

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.

Capitalised terms used in this letter shall have the same meanings as capitalised terms used in the Explanatory Memorandum of the Funds.

30 September 2020

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.

1. Changes applicable to JPMorgan Provident Balanced Fund, JPMorgan Provident Capital Fund, JPMorgan Provident Growth Fund, JPMorgan Provident High Growth Fund and JPMorgan Provident Stable Capital Fund (each a “Relevant Fund”, collectively the “Relevant Funds”)

1.1 Change in the investment objective of the Relevant Funds

Upon a review of the Relevant Funds, the Manager has decided to amend the investment objective of the Relevant Funds as follows with effect from 30 December 2020 (the “Effective Date”):

Relevant Funds	Current investment objective	Revised investment objective from the Effective Date
JPMorgan Provident Balanced Fund	The primary investment objective of the Fund is to maximize its long term capital appreciation in Hong Kong dollars terms within moderate risk parameters. The secondary objective is to outperform Hong Kong price inflation over the long term.	The investment objective of the Fund is to maximize its long term capital appreciation in Hong Kong dollars terms, while tolerating a moderate level of risks.
JPMorgan Provident Capital Fund	The primary investment objective of the Fund is to minimize its short term capital risk in Hong Kong dollar terms. The secondary objective is to outperform Hong Kong dollar deposit rates over the long term.	The investment objective of the Fund is to minimize its short term capital risk in Hong Kong dollar terms, while providing the potential for some capital appreciation.

JPMorgan Provident Growth Fund	The primary investment objective of the Fund is to maximize its long term capital appreciation in Hong Kong dollar terms. The secondary objective is to outperform Hong Kong salary inflation over the long term.	The investment objective of the Fund is to maximize its long term capital appreciation in Hong Kong dollar terms, while tolerating a moderately high level of risks.
JPMorgan Provident High Growth Fund	The primary objective of the Fund is to maximize its long-term capital appreciation in Hong Kong dollar terms. The secondary objective is to outperform Hong Kong salary inflation over the long term.	The investment objective of the Fund is to maximize its long-term capital appreciation in Hong Kong dollar terms, while tolerating a high level of risks.
JPMorgan Provident Stable Capital Fund	The investment policy of the Fund is to provide long term appreciation in Hong Kong dollar terms. In the longer term, the Manager aims to preserve the capital value of the Fund.	The investment objective of the Fund is to outperform Hong Kong dollar deposit rates over the long term, while tolerating a conservative level of risks.

The amendments above only reflect a modernisation of the description of the investment objectives of the Relevant Funds. The amendments will not amount to any material changes to the Relevant Funds and will not cause any material change in the overall risk profile of the Relevant Funds. There will not be any material adverse impact on existing investors' rights or interests due to the above changes.

1.2 Investment in exchange-traded funds

In order to expand the investment universe of the Relevant Funds, from the Effective Date, the investment policy of the Relevant Funds will be revised to provide that each Relevant Fund may invest up to 10% of its net asset value in exchange-traded funds managed by the Manager or its Connected Persons or passively-managed exchange-traded funds managed by unaffiliated management companies.

For investment in an exchange-traded fund managed by the Manager or its Connected Persons, the fee of the Manager levied on the Relevant Fund will be reduced to take account of the management fee levied by the manager of such exchange-traded fund to the extent attributable to the Relevant Fund's interest in such exchange-traded fund. Accordingly, there will be no double charging of either the preliminary charge, realisation charge or management fee in respect of investment in such exchange-traded fund.

For investment in passively-managed exchange-traded funds managed by unaffiliated management companies, the Relevant Funds may have to bear the fees incurred in connection with investment in such exchange-traded funds (for example, preliminary charge, realisation charge, management fee, etc.).

The Manager expects to select underlying collective investments schemes, including exchange-traded funds, (collectively "Underlying Funds") managed by the Manager or its Connected Persons ("**JPMorgan Underlying Funds**") without considering or canvassing the universe of Underlying Funds managed by unaffiliated management companies

(“**Unaffiliated Underlying Funds**”) available even though there may (or may not) be one or more Unaffiliated Underlying Funds that investors might regard as more attractive for the Relevant Funds or that have superior returns. In particular, for actively-managed Underlying Funds, the Manager limits its selection to JPMorgan Underlying Funds. For passively-managed Underlying Funds, the Manager expects to use passively-managed Underlying Funds managed by the Manager or its Connected Persons; only if such investment is not available will the Manager consider passively-managed exchange-traded funds managed by unaffiliated management companies.

As a result of the above changes, the Relevant Funds will be subject to risks associated with investment in exchange-traded funds. For example, there is no assurance that the investment objective and strategy of the exchange-traded funds will be successfully achieved which may have a negative impact to the net asset value of the Relevant Funds. For further details of the risks associated with investment in exchange-traded funds and the conflicts of interest which may arise from the above policy of the Manager in selecting Underlying Funds, please refer to the revised Explanatory Memorandum.

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

1.3 Change in use of financial derivative instruments

Currently, the Relevant Funds may acquire financial derivative instruments for hedging purposes only. With effect from the Effective Date, the Relevant Funds may acquire financial derivative instruments for both investment and hedging purposes.

The maximum net derivative exposure of each Relevant Fund will remain unchanged at 50% of the net asset value of the corresponding Relevant Fund.

1.4 Increase in Trustee fee applicable to the Relevant Funds

According to the Trust Deeds of the Relevant Funds, the maximum amount of fee that the Trustee is entitled to receive is 0.2% per annum of the net asset value of the Relevant Fund. However, the trustee fee applicable to the Relevant Funds is currently at 0% per annum.

With effect from the Effective Date, the Trustee will receive an annual trustee fee of USD25,000 for each Relevant Fund. For the avoidance of doubt, the trustee fee received by the Trustee will not exceed the maximum amount stated in the Trust Deeds.

1.5 Environmental, social and governance factors

From the Effective Date, the investment policy of the Relevant Funds will be amended to provide that environmental, social and governance (“**ESG**”) factors are integrated in the investment process.

ESG integration is the systematic integration of material ESG factors in company/issuer selection through research and risk management. It involves proprietary research on financial materiality of the ESG factors in relation to the relevant company/issuer and discretion to invest regardless of whether the company/issuer may be positively or negatively impacted by the ESG factors.

1.6 Enhancement of disclosures in the investment policy

From the Effective Date, enhancement will be made to the disclosures in the investment policy of the Relevant Funds, for example, by specifying the investment limit to certain asset class and other investment considerations, etc. Please refer to the revised Explanatory Memorandum for details.

1.7 Change in Chinese name of the Relevant Funds

From the Effective Date, the Chinese name of the Relevant Funds will be changed. Please refer to Annexure enclosed with this letter for details.

2. **Flexibility for the Manager to calculate Net Asset Value of the Funds on Non-Dealing Days**

The Funds are currently valued at the close of business on each Dealing Day. With a view to provide more information to investors, the Trust Deeds and Explanatory Memorandum of the Funds will be amended from the Effective Date to provide that, the Manager may, in addition to the valuation on each Dealing Day, with the approval of the Trustee, determine that Net Asset Value of the Funds shall be calculated on a day which is not a Dealing Day.

3. **Enhancement of disclosures in the Explanatory Memorandum of the Funds**

Enhancement of disclosures will also be made to the Explanatory Memorandum to more closely align with the relevant regulatory requirements on disclosures. Other miscellaneous editorial and/or administrative amendments will also be made to the Explanatory Memorandum.

The current Explanatory Memorandum of the Funds is available free of charge upon request at the registered office of the Manager of the Funds¹ and on our website am.jpmorgan.com/hk². 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 Funds¹. The Revised Explanatory Memorandum and Trust Deeds of the respective Funds reflecting the changes set out above will be available on or after the Effective Date.

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

² The website has not been reviewed by the SFC.

Annexure

Change in Chinese name of the Relevant Funds

	Current Chinese name	Revised Chinese name from the Effective Date
JPMorgan Provident Balanced Fund	摩根 <u>公積金</u> 均衡基金	摩根 <u>裕盛</u> 均衡基金
JPMorgan Provident Capital Fund	摩根 <u>公積金</u> 平穩基金	摩根 <u>裕盛</u> 平穩基金
JPMorgan Provident Growth Fund	摩根 <u>公積金</u> 增長基金	摩根 <u>裕盛</u> 增長基金
JPMorgan Provident High Growth Fund	摩根 <u>公積金</u> 高增長基金	摩根 <u>裕盛</u> 高增長基金
JPMorgan Provident Stable Capital Fund	摩根 <u>公積金</u> 保守基金	摩根 <u>裕盛</u> 保守基金