J.P.Morgan
Asset Management

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;

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- 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