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

31 August 2016

Dear Investor,

JPMorgan Funds - China Fund (the "Sub-Fund")

We are writing to inform you of the following updates to the Sub-Fund:

Reversal of the Sub-Fund's People's Republic of China ("PRC") tax provisions

Background

The Sub-Fund holds China A-Shares through the Qualified Foreign Institutional Investor quota of the investment manager, JF Asset Management Limited, (the "**Investment Manager**") and the Shanghai-Hong Kong Stock Connect and certain other PRC securities. As disclosed in the offering document of the Sub-Fund, the PRC authorities are yet to provide definitive guidance as to the imposition of 10% withholding Enterprise Income Tax ("**EIT**") on gains from China A-Shares disposed prior to 17 November 2014. With the uncertainty of whether and how certain gains on PRC securities are to be taxed, and in order to achieve as fair allocation as possible of this contingent tax among the investors of the Sub-Fund, JPMorgan Asset Management (Europe) S.á r.l., as management company of the Sub-Fund (the "**Management Company**"), has made tax provision at 100% of the possible 10% EIT on gains on PRC securities, except for gains on China A-Shares (including those on Shanghai-Hong Kong Stock Connect) disposed of on or after 17 November 2014.

Tax reporting to Beijing Xicheng Tax Bureau

Upon the request of the Beijing Xicheng Tax Bureau, the Investment Manager submitted the tax reporting packages on behalf of the Sub-Fund to the Beijing Xicheng Tax Bureau in September 2015 for tax clearance concerning the gains/income (including gains on China A-Shares disposed, dividend and interest) of the Sub-Fund for the 5 years from 17 November 2009 to 16 November 2014. The documents and information submitted by the Investment Manager were prepared by professional tax advisers and were reviewed and approved by the Management Company. In March 2016, the Beijing Xicheng Tax Bureau completed the review and accepted the tax reporting packages and tax settlement made by the Sub-Fund.

Reversal of tax provisions and impact on Net Asset Value

The Management Company, in view of the acceptance of the tax reporting packages and tax settlement with the Beijing Xicheng Tax Bureau and after obtaining competent tax advice, released the surplus tax provisions relating to pre-17 November 2014 China A-Shares gains on 17 March 2016 and surplus tax provisions relating to warrants/participation notes with China A-Shares underlying on 9 May 2016 (each a "**Reversal of PRC Tax Provisions**" and collectively, "**Reversals of PRC Tax Provisions**").

The first Reversal of PRC Tax Provisions was applied to the Net Asset Value of the Sub-Fund with effect from 17 March 2016. The Net Asset Value of the Sub-Fund was adjusted accordingly on 17 March 2016. The impact is as follows:

Reversal of PRC Tax Provisions	Amount expressed as a percentage of Net Asset Value of 16 March 2016	Change on Net Asset Value
US$6,615,443	0.61%	Positive

JPMorgan Funds (Asia) Limited
21st Floor, Chater House, 8 Connaught Road Central, Hong Kong
Telephone: 852 2800 2800 Facsimile: 852 2810 1694

The second Reversal of PRC Tax Provisions was applied to the Net Asset Value of the Sub-Fund with effect from 9 May 2016. The Net Asset Value of the Sub-Fund was adjusted accordingly on 9 May 2016. The impact is as follows:

Reversal of PRC Tax Provisions	**Amount expressed as a percentage of Net Asset Value of 6 May 2016**	**Change on Net Asset Value**
US$4,880,640	0.45%	Positive

Custodian

The Custodian of the Sub-Fund has confirmed the booking of the aforementioned Reversals of PRC Tax Provisions in the Sub-Fund's account.

Risk Factors

Investors should note that the provisions were reversed in accordance with the prevailing tax rules and practices of the Beijing Xicheng Tax Bureau in respect of the recent tax reporting. There are risks and uncertainties associated with the current PRC tax laws, regulations and practice on the Sub-Fund's investments in the PRC. Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value. The Management Company and Investment Manager reserve the right to provide for tax on gains of the Sub-Fund that invests in PRC securities thus impacting the valuation of the Sub-Fund. Based on professional tax advice, currently no tax is being provided for gains from China A-Shares under a temporary exemption from the Enterprise Income Tax Law effective from 17 November 2014.

The Management Company will closely monitor any further guidance by the relevant PRC tax authorities and adjust the PRC tax provisioning of the Sub-Fund accordingly.

Investors should seek their own tax advice on their tax position with regard to their investments in the Sub-Fund.

The current offering document of the Sub-Fund is available free of charge upon request during normal working hours at the registered office of the Hong Kong Representative, JPMorgan Funds (Asia) Limited[1], and on our website www.jpmorganam.com.hk[2].

The Management Company 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 Sub-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
as Hong Kong Representative of the JPMorgan Funds

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

[1] The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.
[2] This website has not been reviewed by the Securities and Futures Commission.