

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.

12 December 2019

Dear Investor,

JPMorgan Australia Fund

We are writing to inform you about the following changes in relation to JPMorgan Australia Fund (the “**Fund**”), which will take effect on 13 January 2020 (the “**Effective Date**”).

(1) Amendment to the investment policy of the Fund

The existing investment policy of the Fund is to provide investors with long term capital growth by investing primarily in Australian securities. After reviewing the existing investment policy of the Fund and the general market conditions, the Manager has decided that, on and from the Effective Date, the investment policy of the Fund will be amended to further provide that the Manager aims at diversifying risks at the sector and security levels while providing exposure to the following factors that have the potential to enhance risk-adjusted returns over the long term. The Manager will adopt a proprietary quantitative process that uses multiple factors to select the securities to invest:

- Value - Targets equity securities with attractive prices relative to their sector peers based on fundamental characteristics of book yield, earnings yield, dividend yield and cash flow yield.
- Momentum (a tendency that stocks that are rising in price tend to continue to rise, while those that are falling tend to continue to fall) - Targets equity securities with higher momentum that have higher risk-adjusted returns relative to those of their sector peers over a twelve month period. Risk-adjusted returns in this case is calculated from the twelve-month returns divided by the twelve-month volatility.
- Quality - Targets equity securities with higher quality characteristics relative to their sector peers as measured by profitability, earnings quality and solvency/financial risk.

The Fund will be subject to risks associated with proprietary quantitative process that uses multiple factors to select securities. Securities with positive momentum may be more volatile than the market as a whole, and that the returns on securities that previously have exhibited momentum may be less than returns on other styles of investing. Momentum can turn quickly, and stocks that previously have exhibited high momentum may not experience continued positive momentum. Also, securities that have previously been identified with strong valuation characteristics and/or quality characteristics may not continue to be good values and/or quality companies and that the returns of such securities may be less than returns on other styles of investing. In addition, there may be periods when value investing, momentum style of investing and/or quality style of investing are out of favor and therefore, the performance of the Fund may suffer.

(2) Reduction of management fee

As a result of the amendment to the investment policy described above, the management fee applicable to the Fund will be reduced from 1.50% per annum of the net asset value of the relevant

Class to 0.75% per annum of the net asset value of the relevant Class on and from the Effective Date.

Save as disclosed above, there will be no implications on the features and risks applicable to the Fund or change in the operation and/or manner in which the Fund is being managed or change in the fee level/cost in managing the Fund. The above changes will not materially prejudice the interests of existing investors of the Fund.

The legal and other administrative costs associated with the changes above, estimated to be approximately USD 22,900, will be borne by the Fund.

If, as a consequence of the changes above, you wish to redeem or switch your holding in the Fund into any other funds which are managed by JPMorgan Funds (Asia) Limited or for which it acts as Hong Kong representative¹ and which are authorised by the Securities and Futures Commission (“SFC”) for sale to the public in Hong Kong, you may do so free of charge during the waiver period between 12 December 2019 and 10 January 2020². Details of such funds (including the relevant offering documents) can be found on our website am.jpmorgan.com/hk³. SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of a fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The current offering document of the Fund is available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁴, and on our website am.jpmorgan.com/hk³. The updated offering document reflecting the changes set out above will be available on or after the Effective Date.

The Manager of the Fund 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 Fund, 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



Edwin TK Chan
Director

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² Please note that although we will not impose any charges in respect of your redemption/switching instructions, your bank, distributor or financial adviser may charge you redemption/switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser should you have any questions.

³ The website has not been reviewed by the SFC.

⁴ The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.