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.

18 March 2019

Dear Investor,

JPMorgan SAR Asian Bond Fund/JPMorgan SAR Global Bond Fund
(individually, the "Trust" or collectively, the "Trusts")

We are writing to inform you about the following changes to the Trusts, which will take effect from 1 April 2019 (the "**Effective Date**").

Clarification on the investment policies and the investment restrictions and guidelines of the Trusts

The investment policies and investment restrictions and guidelines of the Trusts will be amended to clarify that each of these Trusts may invest (directly or indirectly) not more than 10% of its net assets in onshore debt securities issued in Mainland China.

The Trusts will invest in the China Interbank bond market ("CIBM") via the CIBM Initiative[1] and/or Bond Connect[2] which may be subject to risks such as liquidity, volatility, regulatory, PRC tax risk and risks associated with settlement procedures and default of counterparties. The Explanatory Memorandum of the Trusts will be updated accordingly to reflect the revised investment policies and investment restrictions and guidelines of the Trusts, to enhance the risk disclosures in relation to the CIBM and the associated tax risk consideration. Details of the amendments are set out in Appendix I attached hereto.

The "APPENDIX II – TAX NOTES" in the Explanatory Memorandum will also be updated to provide a general overview of the PRC tax applicable to the Trusts.

The amendments mentioned above will not alter the way in which the Trusts are managed. There is no change to fee levels and risk profiles of the Trusts.

The current Explanatory Memorandum of the Trusts is available free of charge upon request at the registered office of JPMorgan Funds (Asia) Limited as the Administrator of the Trusts[3], and on our website www.jpmorganam.com.hk[4]. The updated Explanatory Memorandum reflecting the above amendments and some general updates will be available on or after the Effective Date.

[1] In February 2016, the People's Bank of China announced the opening-up of the CIBM to a wider group of eligible foreign institutional investors free of quota restriction (the "CIBM Initiative").

[2] As defined in the joint announcement of the People's Bank of China and the Hong Kong Monetary Authority dated 16 May 2017, "Bond Connect" is an arrangement that establishes mutual bond market access between Hong Kong and Mainland China. Eligible foreign investors can invest in the CIBM through Northbound Trading of the Bond Connect.

[3] The registered office of the Administrator is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

[4] The website has not been reviewed by the Securities and Futures Commission.

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The Manager of the Trusts accepts responsibility for the accuracy of the contents of this letter.

Should you have any questions regarding the above, please do not hesitate to contact our J.P. Morgan Pension Services on (852) 2978 7588.

Yours faithfully,
For and on behalf of
JF Asset Management Limited

Regina Liu
Head of Hong Kong Institutional Business

Appendix I

JPMorgan SAR Asian Bond Fund

The investment policy of JPMorgan SAR Asian Bond Fund will be amended as follows and the relevant changes are marked-up for your ease of reference:

*"The investment policy of the Trust is to provide investors with long term capital growth in HK dollar terms through a portfolio consisting primarily of bonds (including government and corporate bonds) within the Asia-Pacific region (excluding Japan), including but not limited to Australia, Hong Kong, Korea, Malaysia, New Zealand, Singapore ~~and~~**,** Thailand **and China**."*

The investment restrictions and guidelines of JPMorgan SAR Asian Bond Fund will be amended as follows and the relevant changes are marked-up for your ease of reference:

*"The value of the Trust's holding of bonds within the Asia-Pacific region (excluding Japan), including but not limited to Australia, Hong Kong, Korea, Malaysia, New Zealand, Singapore, ~~and~~ Thailand **and China** shall be not less than 70 per cent. of its non-cash assets.*

***The Trust may not invest (directly or indirectly) more than 10 per cent. of its net assets in onshore debt securities issued in Mainland China. Should there be any change in the Trust's investment policy in onshore debt securities issued in Mainland China, this Explanatory Memorandum will be amended and, to the extent required by any applicable regulatory requirements, unitholders will be provided with not less than one month's (or such other period as the Authority or the SFC may require) prior written notification.**"*

JPMorgan SAR Global Bond Fund

The investment restrictions and guidelines of JPMorgan SAR Global Bond Fund will be amended as follows and the relevant changes are marked-up for your ease of reference:

*"~~Not applicable.~~ **The Trust may not invest (directly or indirectly) more than 10 per cent. of its net assets in onshore debt securities issued in Mainland China. Should there be any change in the Trust's investment policy in onshore debt securities issued in Mainland China, this Explanatory Memorandum will be amended and, to the extent required by any applicable regulatory requirements, unitholders will be provided with not less than one month's (or such other period as the Authority or the SFC may require) prior written notification.**"*

Risks associated with CIBM and PRC tax risk consideration

The following risk factors will be inserted into the section headed "RISKS" in the Explanatory Memorandum:

"Risks associated with the China interbank bond market (the "CIBM") – Some Trusts may invest in Chinese debt securities traded on the CIBM through the CIBM Initiative[1] and/or Bond Connect[2]. The CIBM is in a stage of development and the market capitalisation and trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume may result in prices of debt securities traded on such market fluctuating significantly. The bid and offer spreads of the prices of such debt securities may be large, and the relevant Trust may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. Investments in CIBM may be subject to liquidity,

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[2] As defined in the joint announcement of the People's Bank of China and the Hong Kong Monetary Authority dated 16 May 2017, "Bond Connect" is an arrangement that establishes mutual bond market access between Hong Kong and Mainland China. Eligible foreign investors can invest in the CIBM through Northbound Trading of the Bond Connect.

volatility, regulatory, PRC tax risk and risks associated with settlement procedures and default of counterparties.

Under the prevailing regulations in Mainland China, if foreign institutional investors wish to invest in CIBM through the CIBM Initiative and/or Bond Connect, the relevant filings, registration with People's Bank of China and account opening for investment in the CIBM have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the relevant Trust is subject to the risks of default or errors on the part of such third parties.

In terms of fund remittance and repatriation under the CIBM Initiative, foreign investors (such as the relevant Trust) may remit investment principal in RMB or foreign currency into Mainland China for investing in the CIBM. Where the relevant Trust repatriates funds out of Mainland China, the ratio of RMB to foreign currency ("Currency Ratio") should generally match the original Currency Ratio when the investment principal was remitted into Mainland China, with a maximum permissible deviation of 10%.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The relevant Trust's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Trust invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

The relevant rules and regulations on the CIBM Initiative and Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the CIBM, the relevant Trust's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the relevant Trust may suffer substantial losses as a result.

People's Republic of China ("PRC") tax risk consideration - There are risks and uncertainties associated with the current PRC tax laws, regulations and practice on a Trust's investments in the PRC. Any increased tax liabilities on the Trust may adversely affect the Trust's value. The Manager and Sub-Manager reserve the right to provide for tax on gains of the Trust that invests in PRC securities thus impacting the valuation of the Trust. Based on professional tax advice, except for gains from China A-Shares and interest derived by foreign institutional investors from bonds traded on PRC bond market which are specifically exempt under temporary exemptions from the Enterprise Income Tax Law, a tax provision of 10% is fully provided for PRC sourced income (including gains from PRC securities, dividends and interest) until sufficient clarity is given by the PRC authorities to exempt specific types of PRC sourced income (e.g. gains from PRC bonds).

With the uncertainty of whether and how certain gains on PRC securities are to be taxed, the possibility of the laws, regulations and practice in the PRC changing, and the possibility of taxes being applied retrospectively, any provision for taxation made by the Manager and/or the Sub-Manager may be excessive or inadequate to meet final PRC tax liabilities on gains derived from the disposal of PRC securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and/or redeemed their units in/from the Trusts. This is unavoidable where investors can subscribe and/or redeem their units in/from the Trusts and where there is uncertainty as to taxation. The net asset value per unit of a Trust is calculated daily and units of a Trust can be redeemed at the net asset value per unit. After redemption, investors cannot be impacted either positively or negatively. Consequently, a past unitholder will receive nothing from a subsequent release of a provision or increase in the market value of investments and will not be adversely impacted by an increase in a provision where there is a shortfall. In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Trusts' assets, the Trusts' net asset value will be adversely affected."