

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

Capitalised terms in this letter have the same meaning as in the Hong Kong Offering Document of JPMorgan Funds (the “**Fund**”) unless otherwise specified.

25 October 2019

Dear Investor,

**JPMorgan Funds - China Fund / JPMorgan Funds - Greater China Fund
(each a “Sub-Fund”, collectively the “Sub-Funds”)**

We are writing to inform you about the following changes in relation to the Sub-Funds, which will take effect from 25 November 2019 (“**Effective Date**”).

Substantial Investment in China A-Shares

In a jurisdiction where the Sub-Funds have been registered, the local regulations previously restricted direct investment in securities traded in the PRC (including China A-Shares) to 10% of each Sub-Fund’s net assets (the “**Restriction**”). Against this background, the Sub-Funds’ ability to invest directly in China A-Shares was limited; therefore the current investment policy of each Sub-Fund only permits a Sub-Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares to be less than 30% of its net assets.

The Restriction has been recently relaxed to 20% of each Sub-Fund’s net assets. The Sub-Funds will seek to benefit from this increased flexibility to invest in China A-Shares, in line with the Sub-Funds’ investment objectives. The investment policy of each Sub-Fund will be amended such that each Sub-Fund may invest up to 40% of its net assets in China A-Shares through direct and/or indirect means (i.e. up to 20% direct investment in China A-Shares and up to 20% indirect investment in China A-Shares which include means such as participation notes) with effect from the Effective Date. Means for direct investment include the QFII and RQFII investment quota granted to the Investment Manager and the China Connect program.

Details of the amendments to the investment policy of the Sub-Funds (as contained in subsection 3.1 of the Hong Kong Offering Document (the “**Offering Document**”) of JPMorgan Funds (the “**Fund**”)) are set out in the Appendix attached to this letter.

As a result of the above changes, the Sub-Funds will be subject to the risks associated with investments in the People’s Republic of China (“**PRC**”) to a larger extent. Investing in the PRC is subject to the risks of investing in emerging markets and additional risks which are specific to the PRC market. Investments in the PRC may be sensitive to changes in law and regulation together with political, social or economic policy which includes possible government intervention. In extreme circumstances, the Sub-Funds may incur losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy, due to local

investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution and settlement of trades. The Sub-Funds will be exposed to fluctuation in the exchange rate between the reference currency of the Sub-Funds and CNY (onshore RMB) or CNH (offshore RMB) in respect of such investments. Investments in PRC securities through QFII and RQFII schemes, the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are also subject to specific risks. Please refer to subsection 4.27 of the Offering Document entitled “Investments in the People’s Republic of China (“**PRC**”)” for further details of risks associated with investments in the PRC (including the relevant PRC tax risk).

Save as described above, there will not be any other changes to the features or risks applicable to the Sub-Funds, or any other changes in the operation and/or manner in which the Sub-Funds are being managed. There will not be any change in the fee level or cost in managing the Sub-Funds following the implementation of the above changes. The above changes will not have any material adverse impact on the rights or interests of the investors of the Sub-Funds.

The costs associated with the above changes, estimated to be approximately USD15,000, will be borne by the Sub-Funds equally.

The current Offering Document of the Sub-Funds is available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited¹, and on our website am.jpmorgan.com/hk². The updated Offering Document reflecting the above changes will be available on or after the Effective Date.

The Management Company of the Sub-Funds accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Sub-Funds, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients’ Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; 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 Fund



Edwin TK Chan
Director

¹ The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

² The website has not been reviewed by the SFC.

Appendix

Changes to the investment policy of **JPMorgan Funds - China Fund** in subsection 3.1 of the Offering Document:

“Investment Policy

At least 67% of the Sub-Fund’s assets (excluding cash and cash equivalents) will be invested in equity securities of companies (including smaller capitalisation companies) that are domiciled in, or carrying out the main part of their economic activity in, the People’s Republic of China.*

The Sub-Fund may invest up to 40% of its net assets in China A-Shares through direct and/or indirect means as follows:

(a) The Sub-Fund may invest up to 20% of its net assets in China A-Shares through direct means such as the QFII and RQFII investment quota granted to the Investment Manager and the China Connect program; and

(b) The Sub-Fund may invest up to 20% of its net assets in China A-Shares through indirect means such as participation notes.

The Investment Manager seeks to assess risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Sub-Fund.

Debt securities, cash and cash equivalents may be held on an ancillary basis.

The Sub-Fund may also invest in UCITS and other UCIs.

The Sub-Fund may invest in assets denominated in any currency and currency exposure may be hedged.

~~The Sub-Fund may invest in China A-Shares through the QFII and RQFII investment quota granted to the Investment Manager and the China Connect Program.~~

~~The Sub-Fund may invest up to 20% of its net assets in participation notes.~~

The Sub-Fund may use financial derivative instruments for the purposes of hedging and efficient portfolio management.#

All of the above investments will be made in accordance with the limits set out in Appendix II – “Investment Restrictions and Powers”.

* ~~The Sub-Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares will be less than 30% of its net assets and should this investment policy change in the future, the SFC’s approval will be sought (if applicable) and the offering document will be updated accordingly.~~

The Sub-Fund invests in financial derivative instruments in a limited extent for investment purpose.”

Changes to the investment policy of **JPMorgan Funds - Greater China Fund** in subsection 3.1 of the Offering Document:

“Investment Policy

At least 67% of the Sub-Fund’s assets (excluding cash and cash equivalents) will be invested in equity securities of companies (including smaller capitalisation companies) that are domiciled in, or carrying out the main part of their economic activity in, a country of Greater China.*

The Sub-Fund may invest up to 40% of its net assets in China A-Shares through direct and/or indirect means as follows:

(a) The Sub-Fund may invest up to 20% of its net assets in China A-Shares through direct means such as the QFII and RQFII investment quota granted to the Investment Manager and the China Connect program; and

(b) The Sub-Fund may invest up to 20% of its net assets in China A-Shares through indirect means such as participation notes.

The Investment Manager seeks to assess risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Sub-Fund.

Debt securities, cash and cash equivalents may be held on an ancillary basis.

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