

**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.**

28 March 2017

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 about the following changes to be made to the Funds which will take effect from and including 28 April 2017 (the “Effective Date”):

**1. Change of domicile**

The Funds are established under the laws of the Cayman Islands and each is regulated as a mutual fund under the Mutual Funds Law (2013 Revision) of the Cayman Islands. Pursuant to the relevant provisions of the respective trust deed of each Fund (as set out in Appendix 1 to this notice), a new trustee may be appointed in place of a retiring trustee and the proper law of the Funds and the forum of administration of the Funds may be changed in accordance with the provisions under the trust deeds. In this connection, the Manager of the Funds (the “Manager”) has decided to change the trustee of the Funds (as further detailed below) and to change the domicile of the Funds from the Cayman Islands to the Hong Kong Special Administrative Region, People’s Republic of China (“Hong Kong”) with effect from and including the Effective Date. The change of domicile is expected to increase the Funds’ cost efficiencies by saving legal and regulatory costs, as it will no longer be necessary for each of the Funds to maintain its registration status in the Cayman Islands from the Effective Date.

The application to deregister the Funds from the Cayman Islands Monetary Authority (“CIMA”) has been made and deregistration will take effect from the Effective Date.

From the Effective Date, the Funds will continue to comply with the laws of Hong Kong and the forum of administration will be conducted under the jurisdiction of the courts and in accordance with the laws of Hong Kong. The Funds will continue to be exempt under the Hong Kong profits tax law. Unitholders will continue to not be liable to Hong Kong profits tax on gains realised on the sale or realisation of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The transfer, cancellation or subscription of units will continue to not be subject to any Hong Kong stamp duty. Nevertheless, unitholders should take advice from their own professional advisers as to their particular tax position.

## **2. Change of Trustee**

Royal Bank of Canada Trust Company (Cayman) Limited (the “Retiring Trustee”) will retire as trustee for the Funds. As a result of the retirement of the Retiring Trustee and the change of the domicile of the Funds to Hong Kong, Cititrust Limited<sup>1</sup> (the “New Trustee”) will be appointed as trustee for the Funds. 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.

## **3. Reduction of trustee fee**

In connection with the change of trustee, with effect from the Effective Date, the current annual rate of trustee fee will be reduced from 0.02% per annum (in respect of JPMorgan Provident HK\$ Money Fund and JPMorgan Provident US\$ Money Fund) or 0.1% per annum (in respect of the Funds other than JPMorgan Provident HK\$ Money Fund and JPMorgan Provident US\$ Money Fund) to 0% per annum of the net asset value of a Fund. The maximum level of trustee fee will remain unchanged and the New Trustee may only increase the level of its fees up to 0.2% per annum of the net asset value of a Fund with the agreement of the Manager and by giving the unitholders of the relevant Fund not less than three months’ notice of the increased level of trustee fee.

## **4. Change of registrar**

Citicorp Trustee (Singapore) Limited will replace the Retiring Trustee to act as the registrar of the Funds (the “New Registrar”) from the Effective Date.

## **5. Updates to the specified offices/addresses of the New Trustee and the New Registrar**

The trust deeds will be amended to reflect the specified offices (as defined in the trust deeds) of the New Trustee and the New Registrar, as follows:

- (a) in the case of the New Trustee, 50/F, Champion Tower, Three Garden Road, Central, Hong Kong; and
- (b) in the case of the New Registrar, 8 Marina View, #18-00 Asia Square, Tower 1, Singapore 018960.

## **6. Clarification relating to adjustment to net asset value**

The trust deeds of the Funds will be amended to clarify that, where the Manager adjusts the net asset value of a Fund 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 Trustee.

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

## **7. Change of duration of the Funds**

Under the existing trust deeds, the duration of the Funds is a period of either 100 years or 150 years (as more specifically set out in Appendix 1 to this notice), unless the relevant Fund is terminated earlier in accordance with the respective trust deed. Following the change of the domicile of the Funds from the Cayman Islands to Hong Kong, the Funds will be governed by Hong Kong laws. Pursuant to the Perpetuities and Accumulations Ordinance (Chapter 257 of the Laws of Hong Kong), the maximum duration of a trust in relation to an instrument which took effect prior to 1 December 2013 is 80 years from the date of its establishment. As the Funds were established prior to 1 December 2013, the duration of the Funds in respective trust deed will be amended to a period of 80 years from the date of their respective date of establishment in the Cayman Islands, unless the relevant Fund is terminated earlier in accordance with the respective trust deed.

## **8. Other updates to the trust deeds**

The trust deeds of the respective Funds will be supplemented to reflect the changes as mentioned in paragraphs 1, 2, 5, 6 and 7 above as well as consequential amendments arising from the change of domicile of the Funds. In addition, the trust deeds will also be amended with effect from the Effective Date as follows:

- (i) 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 Funds 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 Funds, 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.
- (ii) The trust deeds will be updated to clarify that, without prejudice to the New Trustee's liability for breach of trust through its fraud or negligence and to unitholders under Hong Kong law, in the event that the Manager enters into any third party trading agreement with any third party (including but not limited to third party brokers or counterparts) as agent for and on behalf of the Funds and to which the New Trustee is not a party, the Manager shall ensure that any such third party trading agreement will be in writing and will contain an express provision to the effect that the New Trustee is not personally liable for any obligations thereunder and the counterparty's recourse is only to the assets of the Funds and not any other assets held by the New Trustee.
- (iii) The trust deeds will also be amended to clarify that, where any part of the assets of the Funds 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 Funds or documents of title thereto.

- (iv) Clarificatory amendments will be made to the trust deeds to reflect that the New Trustee will hold the assets of the Funds in trust for the unitholders in accordance with the provisions of the respective trust deeds.
- (v) 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 Funds (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 Funds. 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 Funds 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.

- (vi) 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 Funds 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.
- (vii) A clarificatory provision will be added to the trust deeds to clarify the power of the New Trustee, the Manager or their duly appointed agents(s) to 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 Funds 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 Funds 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.
- (viii) A clarificatory provision will be added to the trust deeds to clarify that the Manager and the New Trustee shall in the performance of their respective duties under the respective trust deeds in relation to the Funds 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 (the “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 that nothing in the respective trust deeds shall diminish or exempt any of the Manager or the New Trustee from any of its duties and liabilities under the Code.

The New Trustee has certified that in its opinion the amendments to the trust deeds of the respective Funds to be made by way of the supplemental deeds do not materially prejudice the interests of the unitholders of the Funds, do not operate to release to any material extent the New Trustee, the Manager or any other persons from any liability or responsibility to the unitholders of the Funds, and do not increase the costs and charges payable from the assets of the Funds. Accordingly, such amendments to the trust deeds of the respective Funds 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.

The costs associated with these changes will be borne by the Manager. The Funds will continue to be managed by the same personnel, adopting and utilising the same investment objectives and strategies. Further, save for the reduction of trustee fee as detailed in paragraph 3 above, the maximum levels and current levels of all fees and charges of the Funds 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.

The offering documents of the Funds will be updated to reflect the changes in paragraphs 1 to 7. The current offering documents of the respective Funds are available free of charge upon request at the registered office of the Manager of the Funds<sup>2</sup> and on our website [www.jpmorganam.com.hk](http://www.jpmorganam.com.hk)<sup>3</sup>. 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<sup>2</sup>. The updated offering documents and the revised trust deeds of the respective Funds 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

Encl.

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

<sup>3</sup> The website has not been reviewed by the Securities and Futures Commission.

**APPENDIX 1**

<b>Fund</b>	<b>Relevant provisions in the trust deed of the Fund</b>		<b>Date of establishment of the Fund</b>	<b>Duration of the Fund under the existing trust deed</b>
	<b>Retirement of trustee</b>	<b>Change of domicile</b>		
JPMorgan Provident Balanced Fund	Paragraph 1(C) of Appendix J	Paragraph 1(D) of Appendix J	29 September 1995	100 years
JPMorgan Provident Capital Fund	Paragraph 1(C) of Appendix J	Paragraph 1(D) of Appendix J	29 September 1995	100 years
JPMorgan Provident European Fund	Clause 5(B)	Clause 22(B)	12 July 2007	150 years
JPMorgan Provident Global Bond Fund	Clause 5(B)	Clause 22(B)	20 September 2006	150 years
JPMorgan Provident Greater China Fund	Clause 5(B)	Clause 22(B)	12 July 2007	150 years
JPMorgan Provident Growth Fund	Paragraph 1(C) of Appendix J	Paragraph 1(D) of Appendix J	15 August 1995	100 years
JPMorgan Provident HK\$ Money Fund	Paragraph 1(C) of Appendix J	Paragraph 1(D) of Appendix J	7 December 1998	100 years
JPMorgan Provident High Growth Fund	Clause 5(B)	Clause 22(B)	8 December 2003	150 years
JPMorgan Provident Hong Kong Fund	Clause 5(B)	Clause 22(B)	20 September 2006	150 years
JPMorgan Provident Stable Capital Fund	Clause 5(B)	Clause 22(B)	14 January 2002	150 years
JPMorgan Provident US\$ Money Fund	Paragraph 1(C) of Appendix J	Paragraph 1(D) of Appendix J	31 August 2000	150 years