

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.

2 October 2015

Dear Investors,

JPMorgan Asia Absolute Return Fund

One of the key advantages of investing in unit trusts is the economies of scale they offer. However, when a fund becomes too small it usually ceases to be a cost effective investment option. This, unfortunately, is now the case with JPMorgan Asia Absolute Return Fund (the “Fund”). As at 31 August 2015, the approximate fund size was USD 33.0 million and the total expense ratio¹ was 1.3%.

In view of the small fund size, the manager of the Fund, JPMorgan Funds (Asia) Limited (the “Manager”), considers it would be in the best interests of unitholders to close the Fund. It has therefore decided to exercise its discretion under paragraph 26.2(C) of the base terms of the Fund dated 20 November 1998 which have been incorporated as the terms of the Fund’s trust deed by way of an amended and restated trust deed dated 17 December 2002, as amended and supplemented from time to time, to terminate the Fund on 8 January 2016 (the “Effective Date”). HSBC Trustee (Cayman) Limited, the trustee of the Fund, has been informed of this decision and has given its approval to terminate the Fund. With effect from and including the date of this letter, the Fund will no longer be allowed to be marketed to the public in Hong Kong and further subscription and switching into the Fund will not be accepted.

In view of this decision, we are pleased to offer you the opportunity to switch your current holding in the Fund, free of charge², into any other funds³ which are managed by the Manager or for which it acts as Hong Kong representative. The details of such funds (including the relevant offering documents) can be found at our website www.jpmorganam.com.hk⁴. This means all the charges related to switching will be waived provided that we receive your switching instruction on or before 7 December 2015, 6:00 p.m. (Hong Kong time). Please note that the Fund is dealt on a monthly basis⁵. Please refer to the Information Memorandum of the Fund dated December 2014 (as amended from time to time) (the “Information Memorandum”) for more details of the Fund’s dealing requirements.

¹ The total expense ratio represents the total expenses (excluding transaction costs) as a percentage of the Fund’s average net asset value for the period from 1 October 2014 to 31 August 2015.

² Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor or financial adviser may charge you switching and/or transaction fees. You are advised to contact your bank, distributor or financial adviser should you have any questions.

³ The funds have been authorised by the Securities and Futures Commission (“SFC”). SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of a 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.

⁴ This website has not been reviewed by the SFC.

⁵ As disclosed in the Information Memorandum, the Fund is valued at the close of business on each dealing day (normally the last day in every month, other than a Saturday or a Sunday, on which banks in Hong Kong are open for normal banking business and on which exchanges or markets on which, in the opinion of the Manager, all or part of the investments of the Fund are quoted, listed or dealt in are open for trading) (“Dealing Day”). In order for units to be switched or redeemed on a particular Dealing Day, the switching/redemption instructions must be received by the Manager not later than 6:00 p.m. (Hong Kong time) on the seventh day of the calendar month in which the Dealing Day, upon which the switching/redemption is intended to occur, falls. The amount due on the redemption of units will normally be paid within five business days of the relevant Dealing Day and in any event not later than one calendar month after the relevant Dealing Day.

We do hope that you will take advantage of this opportunity to switch your investment. If, however, you would prefer to redeem your holding in the Fund, you may do so up to 6:00 p.m. (Hong Kong time) on 7 December 2015, free of charge in accordance with the Information Memorandum⁶. Units remaining in the Fund after such date will be realised on the Effective Date and the proceeds will normally be paid within one month from the Effective Date using the methods described in the Information Memorandum. Please note that the costs of termination, estimated to be approximately USD 46,200, will be borne by the Fund and have already been accrued and reflected in the net asset value of the Fund on the date of this letter. There are no unamortised preliminary expenses in relation to the Fund.

As there may be potential tax consequences to any redemption, switching or realisation, we recommend that you obtain independent tax advice before making your decision to redeem, switch or realise your holding in the Fund.

We trust that this development will not cause you too much inconvenience and would encourage you to provide us with your instructions as soon as possible.

Copies of the Information Memorandum, trust deed, base terms and the other documents of the Fund set out under the section entitled “Documents Available for Inspection” in the Information Memorandum are available for inspection free of charge during normal working hours at the offices of the Manager⁷.

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 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



Eddy Wong
Head of Funds Business, Hong Kong & China Retail

⁶ Please note that although we will not impose any charges in respect of your redemption instructions, your bank, distributor or financial adviser may charge you redemption and/or transaction fees. You are advised to contact your bank, distributor or financial adviser should you have any questions.

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