

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.

13 October 2017

Dear Investor,

**JPMorgan SAR American Fund / JPMorgan SAR Asia Pacific Behavioural Finance Fund /
JPMorgan SAR Asian Bond Fund / JPMorgan SAR Asian Fund /
JPMorgan SAR European Fund / JPMorgan SAR Global Bond Fund /
JPMorgan SAR Global Emerging Markets Fund / JPMorgan SAR Greater China Fund /
JPMorgan SAR HK\$ Bond Fund / JPMorgan SAR Hong Kong Fund /
JPMorgan SAR Japan Fund
(individually, the “Trust” or collectively, the “Trusts”)**

We are writing to inform you about the following changes to be made to the Trusts which is expected to take effect from and including 13 November 2017 (the “**Effective Date**”), subject to the relevant regulatory approvals having been obtained.

1. Change of trustee

Pursuant to paragraph 5.1(B) of the Base Terms (which form part of the trust deeds) of the Trusts, the trustee of the Trusts may retire in favour of a new trustee who is approved by the Mandatory Provident Fund Schemes Authority (the “**MPFA**”) and is acceptable to JF Asset Management Limited (the “**Manager**”). Royal Bank of Canada Trust Company (Asia) Limited (the “**Retiring Trustee**”) decided to retire as trustee for the Trusts and Cititrust Limited¹ (the “**New Trustee**”) will be appointed as trustee for the Trusts. The retirement of the Retiring Trustee will take effect at the same time as the New Trustee takes up office on the Effective Date. The New Trustee is incorporated with limited liability in Hong Kong and registered as a trust company under the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong) in Hong Kong.

The aforesaid retirement and appointment are made on a voluntary basis upon discussion among the Manager, the Retiring Trustee and the New Trustee. The Manager and the New Trustee are independent of each other.

2. Reduction of trustee fee

In connection with the change of trustee, with effect from the Effective Date, the current rate of trustee fee will be reduced from 0.08% per annum to 0.0295% per annum of the net asset value of the asset attributable to each class of units of the relevant Trust. The maximum level of trustee fee will remain unchanged and the New Trustee may only increase the level of its fees up to 0.3% per annum of the net asset value of a Trust by giving the Manager and the unitholders of the relevant Trust not less than three months’ notice of the increased level of trustee fee.

¹ The registered office of Cititrust Limited is located at 50/F, Champion Tower, Three Garden Road, Central, Hong Kong.

3. Change of registrar

JPMorgan Funds (Asia) Limited will replace the Retiring Trustee to act as the registrar of the Trusts from the Effective Date.

4. Appointment of custodian

JPMorgan Chase Bank, N.A., Hong Kong Branch, which has been acting as the sub-custodian of the Trusts prior to the Effective Date, will be appointed as the custodian of the Trusts from the Effective Date.

5. Clarification relating to adjustment to net asset value

The trust deeds and the Explanatory Memorandum of the Trusts will be amended to clarify that, where the Manager adjusts the net asset value of a Trust or of a unit to reflect more accurately the fair value of the net asset value, such adjustment will be made with due care, skill and diligence, in good faith, and in consultation with the New Trustee.

6. Other updates to the trust deeds

The trust deeds of the respective Trusts will be amended and restated to reflect the changes as mentioned in paragraphs 1 and 5 above. In addition, the trust deeds will also be amended with effect from the Effective Date as follows:

- (i) Clarificatory amendments will be made to the trust deeds to reflect that the New Trustee or the Manager may notify unitholders of any new accounting date of the Trusts.
- (ii) Clarificatory amendments will be made to the trust deeds to specify that each of the New Trustee, the Manager and their respective agents or delegates may take any action which, in their discretion may consider appropriate so as to comply with any law, regulation, request of a public or regulatory authority or any group policy or market practice which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to any persons or entities which may be subject to sanctions. In certain circumstances, such action may delay or prevent the processing of instructions, the settlement of transactions in respect of the Trusts or the New Trustee's or the Manager's performance of their respective obligations under the trust deeds and the New Trustee, the Manager or their respective delegates or agents (as the case may be) may in their sole discretion refuse any application for units in accordance with the terms of the trust deeds.
- (iii) Clarificatory amendments will be made to the effect that the New Trustee and the Manager may not be exempted from or indemnified against any liability to unitholders imposed on the New Trustee and the Manager (as the case may be) under the laws of Hong Kong or for any breach of trust through fraud or negligence on the part of the New Trustee or on the part of the Manager (as the case may be), nor shall the New Trustee or the Manager (as the case may be) be indemnified against such liability by unitholders or at unitholders' expense.
- (iv) Clarificatory amendments will be made to the trust deeds to reflect that the New Trustee shall exercise reasonable care and diligence in the selection, appointment and ongoing monitoring of its agent, nominee, custodian, co-custodian or sub-custodian to hold any

of the investments of the Trusts (each a “**Correspondent**”) and be responsible during the term of appointment of each Correspondent for satisfying itself that such persons retained remain suitably qualified and competent to provide services to the Trusts. The New Trustee shall remain liable for any act or omission of any Correspondent (except those which are not connected persons of the New Trustee) as if the same were the act or omission of the New Trustee, provided however that if the New Trustee has discharged its obligations as aforesaid, the New Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent that is not a connected person of the New Trustee.

The trust deeds will also be updated to clarify that, subject to the provisions above, the New Trustee shall not be responsible for (a) any act or omission, insolvency, liquidation or bankruptcy of Euroclear Bank S.A./N.V., Clearstream Banking, S.A. or any other central depository or clearing system, (b) any act or omission, insolvency, liquidation or bankruptcy of any lender or a nominee appointed by the lender in whose name any assets of the Trusts are registered, or (c) the insolvency, liquidation or bankruptcy of any nominees, delegates, agents or other persons which are not appointed by the New Trustee.

- (v) A provision will be added to the trust deeds to the effect that the Manager may set aside, provide or transfer collateral, cover or margin in respect of any such financial futures contracts or financial option contracts as it may determine (having regard to the established practice and rulings of the relevant exchange on which the dealing is to be effected) and to such persons and on such terms as they may so determine. Where any part of the assets of the Trusts or any document of title thereto is for the time being in the custody or control of some person other than the New Trustee in consequence only of providing cover, collateral or margin as instructed or required by the Manager, the Manager shall exercise reasonable care and diligence in the selection, appointment and ongoing monitoring of such persons with whom such cover, collateral or margin will be placed, and be satisfied that such persons remain suitably qualified and competent. The New Trustee, on behalf of the Trusts, may receive or have transferred to it or to its order collateral, cover or margin in respect of any such options or futures contracts and any such collateral, cover or margin shall be held by the New Trustee or to the order of the New Trustee or otherwise dealt with as the New Trustee may think proper for safe-keeping purposes.
- (vi) The trust deeds will also be amended to clarify that, where any part of the assets of the Trusts or any document of title thereto is for the time being under the custody or control of some person other than the New Trustee in consequence of any charge, pledge or other encumbrance, the New Trustee shall not be responsible for the custody and control of such part of the assets of the Trusts or documents of title thereto.
- (vii) Clarificatory amendments will be made to the trust deeds to reflect the latest requirements under Section II - Code on Unit Trusts and Mutual Funds of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products by removing the limit of 50% in respect of connected party transactions.
- (viii) A clarificatory provision will be added to the trust deeds to the effect that the Manager and the New Trustee shall in the performance of their respective duties under the respective trust deed in relation to the relevant Trust at all times comply with the applicable provisions of the Overarching Principles Section and Section II - Code on Unit Trusts and Mutual Funds of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products or any handbook, guideline and code issued by the Securities and Futures Commission’s (“**SFC**”), as may be amended from time to time

(the “Code”) and shall act at all times in compliance with and in a manner consistent with the Code (as may be modified by any applicable waivers or exemptions granted by the SFC) and nothing in the respective trust deed shall diminish or exempt any of the Manager or the New Trustee from any of its duties and liabilities under the Code.

- (ix) A clarificatory provision will be added to the trust deeds to clarify that to the extent permitted by the applicable laws and regulations and subject to the relevant legislations, the New Trustee, the Manager or their duly appointed agents(s) may collect, use, process and disclose the data about the Manager (in the case of the New Trustee), the New Trustee (in the case of the Manager), the assets of the Trusts and unitholders including personal data where the unitholder is an individual, so that the New Trustee and the Manager can carry out their respective obligations in respect of the Trusts and for other related purposes, including monitoring and analysis of its business in order to protect the interests and control the risks of the New Trustee or the Manager and their respective affiliates, data management purposes, fraud and crime prevention, anti-money laundering, legal and regulatory compliance.

The New Trustee has certified that in its opinion the amendments to the trust deeds of the respective Trusts do not prejudice the interests of the unitholders of the Trusts, do not operate to release the New Trustee, the Manager or any other persons from any liability or responsibility to the unitholders of the Trusts, and will not result in any increase in the amount of costs and charges payable from the assets of the Trusts. Accordingly, such amendments to the trust deeds of the respective Trusts do not require any prior approval from unitholders or meeting of unitholders to be held to pass an extraordinary resolution under the relevant laws of Hong Kong and the respective trust deeds.

7. Other updates to the Explanatory Memorandum

The Explanatory Memorandum of the Trusts will be updated to reflect the changes mentioned in paragraphs 1 to 5. In addition, the Explanatory Memorandum will be amended with effect from the Effective Date to reflect the updates below:

- (i) Clarificatory update that subject to the consent of the Trustee, the Manager may at its discretion outsource certain administrative functions in respect of the Trusts from time to time;
- (ii) Clarificatory update that subject to the consent of the Trustee and the Manager, JPMorgan Funds (Asia) Limited may outsource the transfer agency and administrative functions in respect of the Trusts;
- (iii) Enhancement of disclosures in relation to Foreign Account Tax Compliance Act, Automatic Exchange of Financial Account Information in Tax Matters and Common Reporting Standard;
- (iv) Enhancement of disclosures in relation to conflicts of interest;
- (v) Enhancement of disclosures in relation to cross-trades between the Trusts and/or other funds managed by the Manager or its affiliates;
- (vi) Update to the section “REPORTS AND ACCOUNTS” to reflect the audited accounts and unaudited half-yearly report will be available at the office of administrator;

- (vii) Enhancement of disclosures in relation to liquidity risk management;
- (viii) Update of the list of directors of the Manager;
- (ix) Update to the sub-sections “Procedure for Application” and “Procedure for Redemption”;
- (x) General update in relation to the cost of establishment of certain Trusts and tax notes; and
- (xi) Other editorial updates.

The changes above are in the interests of the unitholders of the Trusts. The costs associated with these changes will be borne by the Manager and will not have any impact on the Trusts and the unitholders of the Trusts. The Trusts will continue to be managed by the same personnel, adopting and utilising the same investment objectives and strategies. In respect of the change of trustee, the Retiring Trustee and the New Trustee have respectively confirmed that they and/or other related entities have sufficient resources and capability to complete the change such that unitholders’ interests are adequately protected. Further, save for the reduction of trustee fee as detailed in paragraph 2 above, the maximum levels and current levels of all fees and charges of the Trusts including the initial and redemption charges and annual management 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.

There will not be any suspension of dealing or valuation or any other adverse impact on unitholders of the Trusts due to the changes above. If, as a consequence of the above changes, you wish to redeem your holding in the Trusts, you may do so on any dealing day. Currently, the Manager does not levy any redemption charge for the Trusts.

The current Explanatory Memorandum of the Trusts is available free of charge upon request at the registered office of the Administrator², and on our website www.jpmorganam.com.hk³. The current trust deeds of the respective Trusts are available for inspection free of charge during normal working hours at the registered office of the Administrator of the Trusts². The updated Explanatory Memorandum and the amended and restated trust deeds will be available on or after the Effective Date.

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

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

Yours faithfully,
For and on behalf of
JF Asset Management Limited



Regina Liu
Head of Hong Kong Institutional Business

² The registered office of the Administrator is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

³ The website has not been reviewed by the SFC.