

**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.**

Terms otherwise not defined in this letter will have the same meaning as those defined in the Explanatory Memorandum of the Trusts.

30 April 2021

Dear Investor,

**JPMorgan SAR American Fund / JPMorgan SAR Asian Bond Fund /  
JPMorgan SAR Asian Fund / JPMorgan SAR European Fund /  
JPMorgan SAR Global Bond Fund / JPMorgan SAR Global Emerging Markets Fund /  
JPMorgan SAR Greater China Fund / JPMorgan SAR HK\$ Bond Fund /  
JPMorgan SAR Hong Kong Fund / JPMorgan SAR Investment Grade Corporate Bond Fund /  
JPMorgan SAR Japan Fund**  
(individually, the “Trust” or collectively, the “Trusts”)

We are writing to inform you of the following changes to the Trusts, which will take effect from 31 July 2021 (the “Effective Date”).

**1. Amendments to the investment policies of JPMorgan SAR Asian Fund, JPMorgan SAR Global Emerging Markets Fund and JPMorgan SAR Greater China Fund**

Currently, each of JPMorgan SAR Asian Fund, JPMorgan SAR Global Emerging Markets Fund and JPMorgan SAR Greater China Fund may not invest (directly or indirectly) more than 10% of its net assets in China A- and/or B-shares.

In light of the recent relaxation under the revised guidelines issued by the Mandatory Provident Fund Schemes Authority and in order to capture the investment opportunities presented by the stock markets in mainland China, from the Effective Date, the above investment restriction will be relaxed and each of these Trusts may invest less than 30% of its net asset value in China A-shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (collectively, “China Connect”) and/or China B-shares. The Manager believes that the above change is in the interest of unitholders of the relevant Trusts.

Investment in China A-shares and/or B-shares and investment through China Connect involves China market risk and risks associated with China Connect. The disclosure on the risks associated with China Connect in the Explanatory Memorandum will be enhanced. Please refer to the updated Explanatory Memorandum for details.

**2. Clarificatory amendment to the investment policy of JPMorgan SAR Global Emerging Markets Fund**

It is currently stated in the investment policy of JPMorgan SAR Global Emerging Markets Fund that its aggregate investment in bonds, cash and cash based instruments shall not exceed 30% of the total assets of the Trust.

From the Effective Date, the investment policy of the Trust will be amended to clarify that its aggregate investment in bonds, cash and cash based instruments shall not exceed 30% of the total **net** assets of the Trust.

### **3. Appointment of Sub-Manager for JPMorgan SAR Investment Grade Corporate Bond Fund**

Due to re-allocation of resources, the Manager, JPMorgan Asset Management (Asia Pacific) Limited, will appoint J.P. Morgan Investment Management Inc. (“**JPMIM**”) as a Sub-Manager to JPMorgan SAR Investment Grade Corporate Bond Fund from the Effective Date, in addition to the existing Sub-Manager of the Trust, JPMorgan Asset Management (UK) Limited. JPMIM is a company incorporated in the United States of America, whose registered office is at 383 Madison Avenue, New York, NY 10179, United States of America.

The Explanatory Memorandum of the Trust will be updated accordingly to reflect the appointment of JPMIM as an additional Sub-Manager of the Trust.

### **4. Enhancement to the investment policy of JPMorgan SAR Investment Grade Corporate Bond Fund**

The investment policy of JPMorgan SAR Investment Grade Corporate Bond Fund will be enhanced to reflect that environmental, social and governance factors may be considered by the Manager in the stock selection process.

### **5. Flexibility for the Manager to calculate net asset value of the Trusts on non-dealing days**

With a view to provide more information to investors, the Trust Deeds and Explanatory Memorandum of the Trusts will be amended from the Effective Date to provide that, in addition to the valuation on each dealing day, the Manager may, with the approval of the Trustee, determine that net asset value of the Trusts shall be calculated on a day which is not a dealing day.

### **6. Clarification in relation to fair market value adjustment of the investments of the Trusts**

Currently, the Explanatory Memorandum and Trust Deeds of the Trusts provide that the Manager may adjust the value of any investment of the Trusts if it considers that such adjustment is required to reflect more accurately the fair market value of the relevant investment.

From the Effective Date, the Explanatory Memorandum and the Trust Deeds of the Trusts will be amended to clarify that any such fair market value adjustment of investments shall be made in good faith, in consultation with the Trustee, and in such manner as the Manager considers appropriate taking into account the best interests of the unitholders.

### **7. Clarification to the description on the basis of the maximum level of initial charge applicable to the Trusts**

In order to align with the provisions in the Trust Deed of the Trusts and for better clarity, the description of the basis of calculating the maximum initial charge in the Explanatory Memorandum of the Trusts will be updated. It will be clarified that the maximum rate of initial charge will be 5 per cent.<sup>1</sup> of the offer price (instead of subscription monies) and the subscription monies will be applied to pay the offer price (which has already reflected the initial charge, if any) of the units applied for. For the avoidance of doubt, the Manager currently does not charge any initial charge.

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<sup>1</sup> In respect of issue of units to AIA MPF Schemes, the maximum initial charge is 3 per cent. of the offer price.

The above is only an update to the description in the Explanatory Memorandum of the Trusts and there is no change to how initial charge is being applied in practice.

#### **8. Update of the address of the Manager's website**

The address of the Manager's website has been updated to [www.jpmorgan.com/hk/am/2](http://www.jpmorgan.com/hk/am/2). The Explanatory Memorandum will be amended to reflect this.

#### **9. Enhancement of risk disclosures and tax disclosures**

The risk disclosures and tax disclosures in relation to the Trusts in the Explanatory Memorandum will be enhanced. Please refer to the updated Explanatory Memorandum for details.

Save as described above, there will not be any changes to the manner in which the Trusts operate or are managed, and there will be no other impact on the features and risk profile of the Trusts. Save as described above, the investment policies of the Trusts will remain unchanged. The changes above will not have any adverse impact on the unitholders or materially prejudice the unitholders' rights or interests. There is no change to the fee levels of the Trusts.

The costs associated with the change set out in section 3 above will be borne by the Manager.

If, as a consequence of the above changes, you wish to redeem or switch your holding in the Trusts into any other Trusts, you may do so free of charge during the waiver period between 30 April 2021 and 31 May 2021<sup>3</sup>. Details of such funds (including the relevant offering documents) can be found on our website [www.jpmorgan.com/hk/am/2](http://www.jpmorgan.com/hk/am/2).

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<sup>4</sup>, and on our website [www.jpmorgan.com/hk/am/2](http://www.jpmorgan.com/hk/am/2). The current Trust Deeds of the respective Trusts are available for inspection free of charge during normal working hours at the registered office of JPMorgan Funds (Asia) Limited as the Administrator of the Trusts<sup>4</sup>. The updated Explanatory Memorandum reflecting the above changes and the revised Trust Deeds of the respective Trusts will be available on or after the Effective Date.

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 your designated client adviser, account manager, pension scheme trustee or administrator.

Yours faithfully,  
For and on behalf of  
JPMorgan Asset Management (Asia Pacific) Limited



Regina Liu  
Head of Hong Kong Institutional Business

<sup>2</sup> The website has not been reviewed by the SFC.

<sup>3</sup> Please note that although we will not impose any charges in respect of your switching instructions, your bank, distributor or financial adviser may charge you switching and/or transaction fees. You are advised to contact your bank, distributor or financial adviser should you have any questions.

<sup>4</sup> The registered office of the Administrator is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.