

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 September 2016

Dear Investor,

**JPMorgan Provident Balanced Fund/JPMorgan Provident Capital Fund/
JPMorgan Provident European Fund/JPMorgan Provident Global Bond Fund/
JPMorgan Provident Greater China Fund/JPMorgan Provident Growth Fund/
JPMorgan Provident HK\$ Money Fund/JPMorgan Provident High Growth Fund/
JPMorgan Provident Hong Kong Fund/JPMorgan Provident Stable Capital Fund/
JPMorgan Provident US\$ Money Fund (each a “Fund”, and collectively, the “Funds”)**

We are writing to inform you about the following changes to be made to the Funds with effect from and including 31 October 2016 (the “**Effective Date**”):

1. Change of switching arrangement

Due to the migration of fund operating platform, the timeline of effecting switching from units of a Fund to other fund ranges will change.

For the purposes herein, a Fund within the JPMorgan Provident Funds range and a fund within the JPMorgan Funds (Unit Trust Range) and the JPMorgan SAR Funds range are collectively known as funds within the “**unit trust ranges**”. The other funds in respect of which the Manager acts as the Hong Kong representative (excluding the funds within the unit trust ranges) are known as funds within the “**other fund ranges**”.

Switching from a Fund to other fund ranges

The timeline of effecting switching from a Fund to other fund ranges will change as follows:

Current switching process	Switching process with effect from and including the Effective Date
Normally be completed on the same dealing day (i.e. Day T).	The switch-out instruction (realisation) will be effected on the dealing day (i.e. Day T) and switch-in instruction (allotment) will be effected on the next dealing day (i.e. Day T+1). In other words, switching will normally 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).

For example, assuming that

- a unitholder of a Fund within the JPMorgan Provident Funds range (i.e. Fund A) wishes to switch to a fund in other fund ranges (i.e. Fund B);
- Monday and Tuesday in a particular week are dealing days for both funds;
- he submits a duly completed switching order before the dealing deadline of both Fund A and Fund B on Monday (Day T),

then, under the current process, such switching order would normally be completed on Day T. If the switching order is received after the dealing deadline on Day T, the switching order will be deemed to be received on Day T+1 and accordingly, under the current process, such switching order would normally be completed on Day T+1.

However, after the change of the switching process from and including the Effective Date, switching order received before the dealing deadline on Day T would be completed on Day T+1. In this connection, the realisation from Fund A will be effected on Day T, but the allocation to the Fund B will be made on Day T+1. If the switching order is received after the dealing deadline on Day T, the switching order will be deemed to be received on Day T+1 and accordingly, such switching order would be completed on Day T+2. The offering document of the Funds will be updated accordingly to reflect the change in timeline of effecting switching as mentioned above.

Switching of classes of units within the same Fund and switching between unit trust ranges

Please note that there is no change to the switching arrangement for switching between classes of units within the same Fund and switching between the unit trust ranges. Switching between classes of units within the same Fund and switching between unit trusts ranges (except for switching into units of JPMorgan Money Fund) will continue to be completed on the same dealing day (i.e. Day T).

For example, assuming that

- a unitholder of a Fund within the JPMorgan Provident Funds range (i.e. Fund A) wishes to switch to another fund within the JPMorgan Provident Funds range (i.e. Fund C);
- Monday in a particular week is a dealing day for both funds;
- he submits a duly completed switching order before the dealing deadline of both Fund A and Fund C on Monday (Day T),

there is no change to the switching arrangement, such switching order would normally be completed on Day T. If the switching order is received after the dealing deadline on Day T, the switching order will be deemed to be received on Day T+1 and accordingly, such switching order would normally be completed on Day T+1.

Please also note that there is no change in current switching arrangement in respect of switching into units of 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 as set out in the offering document of the Funds. The offering document of the Funds will be clarified accordingly to reflect the existing timeline of effecting switching as mentioned above.

2. Change of the timeline in determining the conversion rate for subscription monies, realisation proceeds and switching

Alternative arrangements may be made for unitholders who wish to subscribe to a Fund in a currency other than the currency of denomination of that Fund, such as HK dollars, US dollars,

Japanese yen or Sterling. Currently, the rate of conversion may be at the spot or forward rate as determined on the business day following the relevant dealing day. To align with the new operational arrangement, it will be amended such that the rate of conversion will be at the prevailing market rate as determined by the Manager on the dealing day.

Similarly, alternative arrangements can be made for unitholders who wish to receive realisation proceeds in a currency other than the base currency of that Fund, such as HK dollars, US dollars, Japanese yen or Sterling. In such cases, the Manager will charge the applicant the costs of conversion from the base currency of the Fund, which will be at the prevailing market rate as determined by the Manager on the dealing day.

Where the switching instruction involves switching into units/shares denominated in a different currency, currency conversion will be carried out at the prevailing market rate as determined by the Manager on the dealing day.

For example, assuming that

- a unitholder of a Hong Kong Dollar (“HKD”) denominated class of a Fund (i.e. Fund A) wishes to switch into an Australian Dollar (“AUD”) denominated class of another fund (i.e. Fund B);
- he submits a duly completed switching order before the dealing deadline of both Fund A and Fund B on Day T,

then, under the current process, the conversion from HKD into AUD is normally executed at the spot or forward rate as determined by the Manager on Day T+1.

However, from and including the Effective Date, the conversion from HKD into AUD will be carried out at the prevailing rate as determined by the Manager on Day T.

Please note that, in carrying out the conversion as aforesaid, an applicant/unitholder may be affected unfavourably by fluctuations in the exchange rates between these currencies.

3. Clarification of the maximum interval for the payment of realisation proceeds

Currently, for JPMorgan Provident Balanced Fund, JPMorgan Provident Capital Fund and JPMorgan Provident Growth Fund (the “Affected Funds”), it is provided that the maximum interval for the payment of realisation proceeds is 4 weeks after the date of actual receipt by the Manager of a duly completed realisation request. For consistency among the Funds, it will be clarified for the Affected Funds that the maximum interval for the payment of realisation proceeds is one calendar month after the date of actual receipt by the Manager of a duly completed realisation request. The trust deeds of the Affected Funds will be updated accordingly.

4. Refusal of payment of realisation proceeds

The trust deeds will be amended to provide the Manager or the Trustee with the right to refuse to make any realisation payment to a unitholder if the Trustee or the Manager suspect or are advised that the payment of realisation 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 Manager, the Trustee or other service providers with any such laws or regulations in any applicable jurisdiction. The offering document of the Funds will be updated accordingly to reflect such power of the Manager and the Trustee.

5. Refusal to issue or register transfer of units and compulsory realisation of units

The trust deeds will be amended to provide the Manager with the right to refuse to issue or register any transfer of a unit, to compulsorily realise any units held by a unitholder to the extent permitted by applicable laws and regulations provided that the Manager is acting in good faith and on reasonable grounds, or to impose such restrictions as it may think necessary, for the purpose of ensuring that no units in the Funds are acquired or held by (a) any person in breach of the law or requirement of any country or governmental authority or (b) any person in circumstances which, in the opinion of the Manager, have, or may have, adverse regulatory, tax or fiscal consequence for the relevant Fund or the unitholders or are otherwise detrimental to the interests of the relevant Fund or the unitholders. More specifically, the Manager may restrict or prevent the ownership of units in the relevant Fund by any person, firm or corporate body, and without limitation, by any “US Person” as defined in the offering document of the Funds. The offering document of the Funds will be updated accordingly to reflect such power of the Manager.

6. Means of publication of net asset value per unit and suspension notice

Currently, the net asset value per unit and notice of any suspension of dealing in units (“**Suspension Notice**”) of the Funds are published in two newspapers of Hong Kong, namely, The Standard and the Hong Kong Economic Times.

The means of notification of suspension of dealings to unitholders under the trust deeds will be amended such that the Manager shall publish in an appropriate manner that a declaration of any such suspension has been made and that such suspension has been terminated.

With effect from and including the Effective Date, the net asset value per unit and the Suspension Notice of the Funds will no longer be published in the above newspapers. However, net asset value per unit of each Fund will continue to be available on the website www.jpmorganam.com.hk¹.

Also, if the Manager declares or terminates a suspension of dealing of any of the Funds, the relevant Suspension Notice will be published immediately following such decision and, in respect of declaration of suspension, at least once a month during the period of suspension on the website www.jpmorganam.com.hk¹.

In respect of a Fund which is a feeder fund, the notice of the imposition and ending of any suspension of the relevant underlying 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, in such means of notification as set out in the offering documents of the relevant underlying fund.

7. Updates to the specified offices/addresses of the Manager, the Trustee/Administrator and the Registrar

The trust deeds will be amended to reflect the specified offices of the Manager and the Trustee and the Registrar, as follows:

- (a) in the case of the Trustee and the Registrar, P.O. Box 1586, 24 Shedden Road, Grand Cayman KY1-1110, Cayman Islands; and
- (b) in the case of the Manager, 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

¹ The website has not been reviewed by the Securities and Futures Commission (the “SFC”).

The address of the Trustee/Administrator and the Registrar in the offering document of the Funds will also be updated as P.O. Box 1586, 24 Shedden Road, Grand Cayman KY1-1110, Cayman Islands.

8. Other updates to the trust deeds

In addition to the changes set out above, the trust deeds will also be amended, as follows:

- (i) A clarificatory provision will be added to the trust deeds to expressly provide that the Trustee shall register cash and registrable assets of the Funds in the name of or to the order of the Trustee; and where borrowing is undertaken for the account of the Funds, such assets may be registered in the lender's name or in that of a nominee appointed by the lender.
- (ii) Clarificatory amendments will be made to the trust deeds of the Funds to reflect the means of distribution of the financial reports as permitted under the SFC's Code on Unit Trusts and Mutual Funds.
- (iii) Clarificatory amendments will be made to the trust deeds of the Funds to reflect the latest requirements under the SFC's Code on Unit Trusts and Mutual Funds (including removing the limit of 50% in respect of connected party transaction). The offering document of certain Funds will also be updated as appropriate.
- (iv) Clarificatory amendments will be made to the trust deeds of the Funds to reflect that the Trustee shall remain liable for any act or omission of any agent, nominee, custodian or joint custodian (other than the Euro-clear System, Clearstream Banking S.A. or any other depository or clearing system of similar standing in relation to any assets forming part of the property of the relevant Fund deposited with such agent, nominee, custodian or joint custodian (other than as aforesaid) as if the same were the act or omission of the Trustee.
- (v) A clarification amendment will be made to reflect that notwithstanding any other provisions in the trust deeds, the Trustee or the Manager shall not exempt any liability to unitholders imposed under the laws of Hong Kong or the laws of the Cayman Islands or any breach of trust through its fraud or negligence nor shall the Trustee or the Manager (as the case may be) be indemnified against such liability by unitholders or at unitholders' expense.
- (vi) A clarification provision will be added to the trust deeds of the Funds to clarify that for so long as the Funds are authorised by the SFC under section 104 of the Securities and Futures Ordinance, section 41O of the Trustee Ordinance shall not apply to the extent that is inconsistent with the duties and responsibilities of the Trustee under the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products and as set out in the relevant provisions in the trust deeds, and shall not in any way operate to exempt or diminish any liability of the Trustee as set out in the relevant provision of the trust deeds.
- (vii) The trust deed of JPMorgan Provident US\$ Money Fund will be updated to reflect the latest name of the underlying fund of JPMorgan Provident US\$ Money Fund.

The above amendments to the trust deeds are clarifications only and will not materially prejudice the rights or interests of the unitholders.

9. Consolidation of the existing Explanatory Memorandum or Summary of Explanatory Memorandum of the Funds

Currently, either an Explanatory Memorandum or a Summary of Explanatory Memorandum is available as the offering document (collectively, the “**Offering Documents**”) of each Fund. In order to streamline the existing Offering Documents of the Funds, the Offering Documents of the Funds will be consolidated into a single Consolidated Explanatory Memoranda.

The costs associated with the above changes will be borne by the Manager.

Please note that none of the above changes will have any impact on the investment policy and management of the Funds and the overall risk profile of the Funds will also remain unchanged. The above changes will not materially prejudice the rights or interests of the investors. The Funds will continue to be managed by the same personnel, adopting and utilising the same investment objectives and strategies, as prior to the above clarifications. Further, the maximum levels and current levels of all fees and charges of the Funds including the preliminary and realisation charges, annual management fee and annual trustee fee will remain unchanged and will not in any way be impacted. There will not be any additional fees payable by unitholders as a result of the above changes.

The current offering documents of the respective Funds are available free of charge upon request at the registered office of the Manager of the Funds² and on our website www.jpmorganam.com.hk¹. The current trust deeds of the respective Funds are available for inspection free of charge during normal working hours at the registered office of the Manager of the Funds². The updated offering documents and the revised trust deeds of the respective Funds will be available on or after the Effective Date.

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

This letter is for information purposes only. Investors are not required to take any action.

Should you have any questions regarding the above, please do not hesitate to contact your designated client adviser or our J.P. Morgan Pension Services on (852) 2978 7588.

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



Paul You
Head of Hong Kong and Taiwan Institutional Business

¹ The website has not been reviewed by the Securities and Futures Commission (the “SFC”).

² The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.