in such intention; and
 - (b) in respect of each Fund which is registered for retail distribution in Taiwan, the Fund's investments in Mainland China securities markets or in China related securities (as stipulated by the Taiwan regulators) may not, at any time, exceed certain percentage limits prescribed by the Taiwan regulators from time to time.
- (v) Notwithstanding (i) and (ii), up to 30 per cent. of each Fund's total net asset value may be invested in Government and other public securities of the same issue.
- (vi) Subject to (v), each Fund may invest all of its assets in Government and other public securities in at least six different issues.

For the purposes of (vi):

- (a) *"Government and other public securities" means any investment issued by, or the payment of principal and interest on, which is guaranteed by the government of any member state of the Organization for Economic Co-operation and Development ("OECD") or any fixed interest investment issued in any OECD country by a public or local authority or nationalised industry of any OECD country or anywhere in the world by any other body which is, in the opinion of the Trustee, of similar standing; and*
- (b) *Government and other public securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise.*
- (vii) The writing of uncovered options by any Fund is prohibited.
- (viii) (a) Each Fund may invest in options and warrants for hedging purposes.
- (b) In addition to (a) above, the value of each Fund's investment in warrants and options not held for hedging purposes in terms of the total amount of premium paid may not exceed 15 per cent. of its total net asset value.
- (ix) The writing of call options on portfolio investments may not exceed 25 per cent. of each Fund's total net asset value in terms of exercise price.
- (x) Each Fund may enter into financial futures contracts for hedging purposes.
- (xi) In addition to (x), each Fund may enter into financial futures contracts on an unhedged basis provided that the net total aggregate value of contract prices, whether payable to or by that Fund under all outstanding futures contracts, together with the aggregate value of holdings of physical commodities and commodity based investments may not exceed 20 per cent. of the total net asset value of that Fund.

For the purposes of (xi):

(a) "physical commodities" includes gold, silver, platinum or other bullion; and

(b) "commodity based investments" does not include shares in companies engaged in producing, processing or trading in commodities.

- (xii) Notwithstanding (viii), (ix), (x) and (xi), in respect of each Fund which is registered for public distribution in Taiwan:
- (a) unless otherwise approved by Taiwan Financial Supervisory Commission, the Fund shall comply with local Taiwanese regulation in respect of derivative exposure, which currently requires the total value of the Fund's non offset position in derivatives held for: (1) any purposes other than hedging, and in any derivatives held for hedging purposes in excess of the position limit stated in (2) below, not to exceed 40 per cent. of the net asset value of the Fund (or such other percentage as stipulated by the Taiwan regulator from time to time); and (2) hedging purposes, not to exceed the total market value of the relevant securities held by the Fund; and
 - (b) the Fund may not invest in gold or spot commodities.
- (xiii) The value of each Fund's holding of units or shares in other collective investment schemes (namely "underlying schemes") which are non-recognised jurisdiction schemes (as defined in the SFC Code) and not authorised by the SFC may not in aggregate exceed 10 per cent. of its total net asset value.
- (xiv) Each Fund may invest in one or more underlying schemes which are either recognised jurisdiction schemes or schemes authorised by the SFC. The value of each Fund's holding of units or shares in each such underlying scheme may not exceed 30 per cent. of its total net asset value, unless the underlying scheme is authorised by the SFC, and the name and key investment information of the underlying scheme are disclosed in the Consolidated Explanatory Memoranda.
- (xv) In addition to (xiii) and (xiv) above, each underlying scheme's objective may not be to invest primarily in any investment prohibited by these investment restrictions and guidelines, and where such underlying scheme's objective is to invest primarily in investments restricted by these investment restrictions and guidelines, such holdings may not be in contravention of the relevant limitation.
- (xvi) Where a Fund invests in any underlying scheme(s) managed by the Manager, the Investment Manager and/or the Sub-Manager or any of their connected persons (as defined in the SFC Code) ("Connected Persons"), all initial charges on the underlying scheme(s) shall be waived.
- (xvii) The Manager, the Investment Manager and/or the Sub-Manager of a Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.
- (xviii) Each Fund may not invest in any type of real estate (including buildings) or interests in real estate (including options or rights but excluding shares in real estate companies and interests in real estate investment trusts).
- (xix) No short sale may be made which will result in a Fund's liability to deliver securities exceeding 10 per cent. of its total net asset value. The security which is to be sold short must be actively traded on a market where short selling activity is permitted.
- (xx) A Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person without the prior written consent of the Trustee.
- (xxi) A Fund may not acquire any asset which involves the assumption of any liability which is unlimited.
- (xxii) A Fund may not invest in any security of any class in any company or body if any director or officer of the Manager, the Investment Manager or the Sub-Manager individually owns more than 0.5 per cent. of the total nominal amount of all the issued securities of that class, or collectively the directors and officers of the Manager, the Investment Manager and the Sub-Manager own more than 5 per cent. of those securities.
- (xxiii) The portfolio of each Fund may not include any security where a call is to be made for any sum unpaid on that security unless that call could be met in full out of cash or near cash by that Fund's portfolio, the amount of which has not already been taken into account for the purposes of (ix).

Each Fund may place cash on deposit with its Trustee, Investment Manager, Manager or any of their Connected Persons provided that such person is permitted to accept deposits and the interest rate paid to such Fund is no lower than an arm's length commercial rate for deposits of the same size and nature as the deposit in question.

Where a breach of any of the above investment limits occurs, the Manager, the Investment Manager and the Sub-Manager will as a priority objective within a reasonable period of time take all steps as are necessary to remedy the situation taking into due account of the interests of unitholders.

Funds in Appendix I of Section A, or in Sections B and C which are registered with the Securities and Futures Bureau in Taiwan for retail distribution are listed below:

JPMorgan ASEAN Fund
JPMorgan Asia Growth Fund
JPMorgan Australia Fund
JPMorgan Eastern Fund
JPMorgan Eastern Smaller Companies Fund
JPMorgan Global Property Income Fund
JPMorgan India Fund
JPMorgan Japan (Yen) Fund
JPMorgan Japan Smaller Company (Yen) Fund
JPMorgan Korea Fund
JPMorgan Malaysia Fund
JPMorgan Pacific Securities Fund
JPMorgan Pacific Technology Fund
JPMorgan Philippine Fund
JPMorgan Thailand Fund

The following Funds may invest up to 10 per cent. of their respective total net asset value in eligible China A-Shares via the Shanghai-Hong Kong Stock Connect:

JPMorgan Asia Equity Dividend Fund
JPMorgan Asia Growth Fund
JPMorgan Eastern Fund
JPMorgan Eastern Smaller Companies Fund
JPMorgan Greater China Smaller Companies Fund
JPMorgan Multi Income Fund
JPMorgan Pacific Securities Fund
JPMorgan Pacific Technology Fund

Borrowing Policies

Each Fund may enter into borrowing arrangements for investment purposes or otherwise provided that the aggregate principal amount of borrowing outstanding shall not exceed 25 per cent. of the net asset value of that Fund. The Funds' assets may be charged or pledged as security for any such borrowings. Back-to-back loans do not count as borrowing. Each Fund may borrow money from its Trustee, the Manager or any of their Connected Persons provided that the lender is permitted to lend money and the interest and any fee is no higher than an arm's length commercial rate or fee for a loan of the same size and nature.

Securities Lending Policies

Although the Trust Deeds contain provisions which allow the Manager to, on behalf of the Funds, enter into securities lending arrangements, repurchase agreements or reverse repurchase agreements, the Manager does not currently intend to enter into such arrangements and/or agreements. Should the Manager decide to enter into these arrangements and/or agreements, these Explanatory Memoranda will be amended and unitholders will be provided with not less than one month's (or such other period as the SFC may require) prior written notification in respect of such amendment.

Shanghai-Hong Kong Stock Connect

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"), with an aim to achieve mutual stock market access between mainland China and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the relevant Funds), through their Hong Kong brokers and a securities trading service company established by The Stock Exchange of Hong Kong Limited ("SEHK"), may be able to trade eligible shares listed on SSE by routing orders to SSE.

Eligible securities

Hong Kong and overseas investors will be able to trade certain stocks listed on the SSE market (i.e. “SSE Securities”). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- (a) SSE-listed shares which are not traded in RMB; and
- (b) SSE-listed shares which are included in the “risk alert board”.

The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

Trading quota

Trading under Shanghai-Hong Kong Stock Connect will be subject to a daily quota (“Daily Quota”). Northbound trading is subject to a separate set of Daily Quota.

The Daily Quota limits the maximum net buy value of cross-boundary trades under Shanghai-Hong Kong Stock Connect each day. The Northbound Daily Quota is set at RMB13 billion.

This Daily Quota may be increased or reduced subject to the review and approval by the relevant PRC regulators from time to time.

SEHK will monitor the quota and publish the remaining balance of the Northbound Daily Quota at scheduled times on the HKEx's website.

Settlement and Custody

The Hong Kong Securities Clearing Company Limited (“HKSCC”), a wholly-owned subsidiary of HKEx, is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The China A-Shares traded through Shanghai-Hong Kong Stock Connect are issued in scripless form, so investors will not hold any physical China A-Shares. Hong Kong and overseas investors who have acquired SSE Securities through Northbound trading should maintain the SSE Securities with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

Corporate actions and shareholders' meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities.

HKSCC will monitor the corporate actions affecting SSE Securities and keep the relevant brokers or custodians participating in CCASS (“CCASS participants”) informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE-listed companies usually announce their annual general meeting/extraordinary general meeting information about one month before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Currency

Hong Kong and overseas investors will trade and settle SSE Securities in RMB only. Hence, the relevant Funds will need to use RMB to trade and settle SSE Securities.

Investor compensation

The relevant Funds' investments through Northbound trading under Shanghai-Hong Kong Stock Connect will not be covered by Hong Kong's Investor Compensation Fund.

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via Shanghai-Hong Kong Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund.

On the other hand, since the relevant Funds are carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, therefore they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC.

Further information about the Shanghai-Hong Kong Stock Connect is available online at the website:

<http://www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en>

RISKS

The performance of the Funds will be affected by a number of risk factors, including the following. Additional risk factors applicable to a Fund are described in the relevant section of Appendix I.

- (i) Equity risk - Equity markets may fluctuate significantly with prices rising and falling sharply, and this will have a direct impact on the Funds' net asset values. When equity markets are extremely volatile, the Funds' net asset values may fluctuate substantially.
- (ii) Political, economic and social risks - All financial markets may at times be adversely affected by changes in political, economic and social conditions.
- (iii) Market risk - The Funds' investments are subject to the risks inherent in all securities i.e. the value of holdings may fall as well as rise. In addition, the Funds may be subject to investment holding limits imposed on investors by certain markets in which the Funds invest.
- (iv) Currency risk - The assets in which the Funds are invested and the income from the assets will or may be quoted in currencies which are different from the Funds' base currencies. The performance of the Funds will therefore be affected by movements in the exchange rate between the currencies in which the assets are held and Funds' currencies of denomination. Since the Manager, the Investment Manager, and the Sub-Manager aim to maximise returns in terms of the Funds' currencies of denomination, investors whose base currency is different (or not in a currency linked to the Funds' currencies of denomination) may be exposed to additional currency risk. The performance of these Funds may also be affected by changes in exchange control regulations.
- (v) Hedging risk - The Manager, the Investment Manager, and the Sub-Manager are permitted, in their absolute discretion, but not obliged, to use hedging techniques to attempt to reduce market and currency risks. There is no guarantee that hedging techniques if used, will achieve the desired result nor that hedging techniques will be used. The hedging, if any, against foreign exchange risks may or may not be up to 100% of assets of the Funds.
- (vi) Derivatives risk - Participation in warrants, futures, options and forward contracts involves potential investment returns which the Funds would not receive, and risks of a type, level or nature to which the Funds would not be subject, in the absence of using these instruments. If the direction of movement of the securities or money markets is for or against the prediction of the Manager, the Investment Manager and the Sub-Manager, the Funds may be placed in a position which is better or worse than that in which it would have been if these instruments had not been used.

Equity Warrants - Some of the Funds may engage in use of equity warrant which generally allows an investor the right to subscribe for a fixed number of ordinary shares at a pre-determined price on a future date or during a fixed period of time. Since the price of the warrant is normally substantially less than the price of the share itself, an increase in the share price will generally cause the value of the warrant to increase at a greater rate. On the other hand, a fall in the share price may cause the warrant to become valueless. The use of warrants by the Funds will, therefore, usually mean that the net asset value of the Funds will increase or decrease at a greater rate than would have been the case if the relevant investment had actually been made in the shares underlying the relevant warrants.

Forward contracts - Some of the Funds may enter into forward contracts which are not traded on exchanges and are generally not regulated. There are no limitations on a daily price movement of forward contracts. Banks and other dealers with whom the Funds may maintain accounts may require the Funds to deposit margin with respect to such trading, although margin requirements are often minimal or nonexistent. The Funds' counterparties are not required to continue to make markets in such contracts. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with

numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Manager, the Investment Manager or the Sub-Manager would otherwise recommend, to the possible detriment of the Funds.

Futures – Owing to the low margin deposits normally required in index and stock futures contracts, a high degree of leverage is typical of a futures trading account. As a result, a small price movement in index and stock futures contract may result in relatively large losses or profits to the Funds. The position of the Funds in such transactions may not be capable of being closed out in certain circumstances.

Options – Some of the Funds may engage in the use of call and put options. There are risks associated with the sale and purchase of call and put options. The Funds may act as a buyer or seller of an option and therefore subject to the potential gain or loss set out below. The buyer of a call or put option assumes the risk of losing his entire investment in the options. If the buyer of the call/(put) option shorts/(holds) the underlying security, the loss on the call/(put) option will be offset in whole or in part by any gain on the underlying security. The seller of a call/(put) option which is covered (e.g. the seller has a long/(short) position in the underlying security) assumes the risk of a decrease/(an increase) in the market price of the underlying security below/(above) the purchase/(sales) price (in establishing the long/(short) position) of the underlying security, less the premium received, and gives up the opportunity for gain on the underlying security above/(below) the exercise price of the option. The seller of the call/(put) option which is uncovered assumes the risk of an increase/(a decrease) in the market price of the underlying security above/(below) the exercise price of the option, less the premium received.

- (vii) **Leverage risk** – The Funds may borrow funds and employ financial instruments and techniques with an embedded leverage effect. The borrowing of funds and use of leverage will magnify increases or decreases in the net asset value of the Funds. No assurance can be given that secured or unsecured financing will be available on terms that the Manager, the Investment Manager and the Sub-Manager consider acceptable, nor that the use of leveraged financial instruments and techniques will not generate losses in excess of the amount invested or committed.
- (viii) **Diversification/concentrated portfolio risk** – Some of the Funds are highly specialised. Also, some of the Funds concentrate their investments in a single industry or group of industries. Although their portfolios are well diversified in terms of the number of holdings, investors should be aware that those Funds are likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as they are more susceptible to fluctuations in value resulting from adverse conditions in the country/industry in which they invest. The value of these Funds may be adversely impacted.
- (ix) **Emerging markets risk** – Accounting, auditing and financial reporting standards in some of the emerging markets in which some of the Funds' assets may be invested may be less rigorous than international standards. As a result, certain material disclosures may not be made.

Investment in emerging markets involves special considerations and risks. Many emerging market countries are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. There is a possibility of nationalisation, expropriation or confiscatory taxation, foreign exchange control, political changes, government regulation, social instability or diplomatic developments which could affect adversely the economies of emerging markets or the value of the Funds' investments, and the risks of investing in countries with smaller capital markets, such as limited liquidity, price volatility, restrictions on foreign investment and repatriation of capital, and the risks associated with emerging economies, including high inflation and interest rates and political and social uncertainties.

Investments in products relating to emerging markets may also become illiquid which may constrain the Manager's, the Investment Manager's, and the Sub-Manager's ability to realise some or all of the portfolio.

- (x) **Low level of monitoring risk** – The legal and regulatory frameworks of many of the emerging markets are still in the development stage compared to many of the world's leading stock markets, and accordingly there may be a lower level of regulatory monitoring of the activities of such securities markets.
- (xi) **Legal, tax and regulatory risk** – Legal, tax and regulatory changes could occur during the term of a Fund which may adversely affect it. If any of the laws and regulations currently in effect should change or any new laws or regulations should be enacted, the legal requirements to which a Fund and the investors may be subject could differ materially from current requirements and may materially and adversely affect a Fund and the investors.
- (xii) **Liquidity risk** – Some of the Funds may invest in instruments where the volume of transactions may fluctuate significantly depending on market sentiment. There is a risk that investments made by those Funds may become less liquid in response to market developments or adverse investor perceptions. In extreme market situations, there may be no willing buyer and

the investments cannot be readily sold at the desired time or price, and those Funds may have to accept a lower price to sell the investments or may not be able to sell the investments at all. An inability to sell a portfolio position can adversely affect those Funds' value or prevent those Funds from being able to take advantage of other investment opportunities.

Liquidity risk also includes the risk that those Funds will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, those Funds may be forced to sell investments, at an unfavorable time and/or conditions.

Investment in fixed income securities, small and mid-capitalization stocks and emerging country issuers will be especially subject to the risk that during certain periods, the liquidity of particular issuers or industries, or all securities within a particular investment category, will shrink or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse investor perceptions whether or not accurate. The downgrading of fixed income securities may affect the liquidity of investments in fixed income securities.

- (xiii) Valuation risk - Securities purchased by the Funds, particularly debt securities, that are liquid at the time of purchase may subsequently become illiquid due to events relating to the issuer of the securities, markets events, economic conditions, investor perceptions, legislation or regulatory sanctions. Domestic and foreign markets are becoming more and more complex and interrelated, such that events in one sector of the market or the economy, or in one geographical region, can reverberate and have negative consequences for other markets, economic or regional sectors in a manner that may not be reasonably foreseen.

In cases where no clear indication of the value of a Fund's portfolio instruments is available, the portfolio instruments will be valued at their fair value according to the valuation procedures approved by the Trustee. These cases include, among others, situations where it would be inaccurate to rely on the valuations provided by the secondary markets on which a security has previously been traded because these secondary markets are no longer viable for lack of liquidity.

In addition, market volatility may result in a discrepancy between the latest available net asset value for a Fund or a Class and the fair value of the assets of the relevant Fund or the relevant Class. Certain investors might seek to exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Fund/Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Fund/Class may not be the same as the accounting, principles generally accepted in Hong Kong.

As such, valuation of a Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Fund.

- (xiv) Volatility risk - The value of the Funds' underlying investments will be affected by economic, political, market, and issuer specific changes. Such changes may adversely affect the value of the Funds' underlying investments. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Funds' value could be volatile and are often exacerbated in the short-term as well.
- (xv) Counterparty risk - The Funds may invest in different instruments in accordance with the objectives of the Funds and as permitted by the investment restrictions. If the counterparties of these underlying investments default, the Funds could suffer substantial losses. Such risks include, but are not limited to, the following:

Cash and deposits - The Funds may hold cash and deposits in banks or other deposit-taking companies which might not be subject to regulatory or government full or partial protection, and might suffer a significant or even total loss in the event of bankruptcy of the banks or deposit-taking companies.

Depository receipts - Investment into a given country may be made via direct investments into that market or by depository receipts traded on other international exchanges in order to benefit from increased liquidity in a particular security and other advantages. Investments in depository receipts may be subject to counterparty risk, in which a significant or even total loss might be suffered in the event of the liquidation of the depository or custodian bank.

Credit risk - If the issuer of any of the securities in which the Funds' assets are invested defaults, the performance of the Funds will be adversely affected and the Funds could suffer substantial loss. For fixed income securities, a default on interest or principal may adversely impact the performance of the Funds.

Risks related to debt securities – The Funds may invest in, but are not limited to debt securities. There is no assurance that losses will not occur with respect to investment in debt securities. Factors that may affect the value of the Funds' debt securities holdings include: (i) changes in interest rates and (ii) the credit worthiness of the issuers of the debt securities held by the Funds.

Settlement risk – Settlement procedures in emerging countries are frequently less developed and less reliable and may involve the Funds' delivery of securities before receipt of payment for their sale. In addition, significant delays may occur in certain markets in registering the transfer of securities. Settlement or registration problems may make it more difficult for the Funds to value its portfolio securities and could cause the Funds to miss attractive investment opportunities, or to have a portion of their assets uninvested, or to incur losses due to the failure of a counterparty to pay for securities the Funds have delivered, or the Funds' inability to complete its contractual obligations because of theft or other reasons. As a result, the creditworthiness of the local securities firms used by the Funds in emerging countries may not be as sound as the creditworthiness of firms used in more developed countries. The Funds may be subject to a risk of loss if a securities firm defaults in the performance of its responsibilities.

- (xvi) Interest rates risk – Interest rates in the countries in which a Fund's assets will be invested may be subject to fluctuations. Any such fluctuations may have a direct effect on the income received by the Fund and its capital value. Bonds are particularly susceptible to interest rate changes and may experience significant price volatility. The prices of bonds generally increase when interest rates decline and decrease when interest rates rise. Longer term bonds are usually more sensitive to interest rate changes. Given the historically low interest rate environment, risks associated with rising rates are heightened.
- (xvii) People's Republic of China ("PRC") tax risk consideration – There are risks and uncertainties associated with the current PRC tax laws, regulations and practice on a Fund's investments in the PRC. Any increased tax liabilities on the Fund may adversely affect the Fund's value. The Manager, Investment Manager and Sub-Manager reserve the right to provide for tax on gains of the Fund that invests in PRC securities thus impacting the valuation of the Fund. Based on professional tax advice, except for gains from China A-Shares which are specifically exempt under a temporary exemption from the Enterprise Income Tax Law effective from 17 November 2014, a tax provision of 10% is fully provided for all PRC sourced income (including gains from PRC securities, dividends and interest) until sufficient clarity is given by the PRC authorities to exempt specific types of PRC sourced income (e.g. gains from PRC bonds).

With the uncertainty of whether and how certain gains on PRC securities are to be taxed, the possibility of the laws, regulations and practice in the PRC changing, and the possibility of taxes being applied retrospectively, any provision for taxation made by the Manager, the Investment Manager and/or the Sub-Manager may be excessive or inadequate to meet final PRC tax liabilities on gains derived from the disposal of PRC securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and/or redeemed their units in/from the Funds. This is unavoidable where investors can subscribe and/or redeem their units in/from the Funds and where there is uncertainty as to taxation. The net asset value per unit of a Fund is calculated daily and units of a Fund can be redeemed at the net asset value per unit. After redemption, investors cannot be impacted either positively or negatively. Consequently, a past unitholder will receive nothing from a subsequent release of a provision or increase in the market value of investments and will not be adversely impacted by an increase in a provision where there is a shortfall. In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Funds' assets, the Funds' net asset value will be adversely affected.

For more information on the PRC taxation of PRC securities and the provisioning for such taxation, please refer to the sub-paragraph entitled "The People's Republic of China ("PRC")" under the sub-section entitled "(iv) Investment Markets" under Section D – TAX NOTES of the Consolidated Explanatory Memoranda.

- (xviii) US tax withholding and reporting under the Foreign Account Tax Compliance Act ("FATCA"):
 - (a) For the Funds domiciled in Hong Kong – Under the FATCA provisions of the US Hiring Incentives to Restore Employment ("HIRE") Act, 30% US withholding will be levied on certain US sourced income received after June 30, 2014 (for the Funds, principally dividends and interest paid by US corporations and institutions including the US Government) and after December 31, 2016 on the gross proceeds of sales of the assets giving rise to that US sourced income (for the Funds, principally equity and debt securities issued by US corporations and institutions including the US Government) unless the Funds comply with FATCA. Under US Treasury Regulations, FATCA compliance can be achieved by being subject to the terms of an Foreign Financial Institution ("FFI") agreement with the US Internal Revenue Service ("IRS") under which the Funds would, among other things, provide certain US tax reporting with respect to the holdings of and payments to certain investors in the Funds (such as certain "Specified US Persons" as defined in the US Treasury Regulations under FATCA, or certain non-US entities owned by certain Specified US Person(s) – see page 1 of the Preamble to these Consolidated Explanatory Memoranda). The Funds are established

in Hong Kong and will be subject to a Model 2 Intergovernmental Agreement signed between Hong Kong and the US (“Hong Kong IGA”) under which the Funds are required to comply with FATCA, as implemented through the Hong Kong IGA and through applicable provisions of the US Treasury Regulations issued under FATCA, and report any FATCA-required information to the IRS. The Hong Kong IGA modifies certain FATCA requirements set forth in the US Treasury Regulations but generally requires similar information to be disclosed by the FFI to the IRS. The Funds intend to comply with FATCA and are treated as “Deemed Compliant Foreign Financial Institutions” under the Hong Kong IGA since they have adopted the “sponsored investment entity” treatment available under the Hong Kong IGA. The Funds’ Manager, JPMorgan Funds (Asia) Limited (“JPMFAL”), registered with the IRS as the sponsoring entity, has agreed to cause the Funds to be registered with the IRS for, and to comply with, FATCA. The Funds use JPMFAL as sponsoring entity’s Global Intermediary Identification Number (“GIIN”) until they obtain their own GIIN by 31 December 2016. The Funds are unlikely to be subject to 30% FATCA withholding on payments they receive and they are also not expected to impose FATCA withholding on any payments made to investors at least until 2019.

The Funds currently intend to be FATCA-compliant. However, this cannot be assured given the complexity of the FATCA requirements. If the Funds are unable to satisfy the obligations imposed on it to avoid the imposition of FATCA withholding, certain US sourced payments made to the Funds may be subject to a 30% FATCA withholding tax, which could have adverse impact on the Funds (e.g. reduction in cash available for investors) and result in a decrease in the net asset value per unit of the Funds which may give rise to material loss to investors. Any amounts withheld under FATCA may not be refundable by the IRS. Prospective investors should consult their own tax advisers regarding the possible implications of FATCA on their investment in the Funds and the information that may be required to be provided and disclosed to JPMorgan Funds (Asia) Limited, the Funds and distributors, and in certain circumstances ultimately to the IRS. The application of the FATCA withholding rules and the information that may be required to be reported and disclosed are subject to change.

Any discussion of United States federal income tax considerations set forth in these Consolidated Explanatory Memoranda was written in connection with the promotion and marketing of the units by the Funds and JPMorgan Funds (Asia) Limited. Such discussion is not intended or written to be tax advice to any person and is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any United States federal tax penalties that may be imposed on such person. A prospective investor should seek advice from its own tax advisor with respect to its own FATCA status and the effect of implementation of FATCA based on its particular circumstances.

- (b) For the Funds domiciled in Mauritius – Under the FATCA provisions of the US HIRE Act, 30% US withholding will be levied on certain US sourced income received after June 30, 2014 (for the Funds, principally dividends and interest paid by US corporations and institutions including the US Government) and after December 31, 2016 on the gross proceeds of sales of the assets giving rise to that US sourced income (for the Funds, principally equity and debt securities issued by US corporations and institutions including the US Government) unless the Funds comply with FATCA. Under US Treasury Regulations, FATCA compliance can be achieved by entering into an FFI agreement with the IRS under which the Funds agree to, among other things, certain US tax reporting with respect to the holdings of and payments to certain investors in the Funds (such as certain “Specified US Persons” as defined in the US Treasury Regulations under FATCA, or certain non-US entities owned by certain Specified US Person(s) – see page 1 of the Preamble to these Consolidated Explanatory Memoranda). The Funds are domiciled in Mauritius and will be subject to a Model 1 Intergovernmental Agreement signed between Mauritius and the US (“Mauritius IGA”) under which the Funds are required to comply with FATCA, as implemented through Mauritius local guidance, and report any FATCA-required information to the Mauritius government. The Mauritius IGA modifies the FATCA requirements set forth in the US Treasury Regulations but generally requires similar information to be disclosed to the Mauritius government for forwarding to the IRS. The Funds intend to comply with FATCA and are treated as “Deemed Compliant Foreign Financial Institutions” under the Mauritius IGA since they have adopted the “sponsored investment entity” treatment available under the Mauritius IGA. JPMFAL, registered with the IRS as the sponsoring entity, has agreed to cause the Funds to be registered with the IRS for, and to comply, with FATCA. The Funds use JPMFAL as sponsoring entity’s GIIN until they obtain their own GIIN by 31 December 2016. The Funds are unlikely to be subject to 30% FATCA withholding on payments they receive and they are also not expected to impose FATCA withholding on any payments made to investors at least until 2019.

The Funds currently intend to be FATCA-compliant. However, this cannot be assured given the complexity of the FATCA requirements. If the Funds are unable to satisfy the obligations imposed on it to avoid the imposition of FATCA withholding, certain US sourced payments made to the Funds may be subject to a 30% FATCA withholding tax, which could have adverse impact on the Funds (e.g. reduction in cash available for investors). Any amounts withheld under FATCA may not be refundable by the IRS. Prospective investors should consult their own tax advisers regarding the possible implications of FATCA on their investment in the Funds and the information that may be required to be

provided and disclosed to JPMorgan Funds (Asia) Limited, the Funds and distributors, and in certain circumstances ultimately to the IRS. The application of the FATCA withholding rules and the information that may be required to be reported and disclosed are subject to change.

Any discussion of US federal income tax considerations set forth in this Explanatory Memorandum was written in connection with the promotion and marketing of the units by the Funds and JPMorgan Funds (Asia) Limited. Such discussion is not intended or written to be tax advice to any person and is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any United States federal tax penalties that may be imposed on such person. A prospective investor should seek advice from its own tax advisor with respect to its own FATCA status and the effect of implementation of FATCA based on its particular circumstances.

- (xix) Small and medium-sized companies - Some of the Funds may invest in small and medium-sized companies. The stock prices of small and medium-sized companies may tend to be more volatile than large-sized companies due to a lower degree of liquidity, greater sensitivity to changes in economic conditions and higher uncertainty over future growth prospects.
- (xx) Early termination risk - The Funds are subject to the risk of early termination under certain circumstances as specified in their respective Trust Deeds. Unamortised costs of the Funds would be written off upon the respective Fund's termination. The amount distributed to investors upon termination may be less than investors' initial investments. Thus, investors may be exposed to losses in their investments.
- (xxi) Technology related companies risk - Some of the Funds may invest in technology related companies, which may fluctuate in value more than other funds because of the greater potential volatility of share prices of technology related companies.
- (xxii) Cross-Class liability risk - Pursuant to the Trust Deeds of certain Funds, the Manager reserves the right to establish and issue new Classes from time to time. The net asset value of each Class will be calculated separately with particular assets and liabilities of the Funds attributable to particular Classes. Whilst different Classes may have separate accounts for internal accounting purposes, there is no legal segregation of assets and liabilities between Classes. Accordingly, the assets of one or more Classes may be used to settle liability which arises in another Class.
- (xxiii) Class currency risk - For certain Funds with different Classes, the Class Currency of each Class may be different from the Funds' base currency, the currencies of which the Funds' assets are invested and/or investors' base currencies of investment. If an investor converts its base currency of investment to the Class Currency in order to invest in a particular Class and subsequently converts the redemption proceeds from that Class Currency back to its original base currency of investment, the investor may suffer a loss due to the depreciation of the Class Currency against the original currency. For example, if an investor whose base currency of investment is Hong Kong dollars (i.e. not Australian dollars) and chooses to invest in the AUD Class, the investor may be exposed to a higher currency risk. The investor may suffer a higher loss as a result of exchange rate fluctuations between Hong Kong dollars and Australian dollars upon the reconversion of its Australian dollars investment back to Hong Kong dollars as compared to an investor whose base currency of investment is originally in Australian dollars. For investors who invest in the Currency Hedged Classes, please refer to the sub-section entitled "AUD Hedged Class/CAD Hedged Class/EUR Hedged Class/GBP Hedged Class/HKD Hedged Class/NZD Hedged Class/RMB Hedged Class/SGD Hedged Class/USD Hedged Class" in the section entitled "CLASSES OF UNITS" for further details.
- (xxiv) Sovereign risk - Certain Funds may invest in debt securities ("Sovereign Debt") issued or guaranteed by governments or their agencies ("governmental entities"). Governmental entities may default on their Sovereign Debt. Holders of Sovereign Debt, including a Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which Sovereign Debt on which a governmental entity has defaulted may be collected in whole or in part.
- (xxv) RMB currency risk - RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. RMB exchange rate is also subject to exchange control policies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the relevant authorities of the People's Republic of China. As the exchange rates are influenced by government policy and market forces, the exchange rates for RMB against other currencies, including US dollars and HK dollars, are susceptible to movements based on external factors. Accordingly, the investment in Classes denominated in RMB may be adversely affected by the fluctuations in the exchange rate between RMB and other foreign currencies.

RMB is currently not freely convertible and RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and restrictions imposed by the Chinese government.

Classes denominated in RMB will generally be valued with reference to RMB (CNH) rather than RMB (CNY). While RMB (CNH) and RMB (CNY) represent the same currency, they are traded in different and separate markets which operate independently. As such RMB (CNH) does not necessarily have the same exchange rate and may not move in the same direction as RMB (CNY).

Classes denominated in RMB participate in the offshore RMB (CNH) market, which allow investors to freely transact CNH outside of mainland China. Classes denominated in RMB will have no requirement to remit CNH to onshore RMB (CNY). Non-RMB based investors (e.g. Hong Kong investors) in Classes denominated in RMB may have to convert HK dollars or other currencies into RMB when investing in Classes denominated in RMB and subsequently convert the RMB redemption proceeds and/or distributions (if any) back to HK dollars or such other currencies. Investors will incur currency conversion costs and may suffer losses depending on the exchange rate movements of RMB relative to HK dollars or such other currencies. Also, there can be no assurance that RMB will not be subject to devaluation and any depreciation of RMB could adversely affect the value of the investor's investment in the Fund.

Even if a Fund aims at paying redemption monies and/or distributions of RMB denominated Classes in RMB, the Manager may, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, pay redemption monies and/or distributions in US dollars. There is also a risk that payment of redemption monies and/or distributions in RMB may be delayed when there is not sufficient amount of RMB for currency conversion for settlement of the redemption monies and distributions in a timely manner due to the exchange controls and restrictions applicable to RMB. In any event, the redemption proceeds will be paid not later than one calendar month after the relevant dealing day on which units are redeemed and the Manager has received a duly completed redemption request in a prescribed format and such other information as the Trustee or the Manager may reasonably require.

- (xxvi) Currency Hedged Classes risk - Each Currency Hedged Class may hedge the Fund's denominated currency back to its currency of denomination, with an aim to provide a return on investment which correlates with the return of the Class of unit which is denominated in the base currency of the relevant Fund. The costs and resultant profit or loss on the hedging transactions will be reflected in the net asset value per unit for the units of the relevant Currency Hedged Classes. The costs relating to such hedging transactions which may be significant depending on prevailing market conditions shall be borne by that Currency Hedged Class only.

The precise hedging strategy applied to a particular Currency Hedged Class may vary. In addition, there is no guarantee that the desired hedging instruments will be available or hedging strategy will achieve its desired result. In such circumstances, investors of the Currency Hedged Class may still be subject to the currency exchange risk on an unhedged basis (which means that, for example, if the hedging strategy in respect of the RMB Hedged Class is ineffective, depending on the exchange rate movements of RMB relative to the base currency of a Fund, and/or other currency(ies) of the non-RMB denominated underlying investment of that Fund, (i) investors may still suffer losses even if there are gains or no losses in the value of the non-RMB denominated underlying investments; or (ii) investors may suffer additional losses if the non-RMB denominated underlying investments of that Fund fall in value). If the counterparties of the instruments used for hedging purposes default, investors of the Currency Hedged Classes may be exposed to the currency exchange risk on an unhedged basis and may therefore suffer further losses.

While the hedging strategy may protect investors of the Currency Hedged Classes against a decrease in the value of the Fund's base currency relative to the denominated currency of that Currency Hedged Class, the hedging strategy may substantially limit the benefits of any potential increase in the value of a Currency Hedged Class expressed in the Class currency, if the Currency Hedged Class' denominating currency falls against the base currency of the Fund. Please refer to the section entitled "Classes of Units" for further details.

- (xxvii) China market risk - Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market. For more than 50 years, the central government of the PRC has adopted a planned economic system. Since 1978, the PRC government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the PRC economy. Such reforms have resulted in significant economic growth and social progress.

Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock companies in the PRC or in listed securities such as "A", "B" and "H" shares.

The choice of "A", "B" and "H" share issues currently available to the Manager may be limited as compared with the choice available in other markets. There may also be a lower level of liquidity and trading volume in the PRC "A" and "B" share

markets, which are relatively smaller in terms of both combined total market value and the number of “A” and “B” shares which are available for investment as compared with other markets. This could potentially lead to severe price volatility.

The national regulatory and legal framework for capital markets and joint stock companies in the PRC are still developing when compared with those of developed countries. Most of the joint stock companies with listed A-Shares have undergone split-share structure reform to convert state owned shares or legal person shares into transferable shares with the intention to increase liquidity of A-Shares. However, the effects of such reform on the A-Share market as a whole and other PRC securities remain to be seen. In addition, trading band limits may be imposed by the PRC stock exchanges on China A-Shares, where trading in a China A-Share security on the relevant PRC stock exchange may be suspended if the trading price of such security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the relevant Funds to liquidate their positions (if any) in such security. Also, it may not be possible for the relevant Funds to liquidate positions at a favourable price even when the suspension is lifted. Such trading band limit may therefore adversely affect the relevant Funds’ investment in China A-Shares.

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following PRC accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Investments in the PRC will be sensitive to any significant change in political, social or economic policy in the PRC, which includes possible government intervention. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The PRC government’s control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies that issue the relevant PRC securities invested in by the relevant Funds.

In light of the above mentioned factors, the price of PRC securities may fall significantly in certain circumstances and may have an adverse effect on the relevant Funds’ performance.

(xxviii) Risk associated with foreign shareholding restrictions on China A-Shares – Investments in China A-Shares through Shanghai-Hong Kong Stock Connect are subject to the following shareholding restrictions:

- Single foreign investors’ shareholding by any Hong Kong or overseas investor (such as the relevant Funds) in a China A-Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors’ shareholding by all Hong Kong and overseas investors (such as the relevant Funds) in a China A-Share must not exceed 30% of the total issued shares.

When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the “Measures for the Administration of Strategic Investment of Foreign Investors in Listed Companies” (《外國投資者對上市公司戰略投資管理辦法》), the shareholding of the strategic investments is not capped by the abovementioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total shareholding is approaching the upper limit.)

As there are limits on the total shares held by all underlying foreign investors in one listed company in the PRC, the capacity of the relevant Funds to make investments in A-Shares will be affected by the activities of all underlying foreign investors investing through Shanghai-Hong Kong Stock Connect or any other permissible ways to obtain A-Shares investment exposures.

(xxix) Risk associated with short swing profit rule – According to the PRC Securities Law (《中華人民共和國證券法》), a shareholder of 5% or more of the total issued shares of a PRC listed company (“major shareholder”) has to return any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the event that a relevant Fund or the Investment Manager (deemed as person acting in concert) becomes a major shareholder of a PRC listed company by investing in China A-Shares via Shanghai-Hong Kong Stock Connect, the profits that the relevant Fund may derive from such investments may be limited, and thus the performance of the relevant Fund may be adversely affected.

- (xxx) Risks associated with the Shanghai-Hong Kong Stock Connect – Certain Funds may invest through the Shanghai-Hong Kong Stock Connect. In addition to the risks associated with the China market, RMB currency risk, risk associated with foreign shareholding restrictions on China A-Shares and risk associated with short swing profit rule they are also subject to the following additional risks:

Quota limitations

- The Shanghai-Hong Kong Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Funds' ability to invest in China A-Shares through Shanghai-Hong Kong Stock Connect on a timely basis, and the relevant Funds may not be able to effectively pursue its investment strategies.

Suspension risk

- It is contemplated that both SEHK and SSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through Shanghai-Hong Kong Stock Connect is effected, the relevant Funds' ability to access the PRC market will be adversely affected. The relevant Funds may therefore not be able to sell the A-shares acquired via Shanghai-Hong Kong Stock Connect to meet any redemption requests in timely manner.

Operational risk

- The Shanghai-Hong Kong Stock Connect provides a new channel for investors from Hong Kong and overseas to access the China stock market directly.
- The Shanghai-Hong Kong Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.
- It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.
- Further, the "connectivity" in the Shanghai-Hong Kong Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The relevant Funds' ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring

- PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.
- If the relevant Funds desire to sell certain China A-Shares they hold, they must transfer those China A-Shares to the respective accounts of their brokers before the market opens on the day of selling ("trading day") unless their brokers can otherwise confirm that the Funds have sufficient shares in their respective accounts. If a Fund fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the relevant Fund may not be able to dispose of holdings of China A-Shares in a timely manner.

Alternatively, if a Fund maintains its China A-Shares with a custodian which is a custodian participant or general clearing participant participating in CCASS, the relevant Fund may request such custodian to open a special segregated account ("SPSA") in CCASS to maintain its holdings in China A-Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the

Shanghai-Hong Kong Stock Connect system to verify the holdings of an investor such as the relevant Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the relevant Fund's sell order, the relevant Fund will only need to transfer China A-Shares from its SPSA to its broker's account after execution and not before placing the sell order and the relevant Fund will not be subject to the risk of being unable to dispose of its holdings of China A-Shares in a timely manner due to failure to transfer China A-Shares to its brokers in a timely manner.

Recalling of eligible stocks

- When a stock is recalled from the scope of eligible stocks for trading via Shanghai-Hong Kong Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds, for example, when the Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Clearing and settlement risk

- The HKSCC and ChinaClear has established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.
- Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Participation in corporate actions and shareholders' meetings

- HKSCC will keep CCASS participants informed of corporate actions of SSE Securities. Hong Kong and overseas investors (including the relevant Funds) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities may be as short as one business day only. Therefore, the relevant Funds may not be able to participate in some corporate actions in a timely manner.
- Hong Kong and overseas investors (including the relevant Funds) are holding SSE Securities traded via Shanghai-Hong Kong Stock Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the relevant Funds may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities.

No protection by Investor Compensation Fund

- Investment through the Shanghai-Hong Kong Stock Connect program is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations.
- As disclosed under the sub-section entitled "Shanghai-Hong Kong Stock Connect" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS", the relevant Funds' investments through Northbound trading under Shanghai-Hong Kong Stock Connect are not covered by the Hong Kong's Investor Compensation Fund. Therefore the relevant Funds are exposed to the risks of default of the broker(s) they engage in their trading in China A-Shares through the program.

Regulatory risk

- The Shanghai-Hong Kong Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Shanghai-Hong Kong Stock Connect.
- It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Shanghai-Hong Kong Stock Connect will not be abolished. The Funds, which may invest in the PRC markets through Shanghai- Hong Kong Stock Connect, may be adversely affected as a result of such changes.

In view of the above, investment in the Funds should be regarded as long term in nature. The Funds are, therefore, only suitable for investors who can afford the risks involved.

CLASSES OF UNITS

Pursuant to the Trust Deeds of certain Funds, the Manager may decide to issue separate classes (each a “Class”) whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month's notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution thereof (if any).

Details of these Classes are described in the relevant section of Appendix I.

Currency Hedged Classes

The Manager, at its absolute discretion, has the power to issue Currency Hedged Classes. For such Currency Hedged Classes, the Manager may hedge the currency exposure of Classes denominated in a currency other than the currency of denomination of a Fund against that Fund's denominating currency, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Class currency and the currency of denomination of that Fund. As this type of foreign exchange hedging may be utilised for the benefit of a particular Currency Hedged Class, its costs and resultant profit or loss on the hedging transaction shall be for the account of that Currency Hedged Class only. Investors should note that the additional costs associated with this form of hedging include the borrowing costs (if any) and the transaction costs relating to the instruments and contracts used to implement the hedge. The costs and the resultant profit or loss on the hedged transaction will be reflected in the net asset value per unit for units of the relevant Currency Hedged Class.

The precise hedging strategy applied to a particular Currency Hedged Class may vary. In general, the Manager intends to implement the foreign exchange hedge by using derivative instruments. Investors should note that while it is not the intention, over-hedged or under-hedged positions may arise due to factors outside the control of the Manager such as fluctuation of the net asset value of a Fund. Investors in the Currency Hedged Classes may have exposure to currencies other than the currency of that Currency Hedged Class. Investors should also be aware that the hedging strategy may substantially limit the benefits of any potential increase in value of a Currency Hedged Class expressed in the Class currency, if the Currency Hedged Class' denominating currency falls against the currency of denomination of a Fund.

The Manager may also, at its absolute discretion, seek to fully or partially hedge currency exposures arising from some or all of a Fund's underlying assets to the currency of denomination of that Fund. Investors whose base currency is different (or not in a currency linked to those Funds' currency of denomination or the currency of that Currency Hedged Class) may be exposed to additional currency risk. There is no guarantee that hedging techniques of the Currency Hedged Class or a Fund will achieve the desired result. This type of hedging activity is separate from and unrelated to the hedging activity discussed under this heading relating solely to Currency Hedged Classes.

AUD Hedged Class/CAD Hedged Class/EUR Hedged Class/GBP Hedged Class/HKD Hedged Class/NZD Hedged Class/RMB Hedged Class/SGD Hedged Class/USD Hedged Class

Certain Funds currently offer some or all of the following Currency Hedged Classes: the AUD Hedged Class, the CAD Hedged Class, the EUR Hedged Class, the GBP Hedged Class, the HKD Hedged Class, the NZD Hedged Class, the RMB Hedged Class, the SGD Hedged Class and the USD Hedged Class which are primarily targeted for investors whose base currencies of investment are Australian dollars, Canadian dollars, Euros, Sterling, Hong Kong dollars, New Zealand dollars, Renminbi, Singapore dollars and US dollars respectively.

The AUD Hedged Class, the CAD Hedged Class, the EUR Hedged Class, the GBP Hedged Class, the HKD Hedged Class, the NZD Hedged Class, the RMB Hedged Class, the SGD Hedged Class and the USD Hedged Class aim to provide a return on investment which correlates with the return of the Class of unit which is denominated in the base currency of the relevant Fund (e.g. USD Class for those Funds which adopt US dollars as base currency and JPY Class for those Funds which adopt Japanese yen as base currency) by reducing the effect of exchange rate fluctuations between the relevant Fund's base currency (e.g. US dollars or Japanese yen) and the AUD Hedged Class currency (i.e. Australian dollars), the CAD Hedged Class currency (i.e. Canadian dollars), the EUR Hedged

Class currency (i.e. Euros), the GBP Hedged Class currency (i.e. Sterling), the HKD Hedged Class currency (i.e. HK dollars), the NZD Hedged Class currency (i.e. New Zealand dollars), the RMB Hedged Class currency (i.e. Renminbi), the SGD Hedged Class currency (i.e. Singapore dollars) and the USD Hedged Class currency (i.e. US dollars) respectively whilst taking into account practical considerations such as transaction costs.

However, the return of the AUD Hedged Class, the CAD Hedged Class, the EUR Hedged Class, the GBP Hedged Class, the HKD Hedged Class, the NZD Hedged Class, the RMB Hedged Class, the SGD Hedged Class and the USD Hedged Class will never correlate perfectly to the Class of unit which is denominated in the relevant Fund's base currency (e.g. USD Class or JPY Class) due to various factors, including but not limited to short-term interest rate differentials, unrealised gains/losses on currency forward positions not being invested until the gains/losses are realised and transaction costs attributable to the hedging activity. Investors should also note that the distribution amount and/or rate of the Currency Hedged Classes may be more than or less than such amount and/or rate of the Class of unit which is denominated in the relevant Fund's base currency (e.g. USD Class or JPY Class) due to various factors, including but not limited to short-term interest rate differentials.

Consequently, the AUD Hedged Class is not recommended for investors whose base currency of investment is not Australian dollars. Investors who choose to convert other currencies into Australian dollars to invest in the AUD Hedged Class should understand that they may be exposed to higher currency risks and may suffer a higher loss as a result of exchange rate fluctuations than an investor whose base currency of investment is in Australian dollars.

Similarly, the CAD Hedged Class, the EUR Hedged Class, the GBP Hedged Class, the HKD Hedged Class, the NZD Hedged Class, the RMB Hedged Class, the SGD Hedged Class and the USD Hedged Class are not recommended for investors whose base currencies of investment are not Canadian dollars (for the CAD Hedged Class), Euros (for the EUR Hedged Class), Sterling (for the GBP Hedged Class), Hong Kong dollars (for the HKD Hedged Class), New Zealand dollars (for the NZD Hedged Class), Renminbi (for the RMB Hedged Class), Singapore dollars (for the SGD Hedged Class) and US dollars (for the USD Hedged Class).

DISTRIBUTION POLICY

Each Fund may adopt different distribution policy. Unless otherwise stated in the specific section of the relevant Fund, all income will be accumulated and reinvested within the relevant Fund. Although the Trust Deeds contain provisions under which the Manager has the discretion to determine the amount to be distributed to unitholders, it is not the current intention of the Manager that such distribution will be made, unless otherwise stated in the specific section of the relevant Fund.

For the Fund which intends to distribute income to investors, additional information in relation to the distribution policy will be set out in the sub-section entitled "Distribution Policy" of the relevant Fund in Appendix I – Fund Details of Asia Pacific Equity Funds.

BASES OF VALUATIONS

The method of establishing the net asset value of the Funds is set out in their respective Trust Deeds. The net asset value per unit of each Fund is calculated by dividing the value of the assets of the Fund less its liabilities, by the total number of units in issue of that Fund as at 5:00 p.m. (Hong Kong time) on the immediate preceding dealing day or such other time agreed between the Manager and the Trustee, and naturally rounding the resultant sum to two decimal places or to the nearest unit of currency if the Fund is denominated in Japanese yen. Any rounding adjustment arising in respect thereof will be retained by the Fund. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the currency in which the relevant Fund is denominated. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

For Funds with different Classes, the method of establishing the net asset value of each Class is set out in their respective Trust Deeds. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less liabilities of that Class, by the total number of units of that Class in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee, and naturally rounding the resultant sum to two decimal places or to the nearest unit of currency if the relevant Class is denominated in Japanese yen. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for a Fund or a Class and the fair value of the assets of the relevant Fund or the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Fund/Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Fund/Class may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "Reports and Accounts" below.

It should be noted that due to the difference of the fund domiciles the valuation points used by the JPMorgan Funds (Unit Trust Range) and JPMorgan series of funds for fair valuation (where applied) may vary. For details please refer to the respective offering document(s).

DEALING

Applications for subscription, redemption and switching of units may be made through JPMorgan Funds (Asia) Limited or such other approved intermediaries, which include banks, brokers, securities dealers and other investment advisers (collectively, "Distributors") appointed by JPMorgan Funds (Asia) Limited. The dealing procedures described in this section and in the sections entitled "SUBSCRIPTIONS", "REDEMPTIONS" and "SWITCHING" respectively below are only applicable to dealings made through JPMorgan Funds (Asia) Limited. Other Distributors may have different dealing procedures, for example, earlier dealing cut-off time and different minimum investment amounts. As such, investors who intend to subscribe, redeem or switch units through a Distributor other than JPMorgan Funds (Asia) Limited should consult the relevant Distributor to find out the dealing procedures that are applicable to them.

Applications for subscription, redemption and switching of units may also be made through other channels from time to time specified by JPMorgan Funds (Asia) Limited. Investors who intend to subscribe, redeem or switch units through such channels should consult JPMorgan Funds (Asia) Limited to find out the dealing procedures that are applicable to them.

Units will normally be issued or redeemed on any dealing day which will normally be every day (other than a Saturday or a Sunday or a Hong Kong public holiday) on which banks in Hong Kong are open for normal banking business and on which stock exchanges in markets on which, in the opinion of the Manager, all or part of investments of the relevant Fund are quoted, listed or dealt in are open for trading.

In order for units of a particular Fund to be issued or redeemed on a particular dealing day, a subscription application or redemption request (as the case may be) must be received by JPMorgan Funds (Asia) Limited not later than 5:00 p.m. (Hong Kong time) on that dealing day or such other time agreed between the Manager and the Trustee. Subscription applications or redemption requests received after that time will be dealt with on the immediately following dealing day. For any transactions involving currency conversion, please note that variation in fund domiciles and/or transaction types may result in different currency exchange rate being applied.

The Funds do not permit market timing or related excessive, short-term trading practices deployed by any investors. In general, market timing refers to the systematic investment behaviour of an investor subscribing, redeeming or switching units of the same Fund within a short period of time on the basis of predetermined prices by taking advantage of time differences and/or imperfections and deficiencies in the method of determination of net asset value. Accordingly, to protect the best interests of unitholders, the Funds and/or the Manager reserve the right to reject any application for the subscription or switching of units from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as they, in their discretion, may deem appropriate or necessary.

In addition, unitholders are required to notify the Manager immediately in the event that they are or become US Persons (under the guidelines set forth by the US Commodities Futures Trading Commission in its Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, as amended, as defined under the US Securities Act of 1933 as amended or as defined under the US Internal Revenue Code of 1986, as amended) or hold units for the account or benefit of US Persons or hold units in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the unitholders or otherwise be detrimental to the interests of the Fund. If in the opinion of the Manager that a unitholder is holding units in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the unitholders or otherwise be detrimental to the interests of the Fund or the unitholder has become or is a US Person, the Manager may, in its sole discretion, redeem the units of the unitholder in accordance with the provisions of the Trust Deed. Should a unitholder become a US Person, he may be subject to US withholding taxes and tax reporting.

SUBSCRIPTIONS

The Manager has absolute discretion to accept or reject in whole or in part any application for units.

Issue of Units

Units of each Fund will be issued at the net asset value per unit (or for Funds with different Classes, at the net asset value per unit of the relevant Class) as at the close of business on the relevant dealing day. The Manager may charge an initial charge (normally up to 5 per cent. of the net asset value per unit) on the issue of each unit, which will be deducted from the gross subscription amount where applicable.

For applicants who subscribe units of a Fund by the number of units, initial charge amount is calculated as follows: initial charge amount = units allotted x net asset value per unit x initial charge %

For applicants who subscribe units of a Fund by amount, initial charge amount is calculated as follows: initial charge amount = gross subscription amount x initial charge % / (1 + initial charge %)

The initial charge amount shall be rounded down to two decimal places or to the nearest unit of currency if the amount is in Japanese Yen and the number of units allotted to the applicant shall be naturally rounded to three decimal places. Where the number of units is rounded up, the amount corresponding to rounding shall accrue to the applicant. Where the number of units is rounded down, the amount corresponding to rounding shall accrue to the relevant Fund.

The amount of the initial charge will be retained by the Manager or, for JPMorgan India Fund only, the Hong Kong Representative, for its own benefit or use. The Manager may also add the fiscal charges, which will be reflected in the net asset value per unit, on subscription of units. For details of the fiscal charges policy of the Funds, please refer to the sub-section entitled "Fiscal Charge" under the section entitled "FEES, CHARGES AND LIABILITIES" below.

Procedure for Application

The minimum lump sum investment for each of the Funds is normally US\$2,000 or its equivalent in another currency. Alternatively, monthly investments may be made at a minimum of HK\$1,000 for each of the Funds. The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment as permitted under the constitutive documents of the Funds and in respect of dealing through other channels as specified by JPMorgan Funds (Asia) Limited.

For Funds with different Classes (except for Classes of units denominated in RMB), the minimum lump sum investment for each Class is normally US\$2,000 or its equivalent in another currency; whereas for the Classes of units denominated in RMB, the minimum lump sum investment for each such Class is normally RMB16,000 or its equivalent in another currency. Alternatively, monthly investments may be made at a minimum of HK\$1,000 for each Class. The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment as permitted under the constitutive documents of the Funds and in respect of dealing through other channels as determined by JPMorgan Funds (Asia) Limited from time to time.

Units may be purchased by completing an application form. All applications should be sent to the Manager. In addition, JPMorgan Funds (Asia) Limited may accept applications made over the telephone, subject to certain conditions. No application should be lodged with any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 regulated activity (dealing in securities) under Part V of the SFO or who does not fall within the statutory or other applicable exemption from the requirement to be so licensed or registered.

Alternative arrangements may be made for unitholders who wish to subscribe in a currency other than the currency of denomination of a Fund such as HK dollars or Sterling. Unitholders are advised to contact the Manager if they wish to pay in any other currencies. In such cases, the costs of conversion into the currency in which the Fund is denominated will be deducted from the subscription monies. The rate of conversion may be at the prevailing market rate as determined by the Manager on the dealing day. An applicant may be affected unfavorably by fluctuations in exchange rates between these currencies.

Payment may be made by cheque payable to "JPMorgan Funds (Asia) Limited" and crossed "A/C Payee Only, Not Negotiable" or by telegraphic/bank transfer, in which case the subscription amount should be transferred net of any bank and other administrative charges (i.e. the applicant is required to pay any bank or other administrative charges). A copy of the telegraphic/bank transfer request, duly receipted by the remitting bank, should accompany the application form.

Payment from third parties or in cash will not be accepted.

A contract note will be sent to successful applicants. Where subscription monies are not enclosed with the application form, settlement is due immediately upon issue of the contract note. If payment in cleared funds is not received within seven calendar days from and excluding the relevant dealing day, the application may at the discretion of the Manager (and must if the Trustee so

requires or if the units in question are more than 5 per cent. of all units in issue) be considered void and cancelled. In such event, the Manager will be entitled to charge the applicant (and retain for its own account) a cancellation fee of such amount as it may determine to represent the costs involved in processing the application, the cost of any currency exchange (if applicable) and may require the applicant to pay to the Manager the difference between the net asset value per unit on the date the units were issued, and the date the units were cancelled (where applicable fiscal charge may be reflected in the net asset value per unit), and any applicable initial and redemption charges.

Any units issued will be registered in the name of the relevant unitholders in the register of unitholders kept by the Registrar.

Evidence of Identity – Anti-Money Laundering

In order to ensure compliance with any guidelines or regulations which may be applicable relating to the prevention of money laundering, applicants will be required to provide evidence of identity and, in the case of corporate applicants, of legal existence and corporate authority. Where an applicant is acting on behalf of another person, evidence of the identity of the principal, or confirmation by the applicant that evidence of the underlying principal has been obtained and that the applicant is satisfied as to the source of funds, will be required. Where an applicant fails to provide such evidence or confirmation on request, the application will be rejected.

The Trustee, the Manager and their delegates also reserve the right to refuse to make any redemption payment to a unitholder if the Trustee, the Manager or their delegates suspect or are advised that the payment of redemption proceeds to such unitholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure the compliance by the Trustee and its delegates with any such laws or regulations in any applicable jurisdiction.

REDEMPTIONS

Redemption of Units

Units of each Fund will be redeemed at the net asset value per unit (or for Funds with different Classes, at the net asset value per unit of the relevant Class) as at the close of business on the relevant dealing day. The Manager may charge a redemption charge (normally up to 0.5 per cent. of the net asset value per unit) on the redemption of units and such charge will be deducted from the redemption monies where applicable.

For unitholders who redeem units of a Fund by the number of units, redemption charge amount is calculated as follows: redemption charge amount = units redeemed x net asset value per unit x redemption charge %

For unitholders who redeem units of a Fund by amount, redemption charge amount is calculated as follows: redemption charge amount = net redemption amount x redemption charge % / (1 - redemption charge %)

The redemption charge amount shall be rounded down to two decimal places or to the nearest unit of currency if the amount is in Japanese Yen and the amount of redemption monies shall be naturally rounded to two decimal places or to the nearest unit of currency if the amount is in Japanese Yen. Where the amount of redemption monies is rounded up, the amount corresponding to rounding shall accrue to the redeeming unitholder. Where the amount of redemption monies is rounded down, the amount corresponding to rounding shall accrue to the relevant Fund.

The amount of the redemption charge will be retained by the Manager or, for JPMorgan India Fund only, the Hong Kong Representative, for its own benefit or use. However, the Manager or, for JPMorgan India Fund only, the Hong Kong Representative, does not currently levy any redemption charge. The Manager may also deduct the fiscal charges, which will be reflected in the net asset value per unit, from redemption of units. For details of the fiscal charges policy of the Funds, please refer to the sub-section entitled “Fiscal Charge” under the section entitled “FEES, CHARGES AND LIABILITIES” below.

Procedure for Redemption

Requests for the redemption of units should be made by facsimile or other written or electronic form specified by the Manager stating the number of units or an amount in the currency of denomination of a Fund or other currency to be redeemed.

JPMorgan Funds (Asia) Limited may also agree to accept redemption requests over the telephone, subject to certain conditions.

Partial redemptions of holdings of a Fund are permitted, provided that they do not result in a unitholder holding units in that Fund having an aggregate value of less than normally US\$2,000, or its equivalent in another currency, after the request had been processed. If a redemption or switch request results in a holding below US\$2,000, or its equivalent in another currency, after the

request had been processed, the Manager may, at its absolute discretion, treat the redemption or switch request as an instruction to redeem or switch, as appropriate, the total holding in the relevant Fund.

For Funds with different Classes (except for Classes of units denominated in RMB), partial redemptions of holdings of the Fund are permitted, provided that they do not result in a unitholder holding units in the Fund having an aggregate value of less than normally US\$2,000, or its equivalent in another currency, after the request has been processed. If a redemption or switch request results in a holding below US\$2,000, or its equivalent in another currency, after the request had been processed, the Manager may, at its absolute discretion, treat the redemption or switch request as an instruction to redeem or switch, as appropriate, the total holding in the relevant Class.

For the Classes of units denominated in RMB, partial redemptions of holdings of the Fund are permitted, provided that they do not result in a unitholder holding units in the RMB denominated Class having an aggregate value of less than normally RMB16,000, after the request had been processed. If a redemption or switch request results in a holding below RMB16,000, after the request had been processed, the Manager may, at its absolute discretion, treat the redemption or switch request as an instruction to redeem or switch, as appropriate, the total holding in the relevant Class.

For partial redemptions of holdings of a Fund through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, investors should consult JPMorgan Funds (Asia) Limited to find out the minimum holding after redemption that is applicable to them.

The redemption monies payable will be expressed in the currency of denomination of the relevant Fund and payment will normally be made in the same currency. Arrangements may be made with the Manager for unitholders to receive payment in any other freely convertible currency. Unitholders are advised to contact the Manager for details of such arrangements. In such cases, the Manager will charge the applicant the costs of conversion from the currency in which the Fund is denominated, which may be at the prevailing market rate as determined by the Manager on the dealing day. Any exchange costs will be deducted from the redemption monies. An applicant may be affected unfavorably by fluctuations in exchange rates between these currencies.

The amount due on the redemption of units of the Funds (except JPMorgan India Fund and JPMorgan Philippine Fund) will normally be paid within five business days. For JPMorgan India Fund and JPMorgan Philippine Fund, the amount due on the redemption of units will normally be paid within seven business days. In any event, the redemption proceeds will be paid not later than one calendar month after the relevant dealing day on which units are redeemed and the Manager has received a duly completed redemption request in a prescribed format and such other information as the Trustee or the Manager may reasonably require. Failure to provide such information may delay the payment of redemption proceeds. Except for redemption proceeds in RMB, payment will normally be made by telegraphic transfer where the unitholder has provided payment details for this purpose. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Where the unitholder has not provided bank payment details or where the redemption amount is less than US\$1,000 (or its equivalent in another currency), redemption proceeds will normally be paid by cheque, posted at the risk of the unitholder. No third party payments will be made. Payment of redemption proceeds in RMB will normally be made by telegraphic transfer, unless otherwise agreed by the Manager. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Notwithstanding the aforesaid, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, the Manager may pay redemption monies in US dollars.

Suspension of Redemptions

The Manager may, by giving notice to the Trustee, suspend the right of unitholders to redeem their units and/or delay the payment of any redemption under the following situations:

- a) any market on which a substantial part of the investments comprising a Fund is traded or capable of being traded is closed otherwise than in the ordinary course; or
- b) trading on any such market is restricted or suspended; or
- c) disposal of investments comprising a Fund cannot, in the opinion of the Manager, be effected reasonably practicably, the dealing process of a Fund cannot be conducted without undue delay or without prejudicing the interests of unitholders; or
- d) there is any breakdown in any of the means normally employed by the Manager in determining the net asset value of a Fund or when for any other reason the value of any investment or other property comprising a Fund cannot, in the opinion of the Manager, reasonably be ascertained; or
- e) the remittance of funds which will or may be involved in the redemption of or in payment for investments or the subscription for or redemption of units cannot, in the opinion of the Manager, be effected at reasonable prices or reasonable rates of exchange; or

- f) in the opinion of the Manager, redemption of units cannot be effected or it is reasonably impractical to redeem units, due to adverse changes in the relevant laws and regulations; or
- g) where the Manager considers such suspension or delay appropriate in the circumstances, having regard to the interest of unitholders.

If the redemption of units is suspended, units will be carried forward for redemption on the first dealing day after cessation of the suspension.

The Manager may also limit the total number of units redeemed for a Fund on any dealing day to 10 per cent. or more of the units in issue on any dealing day. In the event that the redemption of units is so limited, units will be redeemed between unitholders on a pro rata basis, but where such arrangement is deemed impracticable by the Manager, the Manager shall have the right to determine the manner in which units will be redeemed between unitholders. Those units not redeemed will be carried forward for redemption, subject to the same limitation, on the next succeeding dealing day.

In the case of suspension or deferral of redemption of units, units not redeemed on the first dealing day will be carried forward to the next succeeding dealing day and will be redeemed in priority to those redemption requests received on the next succeeding dealing day.

Notice of the imposition and ending of any suspension or delay in payment for any Fund will be published immediately following such decision and, in respect of declaration of suspension, at least once a month during the period of suspension after such declaration on the website www.jpmorganam.com.hk[#].

SWITCHING

Subject to any suspension of dealings and provided that the relevant JPMorgan Funds (Unit Trust Range) which a unitholder is switching into is open for subscription, any switching orders to invest in units of a JPMorgan Funds (Unit Trust Range) from another fund managed by the Manager or in respect of which the Manager acts as Hong Kong representative are generally effected upon completion of the redemption orders and the subsequent subscription orders.

Where a unitholder wishes to subscribe units of a Fund by switching from another fund managed by the Manager or in respect of which the Manager acts as Hong Kong representative, a reduced initial charge of 1 per cent. of the net asset value per unit may be charged by the particular Fund (other than switching from JPMorgan Money Fund or any share class of JPMorgan Funds - US Dollar Money Market Fund ("JPMF-USDDMMF Shares") in which case the full initial charges will normally be charged), unless other arrangements have been made with the Manager, and such charge will be deducted from the switching amount where applicable.

Where a unitholder wishes to switch out of a Fund into another fund managed by the Manager or in respect of which the Manager acts as Hong Kong representative, the switch will be treated as a redemption of units in the first mentioned Fund and accordingly a redemption charge (if applicable) will be charged. In addition, an initial charge at a reduced rate of 1 per cent. of the net asset value per unit may be charged by the particular fund into which the redemption monies are transferred, unless other arrangements have been made with the Manager, and such charge will be deducted from the switching amount where applicable.

The redemption charge is currently at 0% of the net asset value per unit. Therefore, the switching fee under such circumstances shall be 1% of net asset value per unit/share of the fund to be switched in. The switching fee amount in relation to a switch from Fund A to Fund B is calculated as follows: switching fee amount = gross subscription amount in Fund B x initial charge % / (1 + initial charge %).

The switching fee amount shall be rounded down to two decimal places or to the nearest unit of currency if the amount is in Japanese Yen and the number of units/shares allotted to the applicant shall be naturally rounded to three decimal places. Where the number of units/shares is rounded up, the amount corresponding to rounding shall accrue to the applicant. Where the number of units/shares is rounded down, the amount corresponding to rounding shall accrue to the relevant fund.

Switching between Classes of units within the same Fund, between units of the Funds within the JPMorgan Funds (Unit Trust Range), or between a Fund and a fund within the JPMorgan Provident Funds range or the JPMorgan SAR Funds range (the "unit trust ranges"), will normally be completed on the same dealing day (i.e. Day T), and switching of units of a Fund to/from another fund in respect of which the Manager acts as Hong Kong representative (other than the funds within the unit trust ranges) will be completed on the next dealing day of the fund into which the switch is made following the dealing day on which the relevant switching order is received (i.e. Day T+1), except for the following:

If the switch is made into JPMorgan Money Fund units will not be purchased until the Manager has received the sale proceeds from the units of the Fund to be sold, within the timeline set out in the respective section of these Consolidated Explanatory Memoranda.

[#] The website has not been reviewed by the SFC.

If the switch is made from JPMorgan India Fund, JPMorgan India Smaller Companies Fund, JPMorgan Philippine Fund or JPMorgan Vietnam Opportunities Fund into JPMorgan Funds - US Dollar Money Market Fund, shares will not be purchased until the Hong Kong representative of the JPMorgan Funds has received the sale proceeds from the units of the Fund to be sold, within the timeline set out in the respective section of these Consolidated Explanatory Memoranda.

For switching between Classes of units within the same Fund, between a Fund and another fund within the unit trust ranges, if the switch instruction is received on a day (i.e. Day T) that is not a dealing day for units to be redeemed, the switch will be effected on the next dealing day of the Fund or the relevant fund (as the case may be) (i.e. Day T+1). If the switch instruction is received on a day (i.e. Day T) that is a dealing day for units to be redeemed but not a dealing day for units to be purchased, the redemption will be effected on the dealing day on which the instruction is received (i.e. Day T) and the allotment will be effected on the next dealing day for the units to be purchased (i.e. Day T+1).

For switching of units of a Fund to/from a fund within the other fund ranges, if the switch instruction is received on a day (i.e. Day T) that is not a dealing day of the fund for units to be redeemed (the "original fund"), the switch instruction will be deemed to be received on the next dealing day of the original fund (i.e. Day T+1). Accordingly, the switch (i.e. the allotment of units in the fund to be purchased) will be effected on the next dealing day following such dealing day (i.e. Day T+2). In the event that the fund to be purchased is not valued on a particular day, the redemption from the original fund will continue to be carried out on the dealing day of the original fund (i.e. Day T), but the allotment deal will be deferred to and effected on the next dealing day of the fund to be purchased in accordance with the procedure above.

Where the switching instruction involves switching into units denominated in a different currency, the Manager will charge the applicant the costs of conversion from the currency in which the relevant units are denominated, which will be at the prevailing market rate as determined by the Manager on the dealing day. An applicant may be affected unfavorably by fluctuations in exchange rates between these currencies.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge (normally up to 5 per cent. of the net asset value per unit) from the gross subscription amount on the issue of units where applicable and receive a redemption charge (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the cancellation or redemption of units where applicable. Such amount may be retained by the Hong Kong Representative for JPMorgan India Fund. However, the Manager or, for JPMorgan India Fund only, the Hong Kong Representative, does not currently levy any redemption charge.

The Manager reimburses the Distributors a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to each Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of a Fund, and may only increase the level of this fee (which may not exceed 2.5 per cent. per annum of the net asset value of the Fund) by giving to the Trustee and the unitholders of the relevant Fund not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears. If the assets of a Fund include interests in another collective investment scheme managed by the Manager or its Connected Persons, the management fee of the Manager will be reduced to take account of the management fee levied in respect of such collective investment scheme to the extent attributable to that Fund's interest in such collective investment scheme.

For Funds with different Classes, the Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. The Manager may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class), by giving to the Trustee and unitholders not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of that Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class' interest in such unit trust or scheme.

Where a Fund invests in any underlying scheme(s) managed by the Manager, the Investment Manager and/or the Sub-Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager, the Investment Manager and/or the Sub-Manager of a Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager and the Hong Kong Representative will be borne by the Manager. Where there is a sub-manager and/or an investment adviser for a Fund, the fees of the sub-manager and the investment adviser will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of up to 0.2 per cent. per annum of the net asset value of a Fund. The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum of the net asset value of the Fund) with the agreement of the Manager and by giving to the unitholders of the relevant Fund not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of each Fund on each dealing day and shall be payable monthly in arrears.

For details of the current fees and charges of each Fund or Class, please refer to the relevant section of Appendix I, or consult JPMorgan Funds (Asia) Limited in respect of dealings through any other channels from time to time specified by JPMorgan Funds (Asia) Limited.

Fiscal Charges

Under exceptional circumstances, including but not limited to high volatility and/or lack of liquidity in the underlying market, large dealings of units of the Funds might result in potential impact on the interests of existing unitholders. During such times, the prices at which an investor subscribes for or redeems units of the Funds might not accurately reflect the costs that would be incurred by the Funds in order to buy or sell the underlying securities to accommodate such dealing requests. In order to protect interests of all unitholders, in calculating the net asset value per unit, the Manager may make such adjustment to the net asset value per unit by reflecting the amount of the anticipated fiscal charges to account for the impact of the related costs. Such fiscal charges will not exceed 1% of the net asset value per unit of the Funds and will be retained by the Funds.

For Funds with different Classes, such fiscal charges will not exceed 1% of the net asset value per unit of the relevant Class respectively and will be retained by the Funds.

The following Funds set out in Appendix I of Section A, Sections B and C are subject to fiscal charges:

JPMorgan ASEAN Fund
JPMorgan Asia Equity Dividend Fund
JPMorgan Australia Fund
JPMorgan China A-Share Opportunities Fund
JPMorgan China Income Fund
JPMorgan Eastern Fund
JPMorgan Eastern Smaller Companies Fund
JPMorgan Europe High Yield Bond Fund
JPMorgan Europe Strategic Dividend Fund
JPMorgan Global Bond Fund
JPMorgan Global Property Income Fund
JPMorgan Greater China Smaller Companies Fund
JPMorgan India Fund
JPMorgan India Smaller Companies Fund
JPMorgan Indonesia Fund
JPMorgan Japan (Yen) Fund
JPMorgan Japan Smaller Company (Yen) Fund
JPMorgan Korea Fund
JPMorgan Malaysia Fund
JPMorgan Money Fund
JPMorgan Multi Income Fund
JPMorgan Pacific Securities Fund
JPMorgan Pacific Technology Fund
JPMorgan Philippine Fund
JPMorgan Thailand Fund

Other Liabilities

In addition to the fees and charges mentioned above, each Fund bears other costs and expenses, including stamp duties, taxes, brokerage, commissions, foreign exchange costs, bank charges and registration fees relating to that Fund and its investments, the costs of obtaining and maintaining a listing for the units on any stock exchange, the fees and expenses of the Auditors, the Registrar, the custodian(s) of that Fund's investments, the costs of preparing its Trust Deed and any supplemental trust deeds, legal and other professional or expert charges, and certain other fees and expenses incurred in the administration of that Fund. The fee paid to the Registrar will vary depending on the number of unitholders in that Fund and the number of transactions which occur, but the range agreed with the Registrar is between 0.015 per cent. and 0.5 per cent. per annum of each Fund's net asset value.

Each Fund is also responsible for the costs of preparing, printing, publishing and distributing all statements, accounts, reports and notices pursuant to the provisions of or otherwise in connection with the Trust Deed (including the expenses of preparing and printing any updates to its Explanatory Memorandum or publishing the net asset value per unit) and, where agreed with the Manager, including the aforesaid costs incurred by any Distributors appointed in respect of the relevant Fund. Additionally, each Fund bears all costs incurred as a result of a change in law or regulatory requirement or the introduction of any new law or regulatory requirement (including any costs incurred as a result of compliance with any code relating to unit trusts or collective investment schemes, whether or not having the force of law).

The cost of establishing each Fund which has not been fully amortised as at the date of these Explanatory Memoranda is shown in the relevant section of Appendix I. The cost of establishing each Fund will be borne by each particular Fund and amortised by no later than the third financial year end of that Fund (for the avoidance of doubt, if any Fund were to terminate for whatever reason before its third financial year end, any such cost remaining unamortised would be written off upon that Fund's termination).

The liability of the unitholders is limited to their investments in the relevant Fund.

CONFLICTS OF INTEREST

The Manager, the Investment Manager and/or the Sub-Manager may provide services to, or effect transactions with or for, the Funds which may involve an actual or potential conflict of interest with their duties to the Funds. The Manager, the Investment Manager and/or the Sub-Manager will, however, have regard in such event to their obligations to act in the best interests of unitholders when such conflicts of interest arise and will seek to resolve such conflicts fairly.

The Manager, the Investment Manager and/or the Sub-Manager and any of their Connected Persons may provide services to a Fund including the execution of portfolio transactions for or with that particular Fund (either as agent or, with the approval of the Trustee, as principal). Such persons may receive and retain their normal commissions, charges, fees or other benefits provided they are arm's length commercial rates for transactions or services of a similar size and nature.

The Manager, the Investment Manager and/or the Sub-Manager and any of their Connected Persons may enter into soft commission arrangements with brokers under which certain goods and services are received, provided such goods and services are of demonstrable benefit to unitholders. Cash payment will not be made for these services but instead those persons may transact an agreed amount of business with the brokers on behalf of the relevant Fund. Commission will be paid by the relevant Fund for these transactions, provided that execution of the transactions are consistent with best execution standards and the relevant brokerage rates are not in excess of customary institutional full-service rates.

No cash or other rebates from brokers, dealers or market makers may be retained by the Manager, the Investment Manager and/or the Sub-Manager or any of their Connected Persons in consideration of directing transactions on behalf of a Fund to such brokers, dealers or market makers.

TAXATION

The tax notes that are set out in Section D apply to the Funds in Appendix I (as the case may be) and are based on the law and practice currently in force as at the date of these Explanatory Memoranda and are subject to changes in content and interpretation. They are intended as a general guide only and do not necessarily describe the tax consequences for all types of investors in the Funds and no reliance, therefore, should be placed upon them. Individual investors who intend to subscribe, hold or dispose of units in the Funds should seek their own tax advice on their tax position with regard to their investment in the Funds.

REPORTS AND ACCOUNTS

The financial year end of each Fund is 30 September in each year. Audited accounts (including the Trustee's report) and unaudited half-yearly reports will be made available to unitholders of each Fund as soon as practicable through the website

www.jpmorganam.com.hk[#] and in any event not more than four months after the end of each financial year and within two months after 31 March respectively. The Manager, with the prior consent of the Trustee, may determine that audited or unaudited accounts in respect of the Fund will not be prepared or made available to unitholders during the first accounting period provided that such period is less than twelve calendar months. When the audited accounts and unaudited half-yearly report are finalised, unitholders will be notified with details of where they can access them. The audited accounts and unaudited half-yearly report will be published in English only and hard copies will be available free of charge upon request at the offices of JPMorgan Funds (Asia) Limited.

The audited accounts will be in such form and will be prepared in accordance with such accounting standards or policies as the Manager and the Trustee may from time to time agree, although such accounting standards or policies may, for financial reporting purposes, adopt different methodologies or principles for calculating the net asset value of the relevant Fund and/or in respect of other aspects as compared to those set out in the relevant Trust Deed. Currently, it is intended that the audited accounts will be prepared in accordance with accounting principles generally accepted in Hong Kong. Each Fund will be dealt at the net asset value per unit calculated in accordance with the provisions of the relevant Trust Deed which may not necessarily be calculated in accordance with the accounting principles generally accepted in Hong Kong.

The terms under the engagement letter of the Auditors may vary from one Fund to another and from year to year. In general, however, in the absence of fraud, the Auditor's liability to the Manager and Trustee in relation to their services under the engagement letter is normally capped to a certain amount, expressed as a multiple of the fees paid to the Auditors. The Auditors also generally exclude their liabilities for consequential, indirect, lost profit or similar damages.

GENERAL

Price Information

The net asset value per unit of a Fund or a Class of the Fund is normally published on every dealing day on the website www.jpmorganam.com.hk[#].

Trust Deeds

Unitholders are advised to review the terms of the relevant Trust Deed.

Copies of the Trust Deed and Base Terms for each of the Funds may be obtained at a cost of HK\$80.00, or may be inspected free of charge, during normal working hours at the offices of JPMorgan Funds (Asia) Limited.

The Trustee and the Manager may agree to modify any Trust Deeds by supplemental deeds, provided that in the opinion of the Trustee such modification (i) does not materially prejudice the interests of unitholders, does not operate to release to any material extent the Trustee, the Manager or any other person from any liability or responsibility under the relevant Trust Deed and (except for any fees and expenses incurred in relation to the preparation of the relevant supplemental deed) will not result in an increase in the amount of costs and charges payable out of the relevant Fund's assets; (ii) is necessary in order to comply with any fiscal, statutory or official requirement; or (iii) is made to correct a manifest error, or such modification has been approved by the SFC. In all other cases modifications require the sanction of an Extraordinary Resolution (as defined in the relevant Trust Deed).

Documents Available for Inspection

Copies of the following documents with respect to each Fund are available for inspection free of charge during normal working hours at the offices of JPMorgan Funds (Asia) Limited:-

- (i) Trust Deed and Base Terms.
- (ii) Hong Kong Representative Agreement (for JPMorgan India Fund only).
- (iii) Investment Management Agreement.
- (iv) Investment Management Delegation Agreement (if applicable).
- (v) The latest set of audited accounts.

Laws of Mauritius

The Funds that are established in Mauritius were constituted under the laws of Mauritius and each of them holds a Category 1 Global Business Licence for the purpose of the Mauritius Financial Services Act 2007. These Funds are regulated by the Mauritius FSC.

[#] The website has not been reviewed by the SFC.

Joint Holders

Not more than four persons may be registered as the joint holders of any unit. The Trustee and the Manager may require any redemption request or other instruction in relation to any joint holding to be signed by all the registered joint holders or may rely on any redemption request or other instruction signed by or otherwise received from any one of the registered joint holders.

Certificates

Certificates will not be issued to unitholders.

Transfers of Units and Transmission of Units

Units in each Fund are transferable by instrument in writing executed by or on behalf of the transferor, except that no transfer will be registered without the approval of the Manager which would result in either the transferor or the transferee holding units having an aggregate value of less than normally US\$2,000 or its equivalent in another currency on the dealing day on which the transaction is to be registered. Instruments of transfer should be sent to the Manager. The transferee must follow the usual procedures for application.

The Trust Deed contains provisions relating to the transmission of units. The law of Mauritius does not require any grant of probate, or equivalent, to be re-sealed by the courts of Mauritius. Any costs incurred upon the transmission of units and in relation to the grant of probate, or equivalent and the re-sealing by the courts will be borne by the unitholder. Any person who becomes entitled to a unit as a consequence of the death or bankruptcy of any of the unitholders shall be responsible for producing such documents or satisfactory evidence as to that person's title at the request of the Trustee and the Manager. The Manager's only obligation in these circumstances will be to forward any information received in writing from or on behalf of the unitholder to the Trustee.

Cancellation of Units

The Manager has the right to effect reductions of a Fund by requiring the Trustee to cancel units and by paying to the affected unitholders the monies which would have been payable if the units had been redeemed in the normal manner. The type of situations in which it is envisaged that the Manager might exercise its right of cancellation include where the full subscription monies are not received within a reasonable time or where it becomes unlawful to permit a unitholder to continue to be registered.

Notices and Meetings of Unitholders

The Trust Deeds provide for meetings of unitholders to be convened by the Trustee or the Manager by giving at least 21 clear days' notice. The Manager is obliged to convene a meeting if requested by the holders of not less than one-tenth of the units in issue. Notices of meetings of unitholders will be posted to unitholders at their registered addresses.

The quorum for unitholders' meetings dealing with ordinary business is unitholders present in person or by proxy, holding in aggregate at least one-tenth of the units for the time being in issue. If a meeting is convened at which an Extraordinary Resolution (as defined in the relevant Trust Deed) is to be proposed, the quorum is unitholders present in person or by proxy holding at least one-quarter of the units for the time being in issue. If a quorum is not present, the meeting will be adjourned for not less than 15 clear days. Separate notice of any adjourned meeting will be given, and at an adjourned meeting a unitholder (regardless of the number of units held) will form a quorum. At any meeting, a poll will be demanded and every unitholder of the relevant Fund present in person or by proxy, shall have one vote for every unit held. An Extraordinary Resolution (as defined in the relevant Trust Deed) is a resolution proposed as such and passed by a 75 per cent. majority of the votes cast for and against such resolution.

Duration of the Funds

Unless previously terminated or unless otherwise stated in the relevant section of Appendix I, each Fund will terminate automatically on the date immediately preceding the eightieth anniversary of the date of the relevant Trust Deed. Either the Manager or the Trustee may, in certain circumstances, terminate a Fund at any time. Such circumstances include (but not limited to) the passing of any law which renders it illegal to continue that Fund or, in the opinion of the Manager, impracticable or inadvisable to continue that Fund, or where the aggregate net asset value of all units in issue of that Fund falls below US\$10,000,000 or its equivalent in another currency, or where the Manager (with the approval of the Trustee) considers termination of that Fund is in the best interest of unitholders. Each Fund may also be terminated by Extraordinary Resolution (as defined in the relevant Trust Deed) of the unitholders at any time.

Indemnification, Retirement and Removal of the Trustee and the Manager

The Trust Deeds contain provisions governing the responsibilities of the Trustee and the Manager and providing for their indemnification in certain circumstances. Subject as provided in the relevant Trust Deed, each of HTHK and BEAT is entitled to be indemnified from the assets of the relevant Fund from and against any and all actions, proceedings, liabilities, costs, claims,

damages, expenses, including all reasonable legal, professional and other similar expenses. Similarly, subject as provided in the relevant Trust Deed, the Manager is entitled to be indemnified from the assets of the relevant Fund from and against any and all actions, proceedings, liabilities, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses. Notwithstanding the foregoing, the Trustees and the Manager shall not be exempted from any liability to unitholders imposed under Hong Kong law or breaches of trust through fraud or negligence, nor may they be indemnified against such liability by unitholders or at unitholders' expense. Unitholders and intending applicants are advised to consult the terms of the relevant Trust Deed for further details.

The Trustee or the Manager may retire upon the appointment of a successor in accordance with the provisions of the Trust Deeds. The Manager may remove the Trustee at any time by giving notice and appointing as a replacement another qualified trust corporation. In addition, the Manager may be removed in certain circumstances by the Trustee or at any time by the holders of not less than 50 per cent. in value of the units of a Fund for the time being in issue.

Neither the Trustee nor the Manager shall incur any liability for the consequence of any agent, service provider or other person to whom either of them has delegated any of its rights, powers, duties and discretions, or (in the case of the Trustee) any act or omission on the part of the Manager or (in the case of the Manager) any act or omission on the part of the Trustee.

Any change of the Trustee or the Manager of a Fund will be notified to unitholders of such Fund.

Complaints and Enquiries Handling

Investors may contact JPMorgan Funds (Asia) Limited for any queries or complaints in relation to a Fund. To contact JPMorgan Funds (Asia) Limited, investors may either:

- Write to the registered office of JPMorgan Funds (Asia) Limited (address at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong);
- Call J.P. Morgan Funds InvestorLine on (852) 2265 1188; or
- Call Intermediary Clients' Hotline on (852) 2265 1000.

JPMorgan Funds (Asia) Limited will, under normal circumstances, endeavour to send an acknowledgement of receipt of the enquiries and complaints to the relevant investor within five business days of receipt.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager

For all Funds except JPMorgan India Fund:

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

For JPMorgan India Fund:

JF India Management Limited
Palm Grove House,
PO Box 438
Road Town, Tortola
British Virgin Islands

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Directors of JF India Management Limited

Grossmann, Martin
James, Michael Joseph
Modi, Satish Kumar
Mundy, David James

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

For all Hong Kong domiciled Funds:

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

OR

Bank of East Asia (Trustees) Limited
32/F, BEA Tower
Millennium City 5
418 Kwun Tong Road
Kwun Tong
Kowloon
Hong Kong

For all Mauritius domiciled Funds:

HSBC Institutional Trust Services (Mauritius) Limited
HSBC Centre
Eighteen
Cybercity Ebene
Republic of Mauritius

Registrar

For all Hong Kong domiciled Funds:

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

OR

East Asia International Trustees Limited
East Asia Chambers
PO Box 901
Road Town
Tortola
British Virgin Islands

For all Mauritius domiciled Funds:

HSBC Institutional Trust Services (Mauritius) Limited
HSBC Centre
Eighteen
Cybercity Ebene
Republic of Mauritius

Sub-Managers

JPMorgan Asset Management (Japan) Limited
Tokyo Building
7-3, Marunouchi 2-chome
Chiyoda-ku, Tokyo
100-6432, Japan

JPMorgan Asset Management (Singapore) Limited
168 Robinson Road
17th Floor, Capital Tower
Singapore 068912

JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom

JPMorgan Asset Management (Taiwan) Limited
20F, 1, Songzhi Road
Xinyi Dist, Taipei City 110
Taiwan (R.O.C.)

Investment Adviser

JPMorgan Asset Management (Korea) Company Limited
35, Seosomun-ro 11-gil,
Jung-gu, Seoul 110-120
Korea

Hong Kong Representative

For JPMorgan India Fund only:

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

For all Hong Kong domiciled Funds:

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

For all Mauritius domiciled Funds:

PricewaterhouseCoopers
Eighteen
Cybercity Ebene
Republic of Mauritius

Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

APPENDIX I – FUND DETAILS OF ASIA PACIFIC EQUITY FUNDS

The information contained in this Appendix I should be read in conjunction with the main part of the Consolidated Explanatory Memoranda of which this forms an integral part.

JPMorgan ASEAN Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 7 July 1983.

3. Investment Objective and Policies

The investment policy of the Fund is to enable investors to participate in a managed portfolio consisting primarily of securities with significant assets in, or significant earnings derived from one or more of the countries comprising the Association of South East Asian Nations.

The Manager will aim to achieve capital growth in US dollar terms.

The Fund's aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month's prior notice will be given to unitholders and the offering document will be updated accordingly.

The Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

The Fund will have limited Renminbi (RMB) denominated underlying investments.

4. Additional Investment Restrictions and Guidelines

The value of this Fund's holding of securities of companies which are based in or operate principally in the Association of South East Asian Nations shall not be less than 70% of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Classes are available:

Class	Class Currency
JPMorgan ASEAN (acc) - AUD (hedged)	Australian dollars
JPMorgan ASEAN (acc) - CAD (hedged)	Canadian dollars
JPMorgan ASEAN (acc) - EUR (hedged)	Euro
JPMorgan ASEAN (acc) - GBP (hedged)	Sterling
JPMorgan ASEAN (acc) - HKD	HK dollars
JPMorgan ASEAN (acc) - NZD (hedged)	New Zealand dollars
JPMorgan ASEAN (acc) - RMB (hedged)	Renminbi
JPMorgan ASEAN (acc) - SGD (hedged)	Singapore dollars
JPMorgan ASEAN (acc) - USD	US dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Sub-Manager

JPMorgan Asset Management (Singapore) Limited, a company incorporated in Singapore.

JPMorgan Asset Management (UK) Limited, a company incorporated in England and Wales, is responsible for the currency management of the Currency Hedged Classes.

8. Trustee and Registrar of the Fund

Bank of East Asia (Trustees) Limited is the Trustee of the Fund and East Asia International Trustees Limited is the Registrar of the Fund.

9. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class	0.018% per annum of the net asset value of the Fund

10. Initial Issue Price

The first issue of units of the existing Classes were made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan ASEAN (acc) - AUD (hedged)	AU\$10.00
JPMorgan ASEAN (acc) - HKD	HK\$10.00
JPMorgan ASEAN (acc) - RMB (hedged)	RMB10.00
JPMorgan ASEAN (acc) - USD	US\$10.00

In addition, the first issue of units of the following Classes will be made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan ASEAN (acc) - CAD (hedged)	CA\$10.00
JPMorgan ASEAN (acc) - EUR (hedged)	EUR10.00
JPMorgan ASEAN (acc) - GBP (hedged)	GBP10.00
JPMorgan ASEAN (acc) - NZD (hedged)	NZ\$10.00
JPMorgan ASEAN (acc) - SGD (hedged)	SG\$10.00

JPMorgan Asia Equity Dividend Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 6 May 2011.

3. Investment Objective and Policies

The investment policy of the Fund is to aim to provide income and long term capital growth by investing primarily in equity securities of companies in the Asia Pacific region (excluding Japan) that the Investment Manager expects to pay dividends.

The Fund's holding of these equity securities will be selected based on historical records and company announcements on dividends, in addition to their potential for long term capital appreciation.

The Fund may, on an ancillary basis, invest in Real Estate Investment Trusts ("REITs") domiciled or investing in the Asia Pacific region (excluding Japan).

The Fund's aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month's prior notice will be given to unitholders and the offering document will be updated accordingly.

The Fund may also invest in derivatives as permitted by the SFC from time to time such as options, warrants and futures for investment purposes and may under limited circumstances (e.g. for cash management purpose) as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

The Fund will have limited Renminbi (RMB) denominated underlying investments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of equity securities of companies which are based in, listed on stock exchange of or operate principally in the Asia Pacific region (excluding Japan) and are expected to pay dividends shall not be less than 70% of its non-cash assets in securities and other investments. The Fund will not invest more than 10% of its net asset value in securities issued by or guaranteed by any single sovereign (including its government, public or local authority) with a credit rating below investment grade.

Notwithstanding the investment restrictions and guidelines set out in the sub-section entitled "Investment Restrictions and Guidelines" in the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS", the following investment restrictions and guidelines shall apply to the Fund (for the avoidance of doubt, the more restrictive investment restrictions and guidelines shall apply):

- (a) the Fund shall not invest more than 30 per cent. of its assets in collective investment scheme which allow investing more than 50 per cent. of its assets in real estate investment trusts and commodities;
- (b) the Fund may invest in one or more underlying schemes which are either recognised jurisdiction schemes or schemes authorised by the Securities and Futures Commission. The value of the Fund's holding of units or shares in each such underlying scheme may not exceed 20 per cent. of its total net asset value;
- (c) for the purposes of point (a) and (b), the Fund may invest in the underlying scheme provided that no more than 10% of the assets of such underlying scheme, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in other schemes;
- (d) the Fund may not sell short any securities;
- (e) the Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

In addition to and without contradicting the investment restrictions and guidelines set out in the sub-section entitled “Investment Restrictions and Guidelines” in the section entitled “INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS”, the following investment restrictions and guidelines shall apply to the Fund (for the avoidance of doubt, the more restrictive investment restrictions and guidelines shall apply):

- (a) the Fund may invest up to 30 per cent. of its total net asset value in Korean Won denominated securities or assets;
- (b) the value of the Fund's total holdings with any single entity (including, but not limited to, securities, listed and unlisted derivative instruments and deposits) may not exceed 35 per cent. of its total net asset value, however, if such holdings with any single issuer also include over-the-counter derivatives (in addition to securities, listed and unlisted derivative instruments and deposits), such holdings may not exceed 20 per cent. of the Fund's total net asset value; provided however that the investment restriction in this paragraph (b) does not affect paragraph (v) in the section entitled “Investment Restrictions and Guidelines” in the section entitled “INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds; and
- (c) the Fund's total risk exposure in respect of over-the-counter derivatives issued by any single counterparty may not exceed 10 per cent. of its total net asset value.

5. Borrowing Policy

The Fund may enter into borrowing arrangements on a temporary basis and for unavoidable circumstances only including but not limited to, meeting redemption requests, provided that the aggregate principal amount of borrowing outstanding shall not exceed 10 per cent. of the net asset value of the Fund. The Fund's assets may be charged or pledged as security for any such borrowings. Back-to-back loans do not count as borrowing. The Fund may borrow money from its Trustee, the Manager or any of their Connected Persons provided that the lender is permitted to lend money and the interest and any fee is no higher than an arm's length commercial rate or fee for a loan of the same size and nature.

6. Additional Risk Factors

Distribution risk - Except for the Classes with the suffix “(acc)” which are accumulation Classes and will not normally pay distributions, the Manager intends to distribute at least 85 per cent. of the income (net of expenses) attributable to each Class in respect of each accounting period. However, there is no assurance on such distribution or the distribution rate or dividend yield.

REITs risk - The Fund may invest in REITs which invest primarily in real estate and this may involve a higher level of risk as compared to a diversified fund and other securities. Real estate investments are relatively illiquid and may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest rates, real estate market or other condition. REITs may have limited financial resources, may trade less frequently and in a limited volume and may be subject to more abrupt or erratic price movements than other securities.

REITs are dependent upon management skills, are not diversified, are subject to heavy cash flow dependency, default on borrowings and self-liquidation. REITs are also subject to the possibility of failing to qualify for tax-free pass-through of income, as in some jurisdictions special tax rules may apply to impose tax on the REITs or withhold tax on income derived from REITs and the Fund will not obtain a credit for any tax paid by the REITs or tax on payments out of the REITs.

REITs are also subject to interest rate risks. When interest rates decline, the value of a REIT's investment in fixed rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT's investment in fixed rate obligations can be expected to decline. For adjustable rate mortgage loans, interest rates are reset periodically to reflect changes in market interest rates. Therefore, yields on a REIT's investments in such loans will gradually align themselves to reflect changes in market, causing the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments in fixed rate obligations. However, income generated from adjustable rate mortgage loans may be more volatile in response to interest rate fluctuations than would fixed rate obligations. Consequently, the value of a REIT held by the Fund may increase or decrease which in turn, affects the value of the Fund.

The underlying REITs which the Fund may invest in may not necessarily be authorised by the SFC and their dividend or payout policies are not representative of the dividend policy of the Fund.

Dividend-paying equity risk - There can be no guarantee that the companies that the Fund invests in and which have historically paid dividends will continue to pay dividends or to pay dividends at the current rates in the future. The reduction or discontinuation of dividend payments may have a negative impact on the value of the Fund's holdings and consequently, the Fund may be adversely impacted.

Payment of distributions out of capital risk - Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment. As a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value of units. Also, a high distribution yield does not imply a positive or high return on the total investment.

7. Classes of Units

Currently, the following Classes are available:

Class	Class Currency
JPMorgan Asia Equity Dividend (acc) - HKD	HK dollars
JPMorgan Asia Equity Dividend (acc) - RMB (hedged)	Renminbi
JPMorgan Asia Equity Dividend (acc) - USD	US dollars
JPMorgan Asia Equity Dividend (mth) - AUD (hedged)	Australian dollars
JPMorgan Asia Equity Dividend (mth) - CAD (hedged)	Canadian dollars
JPMorgan Asia Equity Dividend (mth) - EUR (hedged)	Euro
JPMorgan Asia Equity Dividend (mth) - GBP (hedged)	Sterling
JPMorgan Asia Equity Dividend (mth) - HKD	HK dollars
JPMorgan Asia Equity Dividend (mth) - NZD (hedged)	New Zealand dollars
JPMorgan Asia Equity Dividend (mth) - RMB (hedged)	Renminbi
JPMorgan Asia Equity Dividend (mth) - SGD (hedged)	Singapore dollars
JPMorgan Asia Equity Dividend (mth) - USD	US dollars

8. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

9. Sub-Manager

JPMorgan Asset Management (UK) Limited, a company incorporated in England and Wales, is responsible for the currency management of the Currency Hedged Classes.

10. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

11. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first US\$40,000,000	0.06% of the net asset value of the Fund
			On the next US\$30,000,000	0.04% of the net asset value of the Fund
			On the balance over US\$70,000,000	0.025% of the net asset value of the Fund

12. Initial Issue Price

The first issue of units of the existing Classes were made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Asia Equity Dividend (acc) - HKD	HK\$10.00
JPMorgan Asia Equity Dividend (acc) - RMB (hedged)	RMB10.00
JPMorgan Asia Equity Dividend (acc) - USD	US\$10.00
JPMorgan Asia Equity Dividend (mth) - AUD (hedged)	AU\$10.00
JPMorgan Asia Equity Dividend (mth) - CAD (hedged)	CA\$10.00
JPMorgan Asia Equity Dividend (mth) - EUR (hedged)	EUR10.00
JPMorgan Asia Equity Dividend (mth) - GBP (hedged)	GBP10.00
JPMorgan Asia Equity Dividend (mth) - HKD	HK\$10.00
JPMorgan Asia Equity Dividend (mth) - NZD (hedged)	NZ\$10.00
JPMorgan Asia Equity Dividend (mth) - RMB (hedged)	RMB10.00
JPMorgan Asia Equity Dividend (mth) - SGD (hedged)	SG\$10.00
JPMorgan Asia Equity Dividend (mth) - USD	US\$10.00

13. Distribution Policy

The section entitled “DISTRIBUTION POLICY” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall not apply to this fund.

The Manager has the sole and absolute discretion to amend the distribution policy, subject to the SFC's prior approval and one month's prior notice to the relevant unitholders.

Classes with the suffix “(acc)”

Classes with the suffix “(acc)” are accumulation Classes and will not normally pay distributions. All income will be accumulated and reinvested within the corresponding Classes of the Fund.

Other Classes

It is the intention of the Manager to have at least 85 per cent. of the income attributable to the following Classes respectively in respect of each accounting period, after charging the expenses attributable to these Classes respectively, to be distributed to unitholders of these Classes respectively:

Class
JPMorgan Asia Equity Dividend (mth) - AUD (hedged)
JPMorgan Asia Equity Dividend (mth) - CAD (hedged)
JPMorgan Asia Equity Dividend (mth) - EUR (hedged)
JPMorgan Asia Equity Dividend (mth) - GBP (hedged)
JPMorgan Asia Equity Dividend (mth) - HKD
JPMorgan Asia Equity Dividend (mth) - NZD (hedged)
JPMorgan Asia Equity Dividend (mth) - RMB (hedged)
JPMorgan Asia Equity Dividend (mth) - SGD (hedged)
JPMorgan Asia Equity Dividend (mth) - USD

It is the intention of the Manager to make distributions on a monthly basis or/and such other time as the Manager may, with the prior approval of the Trustee, provide one month's prior notice to unitholders. The Manager expects to be able to pay distributions from its income generated by the Fund from its investment, but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. Please also refer to the risk factor entitled “Payment of distributions out of capital risk”.

Composition of the latest distributions, i.e. the percentages of distribution being made out of the income and capital, for the last 12 months will be available from the Manager upon request and at the website www.jpmorganam.com.hk[#].

The transferee of a unit will be entitled to a distribution in respect of such unit if the Registrar has received a valid instrument of transfer (duly stamped if required) in respect of the unit by 3:30 p.m. (Hong Kong time) on the last cum distribution dealing date. The subscriber of a unit shall be entitled to a distribution in respect of such unit if the application for the unit is received by the Manager by 5:00 p.m. (Hong Kong time) on the last cum distribution dealing date.

Reinvestment of Distributions

It is the Manager's current policy to reinvest automatically any distributions in the subscription of further units of the corresponding Class of units of the Fund, unless unitholders notify the Manager otherwise in writing and the amount of the relevant distribution equals to or exceeds US\$250 (or its equivalent in another currency). Such further units will be issued on the date of distribution, or if that is not a dealing day, on the next following dealing day. No initial charge will be made on the issue of such further units. In the event that a unitholder redeems or switches its entire holding of the relevant Class before the actual payment date of any distributions, the Manager will redeem the reinvested units on the actual payment date and pay the redemption proceeds to the unitholder in cash if the reinvested units do not meet the relevant minimum holding requirement.

Payment of Distributions by cheque

For unitholders who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units (except for unitholders of the RMB denominated Class), payment will be made by cheque in the offering currency of the relevant Class and sent, at the risk of the persons entitled thereto, to such persons at the address (or first address in the case of any joint holding) shown in the register of unitholders or as they may direct. Any distribution which is not claimed for six years will be forfeited and becomes part of the assets of the relevant Class (and in case such relevant Class has been terminated, the Fund).

Payment of Distributions by telegraphic transfer

For unitholders of the RMB denominated Class who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units, payment will normally be made by telegraphic transfer, unless otherwise agreed by the Manager. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Notwithstanding the aforesaid, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, the Manager may pay distributions in USD.

[#] The website has not been reviewed by the SFC.

JPMorgan Australia Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 5 June 1981.

3. Investment Objective and Policies

The investment policy of the Fund is to provide investors with long term capital growth by investing primarily in Australian securities.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of companies or other investments which are based in or operate principally in Australia shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Classes are available:

Class	Class Currency
JPMorgan Australia (acc) - AUD	Australian dollars
JPMorgan Australia (acc) - USD	US dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

8. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first US\$40,000,000	0.06% of the net asset value of the Fund
			On the next US\$30,000,000	0.04% of the net asset value of the Fund
			On the balance over US\$70,000,000	0.025% of the net asset value of the Fund

9. Initial Issue Price

The first issue of units of the existing Classes were made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Australia (acc) - AUD	AU\$10.00
JPMorgan Australia (acc) - USD	US\$10.00

JPMorgan Eastern Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 20 January 1971.

3. Investment Objective and Policies

The investment policy of the Fund is to provide investors with long term capital growth by investing primarily in the securities of companies in the Asia-Pacific region, excluding Japan and Australia except the Manager may, from time to time, invest in Japan and Australia when appropriate investment opportunities arise.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of companies which are based in or operate primarily in Hong Kong, China, Singapore, Korea, Taiwan, Thailand, Malaysia, Indonesia and the Philippines shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Class is available:

Class	Class Currency
JPMorgan Eastern (acc) - USD	US dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

8. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first US\$40,000,000	0.06% of the net asset value of the Fund
			On the next US\$30,000,000	0.04% of the net asset value of the Fund
			On the balance over US\$70,000,000	0.025% of the net asset value of the Fund

9. Initial Issue Price

The first issue of units of JPMorgan Eastern (acc) - USD was made on 1 February 1971, when the units had a net asset value of US\$17.50 each. However, on 1 April 1986, each unit in JPMorgan Eastern (acc) - USD was sub-divided into 10 units, and therefore the net asset value of the units of JPMorgan Eastern (acc) - USD on the date they were first issued would, if adjusted to take into account such sub-division, have been US\$1.75.

JPMorgan Eastern Smaller Companies Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 2 December 1991.

3. Investment Objective and Policies

The investment policy of the Fund is to provide investors with long term capital growth by investing primarily in the securities of small to medium sized companies in the Asia-Pacific region, excluding Japan and Australia except the Manager may, from time to time, invest in Japan and Australia when appropriate investment opportunities arise.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of small to medium sized companies which are based in or operate principally in the Asia-Pacific region, excluding Japan and Australia shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Class is available:

Class	Class Currency
JPMorgan Eastern Smaller Companies (acc) - USD	US dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

8. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first US\$40,000,000	0.06% of the net asset value of the Fund
			On the next US\$30,000,000	0.04% of the net asset value of the Fund
			On the balance over US\$70,000,000	0.025% of the net asset value of the Fund

9. Initial Issue Price

The first issue of units of JPMorgan Eastern Smaller Companies (acc) - USD was made at a price of US\$10.00 per unit, excluding the initial charge.

JPMorgan Greater China Smaller Companies Fund

1. Currency of Denomination

HK Dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 26 August 2009.

3. Investment Objective and Policies

The investment policy of the Fund is to provide investors with long-term capital growth by investing primarily in the securities of small to medium-sized companies in the People's Republic of China, Hong Kong and Taiwan ("Greater China").

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of small to medium-sized companies which are based in or operate principally in Greater China shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

In addition, the Fund will invest at least 70 per cent. of its net assets in securities listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars.

5. Classes of Units

Currently, the following Class is available:

Class	Class Currency
JPMorgan Greater China Smaller Companies (acc) - HKD	HK dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

8. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.75% per annum of the net asset value of the relevant Class	<u>Rate (per annum)</u> On the first HK\$310,000,000 0.06% of the net asset value of the Fund On the next HK\$230,000,000 0.04% of the net asset value of the Fund On the balance over HK\$540,000,000 0.025% of the net asset value of the Fund

9. Initial Issue Price

The first issue of units of JPMorgan Greater China Companies (acc) - HKD was made at a price of HK\$10.00 per unit, excluding the initial charge.

JPMorgan India Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Mauritius, 23 November 1989.

3. Investment Objective and Policies

The investment policy of the Fund is to provide long-term capital growth through a portfolio consisting primarily of securities linked to the Indian economy. These include, but are not restricted to, securities traded on the stock exchanges of India and the rest of the Indian sub-continent including Pakistan, Bangladesh and Sri Lanka.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of companies linked primarily to the Indian economy shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Additional Risk Factors

Regulatory risk - The Fund is a Foreign Institutional Investor ("Indian FII") registered with the Securities and Exchange Board of India ("SEBI") under the SEBI (Foreign Institutional Investors) Regulations, 1995 ("Indian FII Regulations"). Subject to the Indian FII Regulations and the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 ("Indian FEMA Regulations"), a registered Indian FII may buy and sell equity shares and debentures of Indian companies through stock exchanges in India at the current market price subject to certain individual and collective statutory limits. The Reserve Bank of India ("RBI") acts as the regulatory body to monitor the statutory limits on investments by Indian FIIs in an Indian company. If the total holdings of the Indian FIIs reach such statutory limits, the RBI would require the Indian FII and the relevant Indian company to seek prior approval from the RBI for any purchase, which approval may not be forthcoming. In addition, any change to the Indian FEMA Regulations and the Indian FII Regulations may limit or adversely impact the ability of the Fund to invest in India.

6. Classes of Units

Currently, the following Class is available:

Class	Class Currency
JPMorgan India (acc) - USD	US dollars

7. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

8. Duration of the Fund

Unless previously terminated, the Fund will terminate automatically on the date of its ninety ninth anniversary from the date of the Trust Deed. The Fund may also be terminated by the Manager or the Trustee in certain circumstances, by Extraordinary Resolution of the unitholders or when the aggregate net asset value of the Fund falls below US\$10,000,000.

9. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first US\$40,000,000	0.06% of the net asset value of the Fund
			On the next US\$30,000,000	0.04% of the net asset value of the Fund
			On the balance over US\$70,000,000	0.025% of the net asset value of the Fund

10. Initial Issue Price

The first issue of units of JPMorgan India (acc) - USD was made at a price of US\$10.00 per unit, excluding the initial charge.

JPMorgan Indonesia Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 19 September 2006.

3. Investment Objective and Policies

The investment objective of the Fund is to provide investors with long-term capital appreciation through a portfolio consisting primarily of securities linked to the Indonesian economy. These include, but are not restricted to, securities traded on the stock exchanges of Indonesia.

The Fund may also invest in derivatives such as interest rate forward contracts, currency forward contracts, options, warrants and futures for both investment and hedging purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and/or cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities linked to the Indonesian economy shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Class is available:

Class	Class Currency
JPMorgan Indonesia (acc) - USD	US dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Sub-Manager

JPMorgan Asset Management (Singapore) Limited, a company incorporated in Singapore.

8. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

9. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first US\$40,000,000	0.06% of the net asset value of the Fund
			On the next US\$30,000,000	0.04% of the net asset value of the Fund
			On the balance over US\$70,000,000	0.025% of the net asset value of the Fund

10. Initial Issue Price

The first issue of units of JPMorgan Indonesia (acc) - USD was made at a price of US\$10.00 per unit, excluding the initial charge.

JPMorgan Japan (Yen) Fund

1. Currency of Denomination

Japanese yen.

2. Governing Law and Date of Trust Deed

Hong Kong, 1 August 1969.

3. Investment Objective and Policies

The investment policy of the Fund is to provide long-term capital growth through investment primarily in Japanese securities and other securities whose performance is linked to that of the Japanese economy.

The Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

The Fund will have limited Renminbi (RMB) denominated underlying investments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of companies which are based in or operate principally in Japan shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Classes are available:

Class	Class Currency
JPMorgan Japan (Yen) (acc) - JPY	Japanese yen
JPMorgan Japan (Yen) (acc) - HKD (hedged)	HK dollars
JPMorgan Japan (Yen) (acc) - RMB (hedged)	Renminbi
JPMorgan Japan (Yen) (acc) - USD (hedged)	US dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Sub-Manager

JPMorgan Asset Management (Japan) Limited, a company incorporated in Japan.

JPMorgan Asset Management (UK) Limited, a company incorporated in the England and Wales, is responsible for the currency management of the Currency Hedged Classes.

8. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

9. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first JPY3,000,000,000	0.06% of the net asset value of the Fund
			On the next JPY2,300,000,000	0.04% of the net asset value of the Fund
			On the balance over JPY5,300,000,000	0.025% of the net asset value of the Fund

10. Initial Issue Price

The first issue of units of JPMorgan Japan (Yen) (acc) - JPY was made at a price of Japanese yen 590 per unit, excluding the initial charge.

In addition, the first issue of units of the following Classes will be made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Japan (Yen) (acc) - HKD (hedged)	HK\$10.00
JPMorgan Japan (Yen) (acc) - RMB (hedged)	RMB10.00
JPMorgan Japan (Yen) (acc) - USD (hedged)	US\$10.00

JPMorgan Japan Smaller Company (Yen) Fund

1. Currency of Denomination

Japanese yen.

2. Governing Law and Date of Trust Deed

Hong Kong, 5 June 1980.

3. Investment Objective and Policies

The investment policy of the Fund is to provide investors with long-term capital growth through investment primarily in the shares of small to medium sized Japanese companies.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of companies which are based in or operate principally in Japan shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

6. Sub-Manager

JPMorgan Asset Management (Japan) Limited, a company incorporated in Japan.

7. Trustee and Registrar of the Fund

Bank of East Asia (Trustees) Limited is the Trustee of the Fund and East Asia International Trustees Limited is the Registrar of the Fund.

8. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee
Normally up to 5.0% of the net asset value per unit	Currently 0% (normally up to 0.5% of the net asset value per unit)	1.5% per annum of the net asset value of the Fund	0.018% per annum of the net asset value of the Fund

9. Initial Issue Price

The first issue of units was made at a price of Japanese yen 10,000 per unit, excluding the initial charge.

JPMorgan Korea Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 11 December 1991.

3. Investment Objective and Policies

The investment policy of the Fund is to provide investors with long-term capital appreciation through investment primarily in companies whose shares are listed on the Korea Stock Exchange or traded on the Korean over-the-counter market.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of companies in Korea shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Class is available:

Class	Class Currency
JPMorgan Korea (acc) - USD	US dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Investment Adviser

JPMorgan Asset Management (Korea) Company Limited, a company incorporated in Korea.

8. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

9. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first US\$40,000,000	0.06% of the net asset value of the Fund
			On the next US\$30,000,000	0.04% of the net asset value of the Fund
			On the balance over US\$70,000,000	0.025% of the net asset value of the Fund

10. Initial Issue Price

The first issue of units of JPMorgan Korea (acc) - USD was made at a price of US\$10.00 per unit, excluding the initial charge.

JPMorgan Malaysia Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 12 December 1989.

3. Investment Objective and Policies

The investment policy of the Fund is to provide long-term capital growth by investing primarily in securities linked to the Malaysian economy. There includes, but are not restricted to, securities listed on the Kuala Lumpur Stock Exchange.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of companies in Malaysia shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Class is available:

Class	Class Currency
JPMorgan Malaysia (acc) - USD	US dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Sub-Manager

JPMorgan Asset Management (Singapore) Limited, a company incorporated in Singapore.

8. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

9. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first US\$40,000,000	0.06% of the net asset value of the Fund
			On the next US\$30,000,000	0.04% of the net asset value of the Fund
			On the balance over US\$70,000,000	0.025% of the net asset value of the Fund

10. Initial Issue Price

The first issue of units of JPMorgan Malaysia (acc) - USD was made at price of US\$10.00 per unit, excluding the initial charge.

JPMorgan Pacific Securities Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 7 April 1978.

3. Investment Objective and Policies

The investment policy of the Fund is to provide investors with long term capital growth by investing primarily in the securities of companies in the Asia-Pacific region, including Japan, Australia and New Zealand.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of companies which are based in or operate principally in Asia-Pacific region, including Japan and Australia shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Class is available:

Class	Class Currency
JPMorgan Pacific Securities (acc) - USD	US dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

8. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class	<u>Rate (per annum)</u> On the first US\$40,000,000 0.06% of the net asset value of the Fund On the next US\$30,000,000 0.04% of the net asset value of the Fund On the balance over US\$70,000,000 0.025% of the net asset value of the Fund

9. Initial Issue Price

The first issue of units of JPMorgan Pacific Securities (acc) - USD was made at a price of US\$2.41 per unit, excluding the initial charge.

10. Offering to PRC investors

The Fund has received approval from the China Securities Regulatory Commission for offering to PRC investors and classes with the suffix "(PRC)" are available to PRC investors.

JPMorgan Pacific Technology Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 14 August 1997.

3. Investment Objective and Policies

The investment policy of the Fund is to provide long-term capital growth through a portfolio consisting primarily of securities of technology companies in the Pacific region, including Japan.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of companies which are based in or operate principally in the Pacific region, including Japan shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Class is available:

Class	Class Currency
JPMorgan Pacific Technology (acc) - USD	US dollars

6. Sub-Manager

JPMorgan Asset Management (Taiwan) Limited, a company incorporated in Taiwan.

7. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

8. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

9. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first US\$40,000,000	0.06% of the net asset value of the Fund
			On the next US\$30,000,000	0.04% of the net asset value of the Fund
			On the balance over US\$70,000,000	0.025% of the net asset value of the Fund

10. Initial Issue Price

The first issue of units of JPMorgan Pacific Technology (acc) - USD was made at a price of US\$10.00 per unit, excluding the initial charge.

JPMorgan Philippine Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 29 July 1974.

3. Investment Objective and Policies

The investment policy of the Fund is to provide long-term capital growth through investment primarily in the securities of companies based or operating in the Philippines.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of companies which are based in or operate principally in the Philippines, shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Class is available:

Class	Class Currency
JPMorgan Philippine (acc) - USD	US dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Sub-Manager

JPMorgan Asset Management (Singapore) Limited, a company incorporated in Singapore.

8. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

9. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first US\$40,000,000	0.06% of the net asset value of the Fund
			On the next US\$30,000,000	0.04% of the net asset value of the Fund
			On the balance over US\$70,000,000	0.025% of the net asset value of the Fund

10. Initial Issue Price

The first issue of units of JPMorgan Philippine (acc) - USD was made at price of US\$9.85 per unit, excluding the initial charge.

JPMorgan Thailand Fund

1. Currency of Denomination

US dollars.

2. Governing Law and Date of Trust Deed

Hong Kong, 20 July 1989.

3. Investment Objective and Policies

The investment policy of the Fund is to provide investors with long-term capital appreciation through a portfolio consisting primarily of securities of companies based or operating principally in Thailand.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

4. Additional Investment Restrictions and Guidelines

The value of the Fund's holding of securities of companies in Thailand shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

5. Classes of Units

Currently, the following Class is available:

Class	Class Currency
JPMorgan Thailand (acc) - USD	US dollars

6. Cost of Establishment

There are no unamortised establishment costs outstanding relating to this Fund.

7. Sub-Manager

JPMorgan Asset Management (Singapore) Limited, a company incorporated in Singapore.

8. Trustee and Registrar of the Fund

HSBC Institutional Trust Services (Asia) Limited is the Trustee of the Fund and HSBC Trustee (Cayman) Limited is the Registrar of the Fund.

9. Fees and Expenses

Initial Charge	Redemption Charge	Management Fee	Trustee Fee	
Normally up to 5.0% of the net asset value per unit of the relevant Class	Currently 0% (normally up to 0.5% of the net asset value per unit of the relevant Class)	1.5% per annum of the net asset value of the relevant Class		<u>Rate (per annum)</u>
			On the first US\$40,000,000	0.06% of the net asset value of the Fund
			On the next US\$30,000,000	0.04% of the net asset value of the Fund
			On the balance over US\$70,000,000	0.025% of the net asset value of the Fund

10. Initial Issue Price

The first issue of units of JPMorgan Thailand (acc) - USD was made at price of US\$10.00 per unit, excluding the initial charge.

SECTION B – EXPLANATORY MEMORANDA OF BOND AND CURRENCY FUNDS

JPMorgan Asian Total Return Bond Fund

INTRODUCTION

JPMorgan Asian Total Return Bond Fund (“Fund”) is a unit trust constituted by a Trust Deed dated 30 November 2004, as amended from time to time (“Trust Deed”) governed by the laws of the Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission (“SFC”) under section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) (“SFO”) and the Code on Unit Trusts and Mutual Funds (“SFC Code”). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund’s portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited (“Manager”), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited (“Investment Manager”), a company incorporated with limited liability in Hong Kong. The Investment Manager has further delegated the currency management of the Currency Hedged Classes (other than the classes with the suffix “(PRC)”) to JPMorgan Asset Management (UK) Limited (“Sub-Manager”), a company incorporated in England and Wales. The Fund has received approval from the China Securities Regulatory Commission for offering to PRC investors and classes with the suffix “(PRC)” are available to PRC investors. For the Currency Hedged Classes with the suffix “(PRC)”, the Investment Manager is responsible for the day-to-day investment management and currency management decision without any further delegation.

HSBC Institutional Trust Services (Asia) Limited acting as trustee of the Fund (“Trustee”), is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund’s investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

Please refer to the section entitled “FUND PARTIES” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

HSBC Trustee (Cayman) Limited is the registrar of the Fund (“Registrar”) and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective of the Fund is to achieve a competitive total return, consisting of capital growth and regular dividend income, through an actively managed portfolio investing primarily in Asian bonds and other debt securities.

The Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month’s prior notice will be given to unitholders and the offering document will be updated accordingly.

The Fund may also invest in derivatives such as options, warrants, credit default swaps (“CDS”) and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments. However, it is not the current intention of the Manager and the Investment Manager to invest in CDS for investment purposes and should this investment policy in CDS change in the future, one month’s prior notice will be given to unitholders and the offering document will be updated accordingly.

The Fund will have limited Renminbi (RMB) denominated underlying investments.

In order to achieve the investment objective, the Manager will adopt a dynamic approach in asset allocation primarily among a wide range of debt securities based on the anticipated changes in market conditions. The portfolio of the Fund may consist of fixed and floating rate bonds and other debt securities issued by governments, government agencies, supra-national and corporate issuers in Asia (including Australia and New Zealand). The Fund may also invest in bonds and other debt securities which are unrated or with ratings below investment grade (i.e. rated below Baa3 by Moody's or BBB- by Standard & Poor's or such other terms used by accredited rating agencies).

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Currency Hedged Classes

Investors who invest in the Currency Hedged Classes should refer to the section entitled "CLASSES OF UNITS" for details on the objective, strategy and risks associated with the Currency Hedged Classes.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds except for paragraph (xi). In addition, the following investment restrictions and guidelines shall apply to the Fund as at the immediate preceding valuation:

- (i) The value of the Fund's holding of Asian bonds and other debt securities shall not be less than 70 per cent. of its non-cash assets in securities and other investments.
- (ii) In addition to paragraph (x) in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, the Fund may enter into financial futures contracts on an unhedged basis provided that the net total aggregate value of contract prices, whether payable to or by the Fund under all outstanding futures contracts, together with the aggregate notional value of holdings of CDS on an unhedged basis, physical commodities and commodity based investments may not exceed 20 per cent. of the total net asset value of the Fund.

For the purposes of this sub-section:

- (a) "physical commodities" includes gold, silver, platinum or other bullion; and
 - (b) "commodity based investments" does not include shares in companies engaged in producing, processing or trading in commodities.
- (iii) Notwithstanding (xiv), (xix) and (xx) respectively in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:
- (a) the Fund may invest in one or more underlying schemes which are either recognised jurisdiction schemes or schemes authorised by the SFC. The value of the Fund's holding of units or shares in each such underlying scheme may not exceed 20 per cent. of its total net asset value;
 - (b) the Fund may not sell short any securities;
 - (c) the Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;
- (iv) In addition to and without contradicting the investment restrictions and guidelines set out in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, the following investment restrictions and guidelines shall apply to the Fund (for the avoidance of doubt, the more restrictive investment restrictions and guidelines shall apply):
- (a) the Fund may invest up to 30 per cent. of its total net asset value in Korean Won denominated securities or assets;
 - (b) the value of the Fund's total holdings with any single entity (including, but not limited to, securities, listed and unlisted derivative instruments and deposits) may not exceed 35 per cent. of its total net asset value, however, if such holdings with any single issuer also include over-the-counter derivatives (in addition to securities, listed and unlisted derivative instruments and deposits), such holdings may not exceed 20 per cent. of the Fund's total net asset value; provided however that the investment restriction in this paragraph (iv)(b) does not affect paragraph (v) in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds; and

- (c) the Fund's total risk exposure in respect of over-the-counter derivatives issued by any single counterparty may not exceed 10 per cent. of its total net asset value.

Borrowing Policy

The Fund may enter into borrowing arrangements. Any such borrowing by the Fund shall be temporary and for unavoidable circumstances only including but not limited to, payment of redemption amounts provided that the aggregate principal amount of borrowing outstanding shall not exceed 10 per cent. of the net asset value of the Fund. The Fund's assets may be charged or pledged as security for any such borrowings. Back-to-back loans do not count as borrowing. The Fund may borrow money from the Trustee, the Manager or any of their Connected Persons provided that the lender is permitted to lend money and the interest and any fee is no higher than an arm's length commercial rate or fee for a loan of the same size and nature.

Securities Lending Policy

For details of the securities lending policy of the Fund, please refer to the section entitled "Securities Lending Policies" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled "RISKS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) Interest rates risk - Interest rates in the countries in which the Fund's assets will be invested may be subject to fluctuations. Any such fluctuations may have a direct effect on the income received by the Fund and its capital value. Bonds are particularly susceptible to interest rate changes and may experience significant price volatility. The prices of bonds generally increase when interest rates decline and decrease when interest rates rise. Longer term bonds are usually more sensitive to interest rate changes. Given the historically low interest rate environment, risks associated with rising rates are heightened.
- (ii) Below investment grade/unrated investment risk - The Fund may invest in bonds and other debt securities which are unrated or with ratings below investment grade. Accordingly, such investment will be accompanied by a higher degree of credit and liquidity risks than is present with investment in higher rated securities. During economic downturns such bonds typically fall more in value than investment grade bonds as such are often subject to a higher risk of issuer default. The net asset value of the Fund may decline or be negatively affected if there is a default of any of the high yield bond that the Fund invests in or if interest rates change.
- (iii) Credit risk - If the issuer of any of the fixed interest securities in which the Fund's assets are invested defaults, the performance of the Fund will be negatively affected and the Fund could suffer substantial loss. Furthermore, most emerging market fixed interest securities are not given a rating by internationally recognised credit rating agencies and subject to the "Emerging market risk" set out in the section entitled "RISKS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.
- (iv) Counterparty risk for CDS - The Fund may invest in different instruments (either exchange traded or OTC derivatives) in accordance with the objectives of the Fund and as permitted by the investment restrictions. In general, there is less governmental regulation and supervision of transactions in the OTC markets than of transactions entered into on organised exchanges. Also, the OTC market may be illiquid; it might not be possible to execute a transaction at the desired time. The Fund may buy protection under CDS with or without holding the underlying assets. The Fund may also sell protection under CDS in order to acquire a specific credit exposure. The Fund will enter into CDS transactions with reputable and sound financial institutions (i.e. the counterparties) specialised in this type of transaction. The terms of the CDS transactions are governed by a master agreement entered into between the Trustee on behalf of the Fund and the counterparty. The master agreement uses the form, and incorporates certain terms laid down by the International Swaps and Derivatives Association, Inc. ("ISDA"). Also, the Fund will accept obligations upon a credit event that are within the investment policy of the Fund (please refer to the Credit event risk below). If the counterparties of the CDS transactions default, the Fund could suffer substantial losses.
- (v) Settlement risk - Settlement procedures in CDS may not be as developed and reliable as for exchange traded instruments. The creditworthiness of the counterparty trading CDS used by the Fund may not be as sound as its current credit rating, if any, implies. The Fund may be subject to a risk of loss if a counterparty defaults in the performance of its responsibilities.

Cash settlement - In general, recovery is determined by a group of dealers after the credit event, or as per the agreed method in the trade documentation, and a cash payment of par value minus recovery is made to the CDS protection buyer.

In case a credit event occurs, physical settlement may also apply if it is part of the agreed CDS terms:

Physical settlement – The CDS protection buyer can deliver the referenced obligation or one of a number of agreed deliverable obligations and receive par recovery value. The need for a pre-agreed notification period and delivery windows happens when the total notional of deliverable obligations is less than the total of CDS contracts outstanding of the reference entity. If all CDS contracts had to settle physically on the same day, there would be insufficient bonds to meet demand.

Notwithstanding the above settlement methods, the price of the underlying defaulted bonds can vary significantly during the pre-agreed notification period and delivery windows following an event of default, thereby resulting in a material difference in estimating the settlement values, and thus causing fluctuations in the Fund's net asset value.

- (vi) Volatility risk for CDS – CDS may trade differently from the funded securities of the reference entity. In adverse market conditions, the basis (difference between the spread on bonds and the spread on CDS) can add significantly more volatility than holding funded securities.
- (vii) Credit event risk – A credit event is generally defined by ISDA among others as an event of bankruptcy, insolvency, receivership, material adverse restructuring of debt, obligation default/acceleration, debt moratorium/ repudiation and/or failure to meet payment obligations when due by the CDS referenced issuer. ISDA has produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement. Given that the terms and definitions in the CDS contract may vary across each counterparty the Investment Manager deals with, the Fund may be subject to a risk of prolonged period of recovery or loss as a result.

Recovery risk – The Fund may be exposed to the risk of receiving small or zero recovery amounts as compared to the pre-agreed notional recovery.

Deliverable risk – There could be a potential mismatch of deliverables when the Investment Manager sells CDS protection on one swap and buys CDS protection on another swap with different deliverable obligations since the market conditions may not permit the Investment Manager to sell the obligations that are being delivered in an illiquid post-default market and buy the pre-agreed obligations to deliver in the other swap.

- (viii) Payment of distributions out of capital risk – Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment, as a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value per unit. Also, a high distribution yield does not imply a positive or high return on the total investment.
- (ix) Cross-Class liability risk – Pursuant to the Trust Deed, the Manager reserves the right to establish and issue new Classes from time to time. The net asset value of each Class will be calculated separately with particular assets and liabilities of the Fund attributable to particular Classes. Whilst different Classes may have separate accounts for internal accounting purposes, there is no legal segregation of assets and liabilities between Classes. Accordingly, the assets of one or more Classes may be used to settle liability which arises in another Class.
- (x) Class currency risk – The Class Currency of each Class may be different from the Fund's base currency, the currencies of which the Fund's assets are invested and/or investors' base currencies of investment. If an investor converts its base currency of investment to the Class Currency in order to invest in a particular Class and subsequently converts the redemption proceeds from that Class Currency back to its original base currency of investment, the investor may suffer a loss due to the depreciation of the Class Currency against the original currency. For example, if an investor whose base currency of investment is Hong Kong dollars (i.e. not Australian dollars) and chooses to invest in the AUD Hedged Class, the investor may be exposed to a higher currency risk. The investor may suffer a higher loss as a result of exchange rate fluctuations between Hong Kong dollars and Australian dollars upon the reconversion of its Australian dollars investment back to Hong Kong dollars as compared to an investor whose base currency of investment is originally in Australian dollars. For further details, please refer to the sub-section entitled "Currency Hedged Classes" in the section entitled "CLASSES OF UNITS" below.

The Fund's investments in derivative instruments, including CDS, are governed by provisions in this Explanatory Memorandum. The Investment Manager's risk management process provides the overall control framework over these derivatives.

The key risk management processes for OTC (over-the-counter) derivatives include: a) reviewing and setting-up of new OTC master trade documentation, b) approval and set up of OTC counterparties, c) new OTC instruments due diligence, d) OTC trade approval, e) monitoring of Investment Restrictions and Guidelines, f) OTC valuation process, g) monitoring of CDS credit events, and h) monitoring of OTC trades and counterparties.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a “Class”) whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Classes are available:

Class	Class Currency
JPMorgan Asian Total Return Bond (acc) - HKD	HK dollars
JPMorgan Asian Total Return Bond (acc) - RMB (hedged)	Renminbi
JPMorgan Asian Total Return Bond (acc) - USD	US dollars
JPMorgan Asian Total Return Bond (mth) - AUD (hedged)	Australian dollars
JPMorgan Asian Total Return Bond (mth) - CAD (hedged)	Canadian dollars
JPMorgan Asian Total Return Bond (mth) - EUR (hedged)	Euro
JPMorgan Asian Total Return Bond (mth) - GBP (hedged)	Sterling
JPMorgan Asian Total Return Bond (mth) - HKD	HK dollars
JPMorgan Asian Total Return Bond (mth) - NZD (hedged)	New Zealand dollars
JPMorgan Asian Total Return Bond (mth) - RMB (hedged)	Renminbi
JPMorgan Asian Total Return Bond (mth) - SGD (hedged)	Singapore dollars
JPMorgan Asian Total Return Bond (mth) - USD	US dollars

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month's notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution therefor (if any).

Currency Hedged Classes

For details of Currency Hedged Class of the Fund, please refer to the sections entitled “Currency Hedged Classes” and “AUD Hedged Class/CAD Hedged Class/EUR Hedged Class/GBP Hedged Class/HKD Hedged Class/NZD Hedged Class/RMB Hedged Class/SGD Hedged Class/USD Hedged Class” respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

DISTRIBUTION POLICY

The Manager has the sole and absolute discretion to amend the distribution policy, subject to the SFC's prior approval and one month's prior notice to the relevant unitholders.

Classes with the suffix “(acc)”

Classes with the suffix “(acc)” are accumulation Classes and will not normally pay distributions. All income will be accumulated and reinvested within the corresponding Classes of the Fund.

Other Classes

It is the intention of the Manager to have at least 85 per cent. of the income attributable to the following Classes respectively in respect of each accounting period, after charging the expenses attributable to these Classes respectively, to be distributed to unitholders of these Classes respectively:

Class
JPMorgan Asian Total Return Bond (mth) - AUD (hedged)
JPMorgan Asian Total Return Bond (mth) - CAD (hedged)
JPMorgan Asian Total Return Bond (mth) - EUR (hedged)
JPMorgan Asian Total Return Bond (mth) - GBP (hedged)
JPMorgan Asian Total Return Bond (mth) - HKD
JPMorgan Asian Total Return Bond (mth) - NZD (hedged)
JPMorgan Asian Total Return Bond (mth) - RMB (hedged)
JPMorgan Asian Total Return Bond (mth) - SGD (hedged)
JPMorgan Asian Total Return Bond (mth) - USD

It is the intention of the Manager to make distributions on a monthly basis or/and at such other time as the Manager may, with the prior approval of the Trustee, notify to unitholders. The Manager expects to be able to pay distributions from income generated by the Fund from its investment but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. Please also refer to the risk factor entitled "Payment of distributions out of capital risk".

Composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Manager upon request and at the website www.jpmorganam.com.hk[#].

The transferee of a unit will be entitled to a distribution in respect of such unit if the Registrar has received a valid instrument of transfer (duly stamped if required) in respect of the unit by 3:30 p.m. (Hong Kong time) on the last cum distribution dealing date. The subscriber of a unit shall be entitled to a distribution in respect of such unit if the application for the unit is received by the Manager by 5:00 p.m. (Hong Kong time) on the last cum distribution dealing date.

Reinvestment of Distributions

It is the Manager's current policy to reinvest automatically any distributions in the subscription of further units of the corresponding Class of units of the Fund, unless unitholders notify the Manager otherwise in writing and the amount of the relevant distribution equals to or exceeds US\$250 (or its equivalent in another currency). Such further units will be issued on the date of distribution, or if that is not a dealing day, on the next following dealing day. No initial charge will be made on the issue of such further units. In the event that a unitholder redeems or switches its entire holding of the relevant Class before the actual payment date of any distributions, the Manager will redeem the reinvested units on the actual payment date and pay the redemption proceeds to the unitholder in cash if the reinvested units do not meet the relevant minimum holding requirement.

Payment of Distributions by cheque

For unitholders who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units (except for unitholders of the RMB denominated Class), payment will be made by cheque in the offering currency of the relevant Class and sent, at the risk of the persons entitled thereto, to such persons at the address (or first address in the case of any joint holding) shown in the register of unitholders or as they may direct. Any distribution which is not claimed for six years will be forfeited and becomes part of the assets of the relevant Class (and in case such relevant Class has been terminated, the Fund).

Payment of Distributions by telegraphic transfer

For unitholders of the RMB denominated Class who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units, payment will normally be made by telegraphic transfer, unless otherwise agreed by the Manager. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Notwithstanding the aforesaid, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, the Manager may pay distributions in USD.

[#]The website has not been reviewed by the SFC.

BASES OF VALUATIONS

The method of establishing the net asset value of each Class is set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less liabilities of that Class, by the total number of units of that Class in issue as at 5:00p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class and the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "Reports and Accounts" below.

DEALING

For details of the dealing procedure of the Fund, please refer to the section entitled "DEALING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

For details of applications for units of the Fund, please refer to the section entitled "SUBSCRIPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, save that the maximum initial charge payable shall be normally up to 3 per cent. of the net asset value per unit.

Initial Issue Price

The first issue of units of the existing Classes were made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Asian Total Return Bond (mth) - AUD (hedged)	AU\$10.00
JPMorgan Asian Total Return Bond (mth) - CAD (hedged)	CA\$10.00
JPMorgan Asian Total Return Bond (mth) - GBP (hedged)	GBP10.00
JPMorgan Asian Total Return Bond (mth) - HKD	HK\$10.00
JPMorgan Asian Total Return Bond (mth) - NZD (hedged)	NZ\$10.00
JPMorgan Asian Total Return Bond (mth) - RMB (hedged)	RMB10.00
JPMorgan Asian Total Return Bond (mth) - USD	US\$10.00
JPMorgan Asian Total Return Bond (acc) - RMB (hedged)	RMB10.00
JPMorgan Asian Total Return Bond (acc) - USD	US\$10.00

In addition, the first issue of units of the following Classes will be made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Asian Total Return Bond (acc) - HKD	HK\$10.00
JPMorgan Asian Total Return Bond (mth) - EUR (hedged)	EUR10.00
JPMorgan Asian Total Return Bond (mth) - SGD (hedged)	SG\$10.00

REDEMPTIONS

For details of redemptions of the Fund, please refer to the section entitled “REDEMPTIONS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SWITCHING

For details on how to switch between Classes of units within the same Fund or between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled “SWITCHING” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge for each Class (normally up to 3 per cent. of the net asset value per unit) from the gross subscription amount on the issue of units where applicable and receive a redemption charge for each Class (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses to approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, “Distributors”), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1 per cent. per annum of the net asset value of each Class. The Manager may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class), by giving to the Trustee and unitholders not less than one month’s notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of that Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class’ interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager, the Investment Manager and/or the Sub-Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager, the Investment Manager and/or the Sub-Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager. The fees of the Sub-Manager will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund. However, the Trustee currently receives a fee at the following rates of the Fund’s net asset value:-

	<u>Rate (per annum)</u>
On the first US\$40,000,000	0.06%
On the next US\$30,000,000	0.04%
On the balance over US\$70,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month’s notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled “Other Liabilities” under the section entitled “FEES, CHARGES AND LIABILITIES” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

There are no unamortised establishment costs outstanding relating to this Fund.

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D – TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General";
- (ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/Region of Formation"; and
- (iii) "(iii) Taxation of Unitholders".

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled "REPORTS AND ACCOUNTS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

The general provisions under the section entitled "GENERAL" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to the Fund.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Sub-Manager

JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan Global Bond Fund

INTRODUCTION

JPMorgan Global Bond Fund ("Fund") is a unit trust constituted by a Trust Deed dated 30 April, 1979, as amended from time to time ("Trust Deed") governed by the laws of Hong Kong. The Fund was authorised as a unit trust by the Securities and Futures Commission ("SFC") under the *Securities Ordinance* of Hong Kong and is now deemed to have been authorised as a collective investment scheme under Section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund's portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited ("Manager"), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong. JPMorgan Asset Management (UK) Limited, a company incorporated in England and Wales, has been appointed as the Sub-Manager.

Bank of East Asia (Trustees) Limited acting as trustee of the Fund ("Trustee"), is incorporated with limited liability in Hong Kong. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments.

Please refer to the section entitled "FUND PARTIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment policy of the Fund aims to achieve a return in excess of global bond markets by investing primarily in global investment grade debt securities.

Global debt securities include but are not limited to bonds, money market instruments and other debt securities which are issued by the international issuers such as government, quasi-government organizations, agencies, financial institutions, corporations, organizations or entities.

The Fund invests at least 80% of its non-cash assets in global debt securities rated investment grade (rated Baa3/BBB- or higher using the highest rating available from one of the international independent rating agencies (e.g. Moody's, Standard and Poor's, Fitch)). The Fund may invest up to 10% of its non-cash assets in global debt securities rated below investment grade (rated Ba1/BB+ or below using the highest rating available from one of the international independent rating agencies (e.g. Moody's, Standard and Poor's, Fitch)) or unrated securities. When investing in debt securities, the Investment Manager will first consider the credit rating of a debt security itself and only if such credit rating is unavailable, the Investment Manager will then consider the credit rating of its issuer, which will become the implied rating of the relevant debt security. An unrated debt security refers to a debt security which neither the debt security itself nor its issuer has a credit rating.

The Fund's aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets.

The Fund may also invest in derivatives such as options, warrants, credit default swaps ("CDS") and futures for investment purposes and may under limited circumstances (e.g. for cash management purpose) as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments. However, it is not the current intention of the Manager and the Investment Manager to invest in CDS for investment purposes and should this investment policy in CDS change in the future, one month's prior notice will be given to unitholders and the offering document will be updated accordingly.

Currently, the Fund does not intend to enter into securities lending arrangements, repurchase agreements, reverse repurchase agreements or other similar over-the counter transactions. Should this investment policy change in the future, one month's prior notice will be given to unitholders (if required) and the offering document will be updated accordingly.

The Fund will have limited Renminbi (RMB) denominated underlying investments.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the sub-section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds except for paragraph (xi). In addition, the following investment restrictions and guidelines shall apply to the Fund as at the immediate preceding valuation:

- (i) The value of the Fund's holdings in global investment grade debt securities shall not be less than 80 per cent. of its non-cash assets in securities and other investments.
- (ii) In addition to paragraph (x) in the sub-section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, the Fund may enter into financial futures contracts on an unhedged basis provided that the net total aggregate value of contract prices, whether payable to or by the Fund under all outstanding futures contracts, together with the aggregate notional value of holdings of CDS on an unhedged basis, physical commodities and commodity based investments may not exceed 20 per cent. of the total net asset value of the Fund.

For the purposes of this sub-section:

- (a) "physical commodities" includes gold, silver, platinum or other bullion; and
- (b) "commodity based investments" does not include shares in companies engaged in producing, processing or trading in commodities.

Borrowing Policy

The Fund may enter into borrowing arrangements for investment purposes or otherwise provided that the aggregate principal amount of borrowing outstanding shall not exceed 10 per cent. of the net asset value of the Fund. The Fund's assets may be charged or pledged as security for any such borrowings. Back-to-back loans do not count as borrowing. The Fund may borrow money from the Trustee, the Manager or any of their Connected Persons provided that the lender is permitted to lend money and the interest and any fee is no higher than an arm's length commercial rate or fee for a loan of the same size and nature.

Securities Lending Policy

For the securities lending policy of the Fund, please refer to the section entitled "Securities Lending Policies" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled "RISKS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) Interest rates risk – Interest rates in the countries in which the Fund's assets will be invested may be subject to fluctuations. Any such fluctuations may have a direct effect on the income received by the Fund and its capital value. Bonds are particularly susceptible to interest rate changes and may experience significant price volatility. The prices of bonds generally increase when interest rates decline and decrease when interest rates rise. Longer term bonds are usually more sensitive to interest rate changes. Given the historically low interest rate environment, risks associated with rising rates are heightened.
- (ii) Credit risk – If the issuer of any of the fixed interest securities in which the Fund's assets are invested defaults, the performance of the Fund will be negatively affected and the Fund could suffer substantial loss. Furthermore, most emerging market fixed interest securities are not given a rating by internationally recognised credit rating agencies and subject to the "Emerging market risk" set out in the section entitled "RISKS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.
- (iii) Counterparty risk for CDS – The Fund may invest in different instruments (either exchange traded or OTC derivatives) in accordance with the objectives of the Fund and as permitted by the investment restrictions. In general, there is less governmental regulation and supervision of transactions in the OTC markets than of transactions entered into on organised exchanges. Also, the OTC market may be illiquid; it might not be possible to execute a transaction at the desired time. The Fund may buy protection under CDS with or without holding the underlying assets. The Fund may also sell protection under

CDS in order to acquire a specific credit exposure. The Fund will enter into CDS transactions with reputable and sound financial institutions (i.e. the counterparties) specialised in this type of transaction. The terms of the CDS transactions are governed by a master agreement entered into between the Trustee on behalf of the Fund and the counterparty. The master agreement uses the form, and incorporates certain terms laid down by the International Swaps and Derivatives Association, Inc. ("ISDA"). Also, the Fund will accept obligations upon a credit event that are within the investment policy of the Fund (please refer to the Credit event risk below). If the counterparties of the CDS transactions default, the Fund could suffer substantial losses.

- (iv) Settlement risk - Settlement procedures in CDS may not be as developed and reliable as for exchange traded instruments. The creditworthiness of the counterparty trading CDS used by the Fund may not be as sound as its current credit rating, if any, implies. The Fund may be subject to a risk of loss if a counterparty defaults in the performance of its responsibilities.

Cash settlement - In general, recovery is determined by a group of dealers after the credit event, or as per the agreed method in the trade documentation, and a cash payment of par value minus recovery is made to the CDS protection buyer.

In case a credit event occurs, physical settlement may also apply if it is part of the agreed CDS terms:

Physical settlement - The CDS protection buyer can deliver the referenced obligation or one of a number of agreed deliverable obligations and receive par recovery value. The need for a pre-agreed notification period and delivery windows happens when the total notional of deliverable obligations is less than the total of CDS contracts outstanding of the reference entity. If all CDS contracts had to settle physically on the same day, there would be insufficient bonds to meet demand.

Notwithstanding the above settlement methods, the price of the underlying defaulted bonds can vary significantly during the pre-agreed notification period and delivery windows following an event of default, thereby resulting in a material difference in estimating the settlement values, and thus causing fluctuations in the Fund's net asset value.

- (v) Volatility risk for CDS - CDS may trade differently from the funded securities of the reference entity. In adverse market conditions, the basis (difference between the spread on bonds and the spread on CDS) can add significantly more volatility than holding funded securities.
- (vi) Credit event risk - A credit event is generally defined by ISDA among others as an event of bankruptcy, insolvency, receivership, material adverse restructuring of debt, obligation default/acceleration, debt moratorium/repudiation and/or failure to meet payment obligations when due by the CDS referenced issuer. ISDA has produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement. Given that the terms and definitions in the CDS contract may vary across each counterparty the Investment Manager deals with, the Fund may be subject to a risk of prolonged period of recovery or loss as a result.

Recovery risk - The Fund may be exposed to the risk of receiving small or zero recovery amounts as compared to the pre-agreed notional recovery.

Deliverable risk - There could be a potential mismatch of deliverables when the Investment Manager sells CDS protection on one swap and buys CDS protection on another swap with different deliverable obligations since the market conditions may not permit the Investment Manager to sell the obligations that are being delivered in an illiquid post-default market and buy the pre-agreed obligations to deliver in the other swap.

- (vii) Payment of distributions out of capital risk - Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment. As a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value of units. Also, a high distribution yield does not imply a positive or high return on the total investment.
- (viii) Risks related to the Eurozone sovereign debt crisis - The Fund may invest substantially in the Eurozone. In light of the current fiscal conditions and concerns on the sovereign debt risk of certain countries within the Eurozone (in particular, Portugal, Ireland, Italy, Greece and Spain), the Fund's investments in the region may be more volatile. The performance of the Fund may deteriorate significantly should there be any adverse credit events (e.g. downgrade of the sovereign credit rating, obligation default, etc) of any Eurozone country.
- (ix) Below investment grade/lower rated or unrated investment risk - The Fund may invest in bonds and other debt securities which are unrated or with ratings below investment grade. Accordingly, such investment will be accompanied by a higher

degree of credit and liquidity risk than is present with investment in higher rated securities. During economic downturns such bonds typically fall more in value than investment grade bonds as such are often subject to a higher risk of issuer default. The net asset value of the Fund may decline or be negatively affected if there is a default of any of the bonds with credit rating of below investment grade that the Fund invests in or if interest rates change.

- (x) Investment grade bond risk - Investment grade bonds are assigned ratings within the top rating categories by rating agencies (including but not limited to Fitch, Moody's and/or Standard & Poor's) on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review such assigned ratings and bonds may therefore be downgraded in rating if economic circumstances (e.g. subject to market or other conditions) impact the relevant bond issues. Downgrading of the bonds may adversely affect the value of the relevant bonds and therefore the performance of the Fund. Also, the Fund may face higher risks of default in interest payment and principal repayment. As a result, investors may get back less than they originally invested.
- (xi) Cross-Class liability risk - Pursuant to the Trust Deed, the Manager reserves the right to establish and issue new Classes from time to time. The net asset value of each Class will be calculated separately with particular assets and liabilities of the Fund attributable to particular Classes. Whilst different Classes may have separate accounts for internal accounting purposes, there is no legal segregation of assets and liabilities between Classes. Accordingly, the assets of one or more Classes may be used to settle liability which arises in another Class.
- (xii) Class currency risk - The Class Currency of each Class may be different from the Fund's base currency, the currencies of which the Fund's assets are invested and/or investors' base currencies of investment. If an investor converts its base currency of investment to the Class Currency in order to invest in a particular Class and subsequently converts the redemption proceeds from that Class Currency back to its original base currency of investment, the investor may suffer a loss due to the depreciation of the Class Currency against the original currency. For example, if an investor whose base currency of investment is Hong Kong dollars (i.e. not RMB) and chooses to invest in the RMB Hedged Class, the investor may be exposed to a higher currency risk. The investor may suffer a higher loss as a result of exchange rate fluctuations between Hong Kong dollars and RMB upon the reconversion of its RMB investment back to Hong Kong dollars as compared to an investor whose base currency of investment is originally in RMB. For further details, please refer to the sub-section entitled "Currency Hedged Classes" in the section entitled "Classes of Units" below.

The Fund's investments in derivative instruments, including CDS, are governed by provisions in the Explanatory Memorandum. The Investment Manager's risk management process provides the overall control framework over these derivatives.

The key risk management processes for OTC (over-the-counter) derivatives include: a) reviewing and setting-up of new OTC master trade documentation, b) approval and set up of OTC counterparties, c) new OTC instruments due diligence, d) OTC trade approval, e) monitoring of Investment Restrictions and Guidelines, f) OTC valuation process, g) monitoring of CDS credit events, and h) monitoring of OTC trades and counterparties.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Classes are available:

Class	Class Currency
JPMorgan Global Bond (acc) - RMB (hedged)	Renminbi
JPMorgan Global Bond (san) - USD	US dollars
JPMorgan Global Bond (mth) - AUD (hedged)	Australian dollars
JPMorgan Global Bond (mth) - CAD (hedged)	Canadian dollars
JPMorgan Global Bond (mth) - HKD	HK dollars
JPMorgan Global Bond (mth) - NZD (hedged)	New Zealand dollars
JPMorgan Global Bond (mth) - RMB (hedged)	Renminbi
JPMorgan Global Bond (mth) - USD	US dollars

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month's notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution therefor (if any).

Currency Hedged Classes

For details of Currency Hedged Class of the Fund, please refer to the sections entitled "Currency Hedged Classes" and "AUD Hedged Class/CAD Hedged Class/EUR Hedged Class/GBP Hedged Class/HKD Hedged Class/NZD Hedged Class/RMB Hedged Class/SGD Hedged Class/USD Hedged Class" respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

DISTRIBUTION POLICY

The Manager has the sole and absolute discretion to amend the distribution policy, subject to the SFC's prior approval and one month's prior notice to the relevant unitholders.

Classes with the suffix "(san)"

At least 85 per cent. of the income of JPMorgan Global Bond (san) - USD in respect of each accounting period, after charging the expenses applicable to the Class, will be distributed to unitholders of the Class. The transferee of a unit will be entitled to a distribution in respect of such unit if the Registrar has received a valid instrument of transfer (duly stamped if required) in respect of the unit and the relevant unit certificate(s) (if any) by 3:30 p.m. Hong Kong time on the last cum distribution dealing date. The subscriber of a unit shall be entitled to a distribution in respect of such unit if the application for the unit is received by the Manager by 5:00 p.m. Hong Kong time on the last cum distribution dealing date.

Distributions are made semi-annually in respect of the periods ending on 30 September and 31 March each year, provided a surplus is available on the income account. These distributions will normally be paid in November and April in each year respectively. The Manager expects to be able to pay distributions from income generated by JPMorgan Global Bond (san) - USD from its investment but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. Please also refer to the risk factor entitled "Payment of distributions out of capital risk".

Composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Manager upon request and at the website www.jpmorganam.com.hk[#].

Classes with the suffix "(acc)"

Classes with the suffix "(acc)" are accumulation Classes and will not normally pay distributions. All income will be accumulated and reinvested within the corresponding Classes of the Fund.

Other Classes

It is the intention of the Manager to have at least 85 per cent. of the income attributable to the following Class respectively in respect of each accounting period, after charging the expenses attributable to these Class respectively, to be distributed to unitholders of these Class respectively:

Class
JPMorgan Global Bond (mth) - AUD (hedged)
JPMorgan Global Bond (mth) - CAD (hedged)
JPMorgan Global Bond (mth) - HKD
JPMorgan Global Bond (mth) - NZD (hedged)
JPMorgan Global Bond (mth) - RMB (hedged)
JPMorgan Global Bond (mth) - USD

[#] The website has not been reviewed by the SFC.

It is the intention of the Manager to make distributions on a monthly basis or/and at such other time as the Manager may, with the prior approval of the Trustee, notify to unitholders. The Manager expects to be able to pay distributions from income generated by the Fund from its investment but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. Please also refer to the risk factor entitled “Payment of distributions out of capital risk”.

Composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Manager upon request and at the website www.jpnmorganam.com.hk[#].

The transferee of a unit will be entitled to a distribution in respect of such unit if the Registrar has received a valid instrument of transfer (duly stamped if required) in respect of the unit by 3:30 p.m. (Hong Kong time) on the last cum distribution dealing date. The subscriber of a unit shall be entitled to a distribution in respect of such unit if the application for the unit is received by the Manager by 5:00 p.m. (Hong Kong time) on the last cum distribution dealing date.

Reinvestment of Distributions

It is the Manager's current policy to reinvest automatically any distributions in the subscription of further units, unless unitholders notify the Manager otherwise in writing and the amount of the relevant distribution equals to or exceeds US\$250 (or its equivalent in another currency). Such further units will be issued on the date of distribution, or if that is not a dealing day, on the next following dealing day. No initial charge will be made on the issue of such further units. In the event that a unitholder redeems or switches its entire holding of the Fund before the actual payment date of any distributions, the Manager will redeem the reinvested units on the actual payment date and pay the redemption proceeds to the unitholder in cash if the reinvested units do not meet the relevant minimum holding requirement.

Payment of Distributions by cheque and Payment of Distributions by telegraphic transfer

For details of payment of distributions by cheque and payment of distributions by telegraphic transfer of the Fund, please refer to the sub-sections entitled “Payment of Distributions by cheque” and “Payment of Distributions by telegraphic transfer” respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

BASES OF VALUATIONS

The method of establishing the net asset value of each Class is set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less its liabilities of that Class, by the total number of units of that Class in issue as at 5:00p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class and the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled “Reports and Accounts” below.

DEALING

For details of the dealing procedure of the Fund, please refer to the section entitled “DEALING” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

[#] The website has not been reviewed by the SFC.

The section entitled “SUBSCRIPTIONS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund, save that the maximum initial charge payable shall be normally up to 3 per cent. of the net asset value per unit.

Initial Issue Price

The first issue of units of the existing Classes were made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Global Bond (acc) - RMB (hedged)	RMB10.00
JPMorgan Global Bond (san) - USD	US\$10.00
JPMorgan Global Bond (mth) - AUD (hedged)	AU\$10.00
JPMorgan Global Bond (mth) - CAD (hedged)	CA\$10.00
JPMorgan Global Bond (mth) - HKD	HK\$10.00
JPMorgan Global Bond (mth) - NZD (hedged)	NZ\$10.00
JPMorgan Global Bond (mth) - RMB (hedged)	RMB10.00
JPMorgan Global Bond (mth) - USD	US\$10.00

REDEMPTIONS

For details of redemptions of the Fund, please refer to the section entitled “REDEMPTIONS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SWITCHING

For details on how to switch between Classes of units within the same Fund or between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled “SWITCHING” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge for each Class (normally up to 3 per cent. of the net asset value per unit) from the gross subscription amount on the issue of units where applicable and receive a redemption charge for each Class (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses to approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, “Distributors”), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 0.8 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of each Class) by giving to the Trustee and unitholders not less than one month’s notice of the increased level of management fee. This fee shall accrue daily based on the net asset value of that Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its connected persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class’ interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager, the Investment Manager and/or the Sub-Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager, the Investment Manager and/or the Sub-Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager. The fees of the Sub-Manager will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund. However, the Trustee currently receives a fee at the rate of 0.018 per cent. per annum of the Fund's net asset value. The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Fiscal Charges

For details of the fiscal charges policy of the Fund, please refer to the sub-section entitled "Fiscal Charge" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

There are no unamortised establishment costs outstanding relating to this Fund.

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D - TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General"; and
- (ii) "(iii) Taxation of Unitholders".

In addition, the following is also applicable to the Fund:

Hong Kong

The Fund was authorised under Section 15 of the *Securities Ordinance* of Hong Kong and is now deemed to have been authorised under Section 104 of the *SFO* of Hong Kong. Therefore, any Hong Kong sourced income it derives will be exempt from Hong Kong profits tax provided the Fund is carried on in accordance with the purposes stated in its constitutive documents as approved by the SFC and in accordance with the requirements of the SFC.

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled "REPORTS AND ACCOUNTS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

The general provisions under the section entitled "GENERAL" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Sub-Manager

JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom

Trustee

Bank of East Asia (Trustees) Limited
32/F, BEA Tower
Millennium City 5
418 Kwun Tong Road
Kwun Tong
Kowloon
Hong Kong

Registrar

East Asia International Trustees Limited
East Asia Chambers
PO Box 901
Road Town
Tortola
British Virgin Islands

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan Money Fund

INTRODUCTION

JPMorgan Money Fund ("Fund") is a unit trust constituted by a Trust Deed dated 13 June, 1983, as amended from time to time ("Trust Deed") governed by the laws of Hong Kong. The Fund was authorised by the Securities and Futures Commission ("SFC") under the *Securities Ordinance* of Hong Kong and is now deemed to have been authorised as a collective investment scheme under Section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The Fund is not subject to the supervision of the Hong Kong Monetary Authority. It should be appreciated that the subscription of units in the Fund is not the same as making a deposit with a bank or deposit taking company and the Manager's obligation is limited to redeem unitholder's units at the relevant net asset value per unit, which may be different from the price at which units were purchased by such unitholder.

The Fund is a unit trust currently comprising the HK\$ portfolio ("Portfolio").

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited ("Manager"), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong.

Bank of East Asia (Trustees) Limited acting as trustee of the Fund ("Trustee"), is incorporated with limited liability in Hong Kong. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments.

Please refer to the section entitled "FUND PARTIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective and Policy

The purpose of the Portfolio is to provide an efficient vehicle for holding liquid assets currently denominated in the currency of Hong Kong.

In order to minimise such risks to capital, the Manager will invest funds solely in deposits and money market instruments with unexpired maturities of less than 397 days (or two years in the case of public sector investments). The average maturity of the Portfolio's deposits and other investments will not exceed 90 days and will often be significantly less. In selecting investments, the Manager will seek the highest interest rates available from deposits and short-term instruments of issuers considered by it to be of high standing.

The Manager will normally avoid deposits and other investments denominated in currencies where withholding taxes would be applied. Deposits will be made only with financial institutions considered by the Manager to be of undoubted reputation and standing in the financial community. Money market instruments in which the Fund invests will normally be those issued or guaranteed by financial institutions and other corporations which the Manager considers to be of high standing or by national governments, state-owned entities and supranational bodies. Such money market instruments would normally be certificates of deposit, Treasury bills, bonds and notes but the Manager may, with the approval of the Trustee, select other similar instruments. The Manager will aim to secure long-term capital growth.

The Portfolio is, of course, subject to market fluctuations and to the risks inherent in all investments. Therefore, the price of units may go down as well as up.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Investment Restrictions and Guidelines

The Manager may not make or add to any investment or deposit for the account of the Portfolio in the Fund if as a result:

- (i) the value of the Portfolio's holding of investments issued by any single issuer (other than a substantial financial institution) together with any cash deposits (other than any cash deposits of up to US\$1,000,000 or its equivalent in another currency) with the same issuer would exceed 10 per cent. of the latest net asset value of the Portfolio or such higher percentage as the SFC may from time to time permit; or
- (ii) the value of the Portfolio's holding of investments issued by any substantial financial institution together with any cash deposits (other than any cash deposits of up to US\$1,000,000 or its equivalent in another currency) with the same substantial financial institution would exceed 25 per cent. of the latest net asset value of the Portfolio or such higher percentage as the SFC may from time to time permit, provided that the value of such holding would not exceed 10 per cent. of that substantial financial institution's issued capital and published reserves; or
- (iii) notwithstanding (i) and (ii) above, the value of the Portfolio's total holding of the same issue of public sector investment would exceed 30 per cent. of the latest net asset value of the Portfolio.

For the purposes of sub-paragraph (iii) above, the following investments shall be public sector investments:

- (a) any security issued by or the payment of principal and interest on which is guaranteed by the government of any member state of the Organization for Economic Co-operation and Development (each such member state being herein referred to as an "OECD country");
- (b) fixed interest securities issued in any OECD country by any public or local authority or nationalised industry or undertaking of any OECD country or anywhere in the world by the International Bank for Reconstruction and Development, European Investment Bank, Asian Development Bank or any body which is, in the Trustee's opinion, of similar standing.

The Manager will not be required to sell investments if any of the above limits is exceeded as a result of changes in the value of the Portfolio's investments, reconstructions or amalgamations, the redemption of units or payments out of the Portfolio's assets, but the Manager shall not make any investment which would result in such limits being further exceeded and the Manager shall within such period of time as it considers reasonable having regard to the interests of unitholders endeavour to dispose of investments to the extent necessary to cause such limits no longer to be exceeded.

In addition, the Manager may not for the account of the Portfolio in the Fund:

- (i) invest in a security of any class if any director or officer of the Manager or the Investment Manager individually owns more than 0.5 per cent. of the total nominal amount of all the issued securities of that class or if all directors and officers of the Manager and the Investment Manager collectively own more than 5 per cent. of those securities; or
- (ii) make loans (other than by making deposits and acquiring debt and money market instruments) or give guarantees; or
- (iii) make any investment which would involve the assumption of unlimited liability; or
- (iv) acquire any investment which is nil paid or partly paid unless the Trustee sets aside cash or other property sufficient to provide for the paying up of such investment in full.

Where a breach of any of the above investment limits occurs, the Manager and Investment Manager will as a priority objective within a reasonable period of time take all steps as are necessary to remedy the situation taking due account of the interests of unitholders.

Borrowing Policy

The Trust Deed permits borrowings to be undertaken for the account of the Portfolio in the Fund only on a temporary basis for the purpose of redeeming units or meeting operating expenses, but only up to a limit of 10 per cent. of the latest net asset value of the Portfolio. The Portfolio's assets may be charged or pledged as security for any such borrowings.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled "RISKS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factor is applicable to the Fund:

- (i) Interest rates risk - Interest rates in the countries in which the Fund's assets will be invested may be subject to fluctuations. Any such fluctuations may have a direct effect on the income received by the Fund and its capital value. Bonds are particularly susceptible to interest rate changes and may experience significant price volatility. The prices of bonds generally increase when interest rates decline and decrease when interest rates rise. Longer term bonds are usually more sensitive to interest rate changes. Given the historically low interest rate environment, risks associated with rising rates are heightened.
- (ii) Risk related to money fund - Investment in the Fund is not the same as placing funds on deposit with a bank or deposit-taking institution. The Manager has no obligation to redeem units at the issue price and the Fund is not subject to the supervision of the Hong Kong Monetary Authority.

DISTRIBUTION POLICY

Although the Manager may at its discretion make both interim and final distributions out of the Portfolio to unitholders in respect of each accounting period, it is the intention of the Manager that the income of the Portfolio will be retained for reinvestment.

BASES OF VALUATIONS

The method of establishing the value of the Portfolio's net assets is set out in the Trust Deed. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be calculated by the Manager and expressed in the denominated currency of the Portfolio. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value of the Portfolio and the fair value of the assets of the Portfolio. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the Portfolio or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the Portfolio may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "REPORTS AND ACCOUNTS" below.

DEALING

Save for the procedures on issuance and redemption of units, the dealing procedures under the section entitled "DEALING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The procedures on issuance and redemption of units which apply to this Fund are set out below.

Units will normally be issued or redeemed on every dealing day. The Manager will determine the dealing day for the Portfolio, which will usually be every day (other than a Saturday or a Sunday or a Hong Kong public holiday) on which banks are open for normal banking business in Hong Kong. Applications for units will only be effected after the Manager has received confirmation from its bankers that cleared purchase funds in the currency of the Portfolio have been received.

Where subscriptions are made in HK\$ and confirmation of receipt of cleared purchase funds is received by the Manager on or before 5:00 p.m. (Hong Kong time) on any dealing day (or such other time agreed between the Manager and the Trustee), applications will normally be effected on that dealing day. Where confirmation of receipt of cleared purchase funds is received by the Manager after 5:00 p.m. (Hong Kong time) on any dealing day (or such other time agreed between the Manager and the Trustee), applications will normally be effected on the immediately following dealing day.

In order for units to be redeemed on any particular dealing day, the redemption request must be received by the Manager not later than 5:00 p.m. (Hong Kong time) on that dealing day ("Dealing Deadline") or such other time agreed between the Manager and the Trustee. Redemption requests received after the Dealing Deadline will be dealt with on the immediately following dealing day. The Manager may change the Dealing Deadline by which redemption requests must be received in order to be effected on any particular dealing day.

SUBSCRIPTIONS

The Manager has absolute discretion to accept or reject in whole or in part any application for units.

Issue of Units

The first issue of units was made on 16 June, 1983, at a price of US\$10.00 per unit, excluding the initial charge. With effect from 7 April, 1988 units were divided into classes (known as portfolios) according to the currency in which they were denominated. Currently, only the HK\$ portfolio is an available class.

All units in existence before the creation of the different portfolios were denominated in HK\$. After 7 April, 1988, these units continued to be denominated in HK\$, and became linked to the Portfolio.

With effect from 6 November, 1995, the issue price of the Portfolio as at that date was adjusted to HK\$100.

The Trust Deed permits the Manager to make a variable initial charge of normally up to 5 per cent. of the net asset value per unit from the gross subscription amount on the issue of units of the Fund where applicable. The initial charge will be retained by the Manager for its own benefit and use and may be reimbursed in whole or in part to any agent or intermediary through whom any application is received. However, the Manager does not currently levy any initial charge.

The Manager may also charge to the applicant and deduct from subscription monies any additional expenses incurred in the issue of units to persons outside Hong Kong and the costs of converting into the denominated currency subscription monies received in any other currency.

For applicants who subscribe units of a Fund by the number of units, initial charge amount is calculated as follows: initial charge amount = units allotted x net asset value per unit x initial charge %

For applicants who subscribe units of a Fund by amount, initial charge amount is calculated as follows: initial charge amount = gross subscription amount x initial charge % / (1 + initial charge %)

The initial charge amount shall be rounded down to two decimal places or to the nearest unit of currency if the amount is in Japanese Yen and the number of units allotted to the applicant shall be naturally rounded to three decimal places. Where the number of units is rounded up, the amount corresponding to rounding shall accrue to the applicant. Where the number of units is rounded down, the amount corresponding to rounding shall accrue to the Fund.

In addition to issuing and arranging the cancellation of units, the Manager may deal in units for its own account. In particular, subscribers for units may be transferred units belonging to the Manager (or companies associated with it) at a price not greater than the price at which such units would have been issued on the relevant dealing day.

The rate of conversion may be at the prevailing market rate as determined by the Manager on the dealing day. An applicant may be affected unfavorably by fluctuations in exchange rates between these currencies.

Procedure for Application and Evidence of Identity – Anti-Money Laundering

For details of the procedure for application for units of the Fund and procedure relating to evidence of identity, please refer to the sections entitled “SUBSCRIPTIONS – Procedure for Application” and “SUBSCRIPTIONS – Evidence of Identity – Anti-Money Laundering” respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

REDEMPTIONS

Redemption of Units

Under the Trust Deed, the Manager is, subject as mentioned below, obliged to accept requests for redemption of units by purchasing such units, or by arranging for their cancellation, on dealing days.

The Trust Deed permits the Manager to deduct a redemption charge (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the redemption of units of the Fund where applicable. The Manager may retain the amount of any redemption charge for its own benefit and use. However, the Manager does not currently levy any redemption charge.

For unitholders who redeem units of a Fund by the number of units, redemption charge amount is calculated as follows: redemption charge amount = units redeemed x net asset value per unit x redemption charge %

For unitholders who redeem units of a Fund by amount, redemption charge amount is calculated as follows: redemption charge amount = net redemption amount x redemption charge % / (1 - redemption charge %)

The redemption charge amount shall be rounded down to two decimal places or to the nearest unit of currency if the amount is in Japanese Yen and the amount of redemption monies shall be naturally rounded to two decimal places or to the nearest unit of currency if the amount is in Japanese Yen. Where the amount of redemption monies is rounded up, the amount corresponding to rounding shall accrue to the redeeming unitholder. Where the amount of redemption monies is rounded down, the amount corresponding to rounding shall accrue to the Fund.

Procedure for Redemption

Requests for the redemption of units should be made by facsimile or other written or electronic form specified by the Manager stating the number of units or an amount in HK\$ or other currency to be redeemed. The Manager may also agree to accept redemption requests over the telephone, subject to certain conditions.

Partial redemptions of holdings in the Portfolio are permitted, provided that they do not result in a unitholding with an aggregate value of less than normally US\$2,000, or its equivalent in another currency, after the request had been processed. If a redemption or switch request results in a holding below the minimum investment amount after the request had been processed, the Manager may, at its absolute discretion, treat the switch or redemption request as an instruction to redeem or switch, as appropriate, the total holding in the Portfolio.

For partial redemptions of holdings in the Portfolio through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, investors should consult JPMorgan Funds (Asia) Limited to find out the minimum holding after redemption that is applicable to them.

The redemption monies payable will be expressed in the denominated currency of the Portfolio and payment will normally be made in that currency. Arrangements can be made for unitholders to receive payment in any other freely convertible currency. Unitholders are advised to contact the Manager for details of such arrangements. In such cases, the Manager will charge the applicant the costs of conversion from the denominated currency of the Portfolio, which may be at the prevailing market rate as determined by the Manager on the dealing day. Any exchange costs will be deducted from the redemption monies. An applicant may be affected unfavorably by fluctuations in exchange rates between these currencies.

The amount due on the redemption of units will normally be paid within three business days and in any event not later than one calendar month after the relevant dealing day on which units are redeemed and the Manager has received a duly completed redemption request in a prescribed format and such other information as the Trustee or the Manager may reasonably require. Failure to provide such information may delay the payment of redemption proceeds. Payment will normally be made by telegraphic transfer where the unitholder has provided payment details for this purpose. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Where the unitholder has not provided bank payment details or where the redemption amount is less than US\$1,000 (or its equivalent in another currency), redemption proceeds will normally be paid by cheque, posted at the risk of the unitholder. No third party payments will be made.

Suspension of Redemptions

For details of the Manager's current policy on suspension of redemptions of the Portfolio, please refer to the section entitled "REDEMPTIONS – Suspension of Redemptions" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SWITCHING

For details on how to switch between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled "SWITCHING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

As stated above, the Manager may make a variable initial charge (normally up to 5 per cent. of the net asset value per unit) from the gross subscription amount on the issue of units where applicable and receive a redemption charge (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy such initial and redemption charges.

Management Fee

The Manager is entitled under the Trust Deed to a management fee at the rate of 2.0 per cent. per annum of the net assets of the Portfolio. However, the Manager currently receives a fee of 0.25 per cent. per annum of the net asset value of the Portfolio and may only increase the level of its fee (which may not exceed 2.0 per cent. per annum) by giving the Trustee and the unitholders not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of the Portfolio on each dealing day and shall be payable monthly in arrears. If the assets of the Portfolio include interests in any unit trust or other collective investment scheme managed by the Manager or its connected persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the Portfolio's interest in such unit trust or scheme. Where the Portfolio invests in any underlying scheme(s) managed by the Manager and/or the Investment Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager and/or the Investment Manager of the Portfolio may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.1 per cent. per annum of the net asset value of the Portfolio. However, the Trustee currently receives a fee at the rate of 0.018 per cent. per annum of the Portfolio's net asset value. The Trustee may only increase the level of its fee (which may not exceed 0.1 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Portfolio on each dealing day and shall be payable monthly in arrears.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Fiscal Charges

For details of the fiscal charges policy of the Fund, please refer to the sub-section entitled "Fiscal Charges" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Other Liabilities

In addition to the fees and charges mentioned above, the Fund bears other costs and expenses, including stamp duties, taxes, brokerage, commissions, foreign exchange costs, bank charges and registration fees relating to the Fund and its investments, the costs of obtaining and maintaining a listing for the units on any stock exchange, the fees and expenses of the Auditors, the Registrar, the custodian(s) of the Fund's investments, the costs of preparing the Trust Deed and any supplemental trust deeds and legal and other professional or expert charges and certain other fees and expenses incurred in the administration of the Fund. The Registrar currently receives a fee at the rate of 0.075 per cent. per annum of the net asset value of the Portfolio. The Registrar fee shall accrue daily based on the net asset value of the Portfolio on each dealing day and shall be payable quarterly in arrears.

The Fund is also responsible for the costs of preparing, printing and distributing all statements, accounts, reports and notices pursuant to the provisions of or otherwise in connection with the Trust Deed (including the expenses of preparing and printing any updates to its Explanatory Memorandum or publishing the net asset value per unit) and, where agreed with the Manager, including the aforesaid costs incurred by any distributors appointed in respect of the Fund. Additionally, the Fund bears all costs incurred as a result of a change in law or regulatory requirement or the introduction of any new law or regulatory requirement (including any costs incurred as a result of compliance with any code relating to unit trusts or collective investment schemes, whether or not having the force of law).

There are no unamortised establishment costs outstanding relating to this Fund.

The liability of the unitholders is limited to their investments in the Fund.

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D – TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) “(i) General”; and
- (ii) “(iii) Taxation of Unitholders”.

In addition, the following is also applicable to the Fund:

Hong Kong

The Fund was authorised under Section 15 of the Securities Ordinance of Hong Kong and is now deemed to have been authorised under Section 104 of the SFO. Therefore, any Hong Kong sourced income it derives will be exempt from Hong Kong profits tax provided the Fund is carried on in accordance with the purposes stated in its constitutive documents as approved by the SFC and in accordance with the requirements of the SFC.

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled “REPORTS AND ACCOUNTS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

Save for the provision on “Duration of the Funds”, the general provisions under the section entitled “GENERAL” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The provision on “Duration of the Fund” which applies to this Fund is set out below.

Duration of the Fund

Unless previously terminated, the Fund will terminate automatically on the date immediately preceding the eightieth anniversary of the date of the Trust Deed. Either the Manager or the Trustee may, in certain circumstances, terminate the Fund at any time. Such circumstances include the passing of any law which renders it illegal to continue the Fund or, in the opinion of the Manager, impracticable or inadvisable to continue the Fund or where the aggregate net asset value of all units in issue of the Fund or in the Portfolio falls below US\$10,000,000 or its equivalent in another currency or where the Manager (with the approval of the Trustee) considers termination of the Fund is in the best interest of unitholders. The Fund may also be terminated by Extraordinary Resolution of the unitholders at any time.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

Bank of East Asia (Trustees) Limited
32/F, BEA Tower
Millennium City 5
418 Kwun Tong Road
Kwun Tong
Kowloon
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

East Asia International Trustees Limited
East Asia Chambers
PO Box 901
Road Town, Tortola
British Virgin Islands

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan Europe High Yield Bond Fund

INTRODUCTION

JPMorgan Europe High Yield Bond Fund ("Fund") is a unit trust constituted by a Trust Deed dated 10 March 2016 ("Trust Deed") governed by the laws of Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission ("SFC") under Section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund's portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited ("Manager"), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong. The Investment Manager has further appointed J.P. Morgan Investment Management Inc., a company incorporated in the United States of America and JPMorgan Asset Management (UK) Limited, a company incorporated in England and Wales with limited liability as sub-managers (collectively, "Sub-Managers").

HSBC Institutional Trust Services (Asia) Limited, acting as trustee of the Fund ("Trustee"), is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

HSBC Trustee (Cayman) Limited is the registrar of the Fund ("Registrar") and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective and policy of the Fund are to aim to achieve a return in excess of European bond markets by investing at least 70% of its non-cash assets in European and non-European below investment grade debt securities denominated in European currencies.

Debt securities include but are not limited to bonds, money market instruments and other debt securities which are issued by the international issuers such as government, quasi-government organizations, agencies, financial institutions, corporations, organizations or entities.

The Fund will invest not less than 70% of its non-cash assets in below investment grade debt securities (rated Ba1/BB+ or below using the highest rating available from one of the international independent rating agencies (e.g. Moody's, Standard and Poor's, Fitch)) or unrated securities. When investing in debt securities, the Investment Manager will first consider the credit rating of a debt security itself and only if such credit rating is unavailable, the Investment Manager will then consider the credit rating of its issuer, which will become the implied rating of the relevant debt security. An unrated debt security refers to a debt security which neither the debt security itself nor its issuer has a credit rating.

The Fund may invest up to 30% of its non-cash assets in investment grade debt securities (rated Baa3/BBB- or higher using the highest rating available from one of the international independent rating agencies (e.g. Moody's, Standard and Poor's, Fitch)).

The Fund will not invest more than 10% of its net asset value in securities issued or guaranteed by any single sovereign issuer (including its government, a public or local authority of that country) with a credit rating below investment grade.

The Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances (e.g. for cash management purpose) as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

The Fund may also invest up to 10% of its non-cash assets in convertible bonds. Currently, the Fund does not intend to i) invest in asset-backed securities (including mortgage-backed securities and asset-backed commercial securities); or ii) enter into securities lending arrangements, repurchase agreements, reverse repurchase agreements or other similar over-the counter transactions. Should these investment policies change in the future, the Manager will follow the appropriate legal and regulatory requirements and the offering document will be updated accordingly.

The Fund will have limited Renminbi (RMB) denominated underlying investments.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, unless otherwise set out below.

The following investment restrictions and guidelines are applicable to the Fund:

- i) The value of the Fund's holding of European and non-European below investment grade debt securities denominated in European currencies shall not be less than 70% of its non-cash assets in securities and other investments.
- ii) The Fund will not invest more than 10% of its net asset value in securities issued or guaranteed by any single sovereign issuer (including its government, a public or local authority of that country) with a credit rating below investment grade.

Borrowing Policy

The Fund may enter into borrowing arrangements for investment purposes or otherwise provided that the aggregate principal amount of borrowing outstanding shall not exceed 10 per cent. of the net asset value of the Fund. The Fund's assets may be charged or pledged as security for any such borrowings. Back-to-back loans do not count as borrowing. The Fund may borrow money from the Trustee, the Manager or any of their Connected Persons provided that the lender is permitted to lend money and the interest and any fee is no higher than an arm's length commercial rate or fee for a loan of the same size and nature.

Securities Lending Policy

Although the Trust Deed contains provisions which allow the Manager to, on behalf of the Fund, enter into securities lending arrangements, repurchase agreements, reverse repurchase agreements or other similar over-the-counter transactions, the Manager does not currently intend to enter into such arrangements, agreements and/or transactions. Should the Manager decide to enter into these arrangements, agreements and/or transactions, this Explanatory Memorandum will be amended and unitholders will be provided with not less than one month's (or such other period as the SFC may require) prior written notification in respect of such amendment.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled "RISKS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) Interest rates risk - Interest rates in the countries in which the Fund's assets will be invested may be subject to fluctuations. Any such fluctuations may have a direct effect on the income received by the Fund and its capital value. Bonds are particularly susceptible to interest rate changes and may experience significant price volatility. The prices of bonds generally increase when interest rates decline and decrease when interest rates rise. Longer term bonds are usually more sensitive to interest rate changes. Given the historically low interest rate environment, risks associated with rising rates are heightened. The performance of the Fund may therefore be adversely affected.
- (ii) Below investment grade/lower rated or unrated investment risk - The Fund may invest in bonds and other debt securities which are unrated or with ratings below investment grade. Accordingly, such investment will be accompanied by a higher degree of credit and liquidity risk than is present with investment in higher rated securities. During economic downturns such bonds typically fall more in value than investment grade bonds as such are often subject to a higher risk of issuer default. The net asset value of the Fund may decline or be negatively affected if there is a default of any of the bonds with credit rating of below investment grade that the Fund invests in or if interest rates change.

- (iii) Investment grade bond risk – Investment grade bonds are assigned ratings within the top rating categories by rating agencies (including but not limited to Fitch, Moody's and/or Standard & Poor's) on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review such assigned ratings and bonds may therefore be downgraded in rating if economic circumstances (e.g. subject to market or other conditions) impact the relevant bond issues. Downgrading of the bonds may adversely affect the value of the relevant bonds and therefore the performance of the Fund. The Fund may or may not be able to dispose of the bonds that are downgraded. Also, the Fund may face higher risks of default in interest payment and principal repayment. As a result, investors may get back less than they originally invested.
- (iv) Credit risk – If the issuer of any of the fixed interest securities in which the Fund's assets are invested defaults, the performance of the Fund will be negatively affected and the Fund could suffer substantial loss. Furthermore, most emerging market fixed interest securities are not given a rating by internationally recognised credit rating agencies and subject to the "Emerging markets risk" set out in the section entitled "RISKS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.
- (v) Distribution risk – The Manager intends to distribute at least 85 per cent. of the income (net of expenses) attributable to each Class in respect of each accounting period. However, there is no assurance on such distribution or the distribution rate or dividend yield.
- (vi) Payment of distributions out of capital risk – Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment. As a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value per unit. Also, a high distribution yield does not imply a positive or high return on the total investment.
- (vii) RMB currency risk – RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. RMB exchange rate is also subject to exchange control policies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the relevant authorities of the People's Republic of China. As the exchange rates are influenced by government policy and market forces, the exchange rates for RMB against other currencies, including US dollars and HK dollars, are susceptible to movements based on external factors. Accordingly, the investment in Classes denominated in RMB may be adversely affected by the fluctuations in the exchange rate between RMB and other foreign currencies.

RMB is currently not freely convertible and RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and restrictions imposed by the Chinese government.

Classes denominated in RMB will generally be valued with reference to RMB (CNH) rather than RMB (CNY). While RMB (CNH) and RMB (CNY) represent the same currency, they are traded in different and separate markets which operate independently. As such RMB (CNH) does not necessarily have the same exchange rate and may not move in the same direction as RMB (CNY).

Classes denominated in RMB participate in the offshore RMB (CNH) market, which allow investors to freely transact CNH outside of mainland China. Classes denominated in RMB will have no requirement to remit CNH to onshore RMB (CNY). Non-RMB based investors (e.g. Hong Kong investors) in Classes denominated in RMB may have to convert HK dollars or other currencies into RMB when investing in Classes denominated in RMB and subsequently convert the RMB redemption proceeds and/or distributions (if any) back to HK dollars or such other currencies. Investors will incur currency conversion costs and may suffer losses depending on the exchange rate movements of RMB relative to HK dollars or such other currencies. Also, there can be no assurance that RMB will not be subject to devaluation and any depreciation of RMB could adversely affect the value of the investor's investment in the Fund.

Even if the Fund aims at paying redemption monies and/or distributions of RMB denominated Classes in RMB, the Manager may, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, pay redemption monies and/or distributions in Fund's base currency. There is also a risk that payment of redemption monies and/or distributions in RMB may be delayed when there is not sufficient amount of RMB for currency conversion for settlement of the redemption monies and distributions in a timely manner due to the exchange controls and restrictions applicable to RMB. In any event, the redemption proceeds will be paid not later than one calendar month after the relevant dealing day on which units are redeemed and the Manager has received a duly completed redemption request in a prescribed format and such other information as the Trustee or the Manager may reasonably require.

- (viii) Class currency risk - The Class Currency of each Class may be different from the Fund's base currency, the currencies of which the Fund's assets are invested and/or investors' base currencies of investment. If an investor converts its base currency of investment to the Class Currency in order to invest in a particular Class and subsequently converts the redemption proceeds from that Class Currency back to its original base currency of investment, the investor may suffer a loss due to the depreciation of the Class Currency against the original currency. For example, if an investor whose base currency of investment is Hong Kong dollars (i.e. not Australian dollars) and chooses to invest in the AUD Hedged Class, the investor may be exposed to a higher currency risk. The investor may suffer a higher loss as a result of exchange rate fluctuations between Hong Kong dollars and Australian dollars upon the reconversion of its Australian dollars investment back to Hong Kong dollars as compared to an investor whose base currency of investment is originally in Australian dollars. For further details, please refer to the sub-section entitled "Currency Hedged Classes" in the section entitled "CLASSES OF UNITS" below.
- (ix) Risks related to the Eurozone sovereign debt crisis - The Fund may invest substantially in the Eurozone. In light of the current fiscal conditions and concerns on the sovereign debt risk of certain countries within the Eurozone (in particular, Portugal, Ireland, Italy, Greece and Spain), the Fund's investments in the region may be more volatile. The performance of the Fund may deteriorate significantly should there be any adverse credit events (e.g. downgrade of the sovereign credit rating, obligation default, etc) of any Eurozone country.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Classes are available:

Class	Class Currency
JPMorgan Europe High Yield Bond (mth) - AUD (hedged)	Australian dollars
JPMorgan Europe High Yield Bond (mth) - CAD (hedged)	Canadian dollars
JPMorgan Europe High Yield Bond (mth) - EUR	Euro
JPMorgan Europe High Yield Bond (mth) - GBP (hedged)	Sterling
JPMorgan Europe High Yield Bond (mth) - HKD (hedged)	HK dollars
JPMorgan Europe High Yield Bond (mth) - NZD (hedged)	New Zealand dollars
JPMorgan Europe High Yield Bond (mth) - RMB (hedged)	Renminbi
JPMorgan Europe High Yield Bond (mth) - USD (hedged)	US dollars

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month's notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution therefor (if any).

Currency Hedged Classes

For details of Currency Hedged Class of the Fund, please refer to the sections entitled "Currency Hedged Classes" and "AUD Hedged Class/CAD Hedged Class/EUR Hedged Class/GBP Hedged Class/HKD Hedged Class/NZD Hedged Class/RMB Hedged Class/SGD Hedged Class/USD Hedged Class" respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

DISTRIBUTION POLICY

The Manager has the sole and absolute discretion to amend the distribution policy, subject to the SFC's prior approval (if applicable) and one month's prior notice to the relevant unitholders.

It is the intention of the Manager to have at least 85 per cent. of the income attributable to the following Classes respectively in respect of each accounting period, after charging the expenses attributable to these Classes respectively, to be distributed to unitholders of these Classes respectively:

Class
JPMorgan Europe High Yield Bond (mth) - AUD (hedged)
JPMorgan Europe High Yield Bond (mth) - CAD (hedged)
JPMorgan Europe High Yield Bond (mth) - EUR
JPMorgan Europe High Yield Bond (mth) - GBP (hedged)
JPMorgan Europe High Yield Bond (mth) - HKD (hedged)
JPMorgan Europe High Yield Bond (mth) - NZD (hedged)
JPMorgan Europe High Yield Bond (mth) - RMB (hedged)
JPMorgan Europe High Yield Bond (mth) - USD (hedged)

It is the intention of the Manager to make distributions on a monthly basis or/and at such other time as the Manager may, with the prior approval of the Trustee, notify to unitholders. The Manager expects to be able to pay distributions from income generated by the Fund from its investment but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. Please also refer to the risk factor entitled "Payment of distributions out of capital risk".

Composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Manager upon request and at the website www.jpmorganam.com.hk[#].

The transferee of a unit will be entitled to a distribution in respect of such unit if the Registrar has received a valid instrument of transfer (duly stamped if required) in respect of the unit by 3:30 p.m. (Hong Kong time) on the last cum distribution dealing date. The subscriber of a unit shall be entitled to a distribution in respect of such unit if the application for the unit is received by the Manager by 5:00 p.m. (Hong Kong time) on the last cum distribution dealing date.

Reinvestment of Distributions

It is the Manager's current policy to reinvest automatically any distributions in the subscription of further units of the corresponding Class of units of the Fund, unless unitholders notify the Manager otherwise in writing and the amount of the relevant distribution equals to or exceeds US\$250 (or its equivalent in another currency). Such further units will be issued on the date of distribution, or if that is not a dealing day, on the next following dealing day. No initial charge will be made on the issue of such further units. In the event that a unitholder redeems or switches its entire holding of the relevant Class before the actual payment date of any distributions, the Manager will redeem the reinvested units on the actual payment date and pay the redemption proceeds to the unitholder in cash if the reinvested units do not meet the relevant minimum holding requirement.

Payment of Distributions by cheque

For unitholders who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units (except for unitholders of the RMB denominated Class), payment will be made by cheque in the offering currency of the relevant Class and sent, at the risk of the persons entitled thereto, to such persons at the address (or first address in the case of any joint holding) shown in the register of unitholders or as they may direct. Any distribution which is not claimed for six years will be forfeited and becomes part of the assets of the relevant Class (and in case such relevant Class has been terminated, the Fund).

Payment of Distributions by telegraphic transfer

For unitholders of the RMB denominated Class who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units, payment will normally be made by telegraphic transfer, unless otherwise agreed by the Manager. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Notwithstanding the aforesaid, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, the Manager may pay distributions in Fund's base currency.

[#] The website has not been reviewed by the SFC.

BASES OF VALUATIONS

The method of establishing the net asset value of each Class is set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less liabilities of that Class, by the total number of units of that Class in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and, in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class and the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "REPORTS AND ACCOUNTS" below.

DEALING

For details of the dealing procedure of the Fund, please refer to the section entitled "DEALING" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Manager has absolute discretion to accept or reject in whole or in part any application for units.

The Fund is denominated in Euro.

The section entitled "SUBSCRIPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund, save that the maximum initial charge payable shall be up to 3 per cent. of the net asset value per unit.

Initial Issue Price

The first issue of units of the following Classes will be made at the prices below, excluding the initial charge referred to above:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Europe High Yield Bond (mth) - AUD (hedged)	AU\$10.00
JPMorgan Europe High Yield Bond (mth) - CAD (hedged)	CA\$10.00
JPMorgan Europe High Yield Bond (mth) - EUR	EUR10.00
JPMorgan Europe High Yield Bond (mth) - GBP (hedged)	GBP10.00
JPMorgan Europe High Yield Bond (mth) - HKD (hedged)	HK\$10.00
JPMorgan Europe High Yield Bond (mth) - NZD (hedged)	NZ\$10.00
JPMorgan Europe High Yield Bond (mth) - RMB (hedged)	RMB10.00
JPMorgan Europe High Yield Bond (mth) - USD (hedged)	US\$10.00

REDEMPTIONS

For details of redemptions of the Fund, please refer to the section entitled "REDEMPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SWITCHING

For details on how to switch between Classes of units within the same Fund or between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled “SWITCHING” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge for each Class (normally up to 3 per cent. of the net asset value per unit) from the gross subscription amount on the issue of units where applicable and receive a redemption charge for each Class (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, “Distributors”), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class) by giving to the Trustee and unitholders not less than one month’s notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of each Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class’ interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager, the Investment Manager and/or the Sub-Managers or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager, the Investment Manager and/or the Sub-Managers of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager. The fees of the Sub-Managers will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund. However, the Trustee currently receives a fee at the following rates of the Fund’s net asset value:-

	<u>Rate (per annum)</u>
On the first EUR35,000,000	0.06%
On the next EUR25,000,000	0.04%
On the balance over EUR60,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month’s notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Fiscal Charges

For details of the fiscal charges policy of the Fund, please refer to the sub-section entitled “Fiscal Charges” under the section entitled “FEES, CHARGES AND LIABILITIES” in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled “Other Liabilities” under the section entitled “FEES, CHARGES AND LIABILITIES” in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The cost of establishing the Fund which has not been fully amortised as at the date of this Explanatory Memorandum amounts to approximately HK\$351,700. These costs will be borne by the Fund and amortised by no later than the third financial year end (for the avoidance of doubt, if the Fund were to terminate for whatever reason before the third financial year end, any such cost remaining unamortised would be written off upon the Fund's termination).

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D - TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General";
- (ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/Region of Formation"; and
- (iii) "(iii) Taxation of Unitholders of Major Retail Distribution Countries".

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled "REPORTS AND ACCOUNTS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

The general provisions under the section entitled "General" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to the Fund.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Island

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Sub-Managers

J.P. Morgan Investment Management Inc.
270 Park Avenue
New York, NY 10017-2070
United States of America

JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

SECTION C – EXPLANATORY MEMORANDA OF OTHER FUNDS

JPMorgan AsiaOne Fund

INTRODUCTION

JPMorgan AsiaOne Fund (“Fund”) is a unit trust constituted by a Trust Deed dated 22 August 2006, as amended from time to time (“Trust Deed”) governed by the laws of the Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission (“SFC”) under section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) (“SFO”) and the Code on Unit Trusts and Mutual Funds (“SFC Code”). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund’s portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited (“Manager”), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited (“Investment Manager”), a company incorporated with limited liability in Hong Kong.

HSBC Institutional Trust Services (Asia) Limited acting as trustee of the Fund (“Trustee”), is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund’s investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

Please refer to the section entitled “FUND PARTIES” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

HSBC Trustee (Cayman) Limited is the registrar of the Fund (“Registrar”) and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective of the Fund is to seek to produce a competitive total return in different market conditions. The Fund seeks to achieve this primarily through an actively managed portfolio of collective investment schemes managed by the Manager or its connected persons (as defined in the SFC Code) (“Connected Persons”) which are linked to the economies of Asian countries (including Australia) (“Underlying Funds”). The allocation to the Underlying Funds will be continually monitored and reviewed and changes will be made as considered appropriate to better achieve the Fund’s objective. In other words, the Fund may invest up to all of its assets in equity funds when the Investment Manager believes market conditions and opportunities favour equities. When the Investment Manager believes market conditions and opportunities do not favour equities the Fund may invest up to all of its assets in fixed income and money market funds and other funds with a low correlation to equities. The Manager may invest in a range of funds whose underlying assets embrace the full spectrum of the risk return trade off from low to high risk. The Investment Manager may carry out hedging activities via financial futures.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Investment Restrictions and Guidelines

The following investment restrictions and guidelines will be applied to the Fund:

- (i) The Fund may hold cash for ancillary purposes and enter into financial futures contracts for hedging purposes only.

- (ii) Subject to (i) above, the Fund may only invest in units/shares in collective investment schemes authorised by the SFC or units/shares in recognised jurisdiction schemes as specified under the SFC Code whether authorised by the SFC or not; except that not more than 10% of its total net asset value may be invested in non-recognised jurisdiction schemes not authorised by the SFC.
- (iii) No investment may be made in any collective investment scheme whose objective is to invest primarily in any investment prohibited by Chapter 7 of the SFC Code. In case of investments limited by Chapter 7, such holdings may not be in contravention of the relevant limitation.
- (iv) The Fund must invest in no less than five collective investment schemes.
- (v) The Fund may invest no more than 30% of its total net asset value in any one collective investment scheme.
- (vi) The Fund may not invest in another Unit Portfolio Management Fund as defined under the SFC Code.
- (vii) The Fund may not invest more than 10% of its total net asset value in warrant, leveraged, and futures and options funds as defined under the SFC Code.

The Fund will not enter into any securities lending arrangements.

Where a breach of any of the above investment limits occurs, the Manager and the Investment Manager will as a priority objective within a reasonable period of time take all steps as are necessary to remedy the situation taking due account of the interests of unitholders.

The Manager or the Investment Manager will not be required to sell investments if any of the above limits are exceeded as a result of changes in the value of the Fund's investments, reconstructions or amalgamations, the realisation of units or payments out of the Fund's assets, but the Manager and the Investment Manager shall not make any investment which would result in such limits being further exceeded and the Manager or the Investment Manager shall as a priority objective within such period of time as it considers reasonable having regard to the interests of unitholders endeavour to dispose of investments to the extent necessary to cause such limits no longer to be exceeded.

Borrowing Policy

The Trust Deed permits borrowings to be undertaken for the account of the Fund but only up to a limit of 10 per cent. of the net asset value of the Fund. The Fund's assets may be charged or pledged as security for any such borrowings. Borrowings may be undertaken only on a temporary basis to provide cash to meet redemptions or to pay operating expenses. The Fund may not borrow for investment or other purposes.

RISKS

The performance of the Fund and the Underlying Funds will be affected by a number of risk factors, including the risk factors as set out in the section entitled "RISKS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

In addition, the following risk factors are applicable to the Fund:

- (i) Interest rates risk – Interest rates in the countries in which the Fund's assets will be invested may be subject to fluctuation. Any such fluctuation may have a direct effect on the income received by the Fund and its capital value. Given the historically low interest rate environment, risks associated with rising rates are heightened.
- (ii) Currency risk – Investors whose base currency is not US dollars will be exposed to currency risk in that the value of their investment in their base currency will be affected by movements in the exchange rate between their base currency and the US dollar.

Furthermore, as a material investment of the Fund will include Underlying Funds which may be denominated in non-US dollars or which may have assets, some or all of which may be quoted in non-US dollars, the Fund will be exposed to currency risk since the performance of the Underlying Funds' non-US dollar assets will also be affected by movements in exchange rates.

- (iii) Restricted range of Underlying Funds – The Fund may only invest in a range of Underlying Funds managed by the Manager or its Connected Persons.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

DISTRIBUTION POLICY

All income will be accumulated and reinvested within the Fund.

BASES OF VALUATIONS

The method of establishing the net asset value of the Fund is set out in the Trust Deed. The net asset value per unit is calculated by dividing the value of the assets of the Fund, less its liabilities, by the total number of units in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the Fund. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. The value of each unit in any Underlying Fund (other than a unit in a Underlying Fund which does not provide for units therein to be redeemed at the option of the holder of such a unit, whether listed or not) shall be the last published net asset value per unit in such Underlying Fund or (if such net asset value is not published or not considered by the Manager to be appropriate) a price calculated as the average of the last published bid and offer price for such a unit. Cash, deposits and similar investments shall be valued at their face value (together with accrued but unpaid interest). Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in US dollars. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for the Fund and the fair value of the assets of the Fund. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the Fund or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "Reports and Accounts" below.

DEALING

Save for the procedures on issuance and redemption of units, the dealing procedures under the section entitled "DEALING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The procedures on issuance and redemption of units which apply to this Fund are set out below.

Units will normally be issued or redeemed on any dealing day which will normally be every day (other than a Saturday or a Sunday or a Hong Kong public holiday) on which banks in Hong Kong are open for normal banking business and on which all or part of the Underlying Funds invested in by the Fund are available for normal dealing.

In order for units to be issued or redeemed on any particular dealing day, a subscription application or redemption request (as the case may be) must be received by the Manager not later than 5:00 p.m. (Hong Kong time) on that dealing day or such other time agreed between the Manager and the Trustee. Subscription applications or redemption requests received after that time will be dealt with on the immediately following dealing day.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

The section entitled "Subscriptions" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund, save that the maximum initial charge payable shall be normally up to 3 per cent. of the net asset value per unit.

Initial Issue Price

The first issue of units was made at a price of US\$10.00 per unit, excluding the initial charge.

REDEMPTIONS

For details of redemptions of the Fund, please refer to the section entitled "REDEMPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SWITCHING

For details on how to switch between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled "SWITCHING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge (normally up to 3 per cent. of the net asset value per unit) from the gross subscription amount on the issue of units where applicable and receive a redemption charge (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses to approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, "Distributors"), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund. The Manager currently intends that the Fund will invest significantly in Underlying Funds managed by the Manager or its Connected Persons. However, the Manager or the Investment Manager may only invest for the account of the Fund in any such Underlying Funds where the full amount of any initial charge is waived.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of the Fund. However, the Manager currently receives a fee of 0.5 per cent. per annum of the net asset value of the Fund and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of the Fund) by giving to the Trustee and unitholders not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears. In addition, the Fund will indirectly bear a pro rata portion of the fees paid by the Underlying Funds in which it invests to the managers or other service providers of such Underlying Funds. The management fees of the Underlying Funds that the Fund may invest in currently range between zero per cent. and 2 per cent. per annum and may not exceed 4 per cent. per annum of the net asset value of the relevant Underlying Funds. In addition to the management fees, performance fees may be levied on certain Underlying Funds. The Manager however, may not obtain a rebate on any fees or charges levied by an Underlying Fund or its management company. Where the Fund invests in any Underlying Funds, all initial charges on the Underlying Funds shall be waived.

The fees of the Investment Manager will be borne by the Manager.

Trustee Fee

The Trustee is entitled to a fee at the rate of 0.03 per cent. per annum of the net asset value of the Fund. The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

For investment in Underlying Funds managed by the Manager or its Connected Persons, such connected Underlying Funds will also be subject to a trustee fee. Currently such trustee fees range between zero per cent. and 0.5 per cent. per annum and may not exceed 1 per cent. per annum of the net asset value of the Underlying Funds.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

There are no unamortised establishment costs outstanding relating to this Fund.

CONFLICTS OF INTEREST

In addition to the Manager's current policy on conflicts of interest as stipulated in the section entitled "CONFLICTS OF INTEREST" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, the following paragraphs also apply to the Fund:

The directors or officers of the Manager and/or the Investment Manager may individually and/or collectively invest in any Underlying Funds. Any common interest in the Underlying Funds of the Fund and the directors and/or officers of the Manager and/or the Investment Manager should not normally give rise to any conflict of interest with the duties of the Manager and/or the Investment Manager to the Fund. The Manager and/or the Investment Manager will, however, have regard to their obligations to act in the best interests of unitholders should any conflicts of interest arise and will seek to resolve such conflicts fairly.

The Manager may act in the capacity of a distributor for certain Underlying Funds managed by the Manager's Connected Parties. The Manager will receive distribution fees for carrying out such distribution functions for these Underlying Funds. The Fund may invest in these Underlying Funds and consequently the Manager may, in its capacity as a distributor, receive distribution fees in respect of the Fund's investments in such units/shares.

TAXATION

The following sub-sections under Section D – TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General";
- (ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/Region of Formation"; and
- (iii) "(iii) Taxation of Unitholders".

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled "REPORTS AND ACCOUNTS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

The general provisions under the section entitled "GENERAL" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to the Fund.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan Asia Growth Fund

INTRODUCTION

JPMorgan Asia Growth Fund ("Fund") is a unit trust constituted by a Trust Deed dated 11 May 2007, as amended from time to time ("Trust Deed") governed by the laws of Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission ("SFC") under Section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund's portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited ("Manager"), a company incorporated with limited liability under the laws of Hong Kong.

The investment management of the Fund has been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong. The Investment Manager has further delegated the currency management of the Currency Hedged Classes to JPMorgan Asset Management (UK) Limited ("Sub-Manager"), a company incorporated in England and Wales.

HSBC Institutional Trust Services (Asia) Limited acting as trustee of the Fund ("Trustee"), is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

Please refer to the section entitled "FUND PARTIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

HSBC Trustee (Cayman) Limited is the registrar of the Fund ("Registrar") and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective of the Fund is to provide investors with long-term capital appreciation by investing at least 70% of its non-cash assets in equity securities of companies whose predominant business will benefit from, or is related to, the growth in Asian economies. The Fund may invest up to 30% of its non-cash assets in equity securities of companies in non-Asian countries. The Fund may also invest up to 10% of its non-cash assets in non-equity securities in any countries.

The Fund's aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month's prior notice will be given to unitholders and the offering document will be updated accordingly.

The Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

The Fund will have limited Renminbi (RMB) denominated underlying investments.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time where the Manager considers appropriate in the circumstances. For example, the Manager may exercise this right following the relaxation or tightening of relevant regulations, and such variations will be effective as per the changes in the relevant regulations without further notice to the investors, and the offering document and constitutive documents (where applicable) of the Fund will be updated as soon as practicable.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the following investment restrictions as stipulated in the section entitled “Investment Restrictions and Guidelines” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the value of the Fund’s holding of equity securities of companies in Asian economies shall not be less than 70 per cent. of its non-cash assets.

Borrowing and Securities Lending Policy

For details of the borrowing and securities lending policy of the Fund, please refer to the sections entitled “Borrowing Policies” and “Securities Lending Policies” respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled “RISKS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) Cross-Class liability risk - Pursuant to the Trust Deed, the Manager reserves the right to establish and issue new Classes from time to time. The net asset value of each Class will be calculated separately with particular assets and liabilities of the Fund attributable to particular Classes. Whilst different Classes may have separate accounts for internal accounting purposes, there is no legal segregation of assets and liabilities between Classes. Accordingly, the assets of one or more Classes may be used to settle liability which arises in another Class.
- (ii) Class currency risk - The Class Currency of each Class may be different from the Fund’s base currency, the currencies of which the Fund’s assets are invested and/or investors’ base currencies of investment. If an investor converts its base currency of investment to the Class Currency in order to invest in a particular Class and subsequently converts the redemption proceeds from that Class Currency back to its original base currency of investment, the investor may suffer a loss due to the depreciation of the Class Currency against the original currency. For example, if an investor whose base currency of investment is Hong Kong dollars (i.e. not RMB) and chooses to invest in the RMB Hedged Class, the investor may be exposed to a higher currency risk. The investor may suffer a higher loss as a result of exchange rate fluctuations between Hong Kong dollars and RMB upon the reconversion of its RMB investment back to Hong Kong dollars as compared to an investor whose base currency of investment is originally in RMB. For further details, please refer to the sub-section entitled “Currency Hedged Classes” in the section entitled “Classes of Units” below.
- (iii) Asian market risk - The Fund concentrates its investments in Asian countries. Investors should be aware that the Fund is likely to be more volatile than a broad-based fund. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Asian market.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a “Class”) whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Class is available:

Class	Class Currency
JPMorgan Asia Growth (acc) - RMB (hedged)	Renminbi
JPMorgan Asia Growth (acc) - USD	US dollars

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may

in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month's notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution thereof (if any).

Currency Hedged Classes

For details of Currency Hedged Class of the Fund, please refer to the sections entitled “Currency Hedged Classes” and “AUD Hedged Class/CAD Hedged Class/EUR Hedged Class/GBP Hedged Class/HKD Hedged Class/NZD Hedged Class/RMB Hedged Class/SGD Hedged Class/USD Hedged Class” respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

DISTRIBUTION POLICY

All income will be accumulated and reinvested within the Fund. Although the Trust Deed contains provisions under which the Manager has the discretion to determine the amount to be distributed to unitholders, it is not the current intention of the Manager that such distribution will be made.

BASES OF VALUATIONS

On each dealing day, the Manager shall calculate the net asset value of each Class as at the close of business in the relevant markets where such assets are primarily traded on such dealing day in accordance with the method of establishing the net asset value of each Class as set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less liabilities of that Class, by the total number of units of that Class in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class and the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled “REPORTS AND ACCOUNTS” below.

DEALING

For details of the dealing procedure of the Fund, please refer to the section entitled “DEALING” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

The section entitled “SUBSCRIPTIONS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Initial Issue Price

The first issue of units of JPMorgan Asia Growth (acc) - USD was made at a price of US\$10.00 per unit, excluding the initial charge.

In addition, the first issue of units of the following Class will be made at the price below, excluding the initial charge referred to above:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Asia Growth (acc) - RMB (hedged)	RMB10.00

REDEMPTIONS

Save for the procedure on payment of redemption monies set out in the sub-section entitled "Procedure for Redemption" below, the section entitled "REDEMPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Procedure for Redemption

The procedure on payment of redemption monies which applies to this Fund is set out below.

The amount due on the redemption of units will normally be paid within five business days and in any event not later than one calendar month after the date of actual receipt by the Manager of a duly completed redemption request in a prescribed format and such other information as the Trustee or the Manager may reasonably require. Failure to provide such information may delay payment of redemption proceeds. Payment will normally be made by telegraphic transfer where the unitholder has provided payment details for this purpose. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Where the unitholder has not provided bank payment details or where the redemption amount is less than US\$1,000 or its equivalent in another currency, redemption proceeds will normally be paid by cheque, posted at the risk of the unitholder. No third party payments will be made.

SWITCHING

For details on how to switch between Classes of units within the same Fund or between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled "SWITCHING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge for each Class (normally up to 5 per cent. of the net asset value per unit) from the gross subscription amount on the issue of units where applicable and receive a redemption charge for each Class (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, "Distributors"), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1.5 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class) by giving to the Trustee and unitholders not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of that Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class' interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager, the Investment Manager and/or the Sub-Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager, the Investment Manager and/or the Sub-Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager. The fees of the Sub-Manager will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund which will be calculated before deduction of any management fee and trustee fee accruing to or on the relevant dealing day. However, the Trustee currently

receives a trustee fee at the following rates of the Fund's net asset value which is calculated before deduction of any management fee and trustee fee accruing to or on the relevant dealing day:-

	<u>Rate (per annum)</u>
On the first US\$40,000,000	0.06%
On the next US\$30,000,000	0.04%
On the balance over US\$70,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

There are no unamortised establishment costs outstanding relating to this Fund.

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D - TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General";
- (ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/Region of Formation"; and
- (iii) "(iii) Taxation of Unitholders".

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled "REPORTS AND ACCOUNTS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

The general provisions under the section entitled "GENERAL" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Sub-Manager

JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan China A-Share Opportunities Fund

INTRODUCTION

JPMorgan China A-Share Opportunities Fund ("Fund") is a unit trust constituted by a Trust Deed dated 2 July 2014 ("Trust Deed") governed by the laws of Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission ("SFC") under Section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund's portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited ("Manager"), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong.

HSBC Institutional Trust Services (Asia) Limited acting as trustee of the Fund ("Trustee"), is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments. The HSBC group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

Please refer to the section entitled "FUND PARTIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

The Trustee may from time to time appoint, or agree to have such other persons to appoint such person or persons as it thinks fit (including, without limitation, any of its Connected Persons) to hold as custodian, nominee or agent, all or any of the investments, assets or other property comprised in the Fund and may empower any such custodian, nominee or agent to appoint, with the prior consent in writing of the Trustee, co-custodians and/or sub-custodians (each such custodian, nominee, agent, co-custodian and sub-custodian a "Correspondent").

The Trustee shall (a) exercise reasonable care and diligence in the selection, appointment and on-going monitoring of Correspondents and (b) be satisfied that Correspondents retained remain suitably qualified and competent to provide the relevant custodial services to the Fund.

The Trustee shall be responsible and liable for the acts and omissions of any Correspondent which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee, but provided that the Trustee has discharged its obligations set out in (a) and (b) as set out in this paragraph, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent which is not a Connected Person of the Trustee. For the purpose of the foregoing "Correspondent" shall include the RQFII Custodian (as defined below). For the avoidance of doubt, the RQFII Custodian is not a Connected Person of the Trustee.

The Trustee shall not be liable for: (i) any act, omission, insolvency, liquidation or bankruptcy of Euro-clear Clearing System Limited or Clearstream Banking S.A. or any other recognised depository or clearing system which may from time to time be approved by the Trustee and the Manager; or (ii) the custody or control of any investments, assets or other property which is under the custody or held by or on behalf of a lender in respect of any borrowing made by the Trustee for the purposes of the Fund.

HSBC Trustee (Cayman) Limited is the registrar of the Fund ("Registrar") and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

China Construction Bank Corporation has been appointed as the custodian ("RQFII Custodian") in respect of the investments in the People's Republic of China ("PRC") held by the Fund.

China Construction Bank Corporation is one of the largest commercial banks in the PRC providing a comprehensive range of commercial banking products and services. On 27 October 2005, H-shares of China Construction Bank Corporation were listed on Hong Kong Stock Exchange, and on 25 September 2007, A-shares of China construction Bank Corporation were listed on Shanghai Stock Exchange.

INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective and policy of the Fund is to aim to achieve long-term capital growth by investing primarily in securities issued in the PRC including but not limited to China A-Shares listed on the PRC stock exchanges (e.g. Shanghai Stock Exchange and Shenzhen Stock Exchange).

The Fund will invest in PRC securities via the Renminbi Qualified Foreign Institutional Investor ("RQFII") quota of the Investment Manager. For the investment in China A-Shares, the Fund may also invest and have direct access to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect (as further described in the sub-section entitled "Shanghai-Hong Kong Stock Connect" below) and/or other similar programs as approved by the relevant regulators from time to time.

The Fund may also invest up to 10 per cent. of its non-cash assets in equity funds (including exchange traded funds) and other instruments issued in the PRC from time to time approved by the China Securities Regulatory Commission for investment by a RQFII.

In addition, the Fund may invest up to 15 per cent. of its non-cash assets in China B-Shares listed on the PRC stock exchanges.

The Fund may invest in derivatives (which are traded outside the PRC) such as warrants for investment purposes, and forward contracts, options and futures for hedging purposes. The Fund may under limited circumstances (e.g. for cash management purpose) as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments in RMB.

The Fund's total exposures to investments issued or traded outside the PRC (including but not limited to equities (e.g. H shares listed on the Hong Kong Stock Exchange), warrants, equities funds and exchange traded funds) will in aggregate be up to 30 per cent. of its non-cash assets.

Currently, the Fund does not intend to invest in i) structured product or structured deposit; or ii) debt securities including but not limited to urban investment bonds (城投債) and asset-backed securities (including mortgage-backed securities and asset-backed commercial securities). Should this investment policy change in the future, prior approval will be sought from the SFC and one month's prior notice will be given to unitholders and the offering document will be updated accordingly.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Investment Strategy

The Fund will seek to rely on the professional judgement of the Manager and the Investment Manager in making decisions about the Fund's portfolio investments. Stock selection and investment process will be a combination of top-down and bottom-up processes. Top-down process is based on the Manager's and Investment Manager's assessment of macroeconomic factors, state policies, market valuation and liquidity. Bottom up process is based on research and analysis of individual stocks alongside with financial projection and valuation.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS" in Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, unless otherwise set out below.

The following investment restrictions and guidelines are applicable to the Fund:

- i) The value of the Fund's holding of China A-Shares shall not be less than 70 per cent. of its non-cash assets.
- ii) The Fund may not short sell any securities.
- iii) The Fund may not invest in any type of physical commodities or commodities based investments.

For the purpose of iii);

- (a) "physical commodities" includes gold, silver, platinum or other bullion.
- (b) "commodity based investments" does not include shares in companies engaged in producing, processing or trading in commodities.

- iv) The Fund may invest up to 100 per cent. of its total net asset value in China A-Shares via the Shanghai-Hong Kong Stock Connect.

Borrowing and Securities Lending Policy

For details of the borrowing policy of the Fund, please refer to the sub-section entitled “Borrowing Policies” under the section entitled “INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS” in Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Although the Trust Deed contains provisions which allow the Manager to, on behalf of the Fund, enter into securities lending arrangements, repurchase agreements, reverse repurchase agreements or other similar over-the-counter transactions, the Manager does not currently intend to enter into such arrangements, agreements and/or transactions. Should the Manager decide to enter into these arrangements, agreements and/or transactions, this Explanatory Memorandum will be amended and unitholders will be provided with not less than one month's (or such other period as the SFC may require) prior written notification in respect of such amendment.

Renminbi (“RMB”) Qualified Foreign Institutional Investor (“RQFII”)

Currently it is intended that the Fund will primarily invest directly in China A-Shares by using the RQFII quotas of the Investment Manager, which has obtained RQFII status in the PRC.

The Investment Manager may from time to time make available RQFII quota for the purpose of the Fund's direct investment into the PRC. Under the State Administration of Foreign Exchange's (“SAFE”) RQFII quota administration policy, the Investment Manager has the flexibility to allocate its RQFII quota across different open-ended fund products, or, subject to SAFE's approval, to products and/or accounts that are not open-ended funds. The Investment Manager may therefore allocate additional RQFII quota to the Fund, or allocate RQFII quota which may otherwise be available to the Fund to other products and/or accounts. The Investment Manager may also apply to SAFE for an increase of the RQFII quota which may be utilised by the Fund, other clients of the Investment Manager or other products managed by the Investment Manager. However, there is no assurance that the Investment Manager will make available investment quota that is sufficient for the Fund's investment at all times.

The Investment Manager in its capacity as a RQFII, appointed China Construction Bank Corporation as the RQFII Custodian in respect of the assets of the Fund within the PRC, pursuant to relevant laws and regulations. In addition, a Connected Person of the Trustee, as Trustee's delegate, has entered into a sub-custodian agreement with the RQFII Custodian in respect of the custody of certain assets in the PRC, including those acquired through or in connection with the RQFII investment quota of the Investment Manager for the Fund.

Securities including China A-Shares, or other PRC securities will be maintained by the RQFII Custodian pursuant to PRC regulations through securities account(s) with the China Securities Depository and Clearing Corporation Limited in such name as may be permitted or required in accordance with PRC law.

Investors should pay attention to the sections headed “RQFII risk” and “PRC brokerage risk” under the “RISKS” section. The Investment Manager in its capacity as RQFII has obtained an opinion from PRC legal counsel confirming that, as a matter of PRC laws:

- (a) securities account(s) of the Fund with the relevant depositories maintained by the RQFII Custodian and RMB special deposit account(s) of the Fund with the RQFII Custodian (respectively, the “securities account(s)” and the “cash account(s)”) shall be opened in the joint names of the Investment Manager (as RQFII holder) and the Fund for the sole benefit and use of the Fund in accordance with all applicable laws and regulations of the PRC and with approval from all competent authorities in the PRC;
- (b) the assets held/credited in the securities account(s) (i) belong solely to the Fund, and (ii) are segregated and independent from the proprietary assets of the Manager, the Investment Manager (as RQFII holder), the RQFII Custodian and any brokers appointed by the Investment Manager (as RQFII holder) (“PRC Broker(s)”) and from the assets of other clients of the Manager, the Investment Manager (as RQFII holder), the RQFII Custodian and any PRC Broker(s);
- (c) the assets held/credited in the cash account(s) (i) become an unsecured debt owing from the RQFII Custodian to the Fund, and (ii) are segregated and independent from the proprietary assets of the Manager, the Investment Manager (as RQFII holder) and any PRC Broker(s), and from the assets of other clients of the Manager, the Investment Manager (as RQFII holder) and any PRC Broker(s);
- (d) the Trustee, for and on behalf of the Fund, is the only entity which has a valid claim of ownership over the assets in the securities account(s) and the debt in the amount deposited in the cash account(s) of the Fund;

- (e) if the Manager, the Investment Manager (as RQFII holder) or any PRC Broker is liquidated, the assets contained in the securities account(s) and cash account(s) of the Fund will not form part of the liquidation assets of the Manager, the Investment Manager (as RQFII holder) or such PRC Broker(s) in liquidation in the PRC; and
- (f) if the RQFII Custodian is liquidated, (i) the assets contained in the securities account(s) will not form part of the liquidation assets of the RQFII Custodian in liquidation in the PRC, and (ii) the assets contained in the cash account(s) will form part of the liquidation assets of the RQFII Custodian in liquidation in the PRC and the Fund will become an unsecured creditor for the amount deposited in the cash account(s).

Further, the Trustee has put in place proper arrangements to ensure that:

- (i) the Trustee takes into its custody or under its control the assets of the Fund, including assets deposited in the securities account(s) and cash account(s) with the RQFII Custodian, and holds the same in trust for the unitholders;
- (ii) the Trustee registers the assets of the Fund, including assets deposited in the securities account(s) and cash account(s) with the RQFII Custodian, to the order of the Trustee; and
- (iii) the RQFII Custodian will look to the Trustee for instructions (through the Trustee's delegate) and solely act in accordance with such instructions, save as otherwise required under applicable regulations.

The Manager has entered into the Participation Agreement between the Investment Manager (as RQFII holder), the Trustee and the RQFII Custodian, pursuant to which the parties confirm and acknowledge operational arrangements in relation to the Fund's use of RQFII quota. Among which, the RQFII Custodian will look to the Trustee (through the Trustee's delegate) for instructions and solely act in accordance with the Trustee's instructions, which come from the Manager and the Investment Manager, as provided under the Participation Agreement.

The Investment Manager will assume dual roles as the investment manager of the Fund and the holder of RQFII quotas for the Fund. The Investment Manager will be responsible for ensuring that all transactions and dealings will be dealt with in compliance with the Trust Deed (where applicable) as well as the relevant laws and regulations applicable to the Investment Manager as a RQFII. If any conflicts of interest arise, the Investment Manager will have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly.

Shanghai-Hong Kong Stock Connect

The section entitled "Shanghai-Hong Kong Stock Connect" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled "RISKS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) China market risk - Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market. For more than 50 years, the central government of the PRC has adopted a planned economic system. Since 1978, the PRC government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the PRC economy. Such reforms have resulted in significant economic growth and social progress.

Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock companies in the PRC or in listed securities such as "A", "B" and "H" shares.

The choice of "A", "B" and "H" share issues currently available to the Manager may be limited as compared with the choice available in other markets. There may also be a lower level of liquidity and trading volume in the PRC "A" and "B" share markets, which are relatively smaller in terms of both combined total market value and the number of "A" and "B" shares which are available for investment as compared with other markets. This could potentially lead to severe price volatility.

The national regulatory and legal framework for capital markets and joint stock companies in the PRC are still developing when compared with those of developed countries. Most of the joint stock companies with listed China A-Shares have undergone split-share structure reform to convert state owned shares or legal person shares into transferable shares with the intention to increase liquidity of China A-Shares. However, the effects of such reform on the China A-Share market as

a whole and other PRC securities remain to be seen. In addition, trading band limits may be imposed by the PRC stock exchanges on China A-Shares, where trading in a China A-Share security on the relevant PRC stock exchange may be suspended if the trading price of such security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the Fund to liquidate its positions (if any) in such security. Also, it may not be possible for the Fund to liquidate positions at a favourable price even when the suspension is lifted. Such trading band limit may therefore adversely affect the Fund's investment in China A-Shares.

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following PRC accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Investments in the PRC will be sensitive to any significant change in political, social or economic policy in the PRC, which includes possible government intervention. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The PRC government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies that issue the relevant PRC securities invested in by the Fund.

In light of the above mentioned factors, the price of PRC securities may fall significantly in certain circumstances and may have an adverse effect on the Fund's performance.

- (ii) People's Republic of China ("PRC") tax risk consideration - There are risks and uncertainties associated with the current PRC tax laws, regulations and practice on the Fund's investments in the PRC. Any increased tax liabilities on the Fund may adversely affect the Fund's value. The Manager and Investment Manager reserve the right to provide for tax on gains of the Fund that invests in PRC securities thus impacting the valuation of the Fund. Based on professional tax advice, except for gains from China A-Shares which are specifically exempt under a temporary exemption from the Enterprise Income Tax Law effective from 17 November 2014, a tax provision of 10% is fully provided for all PRC sourced income (including gains from PRC securities, dividends and interest) until sufficient clarity is given by the PRC authorities to exempt specific types of PRC sourced income (e.g. gains from PRC bonds).

With the uncertainty of whether and how certain gains on PRC securities are to be taxed, the possibility of the laws, regulations and practice in the PRC changing, and the possibility of taxes being applied retrospectively, any provision for taxation made by the Manager and/or the Investment Manager may be excessive or inadequate to meet final PRC tax liabilities on gains derived from the disposal of PRC securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and/or redeemed their units in/from the Fund. This is unavoidable where investors can subscribe and/or redeem their units in/from the Fund and where there is uncertainty as to taxation. The net asset value per unit of the Fund is calculated daily and units of the Fund can be redeemed at the net asset value per unit. After redemption, investors cannot be impacted either positively or negatively. Consequently, a past unitholder will receive nothing from a subsequent release of a provision or increase in the market value of investments and will not be adversely impacted by an increase in a provision where there is a shortfall. In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Fund's assets, the Fund's net asset value will be adversely affected.

For more information on the PRC taxation of PRC securities and the provisioning for such taxation, please refer to the sub-paragraph entitled "The People's Republic of China ("PRC")" under the sub-section entitled "(iv) Investment Markets" under Section D – TAX NOTES of the Consolidated Explanatory Memoranda.

- (iii) Connected party risk - The Fund will be investing in China A-Shares via the RQFII status of the Investment Manager. Although the Manager and the Investment Manager are all part of the JPMorgan group of companies, each of such entities will operate independently in assuming their respective duties and obligations in relation to the Fund and are subject to the supervision of their relevant industry regulators. All transactions and dealings between such entities in relation to the Fund will be dealt with on arm's length basis having regard to the constitutive documents of the Fund as well as the relevant regulatory codes applicable to such entities. In the unlikely event that conflicts of interest arise, the Manager in conjunction with the Trustee will seek to ensure that the Fund is managed in the best interests of unitholders and the unitholders are treated fairly.

- (iv) RMB currency risk - RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. RMB exchange rate is also subject to exchange control policies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the relevant authorities of the People's Republic of China. As the exchange rates are influenced by government policy and market forces, the exchange rates for RMB against other currencies, including US dollars and HK dollars, are susceptible to movements based on external factors. Accordingly, the investment in Classes denominated in RMB may be adversely affected by the fluctuations in the exchange rate between RMB and other foreign currencies.

RMB is currently not freely convertible and RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and restrictions imposed by the Chinese government.

Classes denominated in RMB will generally be valued with reference to RMB (CNH) rather than RMB (CNY). While RMB (CNH) and RMB (CNY) represent the same currency, they are traded in different and separate markets which operate independently. As such RMB (CNH) does not necessarily have the same exchange rate and may not move in the same direction as RMB (CNY).

Classes denominated in RMB participate in the offshore RMB (CNH) market, which allow investors to freely transact CNH outside of mainland China. Classes denominated in RMB will have no requirement to remit CNH to onshore RMB (CNY). Non-RMB based investors (e.g. Hong Kong investors) in Classes denominated in RMB may have to convert HK dollars or other currencies into RMB when investing in Classes denominated in RMB and subsequently convert the RMB redemption proceeds and/or distributions (if any) back to HK dollars or such other currencies. Investors will incur currency conversion costs and may suffer losses depending on the exchange rate movements of RMB relative to HK dollars or such other currencies. Also, there can be no assurance that RMB will not be subject to devaluation and any depreciation of RMB could adversely affect the value of the investor's investment in the Fund.

Even if the Fund aims at paying redemption monies and/or distributions of RMB denominated Classes in RMB, the Manager may, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, pay redemption monies and/or distributions in US dollars. There is also a risk that payment of redemption monies and/or distributions in RMB may be delayed when there is not sufficient amount of RMB for currency conversion for settlement of the redemption monies and distributions in a timely manner due to the exchange controls and restrictions applicable to RMB. In any event, the redemption proceeds will be paid not later than one calendar month after the relevant dealing day on which units are redeemed and the Manager has received a duly completed redemption request in a prescribed format and such other information as the Trustee or the Manager may reasonably require.

- (v) RQFII risk - The Fund is not a RQFII but may obtain access to China A-Shares or other PRC securities eligible for RQFII investment ("RQFII Eligible Securities") directly using RQFII quotas of a RQFII. The Fund may invest directly in RQFII Eligible Securities via the RQFII status of the Investment Manager.

Investors should note that RQFII status could be suspended or revoked, which may have an adverse effect on the Fund's performance as the Fund may be required to dispose of its RQFII Eligible Securities holdings. In addition, certain restrictions imposed by the Chinese government on RQFIIs may have an adverse effect on the Fund's liquidity and performance.

The SAFE regulates and monitors the remittance and the repatriation of funds out of the PRC by the RQFII pursuant to the "Circular on Issues Related to the Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors" issued in March 2013 (《國家外匯管理局關於人民幣合格境外機構投資者境內證券投資試點有關問題的通知》) (the "RQFII Measures"). Repatriations by RQFIIs in respect of an open-ended RQFII fund (such as the Fund) conducted in RMB are currently not subject to repatriation restrictions, any lock-up period or prior approval, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the RQFII Custodian. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Fund's ability to meet redemption requests from the unitholders.

Furthermore, as the RQFII Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the RQFII Custodian in case of non-compliance with the RQFII rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming unitholder as soon as practicable and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

RQFII quotas are generally granted to a RQFII. The rules and restrictions under RQFII regulations generally apply to the RQFII as a whole and may or may not be specific to the investments made by the Fund. It is provided in the RQFII Measures that the size of the quota may be reduced or cancelled by the SAFE if the RQFII is unable to use its RQFII quota effectively

within one year since the quota is granted. If SAFE reduces the RQFII's quota, it may affect the allocation to the Fund and accordingly the Investment Manager's ability to effectively pursue the investment strategy of the Fund. In addition, the SAFE is vested with the power to impose regulatory sanctions if a RQFII or a RQFII custodian violates any provision of the RQFII Measures. Any violations could result in the revocation of the RQFII's quota or other regulatory sanctions and may adversely impact on the portion of the RQFII's quota made available for investment by the Fund.

Investors should note that there can be no assurance that a RQFII will continue to maintain its RQFII status or to make available its RQFII quota, or the Fund will be allocated a sufficient portion of RQFII quotas from a RQFII to meet all applications for subscription to the Fund, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such restrictions may respectively result in a rejection of applications and a suspension of dealings of the Fund. Further, the Fund may not have exclusive use of the entire RQFII quota granted by SAFE to the Investment Manager, as the Investment Manager may at its discretion allocate RQFII quota which may otherwise be available to the Fund to other products. There is no assurance that the Investment Manager will make available investment quota that is sufficient for the Fund's investment at all times. In extreme circumstances, the Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy due to insufficiency of RQFII quota or RQFII investment restrictions, illiquidity of the Chinese domestic securities market and/or delay or disruption in execution of trades or in settlement of trades.

The current RQFII laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the RQFII laws, rules and regulations will not be abolished. The Fund, which invests in the PRC markets through a RQFII, may be adversely affected as a result of such changes.

Investors should also note that direct investments in RQFII Eligible Securities through RQFIIs are subject to compliance with the investment restrictions currently imposed under RQFII regulations in the PRC, as amended from time to time, which are applied on each foreign investor investing through QFIIs/RQFIIs and which will affect the ability of the Fund to invest in RQFII Eligible Securities.

- (vi) Risk associated with foreign shareholding restrictions on China A-Shares – Investments on China A-Shares through RQFII investment quotas and Shanghai-Hong Kong Stock Connect are subject to the following shareholding restrictions:
- Single foreign investors' shareholding by any Hong Kong or overseas investor (such as the Fund) in a China A-Share must not exceed 10% of the total issued shares; and
 - Aggregate foreign investors' shareholding by all Hong Kong and overseas investors (such as the Fund) in a China A-Share must not exceed 30% of the total issued shares.

When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the "Measures for the Administration of Strategic Investment of Foreign Investors in Listed Companies" (《外國投資者對上市公司戰略投資管理辦法》), the shareholding of the strategic investments is not capped by the abovementioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total shareholding is approaching the upper limit.

As there are limits on the total shares held by all underlying foreign investors in one listed company in the PRC, the capacity of the Fund to make investments in A-Shares will be affected by the activities of all underlying foreign investors investing through RQFIIs or Shanghai-Hong Kong Stock Connect or any other permissible ways to obtain A-Shares investment exposures, not just the Investment Manager as RQFII itself or other investors who make investment through the RQFII status of the Investment Manager or other investors who make investment through Shanghai-Hong Kong Stock Connect.

- (vii) Risk associated with short swing profit rule – According to the PRC Securities Law (《中華人民共和國證券法》), a shareholder of 5% or more of the total issued shares of a PRC listed company ("major shareholder") has to return any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the event that the Fund or the Investment Manager (deemed as person acting in concert) becomes a major shareholder of a PRC listed company by investing in China A-Shares via RQFII investment quotas or Shanghai-Hong Kong Stock Connect, the profits that the Fund may derive from such investments may be limited, and thus the performance of the Fund may be adversely affected.

(viii) Cash deposited with the RQFII Custodian - Investors should note that cash deposited in the cash account(s) of the Fund with the RQFII Custodian will not be segregated but will be a debt owing from the RQFII Custodian to the Fund as a depositor. Such cash will be comingled with cash that belongs to other clients or creditors of the RQFII Custodian. In the event of bankruptcy or liquidation of the RQFII Custodian, the Fund will not have any proprietary rights to the cash deposited in such cash account(s), and the Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the RQFII Custodian. The Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Fund will suffer.

(ix) PRC brokerage risk - The execution and settlement of transactions or the transfer of any funds or securities may be conducted by PRC Brokers.

There is a risk that the Fund may suffer losses from the default, bankruptcy or disqualification of the PRC Brokers. In such event, the Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

In selection of PRC Brokers, the Investment Manager will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the Investment Manager considers appropriate, it is possible that a single PRC Broker will be appointed and the Fund may not necessarily pay the lowest commission available in the market.

(x) Application of RQFII rules - The RQFII rules described under "RQFII risk" enable RMB to be remitted into and repatriated out of the PRC. The rules are novel in nature and their application may depend on the interpretation given by the relevant Chinese authorities. Investment products (such as the Fund) which make investments pursuant to such RQFII rules are among the first of its kind. Any changes to the relevant rules may have an adverse impact on investors' investment in the Fund. In the worst scenario, the Manager may determine that the Fund shall be terminated if it is not legal or viable to operate the Fund because of changes to the application of the relevant rules.

(xi) Class currency risk - The Class Currency of each Class may be different from the Fund's base currency, the currencies of which the Fund's assets are invested and/or investors' base currencies of investment. If an investor converts its base currency of investment to the Class Currency in order to invest in a particular Class and subsequently converts the redemption proceeds from that Class Currency back to its original base currency of investment, the investor may suffer a loss due to the depreciation of the Class Currency against the original currency. For example, if an investor whose base currency of investment is Hong Kong dollars (i.e. not RMB) and chooses to invest in the JPMorgan China A-Share Opportunities (acc) - RMB Class, the investor may be exposed to a higher currency risk. The investor may suffer a higher loss as a result of exchange rate fluctuations between Hong Kong dollars and RMB upon the reversion of its RMB investment back to Hong Kong dollars as compared to an investor whose base currency of investment is originally in RMB.

(xii) Risks associated with the Shanghai-Hong Kong Stock Connect - The Fund may invest through the Shanghai-Hong Kong Stock Connect. In addition to the risks associated with the China market, RMB currency risk, risk associated with foreign shareholding restrictions on China A-Shares and risk associated with short swing profit rule it is also subject to the following additional risks:

Quota limitations

- The Shanghai-Hong Kong Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Fund's ability to invest in China A-Shares through Shanghai-Hong Kong Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment strategies.

Suspension risk

- It is contemplated that both SEHK and SSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through Shanghai-Hong Kong Stock Connect is effected, the Fund's ability to access the PRC market will be adversely affected. The Fund may therefore not be able to sell the A-shares acquired via Shanghai-Hong Kong Stock Connect to meet any redemption requests in timely manner.

Operational risk

- The Shanghai-Hong Kong Stock Connect provides a new channel for investors from Hong Kong and overseas to access the China stock market directly.
- The Shanghai-Hong Kong Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.
- It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.
- Further, the “connectivity” in the Shanghai-Hong Kong Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system (“China Stock Connect System”) set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Fund’s ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring

- PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.
- If the Fund desires to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its brokers before the market opens on the day of selling (“trading day”) unless its brokers can otherwise confirm that the Fund has sufficient shares in its account. If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Fund may not be able to dispose of holdings of China A-Shares in a timely manner.

Alternatively, if the Fund maintains its China A-Shares with a custodian which is a custodian participant or general clearing participant participating in CCASS, the Fund may request such custodian to open a special segregated account (“SPSA”) in CCASS to maintain its holdings in China A-Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique “Investor ID” by CCASS for the purpose of facilitating the Shanghai-Hong Kong Stock Connect system to verify the holdings of an investor such as the Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the Fund’s sell order, the Fund will only need to transfer China A-Shares from its SPSA to its broker’s account after execution and not before placing the sell order and the Fund will not be subject to the risk of being unable to dispose of its holdings of China A-Shares in a timely manner due to failure to transfer China A-Shares to its brokers in a timely manner.

Recalling of eligible stocks

- When a stock is recalled from the scope of eligible stocks for trading via Shanghai-Hong Kong Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Fund, for example, when the Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Clearing and settlement risk

- The HKSCC and ChinaClear has established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.
- Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC’s liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding

stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Participation in corporate actions and shareholders' meetings

- HKSCC will keep CCASS participants informed of corporate actions of SSE Securities. Hong Kong and overseas investors (including the Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities may be as short as one business day only. Therefore, the Fund may not be able to participate in some corporate actions in a timely manner.
- Hong Kong and overseas investors (including the Fund) are holding SSE Securities traded via Shanghai-Hong Kong Stock Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the Fund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities.

No protection by Investor Compensation Fund

- Investment through the Shanghai-Hong Kong Stock Connect program is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations.
- As disclosed under the sub-section entitled "Shanghai-Hong Kong Stock Connect" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS", the Fund's investments through Northbound trading under Shanghai-Hong Kong Stock Connect is not covered by the Hong Kong's Investor Compensation Fund. Therefore the Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the program.

Regulatory risk

- The Shanghai-Hong Kong Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Shanghai-Hong Kong Stock Connect.
- It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Shanghai-Hong Kong Stock Connect will not be abolished. The Fund, which may invest in the PRC markets through Shanghai- Hong Kong Stock Connect, may be adversely affected as a result of such changes.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Classes are available:

Class	Class Currency
JPMorgan China A-Share Opportunities (acc) - HKD	HK dollars
JPMorgan China A-Share Opportunities (acc) - RMB	Renminbi
JPMorgan China A-Share Opportunities (acc) - USD	US dollars

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month's notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution thereof (if any).

DISTRIBUTION POLICY

For the Manager's current distribution policy, please refer to the section entitled "DISTRIBUTION POLICY" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

BASES OF VALUATIONS

The method of establishing the net asset value of each Class is set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less liabilities of that Class, by the total number of units of that Class in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class and the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "Reports and Accounts" below.

DEALING

For details of the dealing procedure of the Fund, please refer to the section entitled "DEALING" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Fund is denominated in Renminbi.

Save for the minimum lump sum investment set out under the sub-section "Procedure for Application" below, the section entitled "SUBSCRIPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Initial Issue Price

The first issue of units of the existing Classes were made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan China A-Share Opportunities (acc) - HKD	HK\$10.00
JPMorgan China A-Share Opportunities (acc) - RMB	RMB10.00
JPMorgan China A-Share Opportunities (acc) - USD	US\$10.00

Procedure for Application

The minimum lump sum investment for each Class is normally HK\$16,000 (or its equivalent in another currency) for the JPMorgan China A-Share Opportunities (acc) - HKD Class, US\$2,000 (or its equivalent in another currency) for the JPMorgan China A-Share Opportunities (acc) - USD Class and RMB16,000 (or its equivalent in another currency) for the JPMorgan China A-Share Opportunities (acc) - RMB Class. The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment as permitted under the constitutive documents of the Fund and in respect of dealing through other channels as determined by the Manager from time to time.

REDEMPTIONS

Save for the procedure on payment of redemption monies set out in the sub-section entitled "Procedure for Redemption" below, the section entitled "REDEMPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Procedure for Redemption

The procedure on payment of redemption monies which applies to this Fund is set out below.

Partial redemptions of holdings of the Fund are permitted, provided that they do not result in a unitholder holding units in the JPMorgan China A-Share Opportunities (acc) - HKD Class having an aggregate value of less than normally HK\$16,000 (or its equivalent in another currency), in the JPMorgan China A-Share Opportunities (acc) - USD Class having an aggregate value of less than normally US\$2,000 (or its equivalent in another currency) or in the JPMorgan China A-Share Opportunities (acc) - RMB Class having an aggregate value of less than normally RMB16,000 (or its equivalent in another currency), after the request had been processed. If a redemption or switch request results in a holding below HK\$16,000 for the JPMorgan China A-Share Opportunities (acc) - HKD Class (or its equivalent in another currency), US\$2,000 for the JPMorgan China A-Share Opportunities (acc) - USD Class (or its equivalent in another currency) or RMB16,000 for the JPMorgan China A-Share Opportunities (acc) - RMB Class (or its equivalent in another currency), after the request had been processed, the Manager may, at its absolute discretion, treat the redemption or switch request as an instruction to redeem or switch, as appropriate, the total holding in the relevant Class.

Redemption proceeds will normally be made by telegraphic transfer. Unitholders may be liable for any bank charges on payment by telegraphic transfer.

Redemption proceeds for each Class will normally be paid in the relevant Class Currency. Arrangements may be made with the Manager for unitholders to receive payment in any other freely convertible currency. Unitholders are advised to contact the Manager for details of such arrangements. Any exchange costs will be deducted from the redemption monies.

SWITCHING

For the details on how to switch between Classes of units within the same Fund or between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled "SWITCHING" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge (normally up to 5 per cent. of the net asset value per unit of the relevant Class) from the gross subscription amount on the issue of units where applicable.

The Manager may also levy a redemption charge (normally up to 0.5 per cent. of the net asset value per unit of the relevant Class) from the redemption monies on the redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, "Distributors"), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1.75 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class) by giving to the Trustee and unitholders not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of each Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class' interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager and/or the Investment Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager and/or the Investment Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund. However, the Trustee currently receives a fee at the following rates of the Fund's net asset value:-

	<u>Rate (per annum)</u>
On the first RMB 270,000,000	0.06%
On the next RMB 200,000,000	0.04%
On the balance over RMB 470,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

RQFII Custodian Fee

The RQFII Custodian fee is not included in the above Trustee fee. In addition to the above Trustee fee, a separate custody fee of 0.075% per annum of the month end market value of the Fund's investment in securities listed on the PRC stock exchanges, and the related transaction fees will be paid by the Fund to the Trustee who will then cover the fees incurred by the RQFII Custodian (i.e. the RQFII Custodian fee).

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Fiscal Charges

For details of the fiscal charges policy of the Fund, please refer to the sub-section entitled "Fiscal Charge" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The cost of establishing the Fund which has not been fully amortised as at the date of this Explanatory Memorandum amounts to approximately HK\$471,000. These costs will be borne by the Fund and amortised by no later than the third financial year end (for the avoidance of doubt, if the Fund were to terminate for whatever reason before the third financial year end, any such cost remaining unamortised would be written off upon the Fund's termination).

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D - TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General";
- (ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/Region of Formation";
- (iii) "(iii) Taxation of Unitholders"; and
- (iv) the sub-paragraph entitled "The People's Republic of China ("PRC")" under the sub-section entitled "(iv) Investment Markets".

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled "REPORTS AND ACCOUNTS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

Save for the provisions on "Documents Available for Inspection", the general provisions under the section entitled "GENERAL" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The provisions on "Documents Available for Inspection" which apply to this Fund are set out below.

Documents Available for Inspection

Copies of the following documents are available for inspection free of charge during normal working hours at the offices of the Manager:

- (i) Trust Deed and Base Terms;
- (iii) Investment Management Agreement;
- (iv) the RQFII Custody Agreement between the Investment Manager (as RQFII holder) and the RQFII Custodian; and
- (iv) the Participation Agreement between the Manager, Investment Manager (as RQFII holder), the Trustee and the RQFII Custodian.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

RQFII Custodian

China Construction Bank Corporation
No.25, Finance Street
Xicheng District
Beijing 100033
People's Republic of China

Investment Manager and RQFII Holder

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan China Income Fund

INTRODUCTION

JPMorgan China Income Fund ("Fund") is a unit trust constituted by a Trust Deed dated 21 May 2009, as amended from time to time ("Trust Deed") governed by the laws of Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission ("SFC") under Section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund's portfolio is subject to market fluctuations and exchange rate control or fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited ("Manager"), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong. The Investment Manager has appointed China International Fund Management Co., Ltd. ("Investment Adviser"), a company incorporated in the People's Republic of China ("PRC"), to provide non-discretionary investment advice on A-Shares. The Investment Manager has further delegated the currency management of the Currency Hedged Classes to JPMorgan Asset Management (UK) Limited ("Sub-Manager"), a company incorporated in England and Wales.

HSBC Institutional Trust Services (Asia) Limited acting as trustee of the Fund ("Trustee"), is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments subject to the terms of the trust deed and this Explanatory Memorandum. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

Please refer to the section entitled "FUND PARTIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

HSBC Trustee (Cayman) Limited is the registrar of the Fund ("Registrar") and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective of the Fund is to provide investors with income and long-term capital growth by investing at least 70% of its non-cash assets in (a) equity securities of companies which are based in, listed on any stock exchange of, or operate principally in the PRC and that the Investment Manager expects to pay dividends and (b) Chinese debt securities issued and/or distributed in or outside the PRC.

The Fund may invest up to 50% of its non-cash assets in onshore PRC securities via the Qualified Foreign Institutional Investor ("QFII") quota of the Investment Manager.

The Fund may invest up to 100% of its non-cash assets in certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect (as further described in the sub-section headed "Shanghai-Hong Kong Stock Connect" below) and/or other similar programs as approved by the relevant regulators from time to time.

The Fund may invest up to 60% of its non-cash assets in Chinese debt securities issued and/or distributed in or outside the PRC, including but not limited to bonds, money market instruments and other debt securities which are issued by the Chinese issuers such as government, quasi-government organizations, agencies, financial institutions, and other corporations, organizations or entities domiciled in the PRC. The Chinese debt securities issued and/or distributed in the PRC are traded on the listed bond markets and/or the interbank bond market in the PRC.

The Fund may not invest more than 10% of its total net asset value in each type of the following instruments: (i) urban investment bonds¹ (城投債); (ii) asset backed securities (including asset backed commercial papers); and (iii) below investment grade bonds (i.e. (a) bonds rated below Baa3 by Moody's or BBB- by Standard & Poor's or such other terms used by international accredited rating agencies or (b) unrated bonds but their issuers are rated below Baa3 by Moody's or BBB- by Standard & Poor's or such other terms used by international accredited rating agencies) or unrated bonds (i.e. both the bonds and issuers are unrated by Moody's, Standard & Poor's or other international accredited rating agencies).

Subject to the investment restrictions as stipulated in the sub-section entitled "Investment Restrictions and Guidelines" below and subject to the relevant PRC laws and regulations, the Fund may also invest in derivatives such as options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time where the Manager considers appropriate in the circumstances.

Currency Hedged Classes

Investors who invest in the Currency Hedged Classes should refer to the section entitled "CLASSES OF UNITS" for details on the objective, strategy and risks associated with the Currency Hedged Classes.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Notwithstanding the above, the following investment restrictions and guidelines are also applicable to the Fund:

- (i) The aggregate value of the Fund's holding of securities issued by any single issuer which exceeds 5 per cent. of its total net assets value may not exceed 40 per cent. of the total net asset value of the Fund.
- (ii) The value of the Fund's holding of securities neither listed nor quoted on a market may not exceed 10 per cent. of its total net asset value.

For the purposes of (ii), market means any stock exchange, over-the-counter market or other organised securities market that is open to the international public and on which such securities are regularly traded.

- (iii) The value of the Fund's investment in (a) equity securities of companies which are based in, listed on any stock exchange of, or operate principally in China and that the Investment Manager expects to pay dividends and (b) Chinese debt securities issued and/or distributed in or outside the PRC shall not be less than 70 per cent. of its non-cash assets.
- (iv) In addition, the Fund may enter into futures contracts on an unhedged basis provided that the net total aggregate value of contract prices, whether payable to or by the Fund under all outstanding futures contracts may not exceed 20 per cent. of the total net asset value of the Fund.
- (v) The Fund may not sell short any securities.
- (vi) The Fund may not invest in any type of physical commodities or commodities based investments.

For the purposes of (vi):

(a) "physical commodities" includes gold, silver, platinum or other bullion.

(b) "commodity based investments" does not include shares in companies engaged in producing, processing or trading in commodities.

- (vii) The Fund may invest up to 100 per cent. of its total net asset value in China A-Shares via the Shanghai-Hong Kong Stock Connect.

¹ Urban investment bonds are debt instruments issued by local government financing vehicles ("LGFVs") in the China listed bond and interbank bond-market. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects.

Borrowing and Securities Lending Policy

The Fund may enter into borrowing arrangements for investment purposes or otherwise provided that the aggregate principal amount of borrowing outstanding shall not exceed 10 per cent. of the net asset value of the Fund except for the first 3 months after the end of the period of the initial offering of units, which the Manager determines and notifies to the Trustee ("Initial Offer Period"), during which the aggregate principal amount of borrowing outstanding shall not exceed 25 per cent. of the net asset value of the Fund. The Fund's assets may be charged or pledged as security for any such borrowings, the value of which will not, at the time of borrowing, exceed the aggregate principal amount of borrowing outstanding under normal market conditions. If the value of assets charged or pledged as security exceeds the aggregate principal amount of borrowing outstanding subsequent to the time of borrowing, the Manager and the Investment Manager will as a priority objective within a reasonable period of time take all steps as are necessary to remedy the situation taking due account of the interests of unitholders by reducing the value of assets charged or pledged to a level lower than the aggregate principal amount of borrowing outstanding. Back-to-back loans do not count as borrowing. The Fund may borrow money from the Trustee, the Manager or any of their connected persons provided that the lender is permitted to lend money and the interest and any fee is no higher than an arm's length commercial rate or fee for a loan of the same size and nature.

For the securities lending policy of the Fund, please refer to the section entitled "Securities Lending Policies" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Shanghai-Hong Kong Stock Connect

The section entitled "Shanghai-Hong Kong Stock Connect" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled "RISKS" in section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) China market risk – Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market. For more than 50 years, the central government of the PRC has adopted a planned economic system. Since 1978, the PRC government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the PRC economy. Such reforms have resulted in significant economic growth and social progress.

Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock companies in the PRC or in listed securities such as "A", "B" and "H" shares.

The choice of "A", "B" and "H" share issues currently available to the Manager may be limited as compared with the choice available in other markets. There may also be a lower level of liquidity in the PRC "A" and "B" share markets, which are relatively smaller in terms of both combined total market value and the number of "A" and "B" shares which are available for investment as compared with other markets. This could potentially lead to severe price volatility.

The national regulatory and legal framework for capital markets and joint stock companies in the PRC are still developing when compared with those of developed countries. Most of the joint stock companies with listed A-Shares have undergone split-share structure reform to convert state owned shares or legal person shares into transferable shares with the intention to increase liquidity of A-Shares. However, the effects of such reform on the A-Share market as a whole and other PRC securities remain to be seen. In addition, trading band limits may be imposed by the PRC stock exchanges on China A-Shares, where trading in a China A-Share security on the relevant PRC stock exchange may be suspended if the trading price of such security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the Fund to liquidate its positions (if any) in such security. Also, it may not be possible for the Fund to liquidate positions at a favourable price even when the suspension is lifted. Such trading band limit may therefore adversely affect the Fund's investment in China A-Shares.

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following PRC accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Investments in the PRC will be sensitive to any significant change in political, social or economic policy in the PRC. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The PRC government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies that issue the relevant PRC securities invested in by the Fund.

In light of the above mentioned factors, the price of PRC securities may fall significantly in certain circumstances and may have an adverse effect on the Fund's performance.

- (ii) QFII risk - Under the prevailing regulations in the PRC, foreign investors can invest in the securities of the Chinese domestic securities market pursuant to the applicable QFII rules and regulations ("QFII Eligible Securities") through institutions that have obtained QFII status in the PRC. The current QFII regulations impose strict restrictions (such as investment guidelines) on QFII Eligible Securities investment.

The Fund itself is not a QFII, but may invest directly in QFII Eligible Securities via the QFII status of the Investment Manager and/or other QFII holders. The QFII status could be revoked, in particular because of material violations of rules and regulations by the QFII. If the Investment Manager loses its QFII status, the Fund may not be able to invest directly in QFII Eligible Securities and may be required to dispose of its holdings which would likely have a material adverse effect on the Fund.

The Investment Manager has assumed dual roles as the investment manager of the Fund and the QFII holder for the Fund. The Investment Manager will ensure all transactions and dealings will be dealt with having regard to the constitutive documents of the Fund as well as the relevant laws and regulations applicable to the Investment Manager as QFII. If any conflicts of interest arise, the Manager will in conjunction with the Trustee seek to ensure that the Fund is managed in the best interests of unitholders and the unitholders are treated fairly.

The Investment Manager's QFII investment quota is granted to it as a whole and not simply to investments made by the Fund. There can be no assurance that the Investment Manager will be able to allocate a sufficient portion of its QFII investment quota to meet all applications for subscription to the Fund, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations, including changes in QFII repatriation restrictions. Such restrictions may result in suspension of dealings of the Fund.

In extreme circumstances, the Fund may incur significant loss due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFII investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

QFII Eligible Securities acquired by the Fund through the QFII facility will be maintained by the QFII's local custodian in the PRC ("PRC Custodian"), in electronic form via the securities account(s) in such name as may be permitted or required in accordance with PRC law with the China Securities Depository and Clearing Corporation Limited and/or other relevant depositories. The PRC Custodian is China Construction Bank Corporation which is one of the largest banks in the PRC. Pursuant to an operating agreement entered into between the Investment Manager as the QFII, the PRC Custodian and the Trustee relating to the custody, operation and management of the Fund's assets in the PRC, the PRC Custodian is responsible for providing custody services to the Fund's cash and securities assets in the PRC. The QFII will also select brokers ("PRC Brokers") to execute transactions for the Fund in the PRC markets. The Investment Manager as QFII has established futures account with PRC Broker. Futures margin will be placed in an account of such PRC Broker with a licensed futures margin depository bank in the PRC in accordance with applicable laws and regulations. The Fund may incur losses due to the acts or omissions or insolvency of the PRC Brokers or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in the PRC, the Manager will make arrangements to ensure that the PRC Brokers and the PRC Custodian have appropriate procedure to properly segregate the Fund's assets from the assets of the relevant PRC Brokers and the PRC Custodian.

According to the CSRC's Provisions on Issues relating to Implementation of the Administration Measures for the Domestic Securities Investment by Qualified Foreign Institutional Investors ("CSRC Provisions"), the securities account(s) for the Fund in the PRC is(are) currently required to be maintained in the joint names of the Investment Manager as the QFII and the Fund. Although the CSRC Provisions indicates that the assets in such account(s) would belong to the Fund, such Provisions

serves as a regulation promulgated by the CSRC and may be amended, superseded or invalidated by the CSRC, and does not have equal force of the law enacted by legislative bodies in the PRC.

There are rules and restrictions under current QFII regulations including rules on remittance of principal, investment restrictions, lock-up periods, and repatriation of principal and profits. The State Administration of Foreign Exchange ("SAFE") formally promulgated the Regulations on Administration of Foreign Exchange regarding Onshore Securities Investment by QFII ("SAFE Rules") in 2009, which superseded the foreign exchange rules issued by the SAFE in 2002 governing the remittance and repatriation of funds of QFIIs. The SAFE Rules were further revised in 2012 and 2016. Pursuant to the SAFE Rules, the lock-up period in case of an open-ended fund is three months. The SAFE Rules provides that the aggregate net amount of funds to be repatriated from the PRC each month by the open-ended fund may not exceed 20% of such fund's total domestic assets as at the end of the previous calendar year, and the aggregate net amount of funds repatriated from the PRC each month by the Investment Manager as a QFII may not exceed 20% of the Investment Manager's total domestic assets as at the end of the previous calendar year. The amount of principal repatriated in each repatriation (as calculated in accordance with a prescribed formula) will be set as the amount of principal that the QFII is allowed to remit into the PRC again. These restrictions apply to the Fund pursuant to the investment quota obtained by the QFII through filing and/or approval by SAFE. In any case, QFII restrictions on repatriations may apply to the investment quota granted to the Investment Manager as the QFII as a whole and may not simply apply to investments made by the Fund. The capacity of the Fund to make investments in QFII Eligible Securities and the ability to repatriate funds may be thus adversely affected by the investments, performance and/or repatriation of funds invested by other client accounts or open-ended funds managed by the Investment Manager utilising its QFII investment quota or by the Investment Manager itself.

Investments in QFII Eligible Securities will be made through the QFII in Renminbi. The Fund will be exposed to any fluctuation in the exchange rate between US dollars and Renminbi in respect of such investments.

Investors should also note that direct investments in QFII Eligible Securities through QFIIs are subject to compliance with the investment restrictions currently imposed under QFII regulations in the PRC, as amended from time to time, which are applied on each foreign investor investing through QFIIs and which will affect the ability of the Fund to invest in QFII Eligible Securities.

- (iii) Risk associated with foreign shareholding restrictions on China A-Shares - Investments on China A-Shares through QFII investment quotas and Shanghai-Hong Kong Stock Connect are subject to the following shareholding restrictions:
- Single foreign investors' shareholding by any Hong Kong or overseas investor (such as the Fund) in a China A-Share must not exceed 10% of the total issued shares; and
 - Aggregate foreign investors' shareholding by all Hong Kong and overseas investors (such as the Fund) in a China A-Share must not exceed 30% of the total issued shares.

When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the "Measures for the Administration of Strategic Investment of Foreign Investors in Listed Companies" (《外國投資者對上市公司戰略投資管理辦法》), the shareholding of the strategic investments is not capped by the abovementioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total shareholding is approaching the upper limit.

As there are limits on the total shares held by all underlying foreign investors in one listed company in the PRC, the capacity of the Fund to make investments in A-Shares will be affected by the activities of all underlying foreign investors investing through QFIIs or Shanghai-Hong Kong Stock Connect or any other permissible ways to obtain A-Shares investment exposures, not just the Investment Manager as QFII itself or other investors who make investment through the QFII status of the Investment Manager or other investors who make investment through Shanghai-Hong Kong Stock Connect.

- (iv) Risk associated with short swing profit rule - According to the PRC Securities Law (《中華人民共和國證券法》), a shareholder of 5% or more of the total issued shares of a PRC listed company ("major shareholder") has to return any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the event that the Fund or the Investment Manager (deemed as person acting in concert) becomes a major shareholder of a PRC listed company by investing in China A-Shares via QFII investment quotas or Shanghai-Hong Kong Stock Connect, the profits that the Fund may derive from such investments may be limited, and thus the performance of the Fund may be adversely affected.

(v) PRC exchange traded stock index futures risk - The PRC futures exchanges are in the process of development. This may lead to greater trading volatility, difficulty in settlement and uncertainty in interpreting and applying the relevant regulations. The China Financial Futures Exchange ("CFFEX") has granted a hedging quota to the Investment Manager (as the QFII) specifically for the use by the Fund to invest directly in PRC exchange traded stock index futures contracts for hedging purpose. The hedging quota is subject to an intra day turnover limit imposed by the CSRC. There is no guarantee that the hedging quota will be used, or if used, will achieve the desired result. In addition, the hedging quota has a fixed term. There is no guarantee that the Investment Manager (as QFII) will renew its application for the Fund after expiry of the term or the CFFEX will approve any application for renewal or whether the same amount of hedging quota will be granted. Any changes in the relevant regulations may also affect the hedging quota or any renewal application. Please also refer to the "Derivative risk" under the section entitled "RISKS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds for general risk in relation to derivatives investments.

(vi) RMB currency risk - RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. RMB exchange rate is also subject to exchange control policies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the relevant authorities of the People's Republic of China. As the exchange rates are influenced by government policy and market forces, the exchange rates for RMB against other currencies, including US dollars and HK dollars, are susceptible to movements based on external factors. Accordingly, the investment in Classes denominated in RMB may be adversely affected by the fluctuations in the exchange rate between RMB and other foreign currencies.

RMB is currently not freely convertible and RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and restrictions imposed by the Chinese government.

Classes denominated in RMB will generally be valued with reference to RMB (CNH) rather than RMB (CNY). While RMB (CNH) and RMB (CNY) represent the same currency, they are traded in different and separate markets which operate independently and trade at different rates. As such RMB (CNH) does not necessarily have the same exchange rate and may not move in the same direction as RMB (CNY). Any divergence between CNH and CNY may adversely impact investors.

Classes denominated in RMB participate in the offshore RMB (CNH) market, which allow investors to freely transact CNH outside of mainland China. Classes denominated in RMB will have no requirement to remit CNH to onshore RMB (CNY). Non-RMB based investors (e.g. Hong Kong investors) in Classes denominated in RMB may have to convert HK dollars or other currencies into RMB when investing in Classes denominated in RMB and subsequently convert the RMB redemption proceeds and/or distributions (if any) back to HK dollars or such other currencies. Investors will incur currency conversion costs and may suffer losses depending on the exchange rate movements of RMB relative to HK dollars or such other currencies. Also, there can be no assurance that RMB will not be subject to devaluation and any depreciation of RMB could adversely affect the value of the investor's investment in the Fund.

Even if the Fund aims at paying redemption monies and/or distributions of RMB denominated Classes in RMB, the Manager may, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, pay redemption monies and/or distributions in the Fund's base currency. There is also a risk that payment of redemption monies and/or distributions in RMB may be delayed when there is not sufficient amount of RMB for currency conversion for settlement of the redemption monies and distributions in a timely manner due to the exchange controls and restrictions applicable to RMB. In any event, the redemption proceeds will be paid not later than one calendar month after the relevant dealing day on which units are redeemed and the Manager has received a duly completed redemption request in a prescribed format and such other information as the Trustee or the Manager may reasonably require.

(vii) Risks associated with the Shanghai-Hong Kong Stock Connect - The Fund may invest through the Shanghai-Hong Kong Stock Connect. In addition to the risks associated with the China market, RMB currency risk, risk associated with foreign shareholding restrictions on China A-Shares and risk associated with short swing profit rule it is also subject to the following additional risks:

Quota limitations

- The Shanghai-Hong Kong Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Fund's ability to invest in China A-Shares through Shanghai-Hong Kong Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment strategies.

Suspension risk

- It is contemplated that both SEHK and SSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through Shanghai-Hong Kong Stock Connect is effected, the Fund's ability to access the PRC market will be adversely affected. The Fund may therefore not be able to sell the A-shares acquired via Shanghai-Hong Kong Stock Connect to meet any redemption requests in timely manner.

Operational risk

- The Shanghai-Hong Kong Stock Connect provides a new channel for investors from Hong Kong and overseas to access the China stock market directly.
- The Shanghai-Hong Kong Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.
- It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.
- Further, the "connectivity" in the Shanghai-Hong Kong Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring

- PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.
- If the Fund desires to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its brokers before the market opens on the day of selling ("trading day") unless its brokers can otherwise confirm that the Fund has sufficient shares in its account. If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Fund may not be able to dispose of holdings of China A-Shares in a timely manner.

Alternatively, if the Fund maintains its China A-Shares with a custodian which is a custodian participant or general clearing participant participating in CCASS, the Fund may request such custodian to open a special segregated account ("SPSA") in CCASS to maintain its holdings in China A-Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Shanghai-Hong Kong Stock Connect system to verify the holdings of an investor such as the Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the Fund's sell order, the Fund will only need to transfer China A-Shares from its SPSA to its broker's account after execution and not before placing the sell order and the Fund will not be subject to the risk of being unable to dispose of its holdings of China A-Shares in a timely manner due to failure to transfer China A-Shares to its brokers in a timely manner.

Recalling of eligible stocks

- When a stock is recalled from the scope of eligible stocks for trading via Shanghai-Hong Kong Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Fund, for example, when the Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Clearing and settlement risk

- The HKSCC and ChinaClear has established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.
- Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Participation in corporate actions and shareholders' meetings

- HKSCC will keep CCASS participants informed of corporate actions of SSE Securities. Hong Kong and overseas investors (including the Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities may be as short as one business day only. Therefore, the Fund may not be able to participate in some corporate actions in a timely manner.
- Hong Kong and overseas investors (including the Fund) are holding SSE Securities traded via Shanghai-Hong Kong Stock Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the Fund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities.

No protection by Investor Compensation Fund

- Investment through the Shanghai-Hong Kong Stock Connect program is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations.
- As disclosed under the sub-section entitled "Shanghai-Hong Kong Stock Connect" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS", the Fund's investments through Northbound trading under Shanghai-Hong Kong Stock Connect is not covered by the Hong Kong's Investor Compensation Fund. Therefore the Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the program.

Regulatory risk

- The Shanghai-Hong Kong Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Shanghai-Hong Kong Stock Connect.
- It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Shanghai-Hong Kong Stock Connect will not be abolished. The Fund, which may invest in the PRC markets through Shanghai- Hong Kong Stock Connect, may be adversely affected as a result of such changes.

- (viii) People's Republic of China ("PRC") tax risk consideration - There are risks and uncertainties associated with the current PRC tax laws, regulations and practice on the Fund's investments in the PRC. Any increased tax liabilities on the Fund may adversely affect the Fund's value. The Manager and Investment Manager reserve the right to provide for tax on gains of the Fund that invests in PRC securities thus impacting the valuation of the Fund. Based on professional tax advice, except for gains from China A-Shares which are specifically exempt under a temporary exemption from the Enterprise Income Tax Law effective from 17 November 2014, a tax provision of 10% is fully provided for all PRC sourced income (including gains from PRC securities, dividends and interest) until sufficient clarity is given by the PRC authorities to exempt specific types of PRC sourced income (e.g. gains from PRC bonds).

With the uncertainty of whether and how certain gains on PRC securities are to be taxed, the possibility of the laws, regulations and practice in the PRC changing, and the possibility of taxes being applied retrospectively, any provision for taxation made by the Manager and/or the Investment Manager may be excessive or inadequate to meet final PRC tax liabilities on gains derived from the disposal of PRC securities. Consequently, investors may be advantaged or disadvantaged

depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and/or redeemed their units in/from the Fund. This is unavoidable where investors can subscribe and/or redeem their units in/from the Fund and where there is uncertainty as to taxation. The net asset value per unit of the Fund is calculated daily and units of the Fund can be redeemed at the net asset value per unit. After redemption, investors cannot be impacted either positively or negatively. Consequently, a past unitholder will receive nothing from a subsequent release of a provision or increase in the market value of investments and will not be adversely impacted by an increase in a provision where there is a shortfall. In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Fund's assets, the Fund's net asset value will be adversely affected.

For more information on the PRC taxation of PRC securities and the provisioning for such taxation, please refer to the sub-paragraph entitled "The People's Republic of China ("PRC")" under the sub-section entitled "(iv) Investment Markets" under Section D – TAX NOTES of the Consolidated Explanatory Memoranda.

- (ix) Connected party risk – The Fund will be investing in A-Shares and fixed income instruments via the QFII status of the Investment Manager. Although the Manager, the Investment Manager and the Investment Adviser are all part of the JPMorgan group of companies, each of such entities will operate independently in assuming their respective duties and obligations in relation to the Fund and are subject to the supervision of their relevant industry regulators. All transactions and dealings between such entities in relation to the Fund will be dealt with on arm's length basis having regard to the constitutive documents of the Fund as well as the relevant regulatory codes applicable to such entities. In the unlikely event that conflicts of interest arise, the Manager in conjunction with the Trustee will seek to ensure that the Fund is managed in the best interests of unitholders and the unitholders are treated fairly.
- (x) Custodial risk – The Trustee may appoint directly or indirectly custodians or sub-custodians in local markets for the purposes of safekeeping of assets in those markets. The Trustee's liability shall not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Trustee must exercise care and diligence in the selection and appointment of a custodian or sub-custodian as a safekeeping agent so as to ensure that the custodian or sub-custodian has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned and the Trustee must maintain an appropriate level of supervision over the custodian or sub-custodian and make appropriate enquiries from time to time to confirm that the obligations of the custodian or sub-custodian continue to be competently discharged. The Trustee will not however be responsible for any loss suffered by the Fund by reason only of the liquidation, bankruptcy or insolvency of any such custodian or sub-custodian which are not member of the group of companies to which the Trustee belongs.
- (xi) PRC Brokerage risk – The execution and settlement of transactions or the transfer of any funds or securities may be conducted by PRC Brokers appointed by the Investment Manager (as QFII holder).

There is a risk that the Fund may suffer significant losses from the default, disqualification or bankruptcy of the PRC Brokers, including losses of any futures margin held by PRC futures brokers in the event of their bankruptcy. In these events, the Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

In selection of PRC Brokers, the Investment Manager (as QFII holder) will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. The Investment Manager will exercise reasonable care and diligence in the selection, appointment and ongoing monitoring of the PRC Brokers and ensure it is satisfied that the PRC Brokers remain suitably qualified and competent to provide the relevant service. If the Investment Manager considers appropriate, it is possible that a single PRC Broker will be appointed and the Fund may not necessarily pay the lowest commission available in the market.

- (xii) Below investment grade/lower rated or unrated investment risk – The Fund may invest in bonds and other debt securities which are unrated or with ratings below investment grade. Accordingly, such investment will be accompanied by a higher degree of credit and liquidity risk than is present with investment in higher rated securities. During economic downturns such bonds typically fall more in value than investment grade bonds as such are often subject to a higher risk of issuer default. The net asset value of the Fund may decline or be negatively affected if there is a default of any of the bonds with credit rating of below investment grade that the Fund invests in or if interest rates change.
- (xiii) Investment grade bond risk – Investment grade bonds are assigned ratings within the top rating categories by rating agencies (including but not limited to Fitch, Moody's and/or Standard & Poor's) on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review such assigned ratings and bonds may therefore be downgraded in rating if economic circumstances (e.g. subject to market or other conditions) impact the relevant bond issues. Downgrading of the bonds may adversely affect the value of the relevant bonds and therefore the performance of the Fund. The Fund may or may not be able to dispose of the bonds that are downgraded. Also, the Fund may face higher risks of default in interest payment and principal repayment. As a result, investors may get back less than they originally invested.

- (xiv) Payment of distributions out of capital risk - Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment. As a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value per unit. Also, a high distribution yield does not imply a positive or high return on the total investment. The distribution amount and the net asset value per unit of a Currency Hedged Class may be adversely affected by differences in the interest rates of the reference currency of the relevant Currency Hedged Class and the Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other Classes of units.
- (xv) Credit risk - If the issuer of any of the securities in which the Fund's assets are invested defaults, the performance of the Fund will be adversely affected and the Fund could suffer substantial loss. For fixed income securities, a default on interest or principal may adversely impact the performance of the Fund. Decline in credit quality of the issuer may adversely affect the valuation of the relevant bonds and the Fund. The credit ratings assigned by credit rating agencies do not guarantee the creditworthiness of the issuer.
- (xvi) "Dim Sum" bond (i.e. bonds issued outside of the PRC but denominated in RMB) market risks - The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the net asset value of the Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (CNH) market by the relevant regulator(s).
- (xvii) Risk relating to dynamic asset allocation strategy - The investments of the Fund may be periodically rebalanced and therefore the Fund may incur greater transaction costs than a fund with static allocation strategy.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Classes are available:

Class	Class Currency
JPMorgan China Income (acc) - USD	US dollars
JPMorgan China Income (mth) - HKD	HK dollars
JPMorgan China Income (mth) - RMB (hedged)	Renminbi
JPMorgan China Income (mth) - USD	US dollars

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month's notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution therefor (if any).

Currency Hedged Classes

For details of Currency Hedged Class of the Fund, please refer to the sections entitled "Currency Hedged Classes" and "AUD Hedged Class/CAD Hedged Class/EUR Hedged Class/GBP Hedged Class/HKD Hedged Class/NZD Hedged Class/RMB Hedged Class/SGD Hedged Class/USD Hedged Class" respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

DISTRIBUTION POLICY

The Manager has the sole and absolute discretion to amend the distribution policy, subject to the SFC's prior approval (if applicable) and one month's prior notice to the relevant unitholders.

Classes with the suffix “(acc)”

Classes with the suffix “(acc)” are accumulation Classes and will not normally pay distributions. All income will be accumulated and reinvested within the corresponding Classes of the Fund.

Other Classes

It is the intention of the Manager to have at least 85 per cent. of the income attributable to the following Classes respectively in respect of each accounting period, after charging the expenses attributable to these Classes respectively, to be distributed to unitholders of these Classes respectively:

Class
JPMorgan China Income (mth) - HKD
JPMorgan China Income (mth) - RMB (hedged)
JPMorgan China Income (mth) - USD

It is the intention of the Manager to make distributions on a monthly basis or/and such other time as the Manager may, with the prior approval of the Trustee, notify to unitholders. The Manager expects to be able to pay distributions from its income generated by the Fund from its investment, but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. Please also refer to the risk factor entitled “Payment of distributions out of capital risk” under the section entitled “RISKS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Manager upon request and at the website www.jpmorganam.com.hk[#].

The transferee of a unit will be entitled to a distribution in respect of such unit if the Registrar has received a valid instrument of transfer (duly stamped if required) in respect of the unit by 3:30 p.m. (Hong Kong time) on the last cum distribution dealing date. The subscriber of a unit shall be entitled to a distribution in respect of such unit if the application for the unit is received by the Manager by 5:00 p.m. (Hong Kong time) on the last cum distribution dealing date.

Reinvestment of Distributions

It is the Manager's current policy to reinvest automatically any distributions in the subscription of further units of the corresponding Class of units of the Fund, unless unitholders notify the Manager otherwise in writing and the amount of the relevant distribution equals to or exceeds US\$250 (or its equivalent in another currency). Such further units will be issued on the date of distribution, or if that is not a dealing day, on the next following dealing day. No initial charge will be made on the issue of such further units. In the event that a unitholder redeems or switches its entire holding of the relevant Class before the actual payment date of any distributions, the Manager will redeem the reinvested units on the actual payment date and pay the redemption proceeds to the unitholder in cash if the reinvested units do not meet the relevant minimum holding requirement.

Payment of Distributions by cheque

For unitholders who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units (except for unitholders of the RMB denominated Class), payment will be made by cheque in the offering currency of the relevant Class and sent, at the risk of the persons entitled thereto, to such persons at the address (or first address in the case of any joint holding) shown in the register of unitholders or as they may direct. Any distribution which is not claimed for six years will be forfeited and becomes part of the assets of the relevant Class (and in case such relevant Class has been terminated, the Fund).

Payment of Distributions by telegraphic transfer

For unitholders of the RMB denominated Class who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units, payment will normally be made by telegraphic transfer, unless otherwise agreed by the Manager. Unitholders may be liable for any bank charges on payment by

[#] The website has not been reviewed by the SFC.

telegraphic transfer. Notwithstanding the aforesaid, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, the Manager may pay distributions in Fund's base currency.

BASES OF VALUATIONS

The method of establishing the net asset value of each Class is set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less liabilities of that Class, by the total number of units of that Class in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in US dollars. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "Reports and Accounts" below.

DEALING

For details of the dealing procedure of the Fund, please refer to the section entitled "DEALING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

The section entitled "SUBSCRIPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Initial Issue Price

The first issue of units of the JPMorgan China Income (acc) - USD was made at a price of US\$10.00 per unit, excluding the initial charge.

In addition, the first issue of units of the following Classes will be made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan China Income (mth) - HKD	HK\$10.00
JPMorgan China Income (mth) - RMB (hedged)	RMB10.00
JPMorgan China Income (mth) - USD	US\$10.00

REDEMPTIONS

Redemption of Units

The section entitled "REDEMPTIONS - Redemption of Units" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Procedure for Redemption and Suspension of Redemptions

Save for the procedure on payment of redemption monies, the procedure for redemption and the Manager's current policy on suspension of redemptions under the sections entitled "REDEMPTIONS - Procedure for Redemption" and "REDEMPTIONS -

Suspension of Redemptions” respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The procedure on payment of redemption monies which applies to this Fund is set out below.

The amount due on the redemption of units will normally be paid within 5 Business Days, and in any event by 1 calendar month from the relevant dealing day. A “Business Day” is each day, other than a Saturday or a Sunday or a Hong Kong public holiday, on which banks in Hong Kong are open for normal banking business and on which stock exchanges or markets on which, in the opinion of the Manager, all or part of investments of the Fund are quoted, listed or dealt in are open for trading or such other day(s) as the Manager and the Trustee may otherwise agree.

As noted in paragraph (ii) under the section entitled “RISKS” above, the aggregate net amount of funds to be repatriated from the PRC each month by the Fund may not exceed 20% of the Fund’s total domestic assets as at the end of the previous calendar year, and the aggregate net amount of funds to be repatriated from the PRC each month by the Investment Manager as a QFII may not exceed 20% of the Investment Manager’s total domestic assets as at the end of the previous calendar year. In cases where the aggregate net amount of funds required to be outwardly repatriated from the PRC in the relevant month exceeds any of the aforesaid limits, payment of the amount due on the redemption of units may be delayed and the same will be paid to investors as soon as practicable and in any event within 7 Business Days after completion of the relevant repatriation. The time required for the completion of the relevant repatriation will be beyond the Manager’s control.

Payment will normally be made by telegraphic transfer where the unitholder has provided payment details for this purpose. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Where the unitholder has not provided bank payment details or where the redemption amount is less than US\$1,000 (or its equivalent in another currency), redemption proceeds will normally be paid by cheque, posted at the risk of the unitholder. No third party payments will be made.

SWITCHING

For details on how to switch between Classes of units within the same Fund or between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled “SWITCHING” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge (normally up to 5 per cent. of the net asset value per unit of the relevant Class) from the gross subscription amount on the issue of units where applicable and receive a redemption charge (normally up to 0.5 per cent. of the net asset value per unit of the relevant Class) from the redemption monies on the cancellation or redemption of units where applicable. The Manager does not currently levy any redemption charge.

The Manager reimburses approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, “Distributors”), a proportion of the commissions, charges, fees or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1.75 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class) by giving to the Trustee and unitholders not less than one month’s notice of the increased level of management fee. The management fee shall accrue on each dealing day based on the net asset value of each Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class’ interest in such unit trust or scheme.

The fees of the Investment Manager will be borne by the Manager. The fees of the Sub-Manager and the Investment Adviser will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund which will be calculated before deduction of any management fee and trustee fee accruing to or on the relevant Dealing Day. However, the Trustee currently

receives a trustee fee at the following rates of the Fund's net asset value which is calculated before deduction of any management fee and trustee fee accruing to or on the relevant Dealing Day:-

	<u>Rate (per annum)</u>
On the first US\$40,000,000	0.06%
On the next US\$30,000,000	0.04%
On the balance over US\$70,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each Dealing Day and shall be payable monthly in arrears.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Fiscal Charges

For details of the fiscal charges policy of the Fund, please refer to the sub-section entitled "Fiscal Charge" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

There are no unamortised establishment costs outstanding relating to this Fund.

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D - TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General";
- (ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/Region of Formation";
- (iii) "(iii) Taxation of Unitholders"; and
- (iv) the sub-paragraph entitled "The People's Republic of China ("PRC")" under the sub-section entitled "(iv) Investment Markets".

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled "REPORTS AND ACCOUNTS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

Save for the provisions on "Documents Available for Inspection" and "Duration of the Funds", the general provisions under the section entitled "GENERAL" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The provisions on "Documents Available for Inspection" and "Duration of the Fund" which apply to this Fund are set out below.

Documents Available for Inspection

Copies of the following documents are available for inspection free of charge during normal working hours at the offices of the Manager:

- (i) Trust Deed and Base Terms.
- (ii) Investment Management Agreement.
- (iii) Investment Advisory Agreement.
- (iv) Operating Agreement.

Duration of the Fund

Unless previously terminated, the Fund will terminate automatically on the date immediately preceding the eightieth anniversary of the date of the Trust Deed. The Manager may, in certain circumstances, by notice in writing to the Trustee terminate the Fund at any time. Such circumstances include (i) the QFII status of the Investment Manager is revoked by the competent authority or regulator of the PRC; (ii) the passing of any law which renders it illegal to continue the Fund or, in the opinion of the Manager, impracticable or inadvisable to continue the Fund; (iii) where the aggregate net asset value of the Fund falls below US\$20,000,000 or its equivalent in the currency in which the Fund is denominated; or (iv) where the Manager (with the approval of the Trustee) considers termination of the Fund is in the best interest of unitholders. The Fund may also be terminated by Extraordinary Resolution of the unitholders at any time.

The Manager may in its absolute discretion, but subject to any required approval of the SFC, if it considers it to be in the best interest of unitholders, give not less than 3 months' written notice to unitholders and the Trustee (or such shorter period of notice as the SFC may agree) of termination of the Fund and, (a) in consideration for subscription in cash following realisation of the assets of the Fund or the transfer of substantially all the assets of the Fund, apply for new shares, units or other interests in a collective investment scheme (whether a unit trust, an open-ended investment company or otherwise) whose investment objectives and restrictions are substantially the same as those of the Fund and in its application determine whether such new shares, units or other interests are to be issued or registered in the name of unitholders directly or in a company nominated by the Manager as nominee for unitholders; or (b) distribute on a pro rata basis all or any of the investments held by the Fund to unitholders or into the name of a company nominated by the Manager as nominee for unitholders.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Sub-Manager

JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom

Investment Adviser

China International Fund Management Co. Ltd.
20/F, Aurora Plaza
99 Fu Cheng Road, Pudong
Shanghai 200120
People's Republic of China

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan China Pioneer A-Share Fund

INTRODUCTION

JPMorgan China Pioneer A-Share Fund (“Fund”) is a unit trust constituted by a Trust Deed dated 14 June 2006, as amended from time to time (“Trust Deed”) governed by the laws of Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission (“SFC”) under Section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) (“SFO”) and the Code on Unit Trusts and Mutual Funds (“SFC Code”). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund’s portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited (“Manager”), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited (“Investment Manager”), a company incorporated with limited liability in Hong Kong. The Investment Manager has appointed China International Fund Management Co., Ltd. (“Investment Adviser”), a company incorporated in the People’s Republic of China (“PRC”), to provide investment advice on A-Shares.

HSBC Institutional Trust Services (Asia) Limited acting as trustee of the Fund (“Trustee”), is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund’s investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

Please refer to the section entitled “FUND PARTIES” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

HSBC Trustee (Cayman) Limited is the registrar of the Fund (“Registrar”) and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective and policy of the Fund is to achieve long-term capital growth by investing primarily in PRC securities, including but not limited to A-Shares.

The Fund will invest in PRC securities via the Qualified Foreign Institutional Investor (“QFII”) quota of the Investment Manager. For the investment in China A-Shares, the Fund may also invest and have direct access to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect (as further described in the sub-section entitled “Shanghai-Hong Kong Stock Connect” below) and/or other similar programs as approved by the relevant regulators from time to time.

The Fund may invest in derivatives such as forward contracts, options, warrants and futures for investment and hedging purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

The Fund may not invest more than 10% of its total net asset value in each type of the following instruments: (i) urban investment bonds¹ (城投債); (ii) asset backed securities (including asset backed commercial papers); and (iii) below investment grade bonds (i.e. (a) bonds rated below Baa3 by Moody’s or BBB- by Standard & Poor’s or such other terms used by international accredited rating agencies or (b) unrated bonds but their issuers are rated below Baa3 by Moody’s or BBB- by Standard & Poor’s or such other

¹ Urban investment bonds are debt instruments issued by local government financing vehicles (“LGFVs”) in the China listed bond and interbank bond-market. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects.

terms used by international accredited rating agencies) or unrated bonds (i.e. both the bonds and issuers are unrated by Moody's, Standard & Poor's or other international accredited rating agencies).

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Notwithstanding the above, the following investment restrictions and guidelines are also applicable to the Fund:

- (i) The aggregate value of the Fund's holding of securities issued by any single issuer which exceeds 5 per cent. of its total net assets value may not exceed 40 per cent. of the total net asset value of the Fund.
- (ii) The value of the Fund's holding of securities neither listed nor quoted on a market may not exceed 10 per cent. of its total net asset value.
- (iii) The value of the Fund's holding of A-Shares (including instruments which gain an exposure in A-Shares) shall not be less than 70 per cent. of its non-cash assets.
- (iv) In addition, the Fund may enter into futures contracts on an unhedged basis provided that the net total aggregate value of contract prices, whether payable to or by the Fund under all outstanding futures contracts may not exceed 20 per cent. of the total net asset value of the Fund.
- (v) The Fund may not sell short any securities.
- (vi) The Fund may not invest in any type of physical commodities or commodities based investments.

For the purposes of (vi):

- (a) "physical commodities" includes gold, silver, platinum or other bullion; and*
- (b) "commodity based investments" does not include shares in companies engaged in producing, processing or trading in commodities.*
- (vii) Notwithstanding (xiv), (xix) and (xx) respectively in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:
 - (a) the Fund may invest in one or more underlying schemes which are either recognised jurisdiction schemes or schemes authorised by the SFC. The value of the Fund's holding of units or shares in each such underlying scheme may not exceed 20 per cent. of its total net asset value;
 - (b) the Fund may not sell short any securities;
 - (c) the Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;
- (viii) In addition to and without contradicting the investment restrictions and guidelines set out in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, the following investment restrictions and guidelines shall apply to the Fund (for the avoidance of doubt, the more restrictive investment restrictions and guidelines shall apply):
 - (a) the Fund may invest up to 30 per cent. of its total net asset value in Korean Won denominated securities or assets;
 - (b) the value of the Fund's total holdings with any single entity (including, but not limited to, securities, listed and unlisted derivative instruments and deposits) may not exceed 35 per cent. of its total net asset value, however, if such holdings with any single issuer also include over-the-counter derivatives (in addition to securities, listed and unlisted derivative instruments and deposits), such holdings may not exceed 20 per cent. of the Fund's total net asset value; provided however that the investment restriction in this paragraph (viii)(b) does not affect paragraph (v) in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds; and

- (c) the Fund's total risk exposure in respect of over-the-counter derivatives issued by any single counterparty may not exceed 10 per cent. of its total net asset value.
- (ix) The Fund may invest up to 100 per cent. of its total net asset value in China A-Shares via the Shanghai-Hong Kong Stock Connect.

Borrowing and Securities Lending Policy

The Fund may enter into borrowing arrangements. Any such borrowing by the Fund shall be temporary and for unavoidable circumstances only, including but not limited to, payment of redemption amounts provided that the aggregate principal amount of borrowing outstanding shall not exceed 10 per cent. of the net asset value of the Fund. The Fund's assets may be charged or pledged as security for any such borrowings. Back-to-back loans do not count as borrowing. The Fund may borrow money from the Trustee, the Manager or any of their connected persons provided that the lender is permitted to lend money and the interest and any fee is no higher than an arm's length commercial rate or fee for a loan of the same size and nature.

For the securities lending policy of the Fund, please refer to the section entitled "Securities Lending Policies" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Shanghai-Hong Kong Stock Connect

The section entitled "Shanghai-Hong Kong Stock Connect" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled "RISKS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) China market risk - Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market. For more than 50 years, the central government of the PRC has adopted a planned economic system. Since 1978, the PRC government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the PRC economy. Such reforms have resulted in significant economic growth and social progress.

Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock companies in the PRC or in listed securities such as "A", "B" and "H" shares.

The choice of "A", "B" and "H" share issues currently available to the Manager may be limited as compared with the choice available in other markets. There may also be a lower level of liquidity in the PRC "A" and "B" share markets, which are relatively smaller in terms of both combined total market value and the number of "A" and "B" shares which are available for investment as compared with other markets. This could potentially lead to severe price volatility.

The national regulatory and legal framework for capital markets and joint stock companies in the PRC are still developing when compared with those of developed countries. Most of the joint stock companies with listed A-Shares have undergone split-share structure reform to convert state owned shares or legal person shares into transferable shares with the intention to increase liquidity of A-Shares. However, the effects of such reform on the A-Share market as a whole and other PRC securities remain to be seen. In addition, trading band limits may be imposed by the PRC stock exchanges on China A-Shares, where trading in a China A-Share security on the relevant PRC stock exchange may be suspended if the trading price of such security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the Fund to liquidate its positions (if any) in such security. Also, it may not be possible for the Fund to liquidate positions at a favourable price even when the suspension is lifted. Such trading band limit may therefore adversely affect the Fund's investment in China A-Shares.

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following PRC accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Investments in the PRC will be sensitive to any significant change in political, social or economic policy in the PRC. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The PRC government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies that issue the relevant PRC securities invested in by the Fund.

In light of the above mentioned factors, the price of PRC securities may fall significantly in certain circumstances and may have an adverse effect on the Fund's performance.

- (ii) QFII risk - Under the prevailing regulations in the PRC, foreign investors can invest in the securities of the Chinese domestic securities market pursuant to the applicable QFII rules and regulations ("QFII Eligible Securities") through institutions that have obtained QFII status in the PRC. The current QFII regulations impose strict restrictions (such as investment guidelines) on QFII Eligible Securities investment.

The Fund itself is not a QFII, but may invest directly in QFII Eligible Securities via the QFII status of the Investment Manager and/or other QFII holders. The QFII status could be revoked, in particular because of material violations of rules and regulations by the QFII. If the Investment Manager loses its QFII status, the Fund may not be able to invest directly in QFII Eligible Securities and may be required to dispose of its holdings which would likely have a material adverse effect on the Fund.

The Investment Manager has assumed dual roles as the investment manager of the Fund and the QFII holder for the Fund. The Investment Manager will ensure all transactions and dealings will be dealt with having regard to the constitutive documents of the Fund as well as the relevant laws and regulations applicable to the Investment Manager as QFII. If any conflicts of interest arise, the Manager will in conjunction with the Trustee seek to ensure that the Fund is managed in the best interests of unitholders and the unitholders are treated fairly.

The Investment Manager's QFII investment quota is granted to it as a whole and not simply to investments made by the Fund. There can be no assurance that the Investment Manager will be able to allocate a sufficient portion of its QFII investment quota to meet all applications for subscription to the Fund, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations, including changes in QFII repatriation restrictions. Such restrictions may result in suspension of dealings of the Fund.

In extreme circumstances, the Fund may incur significant loss due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFII investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

QFII Eligible Securities acquired by the Fund through the QFII facility will be maintained by the QFII's local custodian in the PRC ("PRC Custodian"), in electronic form via the securities account(s) in such name as may be permitted or required in accordance with PRC law with the China Securities Depository and Clearing Corporation Limited and/or other relevant depositories. The PRC Custodian is China Construction Bank Corporation which is one of the largest banks in the PRC. Pursuant to an operating agreement entered into between the Investment Manager as the QFII, the PRC Custodian and the Trustee relating to the custody, operation and management of the Fund's assets in the PRC, the PRC Custodian is responsible for providing custody services to the Fund's cash and securities assets in the PRC. The QFII will also select brokers ("PRC Brokers") to execute transactions for the Fund in the PRC markets. The Investment Manager as QFII has established futures account with PRC Broker. Futures margin will be placed in an account of such PRC Broker with a licensed futures margin depository bank in the PRC in accordance with applicable laws and regulations. The Fund may incur losses due to the acts or omissions or insolvency of the PRC Brokers or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in the PRC, the Manager will make arrangements to ensure that the PRC Brokers and the PRC Custodian have appropriate procedure to properly segregate the Fund's assets from the assets of the relevant PRC Brokers and the PRC Custodian.

According to the CSRC's Provisions on Issues relating to Implementation of the Administration Measures for the Domestic Securities Investment by Qualified Foreign Institutional Investors ("CSRC Provisions"), the securities account(s) for the Fund in the PRC is(are) currently required to be maintained in the joint names of the Investment Manager as the QFII and the Fund. Although the CSRC Provisions indicates that the assets in such account(s) would belong to the Fund, such Provisions serves as a regulation promulgated by the CSRC and may be amended, superseded or invalidated by the CSRC, and does not have equal force of the law enacted by legislative bodies in the PRC.

There are rules and restrictions under current QFII regulations including rules on remittance of principal, investment restrictions, lock-up periods, and repatriation of principal and profits. The State Administration of Foreign Exchange ("SAFE")

formally promulgated the Regulations on Administration of Foreign Exchange regarding Onshore Securities Investment by QFII (“SAFE Rules”) in 2009, which superseded the foreign exchange rules issued by the SAFE in 2002 governing the remittance and repatriation of funds of QFIIs. The SAFE Rules were further revised in 2012 and 2016. Pursuant to the SAFE Rules, the lock-up period in case of an open-ended fund is three months. The SAFE Rules provides that the aggregate net amount of funds to be repatriated from the PRC each month by the open-ended fund may not exceed 20% of such fund’s total domestic assets as at the end of the previous calendar year, and the aggregate net amount of funds repatriated from the PRC each month by the Investment Manager as a QFII may not exceed 20% of the Investment Manager’s total domestic assets as at the end of the previous calendar year. The amount of principal repatriated in each repatriation (as calculated in accordance with a prescribed formula) will be set as the amount of principal that the QFII is allowed to remit into the PRC again. These restrictions apply to the Fund pursuant to the investment quota obtained by the QFII through filing and/or approval by SAFE. In any case, QFII restrictions on repatriations may apply to the investment quota granted to the Investment Manager as the QFII as a whole and may not simply apply to investments made by the Fund. The capacity of the Fund to make investments in QFII Eligible Securities and the ability to repatriate funds may be thus adversely affected by the investments, performance and/or repatriation of funds invested by other client accounts or open-ended funds managed by the Investment Manager utilising its QFII investment quota or by the Investment Manager itself.

Investments in QFII Eligible Securities will be made through the QFII in Renminbi. The Fund will be exposed to any fluctuation in the exchange rate between US dollars and Renminbi in respect of such investments.

Investors should also note that direct investments in QFII Eligible Securities through QFIIs are subject to compliance with the investment restrictions currently imposed under QFII regulations in the PRC, as amended from time to time, which are applied on each foreign investor investing through QFIIs and which will affect the ability of the Fund to invest in QFII Eligible Securities.

- (iii) Risk associated with foreign shareholding restrictions on China A-Shares - Investments on China A-Shares through QFII investment quotas and Shanghai-Hong Kong Stock Connect are subject to the following shareholding restrictions:

- Single foreign investors’ shareholding by any Hong Kong or overseas investor (such as the Fund) in a China A-Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors’ shareholding by all Hong Kong and overseas investors (such as the Fund) in a China A-Share must not exceed 30% of the total issued shares.

When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the “Measures for the Administration of Strategic Investment of Foreign Investors in Listed Companies” (《外國投資者對上市公司戰略投資管理辦法》), the shareholding of the strategic investments is not capped by the abovementioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total shareholding is approaching the upper limit.

As there are limits on the total shares held by all underlying foreign investors in one listed company in the PRC, the capacity of the Fund to make investments in A-Shares will be affected by the activities of all underlying foreign investors investing through QFIIs or Shanghai-Hong Kong Stock Connect or any other permissible ways to obtain A-Shares investment exposures, not just the Investment Manager as QFII itself or other investors who make investment through the QFII status of the Investment Manager or other investors who make investment through Shanghai-Hong Kong Stock Connect.

- (iv) Risk associated with short swing profit rule - According to the PRC Securities Law (《中華人民共和國證券法》), a shareholder of 5% or more of the total issued shares of a PRC listed company (“major shareholder”) has to return any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the event that the Fund or the Investment Manager (deemed as person acting in concert) becomes a major shareholder of a PRC listed company by investing in China A-Shares via QFII investment quotas or Shanghai-Hong Kong Stock Connect, the profits that the Fund may derive from such investments may be limited, and thus the performance of the Fund may be adversely affected.
- (v) PRC exchange traded stock index futures risk - The PRC futures exchanges are in the process of development. This may lead to greater trading volatility, difficulty in settlement and uncertainty in interpreting and applying the relevant regulations. The China Financial Futures Exchange (“CFFEX”) has granted a hedging quota to the Investment Manager (as the QFII) specifically for the use by the Fund to invest directly in PRC exchange traded stock index futures contracts for hedging purpose. The hedging quota is subject to an intra day turnover limit imposed by the CSRC. There is no guarantee that the

hedging quota will be used, or if used, will achieve the desired result. In addition, the hedging quota has a fixed term. There is no guarantee that the Investment Manager (as QFII) will renew its application for the Fund after expiry of the term or the CFFEX will approve any application for renewal or whether the same amount of hedging quota will be granted. Any changes in the relevant regulations may also affect the hedging quota or any renewal application. Please also refer to the “Derivative risk” under the section entitled “RISKS” in Section A – Consolidated Explanatory Memoranda of Asia Pacific Equity Funds for general risk in relation to derivatives investments.

- (vi) RMB currency risk – RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. RMB exchange rate is also subject to exchange control policies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the relevant authorities of the PRC. As the exchange rates are influenced by government policy and market forces, the exchange rates for RMB against other currencies, including US dollars and HK dollars, are susceptible to movements based on external factors. RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government. If such policies change in future, the Fund’s or the investors’ position may be adversely affected.

There is no assurance that RMB will not be subject to devaluation, in which case the value of the Fund’s investments in RMB will be adversely affected. Some of the investments acquired by the Fund will be denominated in RMB whereas the Fund is denominated in USD. This exposes investors to movements of the exchange rate between the currency of denomination of the Fund and the currency in which the assets of the Fund are held. Investors may suffer losses depending on the exchange rate movements of RMB relative to USD.

- (vii) Risks associated with the Shanghai-Hong Kong Stock Connect – The Fund may invest through the Shanghai-Hong Kong Stock Connect. In addition to the risks associated with the China market, RMB currency risk, risk associated with foreign shareholding restrictions on China A-Shares and risk associated with short swing profit rule it is also subject to the following additional risks:

Quota limitations

- The Shanghai-Hong Kong Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Fund’s ability to invest in China A-Shares through Shanghai-Hong Kong Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment strategies.

Suspension risk

- It is contemplated that both SEHK and SSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through Shanghai-Hong Kong Stock Connect is effected, the Fund’s ability to access the PRC market will be adversely affected. The Fund may therefore not be able to sell the A-shares acquired via Shanghai-Hong Kong Stock Connect to meet any redemption requests in timely manner.

Operational risk

- The Shanghai-Hong Kong Stock Connect provides a new channel for investors from Hong Kong and overseas to access the China stock market directly.
- The Shanghai-Hong Kong Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.
- It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.
- Further, the “connectivity” in the Shanghai-Hong Kong Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange

participants (i.e. a new order routing system (“China Stock Connect System”) set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Fund’s ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring

- PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.
- If the Fund desires to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its brokers before the market opens on the day of selling (“trading day”) unless its brokers can otherwise confirm that the Fund has sufficient shares in its account. If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Fund may not be able to dispose of holdings of China A-Shares in a timely manner.

Alternatively, if the Fund maintains its China A-Shares with a custodian which is a custodian participant or general clearing participant participating in CCASS, the Fund may request such custodian to open a special segregated account (“SPSA”) in CCASS to maintain its holdings in China A-Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique “Investor ID” by CCASS for the purpose of facilitating the Shanghai-Hong Kong Stock Connect system to verify the holdings of an investor such as the Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the Fund’s sell order, the Fund will only need to transfer China A-Shares from its SPSA to its broker’s account after execution and not before placing the sell order and the Fund will not be subject to the risk of being unable to dispose of its holdings of China A-Shares in a timely manner due to failure to transfer China A-Shares to its brokers in a timely manner.

Recalling of eligible stocks

- When a stock is recalled from the scope of eligible stocks for trading via Shanghai-Hong Kong Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Fund, for example, when the Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Clearing and settlement risk

- The HKSCC and ChinaClear has established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.
- Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC’s liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Participation in corporate actions and shareholders’ meetings

- HKSCC will keep CCASS participants informed of corporate actions of SSE Securities. Hong Kong and overseas investors (including the Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities may be as short as one business day only. Therefore, the Fund may not be able to participate in some corporate actions in a timely manner.
- Hong Kong and overseas investors (including the Fund) are holding SSE Securities traded via Shanghai-Hong Kong Stock Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the Fund may not be able to appoint proxies to attend or participate in shareholders’ meetings in respect of the SSE Securities.

No protection by Investor Compensation Fund

- Investment through the Shanghai-Hong Kong Stock Connect program is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations.
- As disclosed under the sub-section entitled "Shanghai-Hong Kong Stock Connect" under the section entitled "INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS", the Fund's investments through Northbound trading under Shanghai-Hong Kong Stock Connect is not covered by the Hong Kong's Investor Compensation Fund. Therefore the Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the program.

Regulatory risk

- The Shanghai-Hong Kong Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Shanghai-Hong Kong Stock Connect.
- It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Shanghai-Hong Kong Stock Connect will not be abolished. The Fund, which may invest in the PRC markets through Shanghai-Hong Kong Stock Connect, may be adversely affected as a result of such changes.

- (viii) People's Republic of China ("PRC") tax risk consideration - There are risks and uncertainties associated with the current PRC tax laws, regulations and practice on the Fund's investments in the PRC. Any increased tax liabilities on the Fund may adversely affect the Fund's value. The Manager and Investment Manager reserve the right to provide for tax on gains of the Fund that invests in PRC securities thus impacting the valuation of the Fund. Based on professional tax advice, except for gains from China A-Shares which are specifically exempt under a temporary exemption from the Enterprise Income Tax Law effective from 17 November 2014, a tax provision of 10% is fully provided for all PRC sourced income (including gains from PRC securities, dividends and interest) until sufficient clarity is given by the PRC authorities to exempt specific types of PRC sourced income (e.g. gains from PRC bonds).

With the uncertainty of whether and how certain gains on PRC securities are to be taxed, the possibility of the laws, regulations and practice in the PRC changing, and the possibility of taxes being applied retrospectively, any provision for taxation made by the Manager and/or the Investment Manager may be excessive or inadequate to meet final PRC tax liabilities on gains derived from the disposal of PRC securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and/or redeemed their units in/from the Fund. This is unavoidable where investors can subscribe and/or redeem their units in/from the Fund and where there is uncertainty as to taxation. The net asset value per unit of the Fund is calculated daily and units of the Fund can be redeemed at the net asset value per unit. After redemption, investors cannot be impacted either positively or negatively. Consequently, a past unitholder will receive nothing from a subsequent release of a provision or increase in the market value of investments and will not be adversely impacted by an increase in a provision where there is a shortfall. In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Fund's assets, the Fund's net asset value will be adversely affected.

For more information on the PRC taxation of PRC securities and the provisioning for such taxation, please refer to the subparagraph entitled "The People's Republic of China ("PRC")" under the sub-section entitled "(iv) Investment Markets" under Section D - TAX NOTES of the Consolidated Explanatory Memoranda.

- (ix) Connected party risk - The Fund will be investing in A-Shares via the QFII status of the Investment Manager. Although the Manager, the Investment Manager and the Investment Adviser are all part of the JPMorgan group of companies, each of such entities will operate independently in assuming their respective duties and obligations in relation to the Fund and are subject to the supervision of their relevant industry regulators. All transactions and dealings between such entities in relation to the Fund will be dealt with on arm's length basis having regard to the constitutive documents of the Fund as well as the relevant regulatory codes applicable to such entities. In the unlikely event that conflicts of interest arise, the Manager in conjunction with the Trustee will seek to ensure that the Fund is managed in the best interests of unitholders and the unitholders are treated fairly.
- (x) PRC Brokerage risk - The execution and settlement of transactions or the transfer of any funds or securities may be conducted by PRC Brokers appointed by the Investment Manager (as QFII holder).

There is a risk that the Fund may suffer significant losses from the default, disqualification or bankruptcy of the PRC Brokers, including losses of any futures margin held by PRC futures brokers in the event of their bankruptcy. In these events, the Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

In selection of PRC Brokers, the Investment Manager (as QFII holder) will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. The Investment Manager will exercise reasonable care and diligence in the selection, appointment and ongoing monitoring of the PRC Brokers and ensure it is satisfied that the PRC Brokers remain suitably qualified and competent to provide the relevant service. If the Investment Manager considers appropriate, it is possible that a single PRC Broker will be appointed and the Fund may not necessarily pay the lowest commission available in the market.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

DISTRIBUTION POLICY

For the Manager's current distribution policy, please refer to the section entitled "DISTRIBUTION POLICY" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

BASES OF VALUATIONS

The method of establishing the net asset value of the Fund is set out in the Trust Deed. The net asset value per unit is calculated by dividing the value of the assets of the Fund, less its liabilities, by the total number of units in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the Fund. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in US dollars. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for the Fund and the fair value of the assets of the Fund. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the Fund or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "Reports and Accounts" below.

DEALING

For details of the dealing procedure of the Fund, please refer to the section entitled "DEALING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

The section entitled "SUBSCRIPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Initial Issue Price

The first issue of units was made at a price of US\$10.00 per unit, excluding the initial charge.

REDEMPTIONS

Redemption of Units

The section entitled “REDEMPTIONS - Redemption of Units” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

In respect of any redemption requests made within 3 months after the end of the period of the initial offering of units, which the Manager determines and notifies to the Trustee (“Initial Offer Period”), an administrative charge of 5 per cent. of the net asset value per unit (or part thereof) redeemed was charged and retained by the Fund, in addition to the redemption charge (if applicable). For the avoidance of doubt, such administrative charge has ceased to apply after the dealing day of September 2006.

Procedure for Redemption and Suspension of Redemptions

Save for the procedure on payment of redemption monies, the procedure for redemption and the Manager’s current policy on suspension of redemptions under the sections entitled “REDEMPTIONS - Procedure for Redemption” and “REDEMPTIONS - Suspension of Redemptions” respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The procedure on payment of redemption monies which applies to this Fund is set out below.

The amount due on the redemption of units will normally be paid within 5 Business Days, and in any event by 1 calendar month from the relevant dealing day. A “Business Day” is each day, other than a Saturday or a Sunday or a Hong Kong public holiday, on which banks in Hong Kong are open for normal banking business and on which stock exchanges or markets on which, in the opinion of the Manager, all or part of investments of the Fund are quoted, listed or dealt in are open for trading or such other day(s) as the Manager and the Trustee may otherwise agree.

As noted in paragraph (ii) under the section entitled “RISKS” above, the aggregate net amount of funds to be repatriated from the PRC each month by the Fund may not exceed 20% of the Fund’s total domestic assets as at the end of the previous calendar year, and the aggregate net amount of funds to be repatriated from the PRC each month by the Investment Manager as a QFII may not exceed 20% of the Investment Manager’s total domestic assets as at the end of the previous calendar year. In cases where the aggregate net amount of funds required to be outwardly repatriated from the PRC in the relevant month exceeds any of the aforesaid limits, the payment of the amount due on the redemption of units may be delayed and the same will be paid to investors as soon as practicable and in any event within 7 Business Days after completion of the relevant repatriation. The time required for the completion of the relevant repatriation will be beyond the Manager’s control.

Payment will normally be made by telegraphic transfer where the unitholder has provided payment details for this purpose. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Where the unitholder has not provided bank payment details or where the redemption amount is less than US\$1,000 (or its equivalent in another currency), redemption proceeds will normally be paid by cheque, posted at the risk of the unitholder. No third party payments will be made.

SWITCHING

For details on how to switch between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled “SWITCHING” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial, Redemption and Administrative Charges

The Manager may make an initial charge (normally up to 5 per cent. of the net asset value per unit) from the gross subscription amount on the issue of units where applicable and receive a redemption charge (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, “Distributors”), a proportion of the commissions, charges, fees or other benefits received by it on the value of the relevant business introduced to the Fund. In respect of any redemption and switching requests made within 3 months after the end of the Initial Offer Period, an administrative charge of 5 per cent. of the net asset value per unit was charged and retained by the Fund, in addition to the redemption charge (if applicable). For the avoidance of doubt, such administrative charge has ceased to apply after the dealing day of September 2006.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of the Fund. However, the Manager currently receives a fee of 1.75 per cent. per annum of the net asset value of the Fund and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of the Fund) by giving to the Trustee and the unitholders not less than one month's notice of the increased level of management fee. This fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its connected persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the Fund's interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager and/or the Investment Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager and/or the Investment Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager. The fees of the Investment Adviser will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund. However, the Trustee currently receives a fee at the following rates of the Fund's net asset value:-

	<u>Rate (per annum)</u>
On the first US\$40,000,000	0.06%
On the next US\$30,000,000	0.04%
On the balance over US\$70,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

There are no unamortised establishment costs outstanding relating to this Fund.

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D – TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General";
- (ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/Region of Formation";
- (iii) "(iii) Taxation of Unitholders"; and
- (iv) the sub-paragraph entitled "The People's Republic of China ("PRC")" under the sub-section entitled "(iv) Investment Markets".

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled “REPORTS AND ACCOUNTS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

Save for the provisions on “Documents Available for Inspection” and “Duration of the Funds”, the general provisions under the section entitled “GENERAL” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The provisions on “Documents Available for Inspection” and “Duration of the Fund” which apply to this Fund are set out below.

Documents Available for Inspection

Copies of the following documents are available for inspection free of charge during normal working hours at the offices of the Manager:

- (i) Trust Deed and Base Terms.
- (ii) Investment Management Agreement.
- (iii) Investment Advisory Agreement.
- (iv) Operating Agreement.

Duration of the Fund

Unless previously terminated, the Fund will terminate automatically on the date immediately preceding the eightieth anniversary of the date of the Trust Deed. The Manager may, in certain circumstances, by notice in writing to the Trustee terminate the Fund at any time. Such circumstances include (i) the QFII status of the Investment Manager is revoked by the competent authority or regulator of the PRC; (ii) the passing of any law which renders it illegal to continue the Fund or, in the opinion of the Manager, impracticable or inadvisable to continue the Fund; (iii) where the aggregate net asset value of the Fund falls below US\$50,000,000 or its equivalent in the currency in which the Fund is denominated; or (iv) where the Manager (with the approval of the Trustee) considers termination of the Fund is in the best interest of unitholders. The Fund may also be terminated by Extraordinary Resolution of the unitholders at any time.

The Manager may in its absolute discretion, but subject to any required approval of the SFC, if it considers it to be in the best interest of unitholders, give not less than 3 months' written notice to unitholders and the Trustee (or such shorter period of notice as the SFC may agree) of termination of the Fund and, (a) in consideration for subscription in cash following realisation of the assets of the Fund or the transfer of substantially all the assets of the Fund, apply for new shares, units or other interests in a collective investment scheme (whether a unit trust, an open-ended investment company or otherwise) whose investment objectives and restrictions are substantially the same as those of the Fund and in its application determine whether such new shares, units or other interests are to be issued or registered in the name of unitholders directly or in a company nominated by the Manager as nominee for unitholders; or (b) distribute on a pro rata basis all or any of the investments held by the Fund to unitholders or into the name of a company nominated by the Manager as nominee for unitholders.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Investment Adviser

China International Fund Management Co. Ltd.
20/F, Aurora Plaza
99 Fu Cheng Road, Pudong
Shanghai 200120
People's Republic of China

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan Evergreen Fund

INTRODUCTION

JPMorgan Evergreen Fund ("Fund") is a unit trust constituted by a Trust Deed dated 19 January 2004, as amended from time to time ("Trust Deed") governed by the laws of the Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a Unit Portfolio Management Fund by the Securities and Futures Commission ("SFC") under section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund's portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited ("Manager"), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong.

HSBC Institutional Trust Services (Asia) Limited acting as trustee of the Fund ("Trustee"), is incorporated in the Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

Please refer to the section entitled "FUND PARTIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

HSBC Trustee (Cayman) Limited is the registrar of the Fund ("Registrar") and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment policy of the Fund is to seek to produce a competitive total return in different market conditions. The Fund seeks to achieve this through an actively managed portfolio of collective investment schemes managed by the Manager, its connected parties or external parties. The allocation to the underlying collective investment schemes will be continually monitored and reviewed and changes will be made to ensure that the Fund's objective can be achieved. In other words, the Fund may invest up to all of its assets in equity collective investment schemes when market conditions and opportunities favour equities. When market conditions and opportunities do not favour equities the Fund may invest up to all of its assets in fixed income and money market collective investment schemes and other collective investment schemes with a low correlation to equities. The Manager may invest in a range of collective investment schemes whose underlying assets embrace the full spectrum of the risk return trade off from low to high risk.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Investment Restrictions and Guidelines

The following investment restrictions and guidelines will be applied to the Fund:

- (i) The Fund may hold cash for ancillary purposes and enter into financial futures contracts for hedging purposes only.
- (ii) Subject to (i) above, the Fund may only invest in units/shares in collective investment schemes authorised by the SFC or units/shares in recognised jurisdiction schemes as specified under the SFC Code whether authorised by the SFC or not; except that not more than 10 per cent. of its total net asset value may be invested in non-recognised jurisdiction schemes not authorised by the SFC.

- (iii) No investment may be made in any collective investment scheme whose objective is to invest primarily in any investment prohibited by Chapter 7 of the SFC Code. In case of investments limited by Chapter 7, such holdings may not be in contravention of the relevant limitation.
- (iv) The Fund must invest in no less than five collective investment schemes.
- (v) The Fund may invest no more than 30 per cent. of its total net asset value in any one collective investment scheme.
- (vi) The Fund may not invest in another Unit Portfolio Management Fund as defined under the SFC Code.
- (vii) The Fund may not invest more than 10 per cent. of its total net asset value in warrant, leveraged, and futures and options funds as defined under the Code.

The Fund will not enter into any securities lending arrangements.

Where a breach of any of the above investment limits occurs, the Manager and the Investment Manager will as a priority objective within a reasonable period of time take all steps as are necessary to remedy the situation taking due account of the interests of unitholders.

The Manager or the Investment Manager will not be required to sell investments if any of the above limits are exceeded as a result of changes in the value of the Fund's investments, reconstructions or amalgamation, the realisation of units or payments out of the Fund's assets, but the Manager and the Investment Manager shall not make any investment which would result in such limits being further exceeded and the Manager or the Investment Manager shall as a priority objective within such period of time as it considers reasonable having regard to the interests of unitholders endeavour to dispose of investments to the extent necessary to cause such limits no longer to be exceeded.

Borrowing Policy

The Trust Deed permits borrowings to be undertaken for the account of the Fund but only up to a limit of 10 per cent. of the latest net asset value of the Fund. The Fund's assets may be charged or pledged as security for any such borrowings. Borrowings may be undertaken only on a temporary basis to provide cash to meet redemptions or to pay operating expenses. The Fund may not borrow for investment or other purposes.

RISKS

The performance of the Fund and the underlying collective investment schemes ("Underlying Funds") will be affected by a number of risk factors, including the risk factors as set out in the section entitled "RISKS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:

In addition, the following risk factors are applicable to the Fund:

- (i) Currency risk - Investors whose base currency is not US dollars will be exposed to currency risk in that the value of their investment in their base currency will be affected by movements in the exchange rate between their base currency and the US dollar.

Furthermore, as a material investment of the Fund will include Underlying Funds which may be denominated in non-US dollars or which may have assets, some or all of which may be quoted in non-US dollars, the Fund will be exposed to currency risk since the performance of the Underlying Funds' non-US dollar assets will also be affected by movements in exchange rates.

- (ii) Investment grade bond risk - Investment grade bonds are assigned ratings within the top rating categories by rating agencies (including but not limited to Fitch, Moody's and/or Standard & Poor's) on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review such assigned ratings and bonds may therefore be downgraded in rating if economic circumstances (e.g. subject to market or other conditions) impact the relevant bond issues. Downgrading of the bonds may adversely affect the value of the relevant bonds and therefore the performance of the Underlying Funds (thus the performance of the Fund). Also, the Underlying Funds may face higher risks of default in interest payment and principal repayment. As a result, investors may get back less than they originally invested.
- (iii) Below investment grade/lower rated or unrated investment risk - The Fund (via investing in the Underlying Funds) may invest in bonds and other debt securities which are unrated or with ratings below investment grade. Accordingly, such investment will be accompanied by a higher degree of credit and liquidity risk than is present with investment in higher rated securities. During economic downturns such bonds typically fall more in value than investment grade bonds as such are often subject to a higher risk of issuer default. The net asset value of the Fund may decline or be negatively affected if

there is a default of any of the bonds with credit rating of below investment grade that the Fund invests in or if interest rates change.

- (iv) Risks related to the Eurozone sovereign debt crisis – The Fund (via investing in the Underlying Funds) may invest substantially in the Eurozone. In light of the current fiscal conditions and concerns on the sovereign debt risk of certain countries within the Eurozone (in particular, Portugal, Ireland, Italy, Greece and Spain), the Fund's investments in the region may be more volatile. The performance of the Fund may deteriorate significantly should there be any adverse credit events (e.g. downgrade of the sovereign credit rating, obligation default, etc) of any Eurozone country.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

DISTRIBUTION POLICY

All income will be accumulated and reinvested within the Fund.

BASES OF VALUATIONS

The method of establishing the net asset value of the Fund is set out in the Trust Deed. The net asset value per unit is calculated by dividing the value of the assets of the Fund, less its liabilities, by the total number of units in issue as at 5:00p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the Fund. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. The value of each unit in any collective investment scheme (other than a unit in a collective investment scheme which does not provide for units therein to be redeemed at the option of the holder of such a unit, whether listed or not) shall be the last published net asset value per unit in such collective investment scheme or (if such net asset value is not published or not considered by the Manager to be appropriate) a price calculated as the average of the last published bid and offer price for such a unit. Cash, deposits and similar investments shall be valued at their face value (together with accrued but unpaid interest). Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in US dollars. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for the Fund and the fair value of the assets of the Fund. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the Fund or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "Reports and Accounts" below.

DEALING

Save for the procedures on issuance and redemption of units, the dealing procedures under the section entitled "DEALING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The procedures on issuance and redemption of units which apply to this fund are set out below.

Units will normally be issued or redeemed on any dealing day which will normally be every day (other than a Saturday or a Sunday or a Hong Kong public holiday) on which banks in Hong Kong are open for normal banking business and on which all or part of the collective investment scheme(s) invested in by the Fund are available for normal dealing.

In order for units to be issued or redeemed on any particular dealing day, a subscription application or redemption request (as the case may be) must be received by the Manager not later than 5:00 p.m. (Hong Kong time) on that dealing day or such other time agreed between the Manager and the Trustee. Subscription applications or redemption requests received after that time will be dealt with on the immediately following dealing day.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

Save for the minimum investment set out in the sub-section entitled "Procedure for Application" below, the section entitled "SUBSCRIPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund, save that the maximum initial charge payable shall be normally up to 3 per cent. of the net asset value per unit.

Initial Issue Price

The first issue of units was made at a price of US\$10.00 per unit, excluding the initial charge.

Procedure for Application

The minimum investment which applies to this Fund is set out below.

The minimum lump sum investment is normally US\$5,000. Alternatively, monthly investments may be made at a minimum of HK\$1,000. The Manager may apply a different minimum lump sum investment and/or a different minimum monthly investment as permitted under the constitutive documents of the Fund and in respect of dealing through any other channels from time to time specified by the Manager.

REDEMPTIONS

Save for the procedure on partial redemptions of holdings set out in the sub-section entitled "Procedure for Redemption" below, the section entitled "REDEMPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Procedure for Redemption

The procedure on partial redemptions of holdings which applies to this Fund is set out below.

Partial redemptions of holdings are permitted, provided that they do not result in a unitholder holding units in the Fund having an aggregate value of less than normally US\$5,000 on the day of redemption. If a switch or redemption request results in a holding below US\$5,000, or equivalent in another currency, on the relevant dealing day, the Manager may, at its absolute discretion, treat the switch or redemption request as an instruction to redeem or switch, as appropriate, the total holding in the Fund.

For partial redemptions of holdings of the Fund through other channels from time to time specified by the Manager, investors should consult the Manager to find out the minimum holding after redemption that is applicable to them.

SWITCHING

For details on how to switch between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled "SWITCHING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge (normally up to 3 per cent. of the net asset value per unit) from the gross subscription amount on the issue of units where applicable and receive a redemption charge (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses to approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, "Distributors"), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

The Manager currently intends that the Fund will invest significantly in collective investment schemes managed by the Manager, the Investment Manager or any of their Connected Persons. However, neither the Manager nor the Investment Manager may for the account of the Fund invest in any such collective investment schemes where the full amount of any initial charge is not waived.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of the Fund. However, the Manager currently receives a fee of 0.5 per cent. per annum of the net asset value of the Fund and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of the Fund) by giving to the Trustee and unitholders not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears. In addition, the Fund will indirectly bear a pro rata portion of the fees paid by the underlying collective investment schemes in which it invests to the managers or other service providers of such schemes. The management fees of the collective investment schemes that the Fund may find interests in currently range between zero per cent. and 2 per cent. per annum and may not exceed 4 per cent. per annum of the net asset value of the relevant collective investment schemes. In addition to the management fees, performance fees may be levied by certain collective investment schemes in which the Fund invests.

Where the Fund invests in any underlying scheme(s) managed by the Manager and/or the Investment Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager and/or the Investment Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager.

Trustee Fee

The Trustee is entitled to a fee at the rate of 0.03 per cent. per annum of the net asset value of the Fund. The Trustee may only increase the level of its fee with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

For investment in unit trusts or other collective investment schemes managed by the Manager or certain management companies connected with the Manager, both the Fund and such connected collective investment schemes will charge a trustee fee. Currently such trustee fees range between zero per cent. and 0.5 per cent. per annum and may not exceed 1 per cent. per annum of the net asset value of the underlying collective investment schemes.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

There are no unamortised costs outstanding relating to this Fund.

CONFLICTS OF INTEREST

In addition to the Manager's current policy on conflicts of interest as stipulated in the section entitled "CONFLICTS OF INTEREST" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, the following paragraph also applies to the Fund:

The Manager may act in the capacity of a distributor for certain collective investment schemes managed by the Manager's connected parties. The Manager will receive distribution fees for carrying out such distribution functions for these collective investment schemes. The Fund may invest in these collective investment schemes and consequently the Manager may, in the capacity of a distributor, receive distribution fees in respect of the units/shares invested by the Fund.

TAXATION

The following sub-sections under Section D - TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General";
- (ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/Region of Formation"; and
- (iii) "(iii) Taxation of Unitholders".

In addition, the following are also applicable to the Fund:

Luxembourg

If the underlying collective investment schemes that the Fund will invest in are open-ended investment companies incorporated in Luxembourg and authorised under Part I or Part II of the Luxembourg law of December 20, 2002 relating to collective investment undertakings, the Fund will normally not be subject to any capital gains, income, withholding or other taxes in Luxembourg in relation to its investments in such schemes. The Part I and Part II schemes will be subject in Luxembourg to the “taxe d’abonnement” of up to 0.05 per cent. per annum based on the net asset value of the schemes concerned.

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled “REPORTS AND ACCOUNTS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

The general provisions under the section entitled “GENERAL” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan Global Property Income Fund*

Units of JPMorgan Global Property Income Fund ("Fund") are not deposits and are not insured by the U.S. Federal Deposit Insurance Corporation, the U.S. Federal Reserve Board, or any other governmental agency. The Fund is not a bank and is a separate legal entity from JPMorgan Funds (Asia) Limited ("Manager"), JF Asset Management Limited ("Investment Manager") and J.P. Morgan Investment Management Inc. ("Sub-Manager") and their bank affiliates. Units of the Fund are not obligations of the Manager, the Investment Manager, the Sub-Manager or their bank affiliates. The U.S. Securities and Exchange Commission nor the securities commission or other agency of any other U.S. state has reviewed or passed upon the merits of this offering. The Fund will not register as an investment company under the U.S. Investment Company Act of 1940, as amended ("Investment Company Act"), pursuant to the exemption contained in Section 7(d) thereunder. Consequently, investors will not be afforded any of the protections of the Investment Company Act. The units have not been registered under the U.S. Securities Act of 1933, as amended, ("Act") or under any similar or analogous provision of law enacted by any jurisdiction in the United States. The units may not be offered or sold within the United States or sold to any U.S. person (as defined in the Act).

INTRODUCTION

JPMorgan Global Property Income Fund is a unit trust constituted by a Trust Deed dated 6 July 2005, as amended from time to time ("Trust Deed") governed by the laws of Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission ("SFC") under section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. Investors should note that the Fund is not authorised under or regulated by the SFC's Code on Real Estate Investment Trusts.

The Fund's portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

JPMorgan Funds (Asia) Limited, the Manager of the Fund, is incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to the Investment Manager, JF Asset Management Limited, a company incorporated with limited liability in Hong Kong. The Investment Manager has further delegated certain of its investment management functions to the Sub-Manager, J.P. Morgan Investment Management Inc., a company incorporated in the United States of America and registered with the U.S. Securities and Exchange Commission as an investment adviser. The Sub-Manager's Form ADV, Part II as filed with the Securities and Exchange Commission in the United States is available from the Manager upon request.

HSBC Institutional Trust Services (Asia) Limited acting as trustee of the Fund ("Trustee"), is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

Please refer to the section entitled "FUND PARTIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

HSBC Trustee (Cayman) Limited is the registrar of the Fund ("Registrar") and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective

The investment objective of the Fund is to achieve a high level of current income and long-term capital appreciation primarily through investing in securities that are listed on any stock exchange and are principally engaged in or related to the property industry or which own significant property assets. The Fund does not invest in real estate directly.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of

* The Fund is authorised by the SFC under the Code on Unit Trusts and Mutual Funds, not the Code on Real Estate Investment Trusts.

its portfolio in cash and cash based instruments subject to the provisions set out under the section entitled “Investment Restrictions and Guidelines” below.

Investment Policy

In order to achieve the investment objective, the Fund will invest in markets which have well-developed real estate-related securities markets, including but not limited to markets in North America, Asia and Europe. Over time, if other markets are deemed, in the opinion of the Manager, to be well-developed, the Fund may also invest in such markets. The Fund may invest in shares in real estate companies or interests in real estate investment trusts which may not be necessarily authorised by the SFC. The Fund may also invest in securities that directly or indirectly represent participations in, or are collateralised by and payable from, mortgage loans secured by real property (“Mortgage-Backed Securities”), such as mortgage pass-through certificates, real estate mortgage investment conduit (“REMIC”) certificates and collateralised mortgage obligations (“CMOs”). The Fund may hold special purpose real estate investment trusts which focus their investments on specific real estate property sectors including but not limited to apartments, office buildings, warehouses, shopping centers, hotels and nursing homes. Consideration will be made to investments across the capital structure including but not limited to common shares, preferred shares, convertible preferred shares, debt securities where appropriate.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the section entitled “Investment Restrictions and Guidelines” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the value of the Fund’s holding of securities that are listed on any stock exchange and are principally engaged in or related to the property industry or which own significant property assets shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

Borrowing and Securities Lending Policy

For details of the borrowing and securities lending policy of the Fund, please refer to the sections entitled “Borrowing Policies” and “Securities Lending Policies” respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled “RISKS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) Real estate securities risk - The Fund’s investments in real estate securities are subject to the same risks as direct investments in real estate. Real estate values rise and fall in response to many factors, including local, regional and national economic conditions, the demand for rental property, and interest rates. When economic growth slows, demand for property may decrease and prices may fall. Rising interest rates, which drive up mortgage and financing costs, can affect the profitability and liquidity of properties in the real estate market. Property values may also decrease because of overbuilding, extended vacancies, increases in property taxes and operating expenses, zoning laws, environmental regulations, clean-up of and liability for environmental hazards, uninsured casualty or condemnation losses, or a general decline in neighbourhood values. The Fund’s investments and the investor’s investment may decline in response to declines in property values or other adverse changes to the real estate market. The performance of the real estate securities in which the Fund invests is also largely dependent on the organization, skill and capital funding of the managers and operators of the underlying real estate.
- (ii) Real estate investment trusts (“REITs”) risk - The Fund may invest in REITs which invest primarily in real estate and this may involve a higher level of risk as compared to a diversified fund and other securities. Real estate investments are relatively illiquid and may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest rates, real estate market or other condition. REITs may have limited financial resources, may trade less frequently and in a limited volume and may be subject to more abrupt or erratic price movements than other securities.

REITs are dependent upon management skills, are not diversified, are subject to heavy cash flow dependency, default on borrowings and self-liquidation. REITs are also subject to the possibility of failing to qualify for tax-free pass-through of income, as in some jurisdictions special tax rules may apply to impose tax on the REITs or withhold tax on income derived from REITs and the Fund will not obtain a credit for any tax paid by the REITs or tax on payments out of the REITs.

REITs are also subject to interest rate risks. When interest rates decline, the value of a REIT's investment in fixed rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT's investment in fixed rate obligations can be expected to decline. For adjustable rate mortgage loans, interest rates are reset periodically to reflect changes in market interest rates. Therefore, yields on a REIT's investments in such loans will gradually align themselves to reflect changes in market, causing the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments in fixed rate obligations. However, income generated from adjustable rate mortgage loans may be more volatile in response to interest rate fluctuations than would fixed rate obligations. Consequently, the value of a REIT held by the Fund may increase or decrease which in turn, affects the value of the Fund.

Investors should note that the Fund may also invest in "special purpose" REITs which focus their investments on specific real property sectors such as hotels, nursing homes or warehouses. "Special purpose" REITs are subject to the risks associated with adverse developments in these sectors. A portfolio of real properties focusing on one single industry sector may be subject to losses that are more severe than other REITs with a more diversified portfolio. Also, potential changes to rules and regulations governing a particular industry sector including but not limited to environmental rules and regulations and the permitted uses of the underlying properties may have an adverse impact on the performance of the relevant "special purpose" REITs.

The underlying REITs in which the Fund may invest may not necessarily be authorised by the SFC and their distribution or payout policies are not representative of the distribution policy of the Fund.

- (iii) Mortgage-backed securities - The Fund may invest in any type of residential or commercial mortgage-backed securities, which are securities that represent ownership interests primarily in "pools" of mortgage loans and mortgage-related assets, and in derivative instruments based on such securities. It should be noted that new types of mortgage-backed securities are developed and marketed from time to time and that, consistent with its investment limitations, the Fund may invest in those new types of mortgage-backed securities that the Manager, Investment Manager or Sub-Manager believes may assist it in achieving the Fund's investment objective(s). The following describes certain risks associated with investing in mortgage-backed securities:
- (A) Prepayment risk: The mortgage loans underlying a mortgage-backed security generally may be prepaid at any time by the related borrowers. The principal prepayments will be used to prepay the principal balance (and, in the case of interest only certificates, may reduce the notional amount) of one or more classes of the certificates backed by such mortgage loans. As a result, the yield to maturity and market value of most mortgage-backed securities are affected, to varying degrees, by the rate of prepayments of the underlying mortgage loans. Some of the mortgage-backed securities and derivatives that the Fund will invest in are particularly sensitive to prepayment rates and, as a result, their yields to maturity and market values are expected to be highly volatile.
 - (B) Interest rate risk: Like other fixed income securities, the value of certain fixed-rate mortgage-backed securities will vary inversely with the level of interest rates. However, because mortgage prepayments tend to increase when interest rates decrease, fixed-rate mortgage-backed securities may benefit less from a reduction in interest rates than bonds of a comparable maturity. In addition, rising interest rates tend to have a slowing effect on mortgage prepayments, thereby lengthening the weighted average lives of certain types of mortgage-backed securities and making such securities more sensitive to a rise in interest rates. Given the historically low interest rate environment, risks associated with rising rates are heightened.
 - (C) Credit risk: Credit risk is an important issue with mortgage-backed securities because of the significant credit risks inherent in the underlying collateral and because issuers may be private entities. The structure of a mortgage-backed security and the terms of the investors' interest in the collateral can vary widely depending on the type of collateral, the desires of investors and the use of credit enhancements. Although the basic elements of many mortgage-backed securities are similar, individual transactions can differ markedly in both structure and execution. Important determinants of the risk associated with issuing or holding the securities include the process by which principal and interest payments are allocated and distributed to investors, how credit loss affects the issuing vehicle and the return to investors in such mortgage-backed security, under what terms (including maturity of the mortgage-backed security) any remaining balance in the accounts may revert to the issuing entity and the extent to which the entity that is the actual source of the collateral assets is obligated to provide support to the issuing vehicle or to the investors in such mortgage-backed security. As a result, investments in mortgage-backed securities have a potential risk of loss.

- (D) Mortgage rate risks: The mortgage pool backing any mortgage-backed security that the Fund invests in may include adjustable rate loans, interest-only loans, balloon payment loans, non-performing or re-performing loans, unsecured or under-secured loans, negatively amortizing loans, second or more junior lien loans, convertible or modifiable loans, and loans subject to predatory lending laws. Each such category of loans presents risks to investors in the related securities.
 - (E) Rating considerations: The Fund may invest in mortgage-backed securities that have below investment-grade ratings, or even no ratings at all. The default risk on such securities is high, and the return on such securities is expected to be highly volatile. In addition, ratings on mortgage-backed securities do not address prepayment risks, and in some cases do not address the timing of certain payments. Ratings are sometimes based solely on the claims paying ability of an insurer. If such insurer is downgraded, the mortgage-backed securities may also be downgraded.
 - (F) Subordination: A portion of the Fund's investments may consist of mortgage-backed securities that are subordinate in right of payment and rank junior to other securities that are secured by or represent an ownership interest in the same pool of assets. In addition, many of the transactions have structural features that divert payments of interest and/or principal to more senior classes when the delinquency or loss experience of the pool exceeds certain levels. As a result, such securities have a higher risk of loss as a result of delinquencies or losses on the underlying assets.
- (iv) Mortgage pass-through certificates - Mortgage pass-through securities represent participation interests in pools of residential mortgage loans originated by U.S. governmental or private lenders and guaranteed, to the extent provided in such securities, by the U.S. government or one of its agencies or instrumentalities. Any guarantee of such securities runs only to principal and interest payments on the securities and not to the market value of such securities or the principal and interest payments on the underlying mortgages. Such securities, which are ownership interests in the underlying mortgage loans, differ from conventional debt securities, which provide for periodic payment of interest in fixed amounts (usually semi-annually) and principal payments at maturity or on specified call dates. Mortgage pass-through securities provide for monthly payments that are a "pass-through" of the monthly interest and principal payments (including any prepayments) made by the individual borrowers on the pooled mortgage loans, net of any fees paid to the guarantor of such securities and the servicer of the underlying mortgage loans. Guaranteed mortgage pass-through securities are often sold on a to-be-acquired basis. Such securities are typically sold one to three months in advance of issuance, prior to the identification of the underlying pools of mortgage securities but with the interest payment provisions fixed in advance. The underlying pools of mortgage securities are identified shortly before settlement and must meet certain parameters. The guaranteed mortgage pass-through securities in which the Fund may invest may include those issued or guaranteed by the Government National Mortgage Association ("Ginnie Mae", and such securities, "Ginnie Mae Certificates"), Fannie Mae ("Fannie Mae Certificates") and Freddie Mac ("Freddie Mac Certificates"). If Ginnie Mae, Fannie Mae or Freddie Mac fails to perform under their respective guarantee, delinquencies and defaults on the related mortgage loans will directly affect the return on investments in the Fund. If they are unable to perform under the related guarantee, cash available for payments will be based only on borrower payments and other recoveries on the related mortgage loans. If that happens, delinquencies and defaults on the related mortgage loans will directly affect the amounts that are available for payments on the related securities.
- (v) Collateralised mortgage obligations - CMOs are debt obligations collateralised by mortgage loans or mortgage pass-through securities. Typically, CMOs are collateralised by Ginnie Mae Certificates, Fannie Mae Certificates or Freddie Mac Certificates, but also may be collateralised by whole loans or private pass-throughs (such collateral collectively hereinafter referred to as "Mortgage Assets"). Multiclass pass-through securities are interests in a trust composed of Mortgage Assets. Unless the context indicates otherwise, all references herein to CMOs include multiclass pass-through securities. Payments of principal and of interest on the Mortgage Assets, and any reinvestment income thereon, provide the funds to pay debt service on the CMOs or make scheduled distributions on the multiclass pass-through securities. CMOs may be issued by agencies or instrumentalities of the U.S. government, or by private originators of, or investors in, mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks and special purpose subsidiaries of the foregoing. As market conditions change, and particularly during periods of rapid or unanticipated changes in market interest rates, the attractiveness of the CMO classes and the ability of the structure to provide the anticipated investment characteristics may be significantly reduced. Such changes can result in volatility in the market value, and in some instances reduced liquidity, of the CMO class.
- (vi) Credit risk - A decline in the credit rating or perceived credit quality of a REIT's or a real estate company's debt can have a negative impact on the value of its shares or units. Such lower credit quality may lead to greater volatility in the price of a security held by the Fund and in units of the Fund. Lower credit quality also may affect liquidity and make it difficult for the Fund to sell a REIT or a real estate company's security.

- (vii) Payment of distributions out of capital risk - Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment. As a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value of units. Also, a high distribution yield does not imply a positive or high return on the total investment.
- (viii) Futures - The Fund may invest in futures. Futures transactions are executed and cleared through futures commission merchants ("FCM") who receive compensation for their services. The selection of an FCM is generally based on the overall quality of execution and other services, including research, provided by the FCM. Upon entering a futures contract, the Fund is required to deposit with the FCM or be credited by the FCM an amount of cash or cash equivalents equal to a percentage of the contract amount. Subsequent payments, debits or credits thereon are made or received by the Fund each day depending on the daily fluctuation in the value of the contract. Futures prices can be highly volatile. Because of the low margin deposits normally required in futures and options trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures prices have occasionally moved beyond the daily limits for several consecutive days with little or no trading. Over-the-counter instruments generally are not as liquid as instruments traded on recognised exchanges. This constraint could prevent the Fund from promptly liquidating unfavourable positions and subject it to substantial losses. In addition, the U.S. Commodity Futures Trading Commission and various exchanges impose speculative position limits on the number of positions that the Fund may indirectly hold or control in particular commodities.
- (ix) Diversification risk - The Fund concentrates its investments in a single industry or group of industries in the real estate sector. Companies in the real estate sector include REITs and other companies engaged in the ownership, construction, financing, management or sale of commercial, industrial or residential real estate or companies that invest in such real estate. This concentration increases the risk of loss to the Fund by increasing its exposure to economic, business, political or regulatory developments that may be adverse to the real estate sector of the economy or individual industries within the real estate sector.
- (x) Risks related to the Eurozone sovereign debt crisis - The Fund may invest substantially in the Eurozone. In light of the current fiscal conditions and concerns on the sovereign debt risk of certain countries within the Eurozone (in particular, Portugal, Ireland, Italy, Greece and Spain), the Fund's investments in the region may be more volatile. The performance of the Fund may deteriorate significantly should there be any adverse credit events (e.g. downgrade of the sovereign credit rating, obligation default, etc) of any Eurozone country.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Class is available:

Class	Class Currency
JPMorgan Global Property Income (div) - USD	US dollars
JPMorgan Global Property Income (mth) - HKD	HK dollars
JPMorgan Global Property Income (mth) - USD	US dollars

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month's notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution thereof (if any).

DISTRIBUTION POLICY

The Manager has the sole and absolute discretion to amend the distribution policy, subject to the SFC's prior approval (if applicable) and one month's prior notice to the relevant unitholders.

Class with the suffix “(div)”

At least 85 per cent. of the income of JPMorgan Global Property Income (div) - USD in respect of each accounting period, after charging the expenses applicable to the Class, will be distributed to unitholders of the Class. The transferee of a unit will be entitled to a distribution in respect of such unit if the Registrar has received a valid instrument of transfer (duly stamped if required) in respect of the unit by 3:30 p.m. (Hong Kong time) on the last cum distribution dealing date. The subscriber of a unit shall be entitled to a distribution in respect of such unit if the application for the unit is received by the Manager by 5:00 p.m. (Hong Kong time) on the last cum distribution dealing date.

It is the intention of the Manager to make distributions on a quarterly basis for the three-month periods to the end of March, June, September and December in each year or/and such other time as the Manager may, with the prior approval of the Trustee, notify the unitholders. The Manager expects to be able to pay distributions from income generated by JPMorgan Global Property Income (div) - USD from its investment but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. However, the payment of distributions may not be equivalent to the income generated from the underlying investments of the Class. There is no guarantee, assurance and or certainty that distributions will be paid every quarter. Please also refer to the risk factor entitled “Payment of distributions out of capital risk”.

Composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Manager upon request and at the website www.jpmorganam.com.hk[#].

Classes with the suffix “(mth)”

It is the intention of the Manager to have at least 85 per cent. of the income attributable to the following Classes respectively in respect of each accounting period, after charging the expenses attributable to these Classes respectively, to be distributed to unitholders of these Classes respectively:

Class
JPMorgan Global Property Income (mth) - HKD
JPMorgan Global Property Income (mth) - USD

It is the intention of the Manager to make distributions on a monthly basis or/and such other time as the Manager may, with the prior approval of the Trustee, notify to unitholders. The Manager expects to be able to pay distributions from its income generated by the Fund from its investment, but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. However, the payment of distributions may not be equivalent to the income generated from the underlying investments of the Class. There is no guarantee, assurance and or certainty that distributions will be paid every month. Please also refer to the risk factor entitled “Payment of distributions out of capital risk”.

Composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Manager upon request and at the website www.jpmorganam.com.hk[#].

The transferee of a unit will be entitled to a distribution in respect of such unit if the Registrar has received a valid instrument of transfer (duly stamped if required) in respect of the unit by 3:30 p.m. (Hong Kong time) on the last cum distribution dealing date. The subscriber of a unit shall be entitled to a distribution in respect of such unit if the application for the unit is received by the Manager by 5:00 p.m. (Hong Kong time) on the last cum distribution dealing date.

[#] The website has not been reviewed by the SFC.

Reinvestment of Distributions

It is the Manager's current policy to reinvest automatically any distributions in the subscription of further units of the corresponding Class of units of the Fund, unless unitholders notify the Manager otherwise in writing and the amount of the relevant distribution equals to or exceeds US\$250 (or its equivalent in another currency). Such further units will be issued on the date of distribution, or if that is not a dealing day, on the next following dealing day. No initial charge will be made on the issue of such further units. In the event that a unitholder redeems or switches its entire holding of the relevant Class before the actual payment date of any distributions, the Manager will redeem the reinvested units on the actual payment date and pay the redemption proceeds to the unitholder in cash if the reinvested units do not meet the relevant minimum holding requirement.

Payment of Distributions by cheque

For unitholders who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units, payment will be made by cheque in the offering currency of the relevant Class and sent, at the risk of the persons entitled thereto, to such persons at the address (or first address in the case of any joint holding) shown in the register of unitholders or as they may direct. Any distribution which is not claimed for six years will be forfeited and becomes part of the assets of the relevant Class (and in case such relevant Class has been terminated, the Fund)."

BASES OF VALUATIONS

The method of establishing the net asset value of each Class is set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less the liabilities of that Class, by the total number of units in issue of that Class as at 5:00p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class and the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "Reports and Accounts" below.

DEALING

For details of the dealing procedure of the Fund, please refer to section entitled "DEALING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

The section entitled "SUBSCRIPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Initial Issue Price

The first issue of units of JPMorgan Global Property Income (div) - USD was made at a price of US\$10.00 per unit, excluding the initial charge.

In addition, the first issue of units of the following Classes will be made at the prices below, excluding the initial charge referred to above:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Global Property Income (mth) - HKD	HK\$10.00
JPMorgan Global Property Income (mth) - USD	US\$10.00

REDEMPTIONS

For details of redemptions of the Fund, please refer to the section entitled “REDEMPTIONS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SWITCHING

For details on how to switch between Classes of units within the same Fund or between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled “SWITCHING” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge for each Class (normally up to 5 per cent. of the net asset value per unit of the relevant Class) from the gross subscription amount on the issue of units where applicable and receive a redemption charge for each Class (normally up to 0.5 per cent. of the net asset value per unit of the relevant Class) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, “Distributors”), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1.5 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class) by giving to the Trustee and unitholders not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of that Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class' interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager, the Investment Manager and/or the Sub-Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager, the Investment Manager and/or the Sub-Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager. The fees of the Sub-Manager will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund. However, the Trustee currently receives a fee at the following rates:-

	<u>Rate (per annum)</u>
On the first US\$40,000,000	0.06%
On the next US\$30,000,000	0.04%
On the balance over US\$70,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Fiscal Charges

For details of the fiscal charges policy of the Fund, please refer to the sub-section entitled "Fiscal Charges" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

There are no unamortised establishment costs outstanding relating to this Fund.

CONFLICTS OF INTEREST

As a global banking firm, JPMorgan Chase & Co. ("JPMorgan") and its affiliates (including the Manager, Investment Manager and Sub-Manager) engage in a broad spectrum of activities, including financial, advisory, investment and other activities. While relationships and activities of JPMorgan and its affiliates should enable these entities to offer attractive opportunities and services to the Fund, such relationships and activities may also give rise to circumstances in which the interests of these entities and other affiliates of JPMorgan conflict with the interests of the Fund. Certain conflicts of interest are set out below. By acquiring units of the Fund, each unitholder will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and to have waived, to the fullest extent permitted by applicable law, any claim with respect to the existence of any such conflict. In connection with any situation involving a potential conflict between the interests of the Fund and those of JPMorgan or any of its affiliates, including those described below, the Manager, the Investment Manager or Sub-Manager will determine whether it is prudent for it to act in any capacity with respect to the Fund and may consult with the Trustee. In addition, if required by applicable law, the Manager, the Investment Manager or Sub-Manager will obtain the consent of the Trustee prior to entering into such transactions. Trustee's approval will be binding on the Fund and its unitholders. All transactions carried out by or on behalf of the Fund will be carried out on an arm's length basis.

The officers and employees of the Manager, the Investment Manager and Sub-Manager will devote such time as such entities and JPMorgan, in their sole discretion, deem necessary to carry out the operations of the Fund effectively. Officers and employees of the Manager, the Investment Manager and Sub-Manager will also work on projects for other affiliates of JPMorgan and may spend a significant portion of their time on matters unrelated to the Fund. Conflicts of interest may arise in allocating management time, services or functions among the Manager, the Investment Manager or Sub-Manager and such other affiliates.

JPMorgan and its affiliates have, and continue to seek to develop, banking and other financial and advisory relationships with numerous U.S. and overseas companies and governments. JPMorgan and its affiliates also advise and represent potential buyers and sellers of businesses worldwide. In providing services to its clients, JPMorgan and its affiliates may recommend activities that would compete with or otherwise adversely affect the Fund or the Fund's investments. It should be recognised that such relationships may indirectly preclude the Fund from engaging in certain transactions and may constrain the Fund's investment flexibility.

The Manager, the Investment Manager and Sub-Manager and their affiliates may provide financial, consulting and other services to, and receive compensation from, an entity which is the issuer of a security held by the Fund. In addition, the Manager, the Investment Manager and Sub-Manager and their affiliates may purchase property (including securities) from, sell property (including securities) or lend funds to, or otherwise deal with, any entity which is the issuer of a security held by the Fund. Any fees or other compensation received by the Manager, the Investment Manager, Sub-Manager or their affiliates in connection with such activities will not be shared with the Fund or any unitholder.

To the extent permitted by law, the Manager, the Investment Manager and Sub-Manager may allocate a portion of the Fund's brokerage transactions to their affiliates. Such affiliates may receive compensation for providing any such brokerage services.

JPMorgan and its affiliates will be authorised to engage in transactions in which JPMorgan or its affiliates acts as a broker or adviser for both the unitholders or the Fund and for another person on the other side of the transaction. JPMorgan or its affiliates may receive commissions or other compensation from, and have a potentially conflicting division of loyalties and responsibilities regarding, the parties to such transaction.

JPMorgan and its affiliates will be authorised to engage in principal transactions with the Fund (with the consent of the Trustee), including purchases and sales between the Fund and JPMorgan affiliates. The Fund may face conflicts of interest in connection with such principal transactions, including with respect to the consideration offered by, and the obligations of, JPMorgan affiliates.

The Manager, the Investment Manager, Sub-Manager, JPMorgan and their respective employees, officers, directors, principals or members are not prohibited from buying or selling securities or commodity interests for their own account. The records of any such trades by the Manager, the Investment Manager, Sub-Manager, JPMorgan and their respective employees, officers, directors, principals or members will not be open to inspection by unitholders. With respect to such personal or proprietary accounts, the Manager, the Investment Manager, Sub-Manager, JPMorgan and their respective employees, officers, directors, principals or members might take investment positions different from, or contrary to, those taken by the Fund; however, they are not permitted to trade ahead of the Fund.

As an internal policy matter, the Manager, the Investment Manager and Sub-Manager may from time to time maintain certain overall investment limitations on the securities positions the firm will take on behalf of its various clients due to, among other things, liquidity concerns and regulatory restrictions. Similarly, the Manager, the Investment Manager and Sub-Manager may be under a contractual or other legal obligation to one or more existing clients that would affect its ability to make a given investment for the Fund or to pursue a particular course of action. It should be recognised that such policies may preclude the Fund from purchasing particular securities, even if such securities would otherwise meet the Fund's objectives.

The Manager, the Investment Manager, Sub-Manager and JPMorgan are subject to certain conflicts of interest in their dealings with the Fund and will endeavour to exercise their discretion in a manner that is fair and equitable to all interested persons. For example, investments deemed appropriate for the Fund by the Manager, the Investment Manager or Sub-Manager may also be deemed appropriate by the Manager, the Investment Manager, Sub-Manager or JPMorgan and its affiliates for other accounts managed or advised by the Manager, the Investment Manager, Sub-Manager or JPMorgan and its affiliates, so that the same security may be purchased at or about the same time for both the Fund and the other accounts. In these circumstances, the Manager, the Investment Manager and Sub-Manager may determine that orders for the purchase of the same security for the Fund and one or more other accounts should be combined, in which event the transactions may be allocated as nearly as practicable in proportion to the amounts desired to be purchased for each account, such that each account will share the benefits (or adverse effects, if any) of such an aggregation. Conversely, dispositions of securities of issuers whose securities are part of the Fund's portfolio may be deemed appropriate for other accounts managed or advised by the Manager, the Investment Manager, Sub-Manager or JPMorgan and its affiliates but may be deemed inconsistent with the Fund's investment objective, so that a security is sold by the Fund but is retained by the other accounts. Neither the Manager, the Investment Manager, Sub-Manager nor JPMorgan and its affiliates will be prohibited from making such dispositions with respect to such other account(s).

Additionally, the Manager, the Investment Manager, Sub-Manager and their affiliates are engaged in the business of investing in securities and financial instruments for their own account and for the account of others (including issuers of securities held by the Fund). The Manager, the Investment Manager or Sub-Manager may allocate investment opportunities to such affiliates or other clients in addition to, or in lieu of, the Fund. The Manager, the Investment Manager and Sub-Manager will be free to serve and may be compensated by other persons (including issuers of securities held by the Fund) and will only be required to devote such time to the affairs of the Fund as the Manager, the Investment Manager or Sub-Manager deems necessary. The Manager, the Investment Manager or Sub-Manager may also purchase property from, or sell property to, issuers of securities held by the Fund.

From time to time, JPMorgan, the Manager, the Investment Manager, Sub-Manager or any of their affiliates may come into possession of material, non-public information concerning an investment held by the Fund. The possession of such information may limit the ability of the Manager, the Investment Manager or Sub-Manager, as affiliates of JPMorgan, to sell or otherwise dispose of the investment on behalf of the Fund until such information becomes publicly available.

The Manager, Investment Manager and/or the Sub-Manager may provide services to, or effect transactions with or for, the Fund which may involve an actual or potential conflict of interest with their duties to the Fund. The Manager, Investment Manager and/or the Sub-Manager will, however, have regard in such event to its obligations to act in the best interests of unitholders when such conflicts of interest arise and will seek to resolve such conflicts fairly.

The Manager, the Investment Manager and/or the Sub-Manager and any of their Connected Persons may enter into soft commission arrangements with brokers under which certain goods and services are received, provided such goods and services are of demonstrable benefit to unitholders and fall within the safe harbour provided in section 28(e) of the U.S. Securities Exchange Act of 1934, as amended. Cash payment will not be made for these services but instead those persons may transact an agreed amount of business with the brokers on behalf of the Fund. Commission will be paid by the Fund for these transactions, provided that execution of the transactions are consistent with best execution standards and the relevant brokerage rates are not in excess of customary institutional full-service rates.

No cash or other rebates from brokers, dealers or market makers may be retained by the Manager, the Investment Manager and/or the Sub-Manager or any of their Connected Persons in consideration of directing transactions on behalf of the Fund to such brokers, dealers or market makers.

TAXATION

The following sub-sections under Section D – TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) “(i) General”;
- (ii) the sub-paragraph entitled “Hong Kong” under the sub-section entitled “(ii) Taxation of Funds in their Country/Region of Formation”;
- (iii) “(iii) Taxation of Unitholders”; and
- (iv) the sub-paragraph entitled “United States of America” under the sub-section entitled “(iv) Investment Markets”.

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled “REPORTS AND ACCOUNTS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

The general provisions under the section entitled “GENERAL” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Sub-Manager

J.P. Morgan Investment Management Inc.
270 Park Avenue
New York, NY 10017-2070
United States of America

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan India Smaller Companies Fund

INTRODUCTION

JPMorgan India Smaller Companies Fund (“Fund”) is a unit trust constituted by a Trust Deed dated 13 April 2006, as amended from time to time (“Trust Deed”) governed by the laws of Mauritius. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission (“SFC”) under Section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) (“SFO”) and the Code on Unit Trusts and Mutual Funds (“SFC Code”). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund’s portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited (“Manager”), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited (“Investment Manager”), a company incorporated with limited liability in Hong Kong.

HSBC Institutional Trust Services (Mauritius) Limited acting as trustee of the Fund (“Trustee”), is incorporated with limited liability in Mauritius. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund’s investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

Please refer to the section entitled “FUND PARTIES” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

The Trustee also acts as the registrar of the Fund (“Registrar”) and is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in securities of small to medium-sized companies in India.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the section entitled “Investment Restrictions and Guidelines” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the value of the Fund’s holding of securities of small to medium-sized companies which are based in or operate principally in India shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

Borrowing and Securities Lending Policy

For details of the borrowing and securities lending policy of the Fund, please refer to the sections entitled “Borrowing Policies” and “Securities Lending Policies” respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled “RISKS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) Small and medium-sized companies – The stock prices of small and medium-sized companies may tend to be more volatile than large-sized companies due to a lower degree of liquidity, greater sensitivity to changes in economic conditions and higher uncertainty over future growth prospects.
- (ii) Regulatory risk – The Fund is a Foreign Institutional Investor (“Indian FII”) registered with the Securities and Exchange Board of India (“SEBI”) under the SEBI (Foreign Institutional Investors) Regulations, 1995 (“Indian FII Regulations”). Subject to the Indian FII Regulations and the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 (“Indian FEMA Regulations”), a registered Indian FII may buy and sell equity shares and debentures of Indian companies through stock exchanges in India at the current market price subject to certain individual and collective statutory limits. The Reserve Bank of India (“RBI”) acts as the regulatory body to monitor the statutory limits on investments by Indian FIIs in an Indian company. If the total holdings of the Indian FIIs reach such statutory limits, the RBI would require the Indian FII and the relevant Indian company to seek prior approval from the RBI for any purchase, which approval may not be forthcoming. In addition, any change to the Indian FEMA Regulations and the Indian FII Regulations may limit or adversely impact the ability of the Fund to invest in India.
- (iii) Tax risk – The Fund expects that under current law and practice it will be treated as a tax resident of Mauritius for the purposes of the India-Mauritius tax treaty and that it will therefore not be liable to Indian tax in respect of capital gains realised on its Indian listed securities. The Governments of India and Mauritius signed a protocol amending the India-Mauritius tax treaty on the 10 May 2016 altering the tax treatment of capital gains, while at the same time seeking to preserve the position of existing investments. The Government of India, the Ministry of Finance and the Central Board of Direct Taxes announced that India shall have the right to tax capital gains arising from alienation of shares acquired on or after 1 April 2017 in a company resident in India effective as from financial year 2017-18. 1 April 2017 to 31 March 2019 will be a transitional period where the tax rate in India will be limited to 50% of the domestic applicable tax on capital gains tax if the disposal of the assets occurs at latest on 31 March 2019, subject to an anti-avoidance provision to be introduced by the protocol. Nevertheless, there can be no assurance that any future changes to the India-Mauritius tax treaty or future interpretations of the India-Mauritius tax treaty will not adversely affect the tax position of the Fund’s investments in India (see section entitled “TAXATION” below for a more detailed discussion on the current tax position of the Fund).

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a “Class”) whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Class is available:

Class	Class Currency
JPMorgan India Smaller Companies (acc) - USD	US dollars

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month’s notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution therefor (if any).

DISTRIBUTION POLICY

All income will be accumulated and reinvested within the Fund. Although the Trust Deed contains provisions under which the Manager has the discretion to determine the amount to be distributed to unitholders, it is not the current intention of the Manager that such distribution will be made.

BASES OF VALUATIONS

On each dealing day, the Manager shall calculate the net asset value of each Class as at the close of business in the relevant markets where such assets are primarily traded on such dealing day in accordance with the method of establishing the net asset value of each Class as set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class less the liabilities of that Class, by the total number of units of that Class in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class and the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "Reports and Accounts" below.

DEALING

For details of the dealing procedure of the Fund, please refer to the section entitled "DEALING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

The section entitled "SUBSCRIPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Initial Issue Price

The first issue of units of JPMorgan India Smaller Companies (acc) - USD was made at a price of US\$10.00 per unit, excluding the initial charge.

REDEMPTIONS

Save for the procedure on payment of redemption monies set out in the sub-section entitled "Procedure for Redemption" below, the section entitled "REDEMPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Procedure for Redemption

The procedure on payment of redemption monies which applies to this Fund is set out below.

The amount due on the redemption of units will normally be paid within seven business days and in any event not later than one calendar month after the date of actual receipt by the Manager of a duly completed redemption request in a prescribed format and such other information as the Trustee or the Manager may reasonably require. Failure to provide such information may delay payment of redemption proceeds. Payment will normally be made by telegraphic transfer where the unitholder has provided

payment details for this purpose. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Where the unitholder has not provided bank payment details or where the redemption amount is less than US\$1,000 or its equivalent in another currency, redemption proceeds will normally be paid by cheque, posted at the risk of the unitholder. No third party payments will be made.

SWITCHING

For details on how to switch between Classes of units within the same Fund or between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled "SWITCHING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge for each Class (normally up to 5 per cent. of the net asset value per unit of the relevant Class) from the gross subscription amount on the issue of units where applicable and a redemption charge for each Class (normally up to 0.5 per cent. of the net asset value per unit of the relevant Class) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, "Distributors"), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1.5 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class) by giving to the Trustee and unitholders not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of that Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class' interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager and/or the Investment Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager and/or the Investment Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund which will be calculated before deduction of any management fee and trustee fee accruing to or on the relevant dealing day. However, the Trustee currently receives a trustee fee at the following rates of the Fund's net asset value which is calculated before deduction of any management fee and trustee fee accruing to or on the relevant dealing day:-

	<u>Rate (per annum)</u>
On the first US\$40,000,000	0.06%
On the next US\$30,000,000	0.04%
On the balance over US\$70,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears. For this purpose, the net asset value shall be calculated before deduction of any management fee and trustee fee accruing to or on the relevant dealing day.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Fiscal Charges

For details of the fiscal charges policy of the Fund, please refer to the sub-section entitled “Fiscal Charges” under the section entitled “FEES, CHARGES AND LIABILITIES” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled “Other Liabilities” under the section entitled “FEES, CHARGES AND LIABILITIES” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

There are no unamortised establishment costs outstanding relating to this Fund.

CONFLICTS OF INTEREST

For details of the Manager’s current policy on conflicts of interest, please refer to the section entitled “CONFLICTS OF INTEREST” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D - TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) “(i) General”;
- (ii) the sub-paragraphs entitled “Mauritius” and “Hong Kong” under the sub-section entitled “(ii) Taxation of Funds in their Country/Region of Formation”;
- (iii) “(iii) Taxation of Unitholders”; and
- (iv) the sub-paragraph entitled “India” under the sub-section entitled “(iv) Investment Markets”.

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled “REPORTS AND ACCOUNTS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

Save for the provisions on “Duration of the Funds”, the general provisions under the section entitled “GENERAL” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The provisions on “Duration of the Fund” which apply to this Fund are set out below.

Duration of the Fund

Unless previously terminated, the Fund will terminate automatically on the date of its ninety ninth anniversary from the date of the Trust Deed. Either the Manager or the Trustee may, in certain circumstances, terminate the Fund at any time. Such circumstances include the passing of any law which renders it illegal to continue the Fund or, in the opinion of the Manager, impracticable or inadvisable to continue the Fund or where the aggregate net asset value of the Fund falls below US\$10,000,000 or its equivalent in another currency or where the Manager (with the approval of the Trustee) considers termination of the Fund is in the best interest of unitholders. The Fund may also be terminated by Extraordinary Resolution of the unitholders at any time.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee and Registrar

HSBC Institutional Trust Services (Mauritius) Limited
HSBC Centre
Eighteen
Cybercity Ebene
Republic of Mauritius

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Auditors

PricewaterhouseCoopers
Eighteen
Cybercity Ebene
Republic of Mauritius

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong
Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan Multi Income Fund

INTRODUCTION

JPMorgan Multi Income Fund ("Fund") is a unit trust constituted by a Trust Deed dated 24 June 2011, as amended from time to time ("Trust Deed") governed by the laws of Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission ("SFC") under Section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund's portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited ("Manager"), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong. The Investment Manager has further appointed J.P. Morgan Investment Management Inc., a company incorporated in the United States of America and JPMorgan Asset Management (UK) Limited, a company incorporated in England and Wales with limited liability as sub-managers (collectively, "Sub-Managers").

HSBC Institutional Trust Services (Asia) Limited acting as trustee of the Fund ("Trustee"), is incorporated with limited liability in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

Please refer to the section entitled "FUND PARTIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

HSBC Trustee (Cayman) Limited is the registrar of the Fund ("Registrar") and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective of the Fund is to maximise the income return primarily through investing in a diversified portfolio of income producing equities, bonds and other securities. In addition, the Fund aims to provide medium to long term moderate capital growth. The Manager will seek to achieve these objectives by active asset allocation to, and within, different asset classes and geographies. The asset classes include but are not limited to investment grade bonds, below investment grade bonds, high yield bonds, emerging market bonds, convertible bonds, real estate investment trusts ("REITs") and equities.

The Manager will seek to achieve the investment objectives by: (1) active security selection within a broad range of asset classes (including but not limited to, equities, high yield bonds, investment grade bonds, below investment grade bonds, emerging market bonds, convertible bonds and REITs) whose focus is on income generation; (2) active allocation to and within different asset classes to take advantage of the most compelling income opportunities wherever they can be found; and (3) ensuring that risks taken are appropriate to the overall investment objective and that multifaceted risk control procedures - both investment and operational - are in place to mitigate the possibility of an undesirable outcome.

The Fund may also invest in derivatives as permitted by the SFC from time to time such as options, warrants and futures for investment purposes and may under limited circumstances (e.g. for cash management purpose) as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time where the Manager considers appropriate in the circumstances.

The Fund's aggregate exposure (direct and indirect) to China A-Shares and B-Shares may not exceed 10% of its net assets and should this investment policy in China A-Shares and/or B-Shares change in the future, one month's prior notice will be given to unitholders and the offering document will be updated accordingly.

The Fund will have limited Renminbi (RMB) denominated underlying investments.

Currency Hedged Classes

Investors who invest in the Currency Hedged Classes should refer to the section entitled "CLASSES OF UNITS" for details on the objective, strategy and risks associated with the Currency Hedged Classes.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following investment restrictions and guidelines shall apply to the Fund as at the immediate preceding valuation:

- (i) Notwithstanding (xiv), (xix) and (xx) respectively in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:
 - (a) the Fund may invest in one or more underlying schemes which are either recognised jurisdiction schemes or schemes authorised by the SFC. The value of the Fund's holding of units or shares in each such underlying scheme may not exceed 20 per cent. of its total net asset value;
 - (b) the Fund may not sell short any securities;
 - (c) the Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person;
- (ii) In addition to and without contradicting the investment restrictions and guidelines set out in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, the following investment restrictions and guidelines shall apply to the Fund (for the avoidance of doubt, the more restrictive investment restrictions and guidelines shall apply):
 - (a) the Fund may invest up to 30 per cent. of its total net asset value in Korean Won denominated securities or assets;
 - (b) the value of the Fund's total holdings with any single entity (including, but not limited to, securities, listed and unlisted derivative instruments and deposits) may not exceed 35 per cent. of its total net asset value, however, if such holdings with any single issuer also include over-the-counter derivatives (in addition to securities, listed and unlisted derivative instruments and deposits), such holdings may not exceed 20 per cent. of the Fund's total net asset value; provided however that the investment restriction in this paragraph (ii)(b) does not affect paragraph (v) in the section entitled "Investment Restrictions and Guidelines" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds; and
 - (c) the Fund's total risk exposure in respect of over-the-counter derivatives issued by any single counterparty may not exceed 10 per cent. of its total net asset value.

Borrowing and Securities Lending Policy

The Fund may enter into borrowing arrangements on a temporary basis for unavoidable circumstances only including but not limited to, meeting redemption requests, provided that the aggregate principal amount of borrowing outstanding shall not exceed 10 per cent. of the net asset value of the Fund. The Fund's assets may be charged or pledged as security for any such borrowings. Back-to-back loans do not count as borrowing. The Fund may borrow money from the Trustee, the Manager or any of their Connected Persons provided that the lender is permitted to lend money and the interest and any fee is no higher than an arm's length commercial rate of fee for a loan of the same size and nature.

For details of the securities lending policy of the Fund, please refer to the section entitled "Securities Lending Policies" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled “RISKS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) Equity risk - Equity markets may fluctuate significantly with prices rising and falling sharply, and this will have a direct impact on the Fund's net asset value. When equity markets are extremely volatile, the Fund's net asset value may fluctuate substantially.
- (ii) Interest rates risk - Interest rates in the countries in which the Fund's assets will be invested may be subject to fluctuations. Any such fluctuations may have a direct effect on the income received by the Fund and its capital value. Bonds are particularly susceptible to interest rate changes and may experience significant price volatility. The prices of bonds generally increase when interest rates decline and decrease when interest rates rise. Longer term bonds are usually more sensitive to interest rate changes. Given the historically low interest rate environment, risks associated with rising rates are heightened.
- (iii) Credit risk - If the issuer of any of the fixed interest securities in which the Fund's assets are invested defaults, the performance of the Fund will be negatively affected and the Fund could suffer substantial loss. Furthermore, most emerging market fixed interest securities are not given a rating by internationally recognised credit rating agencies and subject to the “Emerging markets risk” set out in the section entitled “RISKS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.
- (iv) Below investment grade/unrated investment risk - The Fund may invest in bonds and other debt securities which are unrated or with ratings below investment grade. Accordingly, such investment will be accompanied by a higher degree of credit and liquidity risks than is present with investment in higher rated securities. During economic downturns such bonds typically fall more in value than investment grade bonds as such are often subject to a higher risk of issuer default. The net asset value of the Fund may decline or be negatively affected if there is a default of any of the high yield bond that the Fund invests in or if interest rates change.
- (v) Investment grade bond risk - Investment grade bonds are assigned ratings within the top rating categories by rating agencies (including but not limited to Fitch, Moody's and/or Standard & Poor's) on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review such assigned ratings and bonds may therefore be downgraded in rating if economic circumstances (e.g. subject to market or other conditions) impact the relevant bond issues. Downgrading of the bonds may adversely affect the value of the relevant bonds and therefore the performance of the Fund. Also, the Fund may face higher risks of default in interest payment and principal repayment. As a result, investors may get back less than they originally invested.
- (vi) REITs risk - The Fund may invest in REITs which invest primarily in real estate and this may involve a higher level of risk as compared to a diversified fund and other securities. Real estate investments are relatively illiquid and may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest rates, real estate market or other condition. REITs may have limited financial resources, may trade less frequently and in a limited volume and may be subject to more abrupt or erratic price movements than other securities.

REITs are dependent upon management skills, are not diversified, are subject to heavy cash flow dependency, default on borrowings and self-liquidation. REITs are also subject to the possibility of failing to qualify for tax-free pass-through of income, as in some jurisdictions special tax rules may apply to impose tax on the REITs or withhold tax on income derived from REITs and the Fund will not obtain a credit for any tax paid by the REITs or tax on payments out of the REITs.

REITs are also subject to interest rate risks. When interest rates decline, the value of a REIT's investment in fixed rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT's investment in fixed rate obligations can be expected to decline. For adjustable rate mortgage loans, interest rates are reset periodically to reflect changes in market interest rates. Therefore, yields on a REIT's investments in such loans will gradually align themselves to reflect changes in market, causing the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments in fixed rate obligations. However, income generated from adjustable rate mortgage loans may be more volatile in response to interest rate fluctuations than would fixed rate obligations. Consequently, the value of a REIT held by the Fund may increase or decrease which in turn, affects the value of the Fund.

The underlying REITs which the Fund may invest may not necessarily be authorised by the SFC and their distribution or payout policies are not representative of the distribution policy of the Fund.

- (vii) Credit risk for investment in REITs – A decline in the credit rating or perceived credit quality of a REIT can have a negative impact on the value of its shares or units. Lower credit quality may also affect liquidity and make it difficult for the Fund to sell a REIT.
- (viii) Distribution risk – Except for the Classes with the suffix “(acc)” which are accumulation Classes and will not normally pay distributions, the Manager intends to distribute at least 85 per cent. of the income (net of expenses) attributable to each Class in respect of each accounting period. However, there is no assurance on such distribution or the distribution rate or dividend yield.
- (ix) Payment of distributions out of capital risk – Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment, as a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value per unit. Also, a high distribution yield does not imply a positive or high return on the total investment.
- (x) Cross-Class liability risk – Pursuant to the Trust Deed, the Manager reserves the right to establish and issue new Classes from time to time. The net asset value of each Class will be calculated separately with particular assets and liabilities of the Fund attributable to particular Classes. Whilst different Classes may have separate accounts for internal accounting purposes, there is no legal segregation of assets and liabilities between Classes. Accordingly, the assets of one or more Classes may be used to settle liability which arises in another Class.
- (xi) Class currency risk – The Class Currency of each Class may be different from the Fund’s base currency, the currencies of which the Fund’s assets are invested and/or investors’ base currencies of investment. If an investor converts its base currency of investment to the Class Currency in order to invest in a particular Class and subsequently converts the redemption proceeds from that Class Currency back to its original base currency of investment, the investor may suffer a loss due to the depreciation of the Class Currency against the original currency. For example, if an investor whose base currency of investment is Hong Kong dollars (i.e. not Australian dollars) and chooses to invest in the AUD Class, the investor may be exposed to a higher currency risk. The investor may suffer a higher loss as a result of exchange rate fluctuations between Hong Kong dollars and Australian dollars upon the reconversion of its Australian dollars investment back to Hong Kong dollars as compared to an investor whose base currency of investment is originally in Australian dollars. For further details, please refer to the sub-section entitled “Currency Hedged Classes” in the section entitled “CLASSES OF UNITS” below.
- (xii) Risks related to the Eurozone sovereign debt crisis – The Fund may invest substantially in the Eurozone. In light of the current fiscal conditions and concerns on the sovereign debt risk of certain countries within the Eurozone (in particular, Portugal, Ireland, Italy, Greece and Spain), the Fund’s investments in the region may be more volatile. The performance of the Fund may deteriorate significantly should there be any adverse credit events (e.g. downgrade of the sovereign credit rating, obligation default, etc) of any Eurozone country.
- (xiii) Currency Hedged Classes risk – Each Currency Hedged Class may hedge the Fund’s denominated currency back to its currency of denomination, with an aim to provide a return on investment which correlates with the return of the Class of unit which is denominated in the Fund’s base currency. The costs and resultant profit or loss on the hedging transactions will be reflected in the net asset value per unit for the units of the relevant Currency Hedged Classes. The costs relating to such hedging transactions which may be significant depending on prevailing market conditions shall be borne by that Currency Hedged Class only.

The precise hedging strategy applied to a particular Currency Hedged Class may vary. In addition, there is no guarantee that the desired hedging instruments will be available or hedging strategy will achieve its desired result. In such circumstances, investors of the Currency Hedged Class may still be subject to the currency exchange risk on an unhedged basis (which means that, for example, if the hedging strategy in respect of the RMB Hedged Class is ineffective, depending on the exchange rate movements of RMB relative to the base currency of the Fund, and/or other currency(ies) of the non-RMB denominated underlying investment of the Fund, (i) investors may still suffer losses even if there are gains or no losses in the value of the non-RMB denominated underlying investments; or (ii) investors may suffer additional losses if the non-RMB denominated underlying investments of the Fund fall in value). If the counterparties of the instruments used for hedging purposes default, investors of the Currency Hedged Classes may be exposed to the currency exchange risk on an unhedged basis and may therefore suffer further losses.

While the hedging strategy may protect investors of the Currency Hedged Classes against a decrease in the value of the Fund’s base currency relative to the denominated currency of that Currency Hedged Class, the hedging strategy may

substantially limit the benefits of any potential increase in the value of a Currency Hedged Class expressed in the Class currency, if the Currency Hedged Class' denominating currency falls against the base currency of the Fund. Please refer to the section entitled "Classes of Units" for further details.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Classes are available:

Class	Class Currency
JPMorgan Multi Income (acc) - HKD	HK dollars
JPMorgan Multi Income (acc) - RMB (hedged)	Renminbi
JPMorgan Multi Income (acc) - USD	US dollars
JPMorgan Multi Income (mth) - AUD (hedged)	Australian dollars
JPMorgan Multi Income (mth) - CAD (hedged)	Canadian dollars
JPMorgan Multi Income (mth) - EUR (hedged)	Euro
JPMorgan Multi Income (mth) - GBP (hedged)	Sterling
JPMorgan Multi Income (mth) - HKD	HK dollars
JPMorgan Multi Income (mth) - NZD (hedged)	New Zealand dollars
JPMorgan Multi Income (mth) - RMB (hedged)	Renminbi
JPMorgan Multi Income (mth) - SGD (hedged)	Singapore dollars
JPMorgan Multi Income (mth) - USD	US dollars

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month's notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution therefor (if any).

Currency Hedged Classes

For details of Currency Hedged Class of the Fund, please refer to the sections entitled "Currency Hedged Classes" and "AUD Hedged Class/CAD Hedged Class/EUR Hedged Class/GBP Hedged Class/HKD Hedged Class/NZD Hedged Class/RMB Hedged Class/SGD Hedged Class/USD Hedged Class" respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

DISTRIBUTION POLICY

The Manager has the sole and absolute discretion to amend the distribution policy, subject to the SFC's prior approval and one month's prior notice to the relevant unitholders.

Classes with the suffix "(acc)"

Classes with the suffix "(acc)" are accumulation Classes and will not normally pay distributions. All income will be accumulated and reinvested within the corresponding Classes of the Fund.

Other Classes

It is the intention of the Manager to have at least 85 per cent. of the income attributable to the following Classes respectively in respect of each accounting period, after charging the expenses attributable to these Classes respectively, to be distributed to unitholders of these Classes respectively:

Class
JPMorgan Multi Income (mth) - AUD (hedged)
JPMorgan Multi Income (mth) - CAD (hedged)
JPMorgan Multi Income (mth) - EUR (hedged)
JPMorgan Multi Income (mth) - GBP (hedged)
JPMorgan Multi Income (mth) - HKD
JPMorgan Multi Income (mth) - NZD (hedged)
JPMorgan Multi Income (mth) - RMB (hedged)
JPMorgan Multi Income (mth) - SGD (hedged)
JPMorgan Multi Income (mth) - USD

It is the intention of the Manager to make distributions on a monthly basis or/and such other time as the Manager may, with the prior approval of the Trustee, notify to unitholders. The Manager expects to be able to pay distributions from its income generated by the Fund from its investment, but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. Please also refer to the risk factor entitled "Payment of distributions out of capital risk".

Composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Manager upon request and at the website www.jpmorganam.com.hk[#].

The transferee of a unit will be entitled to a distribution in respect of such unit if the Registrar has received a valid instrument of transfer (duly stamped if required) in respect of the unit by 3:30 p.m. (Hong Kong time) on the last cum distribution dealing date. The subscriber of a unit shall be entitled to a distribution in respect of such unit if the application for the unit is received by the Manager by 5:00 p.m. (Hong Kong time) on the last cum distribution dealing date.

Reinvestment of Distributions

It is the Manager's current policy to reinvest automatically any distributions in the subscription of further units of the corresponding Class of units of the Fund, unless unitholders notify the Manager otherwise in writing and the amount of the relevant distribution equals to or exceeds US\$250 (or its equivalent in another currency). Such further units will be issued on the date of distribution, or if that is not a dealing day, on the next following dealing day. No initial charge will be made on the issue of such further units. In the event that a unitholder redeems or switches its entire holding of the relevant Class before the actual payment date of any distributions, the Manager will redeem the reinvested units on the actual payment date and pay the redemption proceeds to the unitholder in cash if the reinvested units do not meet the relevant minimum holding requirement.

Payment of Distributions by cheque

For unitholders who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units (except for unitholders of the RMB denominated Class), payment will be made by cheque in the offering currency of the relevant Class and sent, at the risk of the persons entitled thereto, to such persons at the address (or first address in the case of any joint holding) shown in the register of unitholders or as they may direct. Any distribution which is not claimed for six years will be forfeited and becomes part of the assets of the relevant Class (and in case such relevant Class has been terminated, the Fund).

Payment of Distributions by telegraphic transfer

For unitholders of the RMB denominated Class who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units, payment will normally be made by telegraphic transfer, unless otherwise agreed by the Manager. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Notwithstanding the aforesaid, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, the Manager may pay distributions in USD.

[#] The website has not been reviewed by the SFC.

BASES OF VALUATIONS

The method of establishing the net asset value of each Class is set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less liabilities of that Class, by the total number of units of that Class in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class and the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "Reports and Accounts" below.

DEALING

For details of the dealing procedure of the Fund, please refer to the section entitled "DEALING" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

The section entitled "SUBSCRIPTIONS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Initial Issue Price

The first issue of units of the existing Classes were made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Multi Income (mth) - AUD (hedged)	AU\$10.00
JPMorgan Multi Income (mth) - CAD (hedged)	CA\$10.00
JPMorgan Multi Income (mth) - EUR (hedged)	EUR10.00
JPMorgan Multi Income (mth) - GBP (hedged)	GBP10.00
JPMorgan Multi Income (mth) - HKD	HK\$10.00
JPMorgan Multi Income (mth) - RMB (hedged)	RMB10.00
JPMorgan Multi Income (mth) - NZD (hedged)	NZ\$10.00
JPMorgan Multi Income (mth) - SGD (hedged)	SG\$10.00
JPMorgan Multi Income (mth) - USD	US\$10.00
JPMorgan Multi Income (acc) - RMB (hedged)	RMB10.00
JPMorgan Multi Income (acc) - USD	US\$10.00

In addition, the first issue of units of the following class will be made at the prices below, excluding the initial charge:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Multi Income (acc) - HKD	HK\$10.00

REDEMPTIONS

For details of redemptions of the Fund, please refer to the section entitled “REDEMPTIONS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SWITCHING

For details on how to switch between Classes of units within the same Fund or between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong Representative, please refer to the section entitled “SWITCHING” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge for each Class (normally up to 5 per cent. of the net asset value per unit of the relevant Class) from the gross subscription amount on the issue of units where applicable.

The Manager does not currently levy any redemption charge for the Fund.

The Manager reimburses approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, “Distributors”), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1.25 per cent. per annum of the net asset value of each Class. The Manager may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class), by giving to the Trustee and unitholders not less than one month’s notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of that Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class’ interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager, the Investment Manager and/or the Sub-Managers or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager, the Investment Manager and/or the Sub-Managers of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager. The fees of the Sub-Managers will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of up to 0.2 per cent. per annum of the net asset value of the Fund. However, the Trustee currently receives a trustee fee at the following rates of the Fund’s net asset value:-

	<u>Rate (per annum)</u>
On the first US\$40,000,000	0.06%
On the next US\$30,000,000	0.04%
On the balance over US\$70,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month’s notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Fiscal Charges

For details of the fiscal charges policy of the Fund, please refer to the sub-section entitled “Fiscal Charge” under the section entitled “FEES, CHARGES AND LIABILITIES” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

There are no unamortised establishment costs outstanding relating to this Fund.

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D – TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General";
- (ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/Region of Formation"; and
- (iii) "(iii) Taxation of Unitholders".

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled "REPORTS AND ACCOUNTS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

The general provisions under the section entitled "GENERAL" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to the Fund.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman
KY1-1106 Cayman Islands

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Sub-Managers

J.P. Morgan Investment Management Inc.
270 Park Avenue
New York, NY 10017-2070
United States of America

JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan Vietnam Opportunities Fund

INTRODUCTION

JPMorgan Vietnam Opportunities Fund ("Fund") is a unit trust constituted by a Trust Deed dated 15 August 2006, as amended from time to time ("Trust Deed") governed by the laws of Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission ("SFC") under Section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund's portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

The Fund is highly concentrated and specialised investing primarily in the Vietnam market which is currently very small and considered to be an emerging market. Investors should be aware that the Fund is likely to be more volatile than a broad-based fund as it is more susceptible to fluctuations in value resulting from adverse conditions in the countries in which it invests. Therefore, investment in the Fund should be regarded as long term in nature and suitable for investors who can afford the risks involved.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited ("Manager"), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong.

The Investment Manager has in turn delegated the investment management role to JPMorgan Asset Management (Singapore) Limited (the "Sub-Manager").

HSBC Institutional Trust Services (Asia) Limited acting as trustee of the Fund ("Trustee"), is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

Please refer to the section entitled "FUND PARTIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds in relation to the liabilities of each of the parties described herein.

HSBC Trustee (Cayman) Limited is the registrar of the Fund ("Registrar") and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in securities of companies either (i) domiciled or listed on a stock exchange in Vietnam, or (ii) with actual or prospective operations, assets or investments, direct or indirect, in Vietnam in an aggregate amount of not less than either US\$50 million or 10 per cent. of the gross assets of the investing company (albeit such operations, assets or investments may at the time of investment be immaterial to the financial results of such company).

Since the Vietnam Stock Exchange is currently very small and illiquid, investors should be aware that while waiting for additional investment opportunities in the form of new issues listed in Vietnam, the Fund will also be invested in other companies which, whilst they have an interest in Vietnam, may have the vast majority of their business elsewhere. However, the Manager, the Investment Manager and/or the Sub-Manager will invest in such companies only if it believes that material incremental growth in revenues or earnings might be expected to be derived from Vietnam within the foreseeable future.

The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes and may under limited circumstances as considered appropriate by the Manager, the Investment Manager and/or the Sub-Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the section entitled “Investment Restrictions and Guidelines” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the value of the Fund’s holding of securities of companies which are either (a) domiciled or listed on a stock exchange in Vietnam, or (b) with actual or prospective operations, assets or investments, direct or indirect, in Vietnam in an aggregate amount of not less than either US\$50 million or 10 per cent. of the gross assets of the investing company, shall not be less than 70 per cent. of its non-cash assets in securities and other investments.

Borrowing and Securities Lending Policy

For details of the borrowing and securities lending policy of the Fund, please refer to the sections entitled “Borrowing Policies” and “Securities Lending Policies” respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled “RISKS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) Vietnam market risk – In addition to “emerging markets risks” set out in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, investments in Vietnam are also currently exposed to risks pertaining to the Vietnamese market. These include risks brought about by current investment ceiling limits where foreign investors are subject to certain holding limits; potential change of the current market mechanism which may involve the conversion of the existing two securities trading centres and the depository centre from a state agency to a business-oriented legal entity; and constraints currently imposed on trading of listed securities where a registered foreign investor may only maintain a trading account with one licensed securities company in Vietnam. These may contribute to the illiquidity of the Vietnamese securities market, create inflexibility and uncertainty on the trading environment.
- (ii) Legal risk – The economy of Vietnam is substantially less developed than those of other geographic regions such as the United States and Europe. The laws and regulatory apparatus affecting the economy are also in a relatively early stage of development and are not as well established as the laws and the regulatory apparatus of regions such as the United States and Europe. Vietnamese securities laws and regulations are still in their development stage and not drafted in a very concise manner which may be subject to interpretation. In the event of a securities related dispute involving a foreign party, the laws of Vietnam shall apply (unless an applicable international treaty provides otherwise). The Vietnamese court system is not as transparent and effective as court systems in more developed countries and there can be no assurance of obtaining effective enforcement of rights through legal proceedings in Vietnam and generally the judgements of foreign courts are not recognised.
- (iii) Regulatory risk – Foreign investment in Vietnam’s primary and secondary securities markets is still relatively new and much of Vietnam’s existing securities laws are ambiguous and/or have been developed to regulate direct investment by foreigners rather than portfolio investment. Investors should note that because of a lack of precedent, securities market laws and the regulatory environment for primary and secondary market investments by foreign investors are in the early stages of development, and remain untested.

The regulatory framework of the Vietnam primary and secondary securities markets is still in the development stage compared to many of the world’s leading stock markets, and accordingly there may be a lower level of regulatory monitoring of the activities of the Vietnam primary and secondary securities markets.

- (iv) Tax risk – Regarding investment in securities, there are various tax issues which remain unclear and might be the subject of clarification by the Vietnam government (see section entitled “TAXATION” below for a more detailed discussion on the current tax position of the Fund).

- (v) Foreign exchange risk - The Vietnamese Dong (“VND”) is a controlled currency, with an official US\$/VND reference exchange rate set by the State Bank of Vietnam (“SBV”) on a daily basis. Interbank rates are allowed to fluctuate within a specified band which may be higher or lower than the SBV’s published official rate. Investors should note the risks of limited liquidity in the Vietnam foreign exchange market.

In view of the above, investment in the Fund should be regarded as long term in nature. The Fund is, therefore, only suitable for investors who can afford the risks involved.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a “Class”) whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Class is available:

Class	Class Currency
JPMorgan Vietnam Opportunities (acc) - USD	US dollars

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month’s notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution therefor (if any).

DISTRIBUTION POLICY

All income will be accumulated and reinvested within the Fund. Although the Trust Deed contains provisions under which the Manager has the discretion to determine the amount to be distributed to unitholders, it is not the current intention of the Manager that such distribution will be made.

BASES OF VALUATIONS

On each dealing day, the Manager shall calculate the net asset value of each Class as at the close of business in the relevant markets where such assets are primarily traded on such dealing day in accordance with the method of establishing the net asset value of each Class as set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less the liabilities of that Class, by the total number of units of that Class in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class and the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled “Reports and Accounts” below.

DEALING

For details of the dealing procedure of the Fund, please refer to section entitled “DEALING” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Fund is denominated in US dollars.

The section entitled “SUBSCRIPTIONS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Initial Issue Price

The first issue of units of JPMorgan Vietnam Opportunities (acc) - USD was made at a price of US\$10.00 per unit, excluding the initial charge.

In addition, please note that the maximum allowed aggregate holding for each investor is 5 per cent. of the Fund's net asset value. The Manager may waive or alter the above provisions at its sole discretion.

REDEMPTIONS

Save for the procedure on payment of redemption monies set out in the sub-section entitled “Procedure for Redemption” below, the section entitled “REDEMPTIONS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Procedure for Redemption

The procedure on payment of redemption monies which applies to this Fund is set out below.

The amount due on the redemption of units will normally be paid within fourteen business days and in any event not later than one calendar month after the date of actual receipt by the Manager of a duly completed redemption request in a prescribed format and such other information as the Trustee or the Manager may reasonably require. Failure to provide such information may delay payment of redemption proceeds. Payment will normally be made by telegraphic transfer where the unitholder has provided payment details for this purpose. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Where the unitholder has not provided bank payment details or where the redemption amount is less than US\$1,000 or its equivalent in another currency, redemption proceeds will normally be paid by cheque, posted at the risk of the unitholder. No third party payments will be made.

Suspension of Redemptions

For details of the Manager's current policy on suspension of redemptions, please refer to the section entitled “REDEMPTIONS - Suspension of Redemptions” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SWITCHING

For details on how to switch between Classes of units within the same Fund or between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled “SWITCHING” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge for each Class (normally up to 5 per cent. of the net asset value per unit of the relevant Class) from the gross subscription amount on the issue of units where applicable and a redemption charge for each Class (normally up to 0.5 per cent. of the net asset value per unit of the relevant Class) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, “Distributors”), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1.5 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class) by giving to the Trustee and unitholders not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of that Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class' interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager, the Investment Manager and/or the Sub-Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager, the Investment Manager and/or the Sub-Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager. The fees of the Sub-Manager will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund which will be calculated before deduction of any management fee and trustee fee accruing to or on the relevant dealing day. However, the Trustee currently receives a trustee fee at the following rates of the Fund's net asset value which is calculated before deduction of any management fee and trustee fee accruing to or on the relevant dealing day:-

	<u>Rate (per annum)</u>
On the first US\$40,000,000	0.06%
On the next US\$30,000,000	0.04%
On the balance over US\$70,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears. For this purpose, the net asset value shall be calculated before deduction of any management fee and trustee fee accruing to or on the relevant dealing day.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

There are no unamortised establishment costs outstanding relating to this Fund.

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D - TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General";
- (ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/Region of Formation";
- (iii) "(iii) Taxation of Unitholders"; and
- (iv) the sub-paragraph entitled "Vietnam" under the sub-section entitled "(iv) Investment Markets".

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled “REPORTS AND ACCOUNTS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

The general provisions under the section entitled “GENERAL” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Sub-Manager

JPMorgan Asset Management (Singapore) Limited
168 Robinson Road
17th Floor, Capital Tower
Singapore 068912

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

JPMorgan Europe Strategic Dividend Fund

INTRODUCTION

JPMorgan Europe Strategic Dividend Fund ("Fund") is a unit trust constituted by a Trust Deed dated 10 March 2016 ("Trust Deed") governed by the laws of Hong Kong. The Fund has been authorised as a collective investment scheme in the form of a unit trust by the Securities and Futures Commission ("SFC") under Section 104 of the *Securities and Futures Ordinance* (Cap. 571 of the Laws of Hong Kong) ("SFO") and the Code on Unit Trusts and Mutual Funds ("SFC Code"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Fund's portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the value of the Fund and the level of distributions (if any) may go down as well as up.

FUND PARTIES

The Fund is managed by JPMorgan Funds (Asia) Limited ("Manager"), a company incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to JF Asset Management Limited ("Investment Manager"), a company incorporated with limited liability in Hong Kong. The Investment Manager has further appointed JPMorgan Asset Management (UK) Limited, a company incorporated in England and Wales with limited liability as sub-manager ("Sub-Manager").

HSBC Institutional Trust Services (Asia) Limited, acting as trustee of the Fund ("Trustee"), is incorporated in Hong Kong and is registered as a trust company under the Trustee Ordinance in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

HSBC Trustee (Cayman) Limited is the registrar of the Fund ("Registrar") and is incorporated with limited liability in the Cayman Islands. The Registrar is responsible for keeping the register of unitholders.

INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS

Investment Objective and Policy

The investment objective and policy of the Fund are to aim to provide income and long term capital growth by investing at least 70% of its non-cash assets in equity securities of companies which are based in, listed on stock exchange of or operate principally in Europe and are expected to pay dividends.

Such equity securities are issued by the companies whose management indicates their intention on future dividend payouts to shareholders. The following factors are typically considered when determining such equity securities, but are not limited to: public company announcements and company interviews with regard to dividend policies; cash flow analysis; and historical records.

The Fund may invest up to 30% of its non-cash assets in equity securities other than European equity securities that are expected to pay dividends.

The Fund may invest up to 10% of its non-cash assets in debt securities.

The Fund may also invest in derivatives such as options, warrants, and futures for investment purposes and may under limited circumstances (e.g. for cash management purpose) as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.

Currently, the Fund does not intend to i) invest in asset-backed securities (including mortgage-backed securities and asset-backed commercial securities); or ii) enter into securities lending arrangements, repurchase agreements, reverse repurchase agreements or other similar over-the counter transactions. Should these investment policies change in the future, the Manager will follow the appropriate legal and regulatory requirements and the offering document will be updated accordingly.

The Fund will have limited Renminbi (RMB) denominated underlying investments.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the sub-section entitled "Investment Restrictions and Guidelines" under the section entitled "INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, unless otherwise set out below.

The following investment restrictions and guidelines are applicable to the Fund:

The value of the Fund's holding of equity securities of companies, which are based in, listed on stock exchange of or operate principally in Europe and are expected to pay dividends, shall not be less than 70% of its non-cash assets in securities and other investments.

Borrowing Policy

The Fund may enter into borrowing arrangements for investment purposes or otherwise provided that the aggregate principal amount of borrowing outstanding shall not exceed 25 per cent. of the net asset value of the Fund. The Fund's assets may be charged or pledged as security for any such borrowings. Back-to-back loans do not count as borrowing. The Fund may borrow money from the Trustee, the Manager or any of their Connected Persons provided that the lender is permitted to lend money and the interest and any fee is no higher than an arm's length commercial rate or fee for a loan of the same size and nature.

Securities Lending Policy

Although the Trust Deed contains provisions which allow the Manager to, on behalf of the Fund, enter into securities lending arrangements, repurchase agreements, reverse repurchase agreements or other similar over-the-counter transactions, the Manager does not currently intend to enter into such arrangements, agreements and/or transactions. Should the Manager decide to enter into these arrangements, agreements and/or transactions, this Explanatory Memorandum will be amended and unitholders will be provided with not less than one month's (or such other period as the SFC may require) prior written notification in respect of such amendment.

RISKS

The performance of the Fund will be affected by a number of risk factors, including the risk factors as set out in the section entitled "RISKS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

In addition, the following risk factors are applicable to the Fund:

- (i) Diversification risk - The Fund is highly specialised in investments in the European countries. Although the portfolio is well diversified in terms of the number of holdings, investors should be aware that the Fund is likely to be more volatile than that of a fund having a more diverse portfolio of investments, and the Fund may be adversely impacted. In addition, the value of the Fund may be susceptible to higher volatility, currency risk, adverse economic, political, foreign exchange, liquidity, tax, legal or regulatory event affecting the European market.
- (ii) Market risk - The Fund's investments are subject to the risks inherent in all securities i.e. there is no guarantee that the investment objective can be met and the value of holdings may fall as well as rise. In addition, the Funds may be subject to investment holding limits imposed on investors by certain markets in which the Funds invests.
- (iii) Dividend-paying equity risk - There can be no guarantee that the companies that the Fund invests in and which have historically paid dividends will continue to pay dividends or to pay dividends at the current rates in the future. The reduction or discontinuation of dividend payments may have a negative impact on the value of the Fund's holdings and consequently, the Fund may be adversely impacted.
- (iv) Distribution risk - The Manager intends to distribute at least 85 per cent. of the income (net of expenses) attributable to each Class in respect of each accounting period. However, there is no assurance on such distribution or the distribution rate or dividend yield.
- (v) Payment of distributions out of capital risk - Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value per unit.

- (vi) RMB currency risk – RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. RMB exchange rate is also subject to exchange control policies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the relevant authorities of the People's Republic of China. As the exchange rates are influenced by government policy and market forces, the exchange rates for RMB against other currencies, including US dollars and HK dollars, are susceptible to movements based on external factors. Accordingly, the investment in Classes denominated in RMB may be adversely affected by the fluctuations in the exchange rate between RMB and other foreign currencies.

RMB is currently not freely convertible and RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and restrictions imposed by the Chinese government.

Classes denominated in RMB will generally be valued with reference to RMB (CNH) rather than RMB (CNY). While RMB (CNH) and RMB (CNY) represent the same currency, they are traded in different and separate markets which operate independently. As such RMB (CNH) does not necessarily have the same exchange rate and may not move in the same direction as RMB (CNY).

Classes denominated in RMB participate in the offshore RMB (CNH) market, which allow investors to freely transact CNH outside of mainland China. Classes denominated in RMB will have no requirement to remit CNH to onshore RMB (CNY). Non-RMB based investors (e.g. Hong Kong investors) in Classes denominated in RMB may have to convert HK dollars or other currencies into RMB when investing in Classes denominated in RMB and subsequently convert the RMB redemption proceeds and/or distributions (if any) back to HK dollars or such other currencies. Investors will incur currency conversion costs and may suffer losses depending on the exchange rate movements of RMB relative to HK dollars or such other currencies. Also, there can be no assurance that RMB will not be subject to devaluation and any depreciation of RMB could adversely affect the value of the investor's investment in the Fund.

Even if the Fund aims at paying redemption monies and/or distributions of RMB denominated Classes in RMB, the Manager may, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, pay redemption monies and/or distributions in Fund's base currency. There is also a risk that payment of redemption monies and/or distributions in RMB may be delayed when there is not sufficient amount of RMB for currency conversion for settlement of the redemption monies and distributions in a timely manner due to the exchange controls and restrictions applicable to RMB. In any event, the redemption proceeds will be paid not later than one calendar month after the relevant dealing day on which units are redeemed and the Manager has received a duly completed redemption request in a prescribed format and such other information as the Trustee or the Manager may reasonably require.

- (vii) Class currency risk – The Class Currency of each Class may be different from the Fund's base currency, the currencies of which the Fund's assets are invested and/or investors' base currencies of investment. If an investor converts its base currency of investment to the Class Currency in order to invest in a particular Class and subsequently converts the redemption proceeds from that Class Currency back to its original base currency of investment, the investor may suffer a loss due to the depreciation of the Class Currency against the original currency. For example, if an investor whose base currency of investment is Hong Kong dollars (i.e. not Australian dollars) and chooses to invest in the AUD Hedged Class, the investor may be exposed to a higher currency risk. The investor may suffer a higher loss as a result of exchange rate fluctuations between Hong Kong dollars and Australian dollars upon the reconversion of its Australian dollars investment back to Hong Kong dollars as compared to an investor whose base currency of investment is originally in Australian dollars. For further details, please refer to the sub-section entitled "Currency Hedged Classes" in the section entitled "CLASSES OF UNITS" below.

CLASSES OF UNITS

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

Currently, the following Classes are available:

Class	Class Currency
JPMorgan Europe Strategic Dividend (mth) - AUD (hedged)	Australian dollars
JPMorgan Europe Strategic Dividend (mth) - CAD (hedged)	Canadian dollars
JPMorgan Europe Strategic Dividend (mth) - EUR	Euro
JPMorgan Europe Strategic Dividend (mth) - GBP (hedged)	Sterling
JPMorgan Europe Strategic Dividend (mth) - HKD (hedged)	HK dollars
JPMorgan Europe Strategic Dividend (mth) - NZD (hedged)	New Zealand dollars
JPMorgan Europe Strategic Dividend (mth) - RMB (hedged)	Renminbi
JPMorgan Europe Strategic Dividend (mth) - USD (hedged)	US dollars

The Manager also has the power under the Trust Deed to cease to offer any Class (either temporarily or permanently). The Manager shall be entitled to cancel all units of a particular Class then in issue if at any time the net asset value of that Class falls below US\$5 million (or its equivalent in another currency) or at any time with the sanction of an Extraordinary Resolution. In such event, the Manager shall issue to the affected unitholders units of an equivalent value of such other existing Class (if any) as the Manager may in its absolute discretion determine. Prior to such cancellation and issue of units, the Manager shall give the Trustee and all affected unitholders one month's notice (or such other notice period as required by the SFC) of its determination to cancel that Class and the new Class of units to be issued in substitution therefor (if any).

Currency Hedged Classes

For details of Currency Hedged Class of the Fund, please refer to the sections entitled "Currency Hedged Classes" and "AUD Hedged Class/CAD Hedged Class/EUR Hedged Class/GBP Hedged Class/HKD Hedged Class/NZD Hedged Class/RMB Hedged Class/SGD Hedged Class/USD Hedged Class" respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

DISTRIBUTION POLICY

The Manager has the sole and absolute discretion to amend the distribution policy, subject to the SFC's prior approval (if applicable) and one month's prior notice to the relevant unitholders.

It is the intention of the Manager to have at least 85 per cent. of the income attributable to the following Classes respectively in respect of each accounting period, after charging the expenses attributable to these Classes respectively, to be distributed to unitholders of these Classes respectively:

Class
JPMorgan Europe Strategic Dividend (mth) - AUD (hedged)
JPMorgan Europe Strategic Dividend (mth) - CAD (hedged)
JPMorgan Europe Strategic Dividend (mth) - EUR
JPMorgan Europe Strategic Dividend (mth) - GBP (hedged)
JPMorgan Europe Strategic Dividend (mth) - HKD (hedged)
JPMorgan Europe Strategic Dividend (mth) - NZD (hedged)
JPMorgan Europe Strategic Dividend (mth) - RMB (hedged)
JPMorgan Europe Strategic Dividend (mth) - USD (hedged)

It is the intention of the Manager to make distributions on a monthly basis or/and at such other time as the Manager may, with the prior approval of the Trustee, notify to unitholders. The Manager expects to be able to pay distributions from income generated by the Fund from its investment but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. Please also refer to the risk factor entitled "Payment of distributions out of capital risk".

Composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Manager upon request and at the website www.jpmorganam.com.hk[#].

[#] The website has not been reviewed by the SFC.

The transferee of a unit will be entitled to a distribution in respect of such unit if the Registrar has received a valid instrument of transfer (duly stamped if required) in respect of the unit by 3:30 p.m. (Hong Kong time) on the last cum distribution dealing date. The subscriber of a unit shall be entitled to a distribution in respect of such unit if the application for the unit is received by the Manager by 5:00 p.m. (Hong Kong time) on the last cum distribution dealing date.

Reinvestment of Distributions

It is the Manager's current policy to reinvest automatically any distributions in the subscription of further units of the corresponding Class of units of the Fund, unless unitholders notify the Manager otherwise in writing and the amount of the relevant distribution equals to or exceeds US\$250 (or its equivalent in another currency). Such further units will be issued on the date of distribution, or if that is not a dealing day, on the next following dealing day. No initial charge will be made on the issue of such further units. In the event that a unitholder redeems or switches its entire holding of the relevant Class before the actual payment date of any distributions, the Manager will redeem the reinvested units on the actual payment date and pay the redemption proceeds to the unitholder in cash if the reinvested units do not meet the relevant minimum holding requirement.

Payment of Distributions by cheque

For unitholders who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units (except for unitholders of the RMB denominated Class), payment will be made by cheque in the offering currency of the relevant Class and sent, at the risk of the persons entitled thereto, to such persons at the address (or first address in the case of any joint holding) shown in the register of unitholders or as they may direct. Any distribution which is not claimed for six years will be forfeited and becomes part of the assets of the relevant Class (and in case such relevant Class has been terminated, the Fund).

Payment of Distributions by telegraphic transfer

For unitholders of the RMB denominated Class who have notified the Manager in writing to receive payment of distributions instead of having the distributions reinvested automatically in the subscription of further units, payment will normally be made by telegraphic transfer, unless otherwise agreed by the Manager. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Notwithstanding the aforesaid, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Trustee, the Manager may pay distributions in Fund's base currency.

BASES OF VALUATIONS

The method of establishing the net asset value of each Class is set out in the Trust Deed. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less liabilities of that Class, by the total number of units of that Class in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

Market volatility may result in a discrepancy between the latest available net asset value for each Class and the fair value of the assets of the relevant Class. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of the relevant Class or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the relevant Class and the Fund may not be the same as the accounting principles generally accepted in Hong Kong. Further details are set out in the section entitled "REPORTS AND ACCOUNTS" below.

DEALING

For details of the dealing procedure of the Fund, please refer to the section entitled "DEALING" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SUBSCRIPTIONS

The Manager has absolute discretion to accept or reject in whole or in part any application for units.

The Fund is denominated in Euro.

The section entitled “SUBSCRIPTIONS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

Initial Issue Price

The first issue of units of the following Classes will be made at the prices below, excluding the initial charge referred to above:

Class	Initial issue price per unit, excluding the initial charge
JPMorgan Europe Strategic Dividend (mth) - AUD (hedged)	AU\$10.00
JPMorgan Europe Strategic Dividend (mth) - CAD (hedged)	CA\$10.00
JPMorgan Europe Strategic Dividend (mth) - EUR	EUR10.00
JPMorgan Europe Strategic Dividend (mth) - GBP (hedged)	GBP10.00
JPMorgan Europe Strategic Dividend (mth) - HKD (hedged)	HK\$10.00
JPMorgan Europe Strategic Dividend (mth) - NZD (hedged)	NZ\$10.00
JPMorgan Europe Strategic Dividend (mth) - RMB (hedged)	RMB10.00
JPMorgan Europe Strategic Dividend (mth) - USD (hedged)	US\$10.00

REDEMPTIONS

For details of redemptions of the Fund, please refer to the section entitled “REDEMPTIONS” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

SWITCHING

For details on how to switch between Classes of units within the same Fund or between the Fund and other funds managed by the Manager or in respect of which the Manager acts as Hong Kong representative, please refer to the section entitled “SWITCHING” in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

FEES, CHARGES AND LIABILITIES

Initial and Redemption Charges

The Manager may make an initial charge for each Class (normally up to 5 per cent. of the net asset value per unit) from the gross subscription amount on the issue of units where applicable and receive a redemption charge for each Class (normally up to 0.5 per cent. of the net asset value per unit) from the redemption monies on the cancellation or redemption of units where applicable. However, the Manager does not currently levy any redemption charge.

The Manager reimburses approved intermediaries, which include banks, brokers, recognised securities dealers and other investment advisers (collectively, “Distributors”), a proportion of the commissions, fees, charges or other benefits received by it on the value of the relevant business introduced to the Fund.

Management Fee

The Manager is entitled to receive a management fee of up to 2.5 per cent. per annum of the net asset value of each Class. However, the Manager currently receives a fee of 1.5 per cent. per annum of the net asset value of each Class and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum of the net asset value of each Class) by giving to the Trustee and unitholders not less than one month's notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of each Class on each dealing day and shall be payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or its Connected Persons, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the relevant Class' interest in such unit trust or scheme. Where the Fund invests in any underlying scheme(s) managed by the Manager, the Investment Manager and/or the Sub-Manager or any of their Connected Persons, all initial charges on the underlying scheme(s) shall be waived. The Manager, the Investment Manager and/or the Sub-Manager of the Fund may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

The fees of the Investment Manager will be borne by the Manager. The fees of the Sub-Manager will be borne by the Investment Manager.

Trustee Fee

The Trustee is entitled to receive a trustee fee of 0.2 per cent. per annum of the net asset value of the Fund. However, the Trustee currently receives a fee at the following rates of the Fund's net asset value:-

	<u>Rate (per annum)</u>
On the first EUR35,000,000	0.06%
On the next EUR25,000,000	0.04%
On the balance over EUR60,000,000	0.025%

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than one month's notice of the increased level of trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund on each dealing day and shall be payable monthly in arrears.

For details of the current fees and charges in respect of dealings made through any other channels from time to time specified by JPMorgan Funds (Asia) Limited, please consult JPMorgan Funds (Asia) Limited.

Fiscal Charges

For details of the fiscal charges policy of the Fund, please refer to the sub-section entitled "Fiscal Charges" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Other Liabilities

Save for the cost of establishing the Fund, details under the sub-section entitled "Other Liabilities" under the section entitled "FEES, CHARGES AND LIABILITIES" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to this Fund.

The cost of establishing the Fund which has not been fully amortised as at the date of this Explanatory Memorandum amounts to approximately HK\$351,700. These costs will be borne by the Fund and amortised by no later than the third financial year end (for the avoidance of doubt, if the Fund were to terminate for whatever reason before the third financial year end, any such cost remaining unamortised would be written off upon the Fund's termination).

CONFLICTS OF INTEREST

For details of the Manager's current policy on conflicts of interest, please refer to the section entitled "CONFLICTS OF INTEREST" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

TAXATION

The following sub-sections under Section D - TAX NOTES of the Consolidated Explanatory Memoranda apply to the Fund:

- (i) "(i) General";
- (ii) the sub-paragraph entitled "Hong Kong" under the sub-section entitled "(ii) Taxation of Funds in their Country/Region of Formation"; and
- (iii) "(iii) Taxation of Unitholders".

REPORTS AND ACCOUNTS

For details of the reports and accounts of the Fund, please refer to the section entitled "REPORTS AND ACCOUNTS" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

GENERAL

The general provisions under the section entitled "General" in Section A - Consolidated Explanatory Memoranda of Asia Pacific Equity Funds shall apply to the Fund.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Directors of JPMorgan Funds (Asia) Limited

Chan, Tsun Kay, Edwin
Falcon, Michael Irving
Farrell, Rachel Selah
Mundy, David James
Wang, Qionghui
Wong, Tai Che, Eddy

Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Island

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
1 Des Voeux Road Central
Hong Kong

Sub-Manager

JPMorgan Asset Management (UK) Limited
60 Victoria Embankment
London
EC4Y 0JP
United Kingdom

Additional information is available from: -

JPMorgan Funds (Asia) Limited
GPO Box 11448
Hong Kong

Telephone: (852) 2265 1188
Facsimile: (852) 2868 5013

SECTION D – TAX NOTES

(i) General

The Consolidated Explanatory Memoranda are not intended to provide a comprehensive guide to the taxation treatment of investors. The Consolidated Explanatory Memoranda are intended as a general guide only and do not necessarily describe the tax consequences for all types of investors in the Funds and no reliance, therefore, should be placed upon them. All prospective unitholders, and in particular those from jurisdictions other than those specifically referred to below or of classifications not referred to below should inform themselves of, and take their own advice on, the taxes applicable to the subscription, holding, transfer and redemption of units, and any distribution (each, a “Relevant Event”) under the laws of the place of their operation, domicile, residence, citizenship and/or incorporation. Neither the Funds nor any of the parties listed in the section entitled “MANAGEMENT AND ADMINISTRATION DIRECTORY” of the Consolidated Explanatory Memoranda give or make any warranty and/or representation as to the tax consequences in relation to any Relevant Event (or combination of Relevant Events), take any responsibility for any tax consequences in relation to any Relevant Event (or combination of Relevant Events), and each of the Funds and such parties expressly disclaim any liability whatsoever for any tax consequences in relation to any Relevant Event (or combination of Relevant Events) and/or for any loss howsoever arising (whether directly or indirectly) from any Relevant Event (or combination of Relevant Events).

Dividends, interest income, gains on the disposal of investments and other income received by a Fund or by any collective investment schemes in which it invests or on a Fund’s investments in some countries may be liable to the imposition of income tax, irrecoverable withholding tax or other tax.

In some jurisdictions that the Funds invest in there may be uncertainty as to: the interpretation and implementation of the current tax rules; the tax rules being changed; and taxes being applied retrospectively. Therefore, any provision for taxation made by the Manager may be excessive or inadequate to meet final tax liabilities and any penalties and interest. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provisioning and when they subscribed for and/or redeemed their units in/from the Funds.

Automatic Exchange of Information (“AEOI”)/Common Reporting Standard (“CRS”)

The Organization for Economic Co-operation and Development (“OECD”) has developed the Standard for Automatic Exchange of Financial Account Information in Tax Matters whereby jurisdictions that have entered into bilateral or multilateral AEOI agreements will share information on investors resident in these jurisdictions. The scope and application of information reporting and exchange pursuant to AEOI/CRS may vary depending on each local jurisdiction’s implementation of AEOI/CRS.

As of 16 December 2015, 77 countries have signed the multilateral agreement including Australia, Mauritius, British Virgin Islands, Cayman Islands, People’s Republic of China, India, Japan, Korea and United Kingdom. Hong Kong has pledged to enter into bilateral AEOI agreements with appropriate countries.

A prospective investor should seek advice on the effects with respect to the implementation of the AEOI/CRS from its own tax advisor based on its particular circumstances.

The tax notes that are set out in this Section apply to the Funds in the Consolidated Explanatory Memoranda (as the case may be) and are based on the law and practice currently in force as at the date of the Consolidated Explanatory Memoranda and are subject to changes in content and interpretation.

(ii) Taxation of Funds in their Country/Region of Formation

Funds domiciled in the following countries are taxed as follows:

Hong Kong

The Funds are authorised under Section 104 of the SFO. Therefore, any Hong Kong sourced income they derives will be exempt from Hong Kong profits tax provided the Funds are carried on in accordance with the purposes stated in their constitutive documents as approved by the SFC and in accordance with the requirements of the SFC.

Mauritius

Funds residing in Mauritius are subject to tax under the current legislation at a rate of 15% on qualifying income and may claim a tax credit equivalent to the higher of actual foreign tax suffered or a deemed 80% credit of the Mauritius tax payable in respect of its foreign sourced income. Credit for actual foreign tax suffered includes both withholding and underlying taxes. Credit may be taken for all foreign tax paid and if the foreign tax rate is at least 15%, no additional tax is payable in Mauritius with any excess

credit being lost where the foreign tax paid is more than 15%. The Funds have a period up to 2 years to produce written evidence of the actual foreign tax suffered to the Mauritius Revenue Authority. In summary the Funds are taxed at an effective rate of 0% to 3%. This is on the basis that the Funds hold a Category 1 Global Business Licence (GBC 1) under the Financial Services Act 2007. There is no withholding tax in Mauritius on the Funds' distribution to unitholders.

There is no capital gains tax regime in Mauritius. Moreover, under the Income Tax Act 1995, any profit on sale of shares or securities derived by a company holding a GBC 1 licence is exempt from income tax in Mauritius. Dividends paid by companies resident in Mauritius are exempt from income tax.

Mauritian tax resident unitholders (if allowed by the Mauritius FSC to purchase or to hold units in the Funds) should seek their own tax advice on their tax position with regard to their investment in the Funds.

(iii) Taxation of Unitholders

Hong Kong

A unitholder will not be liable to Hong Kong profits tax on gains realised on the sale or redemption of units except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholder in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. As a matter of Inland Revenue Department practice, unitholders also should not be taxed in Hong Kong on distributions of income from the Funds. Unitholders should take advice from their own professional advisers as to their particular tax position.

Macau

A corporate entity is subject to income tax in Macau on its income derived from its commercial and industrial activities carried on in Macau, irrespective of where its residence or headquarter is situated, and irrespective of the nature of income. For corporate unitholders who carry on commercial or industrial activities in Macau, income tax will be charged in respect of distributions received from the Funds and gains derived from disposal of units in the Funds.

For individual unitholders, if their subscription, holding or disposal of units in the Funds in Macau is considered by the Macau tax authority as the carrying on of commercial or industrial activities in Macau, the distributions received from the Funds and gains derived from disposal of units in the Funds will be subject to income tax. There is no stated interpretation on whether subscription, holding or disposal of investment funds by an individual is regarded as the carrying on commercial or industrial activities. Individual unitholders who intend to subscribe, hold or dispose of units in the Funds in Macau should seek their own tax advice on the tax implications of investing in the Funds.

Taiwan

Taiwanese Individual Investors

According to Taiwan Income Tax Law, Taiwanese individuals are subject to Taiwan income tax only on their Taiwan sourced income. The dividend and capital gains distributed by offshore mutual funds as a result of investment in offshore securities and bonds are not considered as Taiwan sourced income. Currently, distributions and gains on disposal of units in the overseas trust units are considered as foreign sourced income and therefore not taxed in Taiwan in accordance with the Taiwan Income Tax Act.

Distributions and gains on disposal of units in the overseas trust units are subject to Alternative Minimum Tax (AMT) from 1 January 2010.

AMT is calculated by multiplying the income subject to AMT, after exemption of TWD 6 million and provided foreign-sourced income exceeds TWD 1 million, by 20%. A taxpayer needs to pay the additional tax on the difference between AMT and regular income tax provided the former is greater than the latter.

Taiwanese Corporate Investors

Under Taiwanese Income Tax Law, Taiwanese corporate investors are subject to Taiwanese corporate income tax on their worldwide income. Therefore, distributions and gains on disposal of the units in the Funds which are treated as non-Taiwanese securities, derived by Taiwanese corporate investors are subject to 17% corporate income tax in Taiwan.

In general, distributions made by a foreign fund and a local fund investing in foreign listed securities are both regarded as foreign sourced income and are subject to 17% corporate income tax for corporate investors. Tax credits for foreign withholding tax suffered on this foreign sourced income are available, subject to limitation and availability of certain documentation.

On the other hand, taxation on capital gains differs between a foreign fund and a local fund. While capital gains derived from disposal of units in a foreign fund are subject to 17% corporate income tax, capital gains derived from disposal of units in a local fund are exempt from corporate income tax but may be subject to AMT at the rate of 10% (with an exemption threshold of TWD 2 million).

The United States of America

The Funds are passive foreign investment companies ("PFIC") within the meaning of the IRC, the US tax treatment to U.S. investors (directly or indirectly through their custodian or financial intermediary) under the PFIC provisions of the IRC can be disadvantageous and that the Funds are unlikely to qualify U.S. investors to either elect to mark-to-market their investment in the Funds under IRC § 1296 or elect to treat the Funds as Qualified Electing Funds under IRC §1294.

(iv) Investment Markets

The taxation of the Funds in the key markets in which they invest is as follows:

Australia

A liability to income tax in Australia relies on the concepts of both residency and source. An Australian resident for income tax purposes is subject to tax on both its Australian and non-Australian sourced income. A non-resident of Australia for income tax purposes is generally subject to tax on its Australian sourced income and capital gains derived from the disposal of certain assets that are "taxable Australian property".

On the basis that the Funds are non-residents of Australia for income tax purposes a liability to Australian tax will only arise in respect of their Australian sourced income and certain capital gains. The main types of Australian sourced income that the Funds are likely to derive and the Australian tax imposed on such income include:

- interest income which is subject to withholding tax at 10%; and
- unfranked dividend income (i.e. dividends paid from profits which have not borne corporate tax) which is subject to withholding tax at 30%.

Trust distributions attributable to Australian sources (other than dividends, interest and royalties) are subject to a "trustee withholding tax" of up to 30% (where the distributions are from an Australian managed investment trust) and 45% (for other Australian unit trusts).

Franked dividends (i.e. dividends paid out of profits which have been taxed in the investee company and a tax credit is given for the corporate tax paid by the company) and unfranked dividends declared to be 'conduit foreign income' (i.e. non-Australian sourced) are not subject to Australian withholding tax.

The Funds may derive capital gains that prima facie are subject to tax in Australia ("an Australian capital gain"). The unitholders may incur a tax liability on their proportionate interest in the Australian sourced capital gain.

A non-resident of Australia is, however, only subject to capital gains tax from the events (e.g. a disposal) in relation to assets that are "taxable Australian property". Assets which are "taxable Australian property" currently include:

- Real property (e.g. land and buildings) situated in Australia;
- Indirect non-portfolio interests in entities (whether resident in Australia or not) which hold significant Australian real property; and
- Assets used in carrying on a business through a permanent establishment in Australia.

The Funds propose to invest principally in listed equities. Such equities will only constitute "taxable Australian property" if the particular Fund (and its associates) hold shares or interests (of at least 10%) in the entity and more than 50% of the value of the entity's underlying assets consist of real property in Australia. There is a 'look back' period in relation to the 10% test which operates as an integrity rule to counter staggered sell downs.

If the Funds invest in Australian real property, then any disposal of the real property may give rise to a capital gain taxable in Australia.

Note that where the Funds hold listed equities on revenue account for Australian tax purposes, any gains arising on disposal of the listed equities may give rise to Australian sourced gains which may be subject to Australian tax (regardless of whether the assets are taxable Australian property). Where the Fund is resident in a country with which Australia has an effective exchange

of information arrangement (e.g. Cayman Islands), such Australian sourced gains may be exempt from Australian tax under the proposed Investment Management Regime (IMR) reforms where certain conditions are satisfied. Note that the proposed IMR reforms are proposed to apply from 1 July 2011 although no legislation is as yet available.

Gains derived from the disposal of units in the Funds by unitholders that are not resident in Australia will not generally be subject to tax in Australia (assuming that the Funds do not hold significant interests in Australian real property).

Australian tax residents and non-residents with a permanent establishment in Australia should seek their own advice on the tax implications of investing in the Funds.

Please note that where the Funds make distributions they do not provide information as to the composition and related Australian taxes of any amounts attributable to distributions from Australian trusts.

Bangladesh

The liability to income tax in Bangladesh is based on the concepts of both residency and source. Bangladesh tax residents are subject to tax on their worldwide income. Non-residents are only subject to tax on their Bangladesh sourced income.

The Funds will be treated as non-resident in Bangladesh for income tax purposes on the basis that no part of their management and control will be located in Bangladesh. Accordingly, the Funds will be taxed only on their Bangladesh sourced income.

Interest income received on securities will be subject to withholding tax at source at the rate of 10%. The Funds will ultimately be required to pay tax on interest income at the maximum rate applicable to a company, which is currently 42.5%. However, a credit will be allowed for the 10% tax withheld at source. Dividend income will be subject to withholding tax at source at the rate of 20% and this will be treated as final tax. A stock dividend is not subject to tax in Bangladesh either at the time of receipt or on gains arising from sale of such stocks.

Capital gains arising from the sale of stocks and shares of companies listed solely on the Stock Exchange in Bangladesh are subject to 10% tax in Bangladesh effective from 1 July 2010. If the Funds derive capital gains from the sale of shares of non listed companies, such gains will be subject to tax at the rate of 15%.

Recently, Securities and Exchange Commission of Bangladesh (SEC), the regulatory authority for securities market, in an official notification has notified that in order to attract more foreign investments, Foreign Institutional Investors (FII) shall be exempted from the presently applicable 10% capital gain tax on sale of listed securities in Bangladesh stock exchanges. However, an appropriate notification from the National Board of Revenue (NBR), the Apex body for revenue administration in Bangladesh, clarifying the SEC order and its application under the domestic tax law is yet to be received.

Any distribution made by the Funds to their unitholders who are tax resident outside Bangladesh will not be subject to tax in Bangladesh. Unitholders who are tax resident in Bangladesh will be subject to tax in Bangladesh on any distribution received from the Funds. Bangladesh tax residents and non-residents with a permanent establishment in Bangladesh should seek their own advice on the tax implications of investing in the Funds.

India

This outline of Indian tax applies only to JPMorgan India Fund and JPMorgan India Smaller Companies Fund. For the purposes of this Indian tax outline only, these funds are referred to as "the Funds".

Income tax in India is based both on the concept of residency and source. A resident for income tax purposes is generally taxed in India on his world-wide income. A person who is treated as non-resident for Indian income tax purpose, is subject to tax in India only on Indian sourced income (i.e. income received or deemed to be received in India or income accruing or arising or deemed to accrue or arise in India).

As all management and control of the Funds are situated outside India and the Funds do not have any presence in India in the form of a business connection, the Funds should be treated as a non-resident for Indian tax purposes. Accordingly, the Funds should be subject to tax in India only on its Indian sourced income.

The Funds are domiciled and administered in Mauritius and their trustees are located there. In addition, the Funds obtain a certificate of tax residency from the Mauritius Revenue Authority. The Funds should therefore be considered as resident of Mauritius for the purposes of the India-Mauritius tax treaty. As a result, their Indian sourced income should benefit from the terms of the India-Mauritius tax treaty.

The Indian sourced income earned by the Funds primarily comprises capital gains arising on the transfer of Indian securities, dividend income and interest on securities.

- (i) Pursuant to the provisions of the India-Mauritius tax treaty, any capital gains earned by the Funds on disposal of Indian securities should not be liable to tax in India.
- (ii) Pursuant to Indian tax law, dividend income earned by the Funds from investments in equity securities of Indian companies, and income distributions from investments in units of Indian mutual funds, will be exempt from tax in the hands of the Funds. However, the Indian company paying the dividend is subject to dividend distribution tax at a rate of 16.222%* (inclusive of surcharge and education cess) of the amount of the dividend.
- (iii) Pursuant to Indian tax law, interest income earned by the Funds from investments in Indian debt securities is subjected to tax in India at a gross rate of 21.012%* (inclusive of surcharge and education cess).

The Funds expect that, under the India-Mauritius tax treaty, no Indian tax will be payable in respect of any capital gains realised on its Indian securities. The Governments of India and Mauritius signed a protocol amending the India-Mauritius tax treaty on the 10 May 2016 altering the tax treatment of capital gains, while at the same time seeking to preserve the position of existing investments. The Government of India, the Ministry of Finance and the Central Board of Direct Taxes announced that India shall have the right to tax capital gains arising from alienation of shares acquired on or after 1 April 2017 in a company resident in India effective as from financial year 2017-18. 1 April 2017 to 31 March 2019 will be a transitional period where the tax rate in India will be limited to 50% of the domestic applicable tax on capital gains tax if the disposal of the assets occurs at latest on 31 March 2019, subject to an anti-avoidance provision to be introduced by the protocol. However, there can be no assurance that any future changes to the India-Mauritius tax treaty or future interpretations of the India-Mauritius tax treaty will not adversely affect the tax position of the Funds in India.

For unitholders resident outside India and who do not carry on a business in India, there should be no Indian tax levied on distributions received from the Funds or on gains derived from disposal of units of the Funds. Indian tax residents and non-residents of India with an Indian permanent establishment should seek their own advice on the tax implications of investing in the Funds.

** Rate is applicable for financial year ending 31 March 2012 as provide under the India Income Tax Act, 1961.*

Indonesia

The Funds are not resident for Indonesian tax purposes since the Funds are not established or domiciled in Indonesia. Generally, any Indonesian sourced income earned by the Funds is taxable in Indonesia. In addition, the Funds are domiciled in countries (i.e. Cayman Islands, Hong Kong or Mauritius) which do not have a tax treaty with Indonesia as of the date of this Explanatory Memoranda. The Indonesia-Hong Kong tax treaty has been recently ratified with an effective date of 1 January 2013 for Indonesia tax purposes. Therefore, all of the tax implications discussed below are based on the Indonesian domestic tax laws and regulations as well with a highlight on the Indonesia-Hong Kong tax treaty.

• Indonesian Listed Shares

Any sale of Indonesian listed shares is subject to withholding tax of 0.1% of the gross proceeds irrespective of whether or not the sale generates capital gains or losses. This tax is withheld at the time of settlement. Under the Indonesia-Hong Kong tax treaty, the 0.1% tax on sale of Indonesian listed shares could technically be exempted under the capital gain provision. As the capital gain provision does not require beneficial ownership, it is not necessary to satisfy the beneficial ownership tests set by the Indonesian Tax Authority. However, in practice, the Indonesia Stock Exchange (as the withholding agent) disregards the tax treaty protection and continues to impose the 0.1% tax on all sales. Theoretically, the Hong Kong Funds may be able to request for a refund on the 0.1% final tax charged. However, to date, we are not aware of any successful test case yet.

Dividends earned by the Funds from Indonesian companies are subject to withholding tax at the rate of 20%. This tax is due when the dividends are paid or become payable. Under the Indonesia-Hong Kong tax treaty, the dividends withholding tax rate is reduced to:

- 5% in the case where the beneficial owner is a company (other than a partnership) which holds directly at least 25% of the capital of the company paying the dividends; and
- 10% in all other cases.

In order to apply the reduced withholding tax rate, the Hong Kong Funds receiving the dividends must be the beneficial owner of the income by satisfying the requirements in DGT-1 form set by the Indonesian Tax Authority and must provide the original completed DGT-1 form promptly to the withholding agent. There might be further guidance issued by the Indonesian Tax Authority for applying the tax treaty relief under the Indonesia-Hong Kong tax treaty.

- Indonesian bonds

The following tax implications apply to bonds having maturities of more than one year ("Indonesian bonds").

Coupon interest, capital gains, and gains realised upon maturity (redemption gains) of Indonesian bonds earned by the Funds are subject to withholding tax at the rate of 20%. The tax is withheld upon maturity of coupon interest, sale (for capital gains), and maturity of the bonds. Capital gains, which constitute the difference between the selling price and the acquisition price, and gains on maturity, which constitute the difference between the nominal value and the acquisition price of the bonds, are treated in most respects in the same way as interest for Indonesian tax purposes. Therefore in some circumstances, a loss realised on sale or maturity of the bonds can be offset against accrued interest in calculating the Indonesian withholding tax due. However, it should be noted that losses cannot always be offset, especially where the person responsible for withholding the tax on the interest is different from the person responsible for withholding the tax on the capital gain.

Under the Indonesia-Hong Kong tax treaty, the interest withholding tax rate is reduced to 10%. The capital gains on sale of the Indonesian bonds should technically not be subject to Indonesian withholding tax as protected under the capital gains article. In order to enjoy the tax treaty relief, the Hong Kong Funds receiving the interest must be the beneficial owner of the income by satisfying the requirements in DGT-1 form set by the Indonesian Tax Authority and must provide the original completed DGT-1 form promptly to the withholding agent.

- Other Indonesian interest bearing securities

Interest and discount earned by the Funds in respect of other interest bearing securities, such as medium term notes, promissory notes and negotiable certificate of deposits, are generally subject to withholding tax at the rate of 20%. This withholding tax is reduced to 10% under the Indonesia-Hong Kong tax treaty provided that the Hong Kong Funds receiving the interest must be the beneficial owner of the income by satisfying the requirements in DGT-1 form set by the Indonesian Tax Authority and must provide the original completed DGT-1 form promptly to the withholding agent.

Technically, redemption gains realised upon maturity and capital gains realised upon sale are not considered interest. Therefore, there should be no Indonesian withholding tax due on these gains. Indonesian tax residents and non-residents of Indonesia with an Indonesian permanent establishment should seek their own advice on the tax implications of investing in the Funds.

Unitholders who are not Indonesian tax residents are not liable to Indonesian tax on distributions received from the Funds or on gains derived from the disposal of their interests in the Funds. Indonesian tax residents are liable to Indonesian tax on their worldwide income including distribution from the Funds and gains from the disposal of their interest in the Funds.

Japan

Taxation in Japan relies on the concept of both residency and source. In general terms, a resident of Japan is taxed on worldwide income, whereas non-residents are taxed on income sourced from Japan albeit subject to exceptions and reliefs.

The Funds are constituted outside Japan and are governed by the law of the countries in which they were constituted. The trustees of the Funds are companies incorporated and resident in the countries where the Funds are formed. Japanese sourced dividends, interest, and in certain circumstances, capital gains, derived by the Funds by investing in Japanese securities, are generally taxable in Japan.

A foreign investment fund, constituted as a unit trust which is regarded as similar to a Japanese investment trust under the Laws relating to Investment Trust and Investment Corporation of Japan does not constitute a taxable entity for Japanese corporate tax purposes other than through withholding tax on specific Japanese source income.

As non-residents with no permanent establishments in Japan, the Funds will be liable to withholding tax on dividends received from Japanese listed companies at the rate of 7% and for non-listed companies at the rate of 20%. Interest on bonds issued in Japan is subject to withholding tax at 15% (or 20% if bonds include CMBS which consist of loans); however where certain conditions are met, exemption from withholding tax on the interest is available. Income derived by a non-resident from the trading in equity index futures and debt securities futures is not subject to Japanese withholding tax.

Subject to specific exemptions, redemption income from bonds issued at a discount by the Japanese governments and Japanese corporations is subject to a withholding tax at the rate of 18% (16% for specified bonds) payable at the time the bonds are issued.

Income as described above to be paid during the period from January 1, 2013 to December 31, 2037 will also be subject to additional Japanese withholding tax (under the Special Tax Measures for Tohoku Earthquake Restoration) as a surtax at the rate of 2.1% of the original tax rate, i.e., 0.147% on dividend on listed shares, 0.42% on dividend on non-listed shares, 0.315% on interest on bonds, 0.42% on interest on loans and 0.378% (or 0.336%) on income from discount bonds.

Capital gains from sales of the Funds' portfolio securities in Japan are generally exempt from Japanese taxation, apart from certain exceptional cases. If the Funds are not deemed as similar to Japanese investment trusts and dispose of shares in a Japanese corporation, the Funds would be subject to corporate tax at the rate of 30% (reduced to 25.5% in fiscal years beginning on or after April 1, 2012) on any capital gains if either:

- the 25/5 Rule applies where the Funds own or have owned (together with special related persons) 25% or more of the shares in the Japanese corporation at any time during the fiscal year of sale, or during the previous two years prior to sale, the Funds sell 5% or more of the shares;
- the Japanese corporation is characterised as a real estate holding company (as defined) and the Funds owned (together with special related persons) more than 5% of the shares if it is a listed corporation or 2% of the shares if it is an unlisted corporation at the prior fiscal year-end in which the shares are sold; or
- the Funds have engaged in improper market manipulation (such as "greenmail").

Any sale of Japanese securities between April 1, 2012 and March 31, 2015, will be subject to 2.55% of additional tax under Special Tax Measures for Tohoku Earthquake Restoration.

For unitholders tax resident outside Japan and who do not carry on a business in Japan, there is no further Japanese tax on the distributions received from the Funds, or on gains derived on disposal of units of the Funds.

Japanese tax residents and non-residents of Japan with Japanese permanent establishments should seek their own tax advice with regard to their investments in the Funds.

The Republic of Korea

Taxation in Korea relies on the concept of both residency and source. A resident of Korea is generally taxed on worldwide income. Non-residents are taxed in Korea only on income sourced from Korea.

The Funds were constituted outside Korea and are governed by the laws of the countries in which they were constituted. The trustees of the Funds are companies incorporated and tax resident in the countries the Funds were constituted in. Korean source dividends, interest, and capital gains are generally taxable in Korea. Under Korean domestic tax law, dividends and interest received by the Funds from Korean companies will be subject to a final withholding tax of 22% assuming they do not have a permanent establishment in Korea. However, for interest accrued on Korean Won denominated bonds issued by the Korean government and companies, the final withholding tax rate is 15.4%. For non-Korean Won denominated bonds issued outside Korea, exemption on interest is available.

In respect of capital gains, the withholding tax rate for residents in non-treaty countries for both listed and unlisted securities (except for certain real estate rich company shares) is the lesser of 22% of the gain or 11% of the gross proceeds. However, the capital gains earned by a non-resident who does not have a permanent establishment in Korea from the transfer of shares through the Korean Exchange are not taxable if such non-resident, together with certain related parties, hold or have held less than 25% of the shares of the company in question at all times during the calendar year of the share transfer and the immediately preceding five calendar years ("25% rule").

Additionally, income derived by a non-resident who does not have a permanent establishment in Korea from the trading in the listed derivatives (e.g. futures, options, etc.) within the meaning of the Financial Investment Services and Capital Market Act is also not subject to Korean withholding tax.

There are no specific rules in the Korean tax laws that govern the treatment of trusts established outside Korea. The Korean tax authorities may consider the Funds as the beneficial owners of any income derived in Korea. If this is the case, the Korean domestic tax laws as described above will solely govern the tax treatment of dividend, interest and capital gains from the Funds' investment in Korea. This is because the Funds and their trustees are not located in countries which have tax treaties with Korea.

It may also be possible that the Korean tax authorities consider the Funds as look-through entities and attribute the individual unit holders as the "beneficial owner" of the Korean sourced income from the Funds. If this is the case, the unit holders would be liable for Korean tax on their respective shares of the Funds' income. The Funds may need to disclose the tax residency of the unit holders to withholding agents, to withhold tax based on treaty or non-treaty rates, failing which the withholding agents will withhold tax

at the non-treaty rates. However, where the Funds are qualified public funds with the below conditions, they are not required to disclose the details of the beneficial owner:-

- The foreign financial authority regulates the Foreign Investment Vehicle ("FIV") to guarantee transparency and independence of business activities;
- The daily average number of investors (one investor in case the investor is FIV) for previous year (present year in case of newly established FIV) exceeds 100;
- The FIV is not included as one of FIVs which are excluded from treaty benefits pursuant to the tax treaty.

For unitholders tax resident outside Korea and who do not carry on a business in Korea, if Korean withholding tax is already paid when income is paid to the trustees of the Funds, there is no further Korean tax on distributions received from the Funds, or on gains derived on disposal of units of the Funds.

Korean tax residents and non-residents of Korea with a Korean permanent establishment should seek their own advice on the tax implications of investing in the Funds.

Malaysia

The Funds are not resident for Malaysian tax purposes as the Trustees are non-resident and the Funds are administered outside Malaysia.

Dividends received by the Funds from Malaysian investments will not be subject to any further Malaysian withholding tax.

A single tier income tax system for the taxation of dividends replaces the imputation system. There are transitional provisions which allow taxpayers to utilise their existing dividend franking credits until the end of year of assessment ("YA") 2013.

Under the imputation system, when shareholders receive taxable dividends (distributed under the imputation system), they are entitled to a tax credit for the 25% tax already paid by the company in respect of the income. Those credits can then be used to offset the shareholders' Malaysian income tax liabilities.

Under the single tier system, profits are only taxed at the company level and dividends received by shareholders are exempt from tax.

Interest received by the Funds from Malaysian investments will generally be subject to a 15% Malaysian withholding tax unless reduced by specific tax treaty. Interest income earned from certain sources is exempt from tax. These include (not exhaustive):

- Licensed Malaysian banks.
- Securities or bonds issued or guaranteed by the Malaysian Government.
- Debentures, other than convertible loan stock, approved by the Securities Commission of Malaysia.
- Saving bonds issued by the Central Bank of Malaysia.

Capital gains arising on the disposal of investments are normally not taxable in Malaysia unless a business presence exists in Malaysia. It follows that should the disposal result in a loss, the Funds would not be entitled to any relief for these losses. Gain on sale of properties or shares in real properties is subject to real property gains tax at rates ranging from 0% to 10%.

Investors who are resident outside Malaysia are not liable to Malaysian tax on distributions received from the Funds nor on gains derived from the disposal of their interests in the Funds.

Malaysian tax residents and non-residents with a permanent establishment in Malaysia should seek their own advice on the tax implications of investing in the Funds as there may be tax implications depending on their respective tax profiles.

Taxation of Non-resident Real Estate Investment Trusts ("REITs") Unitholders where REIT is approved by Securities Commission

REITs will be exempted from tax on all income provided that at least 90% of total income is distributed to investors. Withholding tax will be deducted on REIT distributions with rates ranging from 10% to 25% depending on their profile and tax residency.

Foreign institutional investors will be subject to a final withholding tax rate of 10% on gross income received from a REIT up to YA 2016.

Income of the REIT which was not distributed in previous years

Where the 90% distribution is not complied with, the chargeable income of the REIT will be subject to income tax at the prevailing tax rate of 25%.

Where the income has been subject to tax at the REIT level, both resident and non-resident unitholders would be entitled to utilise the tax credit as a set off against the tax payable by them. No other withholding tax would be imposed on the income distribution of the REIT.

Pakistan

The liability to income tax in Pakistan is based on the concepts of both residency and source. Pakistan tax residents are subject to tax on their worldwide income, whilst non-residents are only subject to tax on their Pakistan sourced income.

All trusts whether or not formed by or under foreign laws, are treated as a company. As the Funds are formed outside Pakistan and the control and management of the Funds is also outside Pakistan, the Funds would be non-resident for Pakistan tax purposes.

Dividends paid by a Pakistan resident company are subject to 10% withholding tax, as full and final tax liability in respect of the income, whilst dividends received from power generation companies are taxable at reduced rate of 7.5%.

Profit-on-debt constitutes Pakistan sourced income, if paid by a person resident in Pakistan or borne by a Permanent Establishment (PE) of a non-resident person in Pakistan. Profit-on-debt includes any yield, profit, interest, discount, premium, other amount arising on a debt and any service fee or other charge in respect of a debt. Profit-on-debt is taxable at general tax rate of 35% or 25% for companies and Association of Persons respectively, as the case may be. Profit-on-debt of non-residents derived from debt instruments, Government securities, etc. are taxed at a flat rate of 10%, if investments are made from Special Rupee Convertible Account in Pakistan. Profit-on-debt paid to a non-resident person is subject to 10% withholding tax, which is creditable against his final tax liability. A lower tax rate has been prescribed in respect of Profit-on-debt under certain tax treaties.

Capital gains arising on the disposal inter alia of listed shares of a resident company constitute Pakistan sourced income. Capital gains arising on the disposal of shares that are held for more than 12 months are tax exempt, whilst capital gains on shares that are held for less than 12 months are taxable at progressive rates, depending on the length of the holding period and tax year of disposal. The tax rate for the year ending June 30, 2012 (Tax Year 2012) in respect of capital gains on disposal of shares held for more than 6 but less than 12 months is 8% (gradually increasing to 10% in Tax Year 2016), whilst the tax rate for shares held for less than 6 months is 10% (gradually increasing to 17.5% in Tax Year 2015). Tax exemptions in respect of capital gains are available under certain tax treaties.

Investors (other than individuals) are also liable to pay advance tax on quarterly basis in respect of capital gains on disposal of shares. The rate of advance tax is 1.5% in respect of shares held for more than 6 but less than 12 months, whilst the tax rate of 2% is applicable for shares held for less than 6 months.

Advance income tax of 0.01% is withheld by the Stock Exchange on the sale of shares, which is creditable against the tax liability of investor. Stamp duty of 1.5% of par value of shares is also levied on the purchase of shares if the transfer of shares is in physical form, however, if the shares are transferred in electronic form i.e. through Central Depository Company, no stamp duty is payable.

For unitholders who are not tax resident of Pakistan and do not have a PE in Pakistan, no Pakistan tax will be levied on distributions received from the Funds or on capital gains derived from disposal of units in the Funds. Pakistan tax residents and non-residents with a PE in Pakistan may be taxable in Pakistan on distributions from the Funds, and should seek their own advice on the tax implications of investing in the Funds.

The People's Republic of China ("PRC")

Currently, there is no specific PRC legislation governing the taxation of income derived by a unit trust. There is legislation for a company (including a foreign trustee company) which derives income from the PRC.

The PRC Enterprise Income Tax Law ("EITL") imposes an Enterprise Income Tax ("EIT") of 20% on the PRC sourced income derived by a foreign enterprise without a permanent establishment in China. The rate is reduced to 10% by the Implementation Rules of the EITL. Income includes profit (including gains from disposal of PRC securities), dividend, interest, rental, royalties, etc.

The Funds investing in PRC securities may be subject to EIT withholding and other taxes imposed in the PRC including the following:

- Dividends and interest paid by PRC companies are subject to 10% tax. The paying entity in China will be responsible for withholding such tax when making a payment. Full tax provision of 10% is made for PRC sourced dividends and interest where tax has not yet been withheld by the payor. Interest from government bonds is specifically exempt from EIT.

- Gains from disposal of PRC securities would normally be subject to a 10% EIT under the EITL. However, currently gains from the disposal of China A-Shares (including those on Shanghai-Hong Kong Stock Connect) are subject to a temporary exemption from EIT effective from 17 November 2014. Generally, there is no withholding mechanism for EIT on gains from PRC securities. Full PRC tax provision of 10% is made for gains from disposal of PRC securities that are currently not specifically exempt from EIT.

The Philippines

Taxation in the Philippines relies on the concept of citizenship, residency and source. Generally, Philippine citizens are taxed in the Philippines on their worldwide income except for the foreign source income of the so-called non-resident citizens. On the other hand, alien individuals, whether resident or not in the Philippines, are taxable only on income derived from sources within the Philippines.

Domestic corporations are taxable on their worldwide income while foreign corporations, whether or not engaged in trade or business in the Philippines, are taxable only on income derived from sources within the Philippines. Non-resident foreign corporations and non-resident aliens not doing business (i.e., a foreign national who does not stay within the Philippines for an aggregate period of more than 180 days in any calendar year) in Philippines are only taxed on their Philippine-sourced income, albeit on a gross basis.

For Philippine tax purposes, the Funds will normally be classified as trusts. The tax treatment of the trust would generally depend on whether it is revocable or irrevocable. An irrevocable trust is treated as a distinct taxable entity and is taxed as an individual. On the basis that the Funds are irrevocable in nature and governed by the laws of countries other than the Philippines, managed outside the Philippines and the trustees are not based in the Philippines, the Funds should be treated as non-resident aliens not engaged in trade or business for Philippine tax purposes.

Shares of stock listed and traded through the Philippine stock exchange by the Funds are subject to a stock transaction tax of 0.5% on the gross selling price.

Capital gains on the sale of unlisted shares in a domestic corporation, or of shares in a listed company where the sale is not traded through the Philippine stock exchange, would be taxed at 5% on the first 100,000 peso of gains and 10% on the excess of the gains over 100,000 pesos. Further, the sale of unlisted or listed but not traded shares is subject to documentary stamp tax at the rate of 0.375% of the par value of the shares sold.

Dividends and interest paid to the Funds by a Philippine corporation would generally be subject to a final withholding tax at a rate of 25% on the basis that the Funds are not carrying on any trade or business in the Philippines and is considered as an individual for tax purposes. Likewise, application of tax treaty rates may reduce the 25% final withholding tax rate on dividends and interest depending on the home treaty country of the Funds. Proper documentation and regulatory compliance are required for purposes of availing these reduced withholding tax rates.

For unit holders residing outside the Philippines who do not carry on a business in the Philippines, there should be no Philippine tax on distributions received from the Funds, or on any gain derived from the disposal of units of the Funds. Residents and non-residents of the Philippines with a permanent establishment in the Philippines should seek their own advice on the tax implications of investing in the Funds.

Singapore

The Singapore taxation system is quasi-territorial in nature. Tax is imposed on income accruing in or derived from Singapore. For persons who are not individuals, tax is also imposed on foreign sourced income that is received or deemed to be received in Singapore (subject to certain exceptions).

Singapore does not impose tax on capital gains. However, gains may be construed to be of an income nature and subject to Singapore income tax. Generally, gains realised upon the disposal of investments are considered to be income if they arise from activities which amount to the carrying on of a trade or business.

JPMorgan Asset Management (Singapore) Limited ("JPMAMSL") holding a capital markets services licence for fund management under the Securities and Futures Act of Singapore has been appointed as a sub-manager of the Funds and, in this capacity, exercises discretionary investment management authority. The Funds may therefore be construed to be carrying on a trade or business in Singapore. Accordingly, the income derived by the Funds may be considered income accruing in or derived from Singapore and subject to Singapore income tax at prevailing tax rate (currently 17%), unless the income is specifically exempted from tax under Section 13CA of the Income Tax Act (Chapter 134) (the "Act") and the Income Tax (Exemption of Income of Non-Residents Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (the "Regulations") (collectively referred to as the "Offshore Fund Regime").

Under the Offshore Fund Regime, the Funds that are managed by JPMAMSL qualify as a “prescribed person” and are granted a tax exemption on “specified income” derived in respect of “designated investments”. Each of the terms in quotation marks are specifically defined in the Regulations.

Generally, there is no Singapore income tax on distributions by the Funds and gains on redemption or disposal of units derived by non-resident individuals and corporations with no permanent establishment in Singapore and who does not carry on a trade or business in Singapore.

Certain non-individual investors from Singapore who beneficially hold (either alone or together with its associates) more than 30% (for funds with less than 10 unitholders) or 50% (for funds with at least 10 unitholders) of the total value of each of the Funds at the last day of the Funds’ financial year end, would be required to declare and pay a penalty to the Comptroller of Income Tax in Singapore in their respective income tax returns. If applicable, the penalty is calculated based on the percentage of such investor’s beneficial ownership in each of the Funds multiplied by the income of each of the Funds as reflected their respective audited accounts and assessed at the prevailing tax rate (currently 17%). Non-individuals who are Singapore tax resident or have a permanent establishment in Singapore should seek their own advice on the application of the penalty and the tax implications of investing in the Funds.

Sri Lanka

Sri Lanka imposes income tax based on the concepts of residency and source. Sri Lankan residents are subject to tax on their worldwide income. Non-residents are only subject to tax on their Sri Lankan sourced income.

The Funds are formed and domiciled outside Sri Lanka. Furthermore, the trustees as well as the investment advisers are residents outside Sri Lanka and hence the control and management of the Funds business will not be carried on in Sri Lanka. Therefore the Funds should not be tax resident of Sri Lanka. As a result, chargeability to Sri Lankan tax should be limited to Sri Lankan sourced income.

Dividends will be subject to a 10% tax on the distributing company. If the dividend is paid in cash, it is mandatory on the distributing company to withhold this tax. Where the 10% tax is withheld, it effectively constitutes a final tax.

The 10% withholding tax does not apply where:

- An exemption from tax in the hands of the recipient shareholder is statutorily provided.
- The distribution is out of dividends received from another resident company and already subjected to withholding tax.
- The distribution is made by a unit trust approved by the Securities and Exchange Commission of Sri Lanka.

In the case of in specie dividends, whilst a primary charge of 10% would remain on the distributing company, the receipt of the dividend by the Funds would not be subject to any further tax. In the alternative, if the Funds are treated as being incorporated, the dividend would be excluded from tax only if the distributing company is listed on the Sri Lanka Stock Exchange.

All income flows arising from investments in Sri Lanka Rupee Treasury Bonds via TIERA should be relieved from income tax except the initial withholding of tax of 10%. In particular all interest arising on such Bonds is excluded from assessable income. In addition, profits and gains on secondary market transactions in Bonds are exempt from income tax.

Interest arising on or after 1 April 2008 on Sri Lanka corporate debt securities would be subject to a withholding tax of 10%, for which credit will be given against the income tax payable on such interest. A lower treaty rate or exemption, if any, provided by an applicable Double Tax Avoidance Treaty would prevail.

Capital gains are not liable to income tax in Sri Lanka. However, whether a particular gain is characterised as a capital gain or a trading profit depends on the facts and circumstances of the case. The profit or gain derived from the sale of listed shares are currently exempt from income tax, provided the 0.3% share transaction levy is paid on both the buy side and sell side of the trade.

Unitholders who are not residents of Sri Lanka would not be subject to Sri Lanka income tax on Funds’ distributions. Unitholders who are tax residents of Sri Lanka and non-residents with a permanent establishment in Sri Lanka should seek their own advice on the tax implications of investing in the Funds.

Taiwan

Taxation in Taiwan relies on the concept of both residency and source. A domestic profit-seeking enterprise is subject to tax on its worldwide income. A foreign profit-seeking enterprise is subject to tax only on income derived in Taiwan. Similar to other foreign profit-seeking enterprises, the Funds are subject to tax only on income derived in Taiwan.

Dividends received by the Funds from Taiwanese companies will be subject to withholding tax of 20% in Taiwan unless an applicable tax treaty provides otherwise. The eligibility for treaty benefits depends on the residency of the Funds and its underlying investors, beneficial ownership of income and availability of documentation. There may be a further reduction to an effective withholding of 10% where the distributing company has previously paid 10% Taiwanese surtax for its undistributed retained earnings. The actual reduced withholding rate will be subject to an imputation credit formula.

Interest income earned by the Funds on Taiwanese securities would generally be subject to Taiwan withholding tax of 20% unless an applicable tax treaty provides otherwise. For interests derived from commercial papers, beneficiary securities, bonds, and repo trades of specific financial instrument subject to 15% withholding tax.

There is no capital gains tax in Taiwan on gains arising from the sale of Taiwanese securities.

For unitholders not resident in Taiwan and who do not carry on a business in Taiwan, there is no Taiwan tax on distributions received from the Funds, nor gains derived from disposal of units of the Funds. Taiwanese tax residents and non-residents of Taiwan with fixed place of business in Taiwan should seek their own advice on the tax implications of investing in the Funds.

Thailand

Taxation in Thailand relies on the concept of both residency and source. A resident corporate entity is taxed on worldwide income. A non-resident corporate entity of Thailand for tax purposes is generally subject to tax only on profits arising from or in consequence of carrying on business in Thailand. A non-resident corporate entity not carrying on business in Thailand is subject to withholding tax on certain types of income paid from or in Thailand, e.g., interest, dividends etc.

Thailand does not recognise trusts and hence for the purposes of levying income tax, the Funds, being in the nature of a limited partnership, will be treated as corporations. Capital gains derived on the sale of investments derived from or in Thailand by a foreign corporation not carrying on business in Thailand are subject to a withholding tax of 15%. Since the Funds are managed outside Thailand, the trustees are based outside Thailand, and there are no permanent establishment (i.e. no agent or go-between) in Thailand, it is expected that the Funds will be treated as a foreign corporation not carrying on business in Thailand and hence subject to a withholding tax of 15% on capital gains arising in Thailand. However, certain tax treaties may exempt the capital gain from the withholding tax.

On the same basis, dividends paid to the Funds by Thai companies will be subject to withholding tax at a rate of 10% and interest income will be subject to Thai withholding tax at 15%. The withholding tax rate on interest may be reduced to 10% under certain treaties if the interest is paid to a financial institution. Unless a Fund gets a certificate to support that it is a financial institution, it is not regarded as a financial institution generally.

For unitholders tax resident outside Thailand and who do not carry on a business in Thailand, no Thai tax will be levied on distributions received from the Funds, or on gains derived from disposal of units of the Funds. Thailand tax residents and non-residents of Thailand with a permanent establishment in Thailand should seek their own advice on the tax implications of investing in the Funds.

The United States of America

This document was not intended or written to be used, and it cannot be used, for the purpose of avoiding U.S. federal, state or local tax penalties.

This section is based upon the current provisions of the Internal Revenue Code of 1986, as amended ("IR Code"), existing and currently proposed Treasury Regulations promulgated thereunder ("Regulations"), existing rulings and administrative decisions of the U.S. Internal Revenue Service ("IRS"), and existing judicial decisions, all of which are potentially subject to change or modification, possibly with retroactive effect. No ruling has been sought or obtained from the IRS or any other tax authority with respect to the matters discussed herein.

This section discusses only the principal U.S. Federal income tax consequences to the Funds (which are in the form of trusts) and to those unitholders in the Funds that are not United States persons (as that term is defined in Section 7701(a)(30) of the IR Code) and that are not engaged in a trade or business within the United States of America (a "U.S. trade or business"). This section does not address all of the tax consequences that might be relevant to a unitholder in light of the unitholder's particular circumstances and does not address the provisions of the IR Code applicable to any non-United States person that is engaged in a U.S. trade or business.

The Funds' investment income from dividends and interest from sources within the United States of America will generally be subject to U.S. withholding tax (currently at the rate of 30 per cent.) which is not recoverable to the Funds. No U.S. income or capital gains tax is anticipated to be payable on the realised capital appreciation of the Funds' investments by the unitholders.

However, as discussed in more detail below, the Funds may incur a U.S. income or capital gains tax upon the disposition of certain U.S. investments, if those investments are considered United States real property interests (as that term is defined under Section 897(c) of the IR Code).

Under the Regulations, each Fund should be viewed as a “business entity” (and not as a trust). Furthermore, under the default provisions of the so-called “check-the-box” Regulations, each Fund should be treated as a corporation for U.S. Federal income tax purposes.

A foreign corporation generally is subject to U.S. income tax (calculated using graduated rates up to 35 per cent.) on its taxable income that is effectively connected with the conduct of a U.S. trade or business plus an additional 30 per cent. U.S. branch profits tax. Pursuant to the safe harbour provisions of Section 864(b) of the IR Code, a foreign corporation will not be considered to be engaged in a trade or business within the United States of America solely because such foreign corporation (directly or through an agent) effects transactions in the United States of America in stocks, securities or commodities for its own account, provided such foreign corporation is not a dealer (be it in stocks, securities or commodities) and, if it trades in commodities, only trades commodities which are of a kind customarily dealt in on an organised commodity exchange in transactions of a kind customarily consummated on such an exchange.

In the event that the Funds’ activities are viewed as trading (rather than merely investing) in securities and commodities, it is currently anticipated that such activities should qualify under the exemption discussed in the preceding paragraph. Alternatively, if the Funds are viewed as merely investing in securities and commodities, those activities would not constitute the conduct of a U.S. trade or business. Accordingly, the Funds should not be viewed as engaged in a trade or business within the United States of America.

Foreign corporations are also generally subject to a U.S. withholding tax at the rate of 30 per cent. (subject to reduction or exemption under an applicable tax treaty, although no such treaty applies to the Funds) imposed on the gross amount of items of U.S. source interest, dividends, and certain other types of investment income which are not effectively connected with the conduct of a U.S. trade or business. In general, U.S. withholding tax must be withheld at the source by any person having custody or control over such income (a “Withholding Agent”). However, the withholding tax generally does not apply to (i) original issue discount on U.S. Treasury bills and other debt obligations having a maturity, in substance (e.g., including rollovers), of 183 days or less; (ii) commercial bank deposits; (iii) gains on capital assets (subject to the discussion below on United States real property interests); and (iv) interest income attributable to United States Treasury obligations and other debt obligations in “registered form” issued on or after 14 July, 1984, provided the beneficial owner provides the Withholding Agent with a Form W-8BEN or a prescribed substitute documentation, and certain other requirements are met.

The Foreign Investment in Real Property Tax Act of 1980, as amended (“FIRPTA”), imposes a tax on gain realised on disposition by a foreign person on a “United States real property interest” (“USRPI”) by treating such gain as income that is effectively connected with a U.S. trade or business (“ECI”). USRPIs include real property located in the U.S. and stock of a U.S. corporation if U.S. real property constitutes at least 50 per cent., by value, of certain of the corporation’s assets. The Funds will be subject to U.S. federal income taxation, at graduated rates, on net gain realised upon the disposition of a USRPI as if such gain were ECI.

Gain treated as ECI earned by the Funds is subject to withholding under IR Code Sections 1445. Under IR Code Section 1445, 10 per cent. of the gross proceeds attributable to the sale of a USRPI must generally be withheld by the buyer of such real property interest and remitted to the IRS.

Any amounts properly withheld under IR Code Section 1445 generally can be applied as a credit against the U.S. federal income tax liability of each Fund on its net gain from the disposition upon filing a U.S. federal income tax return and can be recovered as a refund in the event of overpayment.

Special FIRPTA rules apply to any Fund’s investment in a REIT. Specifically, (i) a distribution by a REIT attributable to gain from the disposition of a USRPI will be treated under FIRPTA as ECI; (ii) any other dividend distribution by a REIT will generally be subject to withholding based on the general withholding tax rules applicable to dividends from sources within the U.S. as discussed above; and (iii) the Funds will not be taxable on any gain from the disposition of an investment in a REIT, provided that (a) the REIT is “domestically controlled” (i.e., less than 50 per cent. of its stock is, at all times during a 5-year look-back period, held, directly or indirectly, by foreign shareholders), or, (b) in the case of a REIT whose shares are publicly traded, the Fund making the disposition did not own, at any time during a 5-year look-back period, more than 5% of the shares of the REIT.

In general, subject to the above, unitholders of the Funds should not be liable to U.S. Federal income tax on any income or gains derived through the Funds or upon a sale or other disposition of units in the Funds. A unitholder of the Funds that is resident in a country which has an income tax treaty with the United States of America, under certain circumstances, may be entitled to reclaim all or a portion of its share of any U.S. withholding tax imposed on its share of the Funds’ income. Unitholders should consult their own tax advisers to determine the effect of any such tax treaty and reclaim procedures. Although there is currently an income

tax treaty between the United States of America and the People's Republic of China, both governments have indicated that the provisions of the treaty will not be extended to include Hong Kong.

US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")

Please refer to the information relating to restriction to sell to US Persons/Passive NFFEs and FATCA in the Preamble to these Consolidated Explanatory Memoranda and "US tax withholding and reporting under the Foreign Account Tax Compliance Act ("FATCA")" under the section entitled "RISKS" in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Vietnam

Tax implications to the Funds

The Vietnam tax rules applicable to companies and investments in shares are characterised by uncertainties and by a lack of interpretative guidance. Both the substantive provisions of Vietnam tax law and the interpretation and application of such provisions by the Vietnam tax authorities may be subject to more rapid and unpredictable change than in a jurisdiction with more developed capital markets. In particular, the interpretation and application of such provisions will in practice rest in part with the local tax inspectors.

Under the tax regulations, the Funds are likely to be classified as a foreign investment funds established under the laws of a foreign country and not physically present in Vietnam. The Funds' presence in Vietnam would only be via their investments which are not of themselves indicative of a permanent establishment.

The permanent establishment status of the Funds would therefore vary depending on changes in the Funds' operation, structure or the tax regulations. Under this tax note, it is assumed that the Funds' operations will not create any permanent establishment in Vietnam.

Non-Vietnamese investments

The Funds may invest in companies outside of Vietnam where a material portion of their assets or operations are based in Vietnam. This is referred to as non-Vietnamese investments.

On the basis that the Funds do not have a permanent establishment in Vietnam, they will not be subject to Vietnamese taxes on their income derived outside Vietnam or capital gains derived from the sale or other disposal of any non-Vietnamese investments.

The Funds' investors who are resident outside Vietnam are not liable to Vietnamese tax on distributions received from the Funds, nor on gains derived from the disposal of their interests in the Funds.

Vietnamese investments

The investment activities of the Funds and income generated from investments, capital assignment and securities trading activities should not be subject to Value Added Tax in Vietnam.

As the Funds are considered not to have a permanent establishment in Vietnam, income tax will be imposed on the Funds in different ways, depending on the form of investment as follows:

Investments in form of capital contributed in limited liability companies established under the laws of Vietnam

When contributing capital and participating in the management of limited liability companies, the Funds would be considered to be foreign investors who directly own interests in the limited liability companies and their name will be listed in the investment certificate of the limited liability companies. The limited liability companies themselves do not constitute permanent establishment status of the Funds in Vietnam.

Under this form of investment, the Funds may receive the following types of income and their tax treatments are outlined below:

Dividend income

The Funds will not be subject to Corporate Income Tax ("CIT") in Vietnam on dividends received from the Vietnamese Companies.

Vietnam currently has no dividend withholding tax or any other levy on remittance of dividends overseas. Accordingly, remittance of the dividends to overseas is free of tax, provided that all tax obligations towards the Government of Vietnam have been cleared.

Capital gains

Selling an interest or transferring ownership by a foreign investor of the capital contributed in a company established under the

laws of Vietnam to another investor (i.e. capital assignee) in Vietnam shall be viewed as a “capital assignment” and the vendor (i.e. capital assignor) is subject to Capital Assignment Tax (“CAT”) at a rate of 25% on any gain derived from the capital assignment.

The taxable gain is the difference between the assignment proceeds and the original value of the assigned capital, less the assignment costs. The original value of the assigned capital is the actual capital amount which has been contributed by the capital assignor (the investor) as at the assignment date. This original value of the assigned capital must be supported by and based on the accounting books and documents.

Accordingly, it appears that CAT only applies to first tier investment transfers. If the assignment does not involve the change of the direct investor in the Vietnamese Enterprise (i.e. the transaction is structured outside of Vietnam at the holding company level and above), Vietnamese CAT arguably does not apply.

Investment in securities listed in the stock market and shares of shareholding companies through a Vietnamese bank account

When investing in securities listed in the stock market or over the counter market through a Vietnamese bank account, the Funds would be considered to be foreign investment funds which are established under foreign laws without legal status in Vietnam. On the assumption that the Funds do not have a permanent establishment in Vietnam, they will be subject to CIT on a “deemed taxation” basis as follows:

Capital gains

CIT is imposed on the gross value of securities sold on each transaction. This is a “deemed profits” tax, equivalent to 0.1% of the value of the sale transaction (including sales of shares, bonds except tax-free bonds, investment fund certificates). No relief is allowed for transaction costs, and no allowance is taken for the cost of investments (i.e. the earning of actual profits is irrelevant).

Bonds ‘transferred’ by a Bondholder shall also be subject to a deemed CIT of 0.1% of the total value of the proceeds received at the time the bonds are transferred. ‘Transfer’ may be understood to include the sale of the bond to a third party however it is unclear whether it includes bonds purchased, cancelled, redeemed by the issuer or when the issuer repays the principal on the maturity date.

The 0.1% withholding tax is withheld and paid to the State Budget by the securities company (for listed stocks), or the Funds’ commercial bank where the transaction is undertaken without an authorised intermediary.

Dividend income

Dividends received are not subject to further Vietnamese CIT or withholding taxes when distributed to the Funds.

Vietnam currently has no dividend withholding tax or any other levy on remittance of dividends to overseas by foreign investors.

Interest Income

Interest income from bonds and certificates of deposits (CDs) is subject to 10% withholding tax until 29 February 2012. From 1 March 2012, the interest withholding tax reduces to 5%. Proceeds from transferring CDs of foreign investors are subject to a withholding tax of 0.1%.

Interest income (other than from bonds) paid to the Funds is subject to a 10% withholding tax under the Foreign Contractor Tax regulations until 29 February 2012. From 1 March 2012, the interest withholding tax rate reduces to 5%.

Investment in Securities Investment Funds in Vietnam

If the Funds invest in domestic securities investment funds and assuming the Funds do not have a permanent establishment in Vietnam, they will be subject to CIT as follows:

Domestic securities investment funds are not liable to pay CIT. However, profits distributed by domestic securities investment funds will be subject to 25% withholding tax, unless the profits in question have already borne Vietnamese CIT, or are from tax-free bonds.

Other investments in Vietnam

Income sourced in Vietnam not otherwise classified above will likely be taxable under the Law on CIT at the standard CIT rate of 25%, or subject to foreign contractor tax, depending on the type of income.

The Government recently introduced a new Decree on CIT which does not provide any significant changes in the CIT treatment of funds investing in Vietnam.

Section E - NAMES OF FUNDS/CLASSES

Asia Pacific Equity Funds

Fund/Class
JPMorgan ASEAN (acc) - AUD (hedged)
JPMorgan ASEAN (acc) - CAD (hedged)
JPMorgan ASEAN (acc) - EUR (hedged)
JPMorgan ASEAN (acc) - GBP (hedged)
JPMorgan ASEAN (acc) - HKD
JPMorgan ASEAN (acc) - NZD (hedged)
JPMorgan ASEAN (acc) - RMB (hedged)
JPMorgan ASEAN (acc) - SGD (hedged)
JPMorgan ASEAN (acc) - USD
JPMorgan Asia Equity Dividend (acc) - HKD
JPMorgan Asia Equity Dividend (acc) - RMB (hedged)
JPMorgan Asia Equity Dividend (acc) - USD
JPMorgan Asia Equity Dividend (mth) - AUD (hedged)
JPMorgan Asia Equity Dividend (mth) - CAD (hedged)
JPMorgan Asia Equity Dividend (mth) - EUR (hedged)
JPMorgan Asia Equity Dividend (mth) - GBP (hedged)
JPMorgan Asia Equity Dividend (mth) - HKD
JPMorgan Asia Equity Dividend (mth) - NZD (hedged)
JPMorgan Asia Equity Dividend (mth) - RMB (hedged)
JPMorgan Asia Equity Dividend (mth) - SGD (hedged)
JPMorgan Asia Equity Dividend (mth) - USD
JPMorgan Australia (acc) - AUD
JPMorgan Australia (acc) - USD
JPMorgan Eastern (acc) - USD
JPMorgan Eastern Smaller Companies (acc) - USD
JPMorgan Greater China Smaller Companies (acc) - HKD
JPMorgan India (acc) - USD
JPMorgan Indonesia (acc) - USD
JPMorgan Japan (Yen) (acc) - HKD (hedged)
JPMorgan Japan (Yen) (acc) - JPY
JPMorgan Japan (Yen) (acc) - RMB (hedged)
JPMorgan Japan (Yen) (acc) - USD (hedged)
JPMorgan Japan Smaller Company (Yen) Fund
JPMorgan Korea (acc) - USD
JPMorgan Malaysia (acc) - USD
JPMorgan Pacific Securities (acc) - USD
JPMorgan Pacific Technology (acc) - USD
JPMorgan Philippine (acc) - USD
JPMorgan Thailand (acc) - USD

Bond and Currency Funds

Fund/Class
JPMorgan Asian Total Return Bond (acc) - HKD
JPMorgan Asian Total Return Bond (acc) - RMB (hedged)
JPMorgan Asian Total Return Bond (acc) - USD
JPMorgan Asian Total Return Bond (mth) - AUD (hedged)
JPMorgan Asian Total Return Bond (mth) - CAD (hedged)
JPMorgan Asian Total Return Bond (mth) - EUR (hedged)
JPMorgan Asian Total Return Bond (mth) - GBP (hedged)
JPMorgan Asian Total Return Bond (mth) - HKD
JPMorgan Asian Total Return Bond (mth) - NZD (hedged)
JPMorgan Asian Total Return Bond (mth) - RMB (hedged)
JPMorgan Asian Total Return Bond (mth) - SGD (hedged)
JPMorgan Asian Total Return Bond (mth) - USD
JPMorgan Europe High Yield Bond (mth) - AUD (hedged)
JPMorgan Europe High Yield Bond (mth) - CAD (hedged)
JPMorgan Europe High Yield Bond (mth) - EUR
JPMorgan Europe High Yield Bond (mth) - GBP (hedged)
JPMorgan Europe High Yield Bond (mth) - HKD (hedged)
JPMorgan Europe High Yield Bond (mth) - NZD (hedged)
JPMorgan Europe High Yield Bond (mth) - RMB (hedged)
JPMorgan Europe High Yield Bond (mth) - USD (hedged)
JPMorgan Global Bond (acc) - RMB (hedged)
JPMorgan Global Bond (mth) - AUD (hedged)
JPMorgan Global Bond (mth) - CAD (hedged)
JPMorgan Global Bond (mth) - HKD
JPMorgan Global Bond (mth) - NZD (hedged)
JPMorgan Global Bond (mth) - RMB (hedged)
JPMorgan Global Bond (mth) - USD
JPMorgan Global Bond (san) - USD
JPMorgan Money Fund - HK\$

Other Funds

Fund/Class
<i>JPMorgan AsiaOne Fund</i>
<i>JPMorgan Asia Growth (acc) - RMB (hedged)</i>
<i>JPMorgan Asia Growth (acc) - USD</i>
<i>JPMorgan China A-Share Opportunities (acc) - HKD</i>
<i>JPMorgan China A-Share Opportunities (acc) - RMB</i>
<i>JPMorgan China A-Share Opportunities (acc) - USD</i>
<i>JPMorgan China Income (acc) - USD</i>
<i>JPMorgan China Income (mth) - HKD</i>
<i>JPMorgan China Income (mth) - RMB (hedged)</i>
<i>JPMorgan China Income (mth) - USD</i>
<i>JPMorgan China Pioneer A-Share Fund</i>
<i>JPMorgan Europe Strategic Dividend (mth) - AUD (hedged)</i>
<i>JPMorgan Europe Strategic Dividend (mth) - CAD (hedged)</i>
<i>JPMorgan Europe Strategic Dividend (mth) - EUR</i>
<i>JPMorgan Europe Strategic Dividend (mth) - GBP (hedged)</i>
<i>JPMorgan Europe Strategic Dividend (mth) - HKD (hedged)</i>
<i>JPMorgan Europe Strategic Dividend (mth) - NZD (hedged)</i>
<i>JPMorgan Europe Strategic Dividend (mth) - RMB (hedged)</i>
<i>JPMorgan Europe Strategic Dividend (mth) - USD (hedged)</i>
<i>JPMorgan Evergreen Fund</i>
<i>JPMorgan Global Property Income (div) - USD</i>
<i>JPMorgan Global Property Income (mth) - HKD</i>
<i>JPMorgan Global Property Income (mth) - USD</i>
<i>JPMorgan India Smaller Companies (acc) - USD</i>
<i>JPMorgan Multi Income (acc) - HKD</i>
<i>JPMorgan Multi Income (acc) - RMB (hedged)</i>
<i>JPMorgan Multi Income (acc) - USD</i>
<i>JPMorgan Multi Income (mth) - AUD (hedged)</i>
<i>JPMorgan Multi Income (mth) - CAD (hedged)</i>
<i>JPMorgan Multi Income (mth) - EUR (hedged)</i>
<i>JPMorgan Multi Income (mth) - GBP (hedged)</i>
<i>JPMorgan Multi Income (mth) - HKD</i>
<i>JPMorgan Multi Income (mth) - RMB (hedged)</i>
<i>JPMorgan Multi Income (mth) - NZD (hedged)</i>
<i>JPMorgan Multi Income (mth) - SGD (hedged)</i>
<i>JPMorgan Multi Income (mth) - USD</i>
<i>JPMorgan Vietnam Opportunities (acc) - USD</i>

