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 December 2019

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 of certain changes to the Funds.

Amendments to Reflect Requirements under the Revised Code on Unit Trusts and Mutual Funds

A. Background

The Funds are subject to the Code on Unit Trusts and Mutual Funds ("**Code**") issued by the Securities and Futures Commission in Hong Kong ("**SFC**"). The Code has recently been revised. The trust deed of each Fund will be amended by way of a supplemental deed ("**Supplemental Deed**") and the Explanatory Memorandum will be amended by way of a revised Explanatory Memorandum ("**Revised Explanatory Memorandum**") to reflect the requirements under the revised Code.

B. Changes pursuant to the revised Code

With effect from 30 December 2019 ("**Effective Date**"), the following key changes will be made to the trust deed of each Fund and the Explanatory Memorandum (where applicable) to reflect the requirements under the revised Code:

1. Trustee and Manager - additional obligations of the Trustee and the Manager under Chapters 4 and 5 respectively of the revised Code.

2. Investment Restrictions: Core Requirements - amendments to the core requirements of the investment limitations and prohibitions under Chapter 7 of the revised Code, including but not limited to amendments in relation to the following: spread of investments, commodities, restrictions on making loans, financial derivative instruments etc.

JPMorgan Funds (Asia) Limited
21st Floor, Chater House, 8 Connaught Road Central, Hong Kong
Telephone: 852 2800 2800 Facsimile: 852 2810 1694

A summary of the key revised investment restrictions/requirements pursuant to the revised Code are set out in Annexure A enclosed with this letter.

Information on the net derivative exposure of each Fund calculated in accordance with the requirements and guidance issued by the SFC is set out in Annexure B enclosed with this letter.

3. Other Amendments – other amendments and enhancement of disclosures to reflect the requirements of the revised Code including the following:

   (a) amendments to reflect the requirements under the revised Code on transactions with connected persons and soft dollars arrangements;

   (b) enhanced disclosures on the custody arrangements in respect of the assets of the Funds and the material risks associated with such arrangements; and

   (c) enhanced disclosures on arrangements in handling unclaimed proceeds of unitholders where a Fund is terminated.

Please refer to the Revised Explanatory Memorandum and the Supplemental Deeds for further details.

C. Changes to the Underlying Funds of certain Funds

In respect of JPMorgan Provident European Fund, JPMorgan Provident Global Bond Fund, JPMorgan Provident Greater China Fund, JPMorgan Provident HK$ Money Fund, JPMorgan Provident Hong Kong Fund and JPMorgan Provident US$ Money Fund, the Explanatory Memorandum will be revised to reflect that environmental, social and governance factors are integrated into the investment process of the Underlying Fund (as defined in the Explanatory Memorandum) of each of such Funds.

In respect of JPMorgan Provident European Fund, JPMorgan Provident Global Bond Fund, JPMorgan Provident Greater China Fund, JPMorgan Provident HK$ Money Fund and JPMorgan Provident Hong Kong Fund, the Explanatory Memorandum will be revised to reflect the updated investment restrictions and guidelines of the Underlying Fund of each of such Funds in light of the revised Code.

In respect of JPMorgan Provident European Fund, JPMorgan Provident Global Bond Fund, JPMorgan Provident Greater China Fund and JPMorgan Provident Hong Kong Fund, the Explanatory Memorandum will be revised to reflect that references to “non-cash assets” in the investment policies of the Underlying Fund of each of such Funds are replaced with “net asset value”.

In respect of JPMorgan Provident Global Bond Fund, the Explanatory Memorandum will be revised to reflect that the Underlying Fund of the Fund may invest up to 20% of its net asset value in instruments with loss-absorption features (e.g. contingent convertible debt securities, certain types of senior non-preferred debts, etc.)

Please refer to the Revised Explanatory Memorandum for further details.

D. Withdrawal of certain waiver of certain Funds

Due to the changes to the investment restrictions in the Code (including the removal of Chapter 8.1 from the revised Code), waivers from compliance with 8.1(d) of the previous Code[1] granted by the SFC in respect of the Funds which are funds of funds, namely, JPMorgan Provident Balanced Fund, JPMorgan Provident Capital Fund, JPMorgan Provident Growth Fund, JPMorgan Provident High Growth Fund and JPMorgan Provident Stable Capital Fund, are no longer required and are withdrawn by the SFC with effect from the Effective Date. The Explanatory Memorandum will be updated accordingly. For the avoidance of doubt, the withdrawal of waiver does not impact the manner in which these Funds are managed and does not impact existing unitholders of the Funds.

E. Implication of changes

Save as disclosed in this letter, the above changes will not result in any material change to the investment objective and risk profile of each of the Funds, or in the manner in which the Funds currently operate or are being managed. There will be no increase in the fees payable out of the assets of the Funds as a result of the above changes.

F. Availability of documents

The current Explanatory Memorandum of the Funds is available free of charge upon request at the registered office of the Manager of the Funds[2] and on our website am.jpmorgan.com/hk[3]. 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 Funds[2]. The Revised Explanatory Memorandum and the trust deeds of the respective Funds (including the Supplemental Deeds) 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

Regina Liu
Head of Hong Kong Institutional Business

---

1 Under 8.1(d) of the previous Code, a fund of funds is required to invest in at least 5 schemes, and not more than 30% of its total net asset value may be invested in any one scheme unless otherwise approved by the SFC.

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

3 The website has not been reviewed by the SFC.

ANNEXURE A

SUMMARY OF KEY REVISED INVESTMENT RESTRICTIONS

The key amendments to the investment restrictions are as follows:

(a) the aggregate value of a Fund's investments in, or exposure to, any single entity (other than Government and other public securities) through the following may not exceed 10% of its total net asset value:

   (i) investments in securities issued by that entity;

   (ii) exposure to that entity through underlying assets of financial derivative instruments; and

   (iii) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.

(b) subject to the requirements under the revised Code, the aggregate value of a Fund's investments in, or exposure to, entities within the same group (i.e. generally, entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognized accounting standards) through the following may not exceed 20% of its total net asset value:

   (i) investments in securities issued by those entities;

   (ii) exposure to those entities through underlying assets of financial derivative instruments; and

   (iii) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.

(c) the value of a Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of its total net asset value provided that the 20% limit may be exceeded in certain circumstances specified in the revised Code.

(d) a Fund may not invest in physical commodities unless otherwise approved by the SFC.

(e) a Fund which is a feeder fund may invest 90% or more (instead of all) of its total net asset value in a single collective investment scheme.

(f) subject to the requirements under the revised Code, a Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. For the avoidance of doubt, reverse repurchase transactions in compliance with the requirements under the revised Code are not subject to the limitations in this paragraph.

(g) a Fund may acquire financial derivative instruments for hedging purposes.

(h) a Fund may also acquire financial derivative instruments for non-hedging purposes ("**investment purposes**") in accordance with its investment objective and policy subject to the limit that such Fund's net exposure relating to these financial derivative instruments ("**net derivative exposure**") does not exceed 50% of its total net asset value.

The following shall apply in respect of calculation of net derivative exposure:

(i) for the purpose of calculating net derivative exposure, the positions of financial derivative instruments acquired by a Fund for investment purposes shall be converted into the equivalent position in the underlying assets of the financial derivative instruments, taking into account the prevailing market value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions;

(ii) the net derivative exposure shall be calculated in accordance with the requirements and guidance issued by the SFC which may be updated from time to time.

For the avoidance of doubt, financial derivative instruments acquired for hedging purposes will not be counted towards the 50% limit so long as there is no residual derivative exposure arising from such hedging arrangement.

ANNEXURE B

INFORMATION ON NET DERIVATIVE EXPOSURE

The following Funds may acquire financial derivative instruments subject to the limit set out below:

Funds	**Net derivative exposure (% of net asset value)**
JPMorgan Provident European Fund JPMorgan Provident Global Bond Fund JPMorgan Provident Greater China Fund JPMorgan Provident Hong Kong Fund JPMorgan Provident Balanced Fund JPMorgan Provident Capital Fund JPMorgan Provident Growth Fund JPMorgan Provident High Growth Fund JPMorgan Provident Stable Capital Fund	up to 50%

The following Funds will not use financial derivative instruments for any purposes:

Funds
JPMorgan Provident HK$ Money Fund JPMorgan Provident US$ Money Fund