J.P.Morgan
ASSET MANAGEMENT

**IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, please seek independent professional advice.**

10 June 2022

Dear Investor,

**JPMorgan Global Property Income Fund**

We are writing to inform you about the following changes to JPMorgan Global Property Income Fund (the "**Fund**") which will be effective on and from 12 July 2022 (the "**Effective Date**").

## 1. Change of name and investment objective and policies of the Fund

In light of the increasing investor attention on sustainability and the environmental, social and governance ("ESG") characteristics of their investments and in order to capture opportunities presented by sustainable infrastructure investment, the Manager has decided to change the name and investment objective and policies of the Fund as follows:

| | Until 11 July 2022 | From 12 July 2022 |
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| Fund Name | JPMorgan Global Property Income Fund | JPMorgan Sustainable Infrastructure Fund |
| Investment Objective | The investment objective of the Fund is to achieve a high level of current income and long-term capital appreciation primarily (i.e. at least 70% of its total net asset value) through investing in equity securities that are listed on any stock exchange and are principally engaged in or related to the property industry or which own significant property assets. The Fund does not invest in real estate directly. | The investment objective of the Fund is to achieve a return by investing primarily (i.e. at least 70% of its total net asset value) in equity securities globally (including listed real estate investment trusts) that are well positioned to promote the development of the infrastructure required to facilitate a sustainable and inclusive economy[1], whilst not significantly harming any environmental or social objectives and following good governance practices. |
| Extracts of Investment Policies | In order to achieve the investment objective, the Fund will invest in markets which have well-developed real estate-related securities markets, including but not limited to markets in North America, Asia and Europe. Over time, if other markets are deemed, in the opinion of the Manager, to be well-developed, | Equity securities are selected in relation to key sub-themes of sustainable infrastructure investment, which may evolve, such as electricity infrastructure, renewables infrastructure, transport infrastructure, sustainable logistics, water infrastructure, medical infrastructure, social housing and education infrastructure and digital infrastructure. The Fund may invest a |

[1] An inclusive economy refers to an economy that distributes economic growth fairly across society and creates opportunities for all stakeholders in a society.

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| | the Fund may also invest in such markets. The Fund may invest in shares in real estate companies or interests in real estate investment trusts which may not be necessarily authorised by the SFC. The Fund may invest 30% or more of its total net asset value in real estate investment trusts.<br><br>The Fund is not subject to any limitation on the portion of its total net asset value that may be invested in any one country or region or any limitation on the market capitalisation of the companies in which it may invest.<br><br>The Fund may also invest in securities that directly or indirectly represent participations in, or are collateralised by and payable from, mortgage loans secured by real property ("Mortgage-Backed Securities"), such as mortgage pass-through certificates, real estate mortgage investment conduit ("REMIC") certificates and collateralised mortgage obligations ("CMOs"). The Fund may hold special purpose real estate investment trusts which focus their investments on specific real estate property sectors including but not limited to apartments, office buildings, warehouses, shopping centers, hotels and nursing homes. Consideration will be made to investments across the capital structure including but not limited to common shares, preferred shares, convertible preferred shares, debt securities where appropriate. The Fund may invest less than 30% of its total net asset value in Mortgage-Backed Securities and there is no restriction on the credit rating of the Mortgage-Backed Securities invested by the Fund. | large portion of its assets in a single sub-theme.<br><br>The Manager will identify equity securities with exposure to the relevant sub-themes by taking a three-step selection process:<br><br>(1) the Manager will evaluate and apply values and norms based screening to implement exclusions on a broad initial universe to avoid investing in the worst-offending equity securities. The norms based exclusions are applicable to equity securities in breach of the United Nations Global Compact. The values based exclusions reflect many of the shared environmental, social and governance values of investors, and the Fund fully excludes equity securities involved in controversial weapons (including white phosphorus) and nuclear weapons. The Fund also excludes equity securities involved in certain industries if their revenue from such industries exceeds certain maximum thresholds, which range from 2% to 30% depending on the relevant industry. Such industries include thermal coal, conventional weapons, tobacco production and industries related to the nuclear weapons industry. To support the screening, the Fund relies on third party data provider(s) to identify an equity security's involvement in or revenue which it derives from such industries.<br><br>(2) in order to identify equity securities aligned to the key sub-themes of sustainable infrastructure investment from the universe that has been screened based on step (1) above, the Manager will use proprietary technology that combines big data research and artificial intelligence to identify and determine the relevance of key words and concepts related to the sub-themes, and evaluate public |

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| | The Investment Manager seeks to assess the impact of environmental, social and governance factors on the cash flows of many companies in which it may invest to identify issuers that it believes will be negatively impacted by such factors relative to other issuers. These determinations may not be conclusive and it may purchase and retain such securities. | documentation of equity securities (e.g. equity securities' regulatory filings, broker reports, news reports, company profiles, etc.) to assess and score each equity security's textual relevance and revenue attribution to the sub-themes. High scoring equity securities are equity securities which according to the Manager's proprietary technology (i) have high proportion of their textual data related to the sub-themes relative to other equity securities; and (ii) have high proportion of their revenue derived from the sub-themes. Equity securities with higher balanced scores of the two metrics, which are considered as providing the highest exposure to the sub-themes, will be selected for further study.<br><br>(3) the Manager will further analyse the results of the proprietary technology (i.e. step (2) above) to identify the equity securities best placed to achieve the Fund's objective.<br><br>This analysis is based on the insights from a team of fundamental research analysts and ongoing engagement with equity securities to understand how they are positioned to develop solutions today and in the future to develop the infrastructure required to facilitate a sustainable and inclusive economy. Fundamental analysis is used to better understand sustainability risks and opportunities that may impact the equity securities. As part of this analysis:<br><br>- Sustainable investment inclusion: firstly, the Manager will make use of a proprietary ESG framework to assess the extent to which each equity security is aligned to the sub-themes of sustainable infrastructure investment through identifying equity security specific |

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| | | quantifiable metrics that support the facilitation of the sustainable objective of the Fund. The Manager considers different factors and performance indicators depending on an equity security's sector/industry as well as its specific products and services in assessing whether an equity security engages significantly in the sub-themes of sustainable infrastructure investment. The relevant quantitative and qualitative factors may vary in importance. For example, the Manager may look at metrics such as, but not limited to the equity security's revenue exposure to a specific business stream that contributes to the relevant sub-theme of sustainable infrastructure. This is called the "sustainable investment inclusion criteria", and is validated by the dedicated sustainable investing team of the Manager.<br><br>- Quality of equity securities: afterwards, the Manager will select and identify high quality equity securities by assessing their exposure to material sustainability issues. For example, the Manager will analyse whether the equity security is vulnerable to regulations related to greenhouse gas emission limits, whether it uses water resources responsibly, its relationship with labor, the composition of its board of directors, etc. to the extent such factors are considered material by the Manager.<br><br>- Valuation analysis: the Manager will also evaluate the attractiveness of the equity securities by assessing the expected return and other |

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| | | factors such as economics (i.e. creation of values for shareholders), duration (e.g. sustainability of the value creation) and governance (e.g. management competence, capital allocation, etc.) of the equity securities.<br><br>More information in relation to the ESG framework of the Manager and the sustainable investing approach (including the sustainable investment inclusion criteria) can be found at the Fund's product webpage at am.jpmorgan.com/hk[2].<br><br>The Fund will invest in equity and equity equivalent securities globally (both developed and emerging markets). There are no restrictions on market capitalisations, industries (except the Fund's exclusion policy as mentioned above) or geographies.<br><br>The Fund will have limited Renminbi (RMB) denominated underlying investments. The Fund will not invest more than 20% of its total net asset value in PRC onshore securities (including China A-shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect and debt securities traded in the CIBM through the CIBM Initiative and/or Bond Connect). |

In view of the above changes, the Fund may be subject to additional/increased investment risks including the following:

1. Risk related to sustainable investing – The Fund applies binding criteria when selecting securities by investing a defined percentage of portfolio positions in sustainable securities. The Fund may also exclude equity securities based on specific values or norms. Systematically including ESG in investment analysis and as binding on investment decisions may adversely affect the Fund's performance compared to similar funds that do not apply such criteria. The Fund's portfolio may also be concentrated in ESG-related securities, and its value may become more volatile than that of an investment fund invested in a more diversified portfolio. In addition, the exclusionary policy, if implemented, may result in the Fund foregoing compelling investment opportunities or potentially selling securities based on their ESG criteria at disadvantageous times. Evolving laws, regulations and industry norms may impact

[2] The website has not been reviewed by the SFC.

on the sustainability of many equity securities, particularly in respect of environmental and social factors. Any changes to such measures could have a negative impact on the relevant equity securities which could preclude them as eligible investments for the Fund despite being commercially appealing.

There is a lack of standardized taxonomy in ESG evaluation methodologies and the way in which different funds that use ESG criteria will apply such criteria may vary. ESG assessment on a company may require subjective judgements, which may include consideration of third party data that is subjective, incomplete or inaccurate that may affect the Manager's ability to measure and assess the environment and social impact of a potential investment and may cause the Fund to have exposure to equity securities which do not meet the relevant criteria. There can be no guarantee that the Manager will correctly assess the ESG impact on the Fund's investments.

2. <u>Infrastructure companies risk</u> – Securities of infrastructure companies may be more susceptible to adverse economic, political or regulatory occurrences affecting their industries and may be subject to a variety of factors that could adversely affect their business or operations as a result of such occurrences, including additional costs, competition, environmental concerns, taxes, changes in end-user numbers and regulatory implications.

3. <u>Risks associated with the Fund's investment strategy</u> – the Fund's investment strategy is subject to the following risks:

   - Risks associated with concentration in a single theme and/or sub-theme – The Fund invests a large portion of its assets in a single theme (i.e. sustainable infrastructure) and may invest a large portion of its assets in a single sub-theme. It is therefore likely to be more volatile and carry a greater risk of loss than a fund that invests more broadly. The Fund may be concentrated in investments exposed to a single sub-theme. It may therefore be subject to periods of underperformance and could be disproportionately affected by political, taxation, regulation, or government policy prejudicial to the sustainable infrastructure theme and/or the relevant sub-theme which could lead to decreased liquidity and increased volatility in the value of the relevant securities.

   - Risks associated with sub-themes and changing market trends – Investments in specific sub-themes may not achieve the desired results under all circumstances and market conditions. The investments of the Fund may be adjusted among different sub-themes from time to time depending on the changing market trends and the market conditions of the respective sub-themes and therefore the Fund may incur greater transaction costs than a fund with static allocation strategy.

   - Risks associated with the use of big data research and artificial intelligence technique – Big data research and artificial intelligence technique are new technology and the results from such research and technique may be subjective, incomplete or inaccurate, which may affect the Manager's ability to assess equity securities' exposure to the relevant sub-themes.

4. <u>Concentration risk</u> – The Fund concentrates its investments in the sustainable infrastructure industry. The Fund may also from time to time concentrate its investments in a specific country (e.g. the US) and/or a limited number of securities if the Manager thinks fit. Investors should be aware that the Fund is likely to be more volatile than a more broadly diversified fund. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting that industry/geographic area/issuers.

The Classes of the Fund will be renamed as follows from the Effective Date:

| Current name | Revised name from the Effective Date |
|---|---|
| JPMorgan Global Property Income (div) - USD | JPMorgan Sustainable Infrastructure (div) - USD |
| JPMorgan Global Property Income (mth) - HKD | JPMorgan Sustainable Infrastructure (mth) - HKD |
| JPMorgan Global Property Income (mth) - USD | JPMorgan Sustainable Infrastructure (mth) - USD |
| JPMorgan Global Property Income - Class C (mth) - USD | JPMorgan Sustainable Infrastructure - Class C (mth) - USD |

The Trust Deed of the Fund will be amended to reflect the name change of the Fund accordingly.

**2. Change of Sub-Manager of the Fund**

Currently, day-to-day investment management of the Fund has been delegated to the Investment Manager, JPMorgan Asset Management (Asia Pacific) Limited. The Investment Manager has further delegated certain of its investment management functions to the Sub-Manager, J.P. Morgan Investment Management Inc.

From the Effective Date, due to re-allocation of resources, J.P. Morgan Investment Management Inc. will cease to be the Sub-Manager of the Fund and JPMorgan Asset Management (UK) Limited, a company incorporated in England and Wales, will be appointed as the Sub-Manager of the Fund.

**3. Change of representative class of the Fund**

Currently, the representative class of the Fund for the purpose of disclosing past performance in the Fund's product key facts statement is (div) - USD class. From the Effective Date, the representative class of the Fund will be changed to (acc) - USD class, which will be launched on the Effective Date, in light of the change of investment objective and policy of the Fund.

**4. Decrease in management fees applicable to the Fund**

Currently, the Manager receives a fee of 1.5 per cent. per annum of the net asset value of each Class other than Class C. For Class C, the Manager currently receives a fee of 0.75 per cent. per annum of the net asset value of each Class.

From the Effective Date, the Manager will receive a fee of 1 per cent. per annum of the net asset value of each Class other than Class C. For Class C, the Manager will receive a fee of 0.5 per cent. per annum of the net asset value of each Class.

**5. Enhancement of disclosures in the offering documents of the Fund**

Other enhancement of disclosures and miscellaneous amendments have been made in the offering documents of the Funds, including update of classes of units, etc.

Save as disclosed above, there will be no implications on the features and the risks applicable to the Fund or change in the operation and/or manner in which the Fund is being managed. Save for the decrease in management fee mentioned above, the above changes will not result in any change in fee level/cost in managing the Fund. The Manager is of the opinion that the above changes will not materially prejudice the interests of existing investors of the Fund.

The legal and other administrative costs associated with the changes mentioned in sections 1 and 2 above, estimated to be approximately USD 32,000, will be borne by the Fund.

If, as a consequence of the changes above, you wish to redeem or switch your holding in the Fund into any other funds which are managed by JPMorgan Funds (Asia) Limited or for which it acts as Hong Kong representative[3] and which are authorised by the Securities and Futures Commission ("SFC") for sale to the public in Hong Kong, you may do so free of charge during the waiver period between 10 June 2022 and 11 July 2022[4] in accordance with the dealing procedures set out in the latest offering document of the Fund. Prior to switching to such funds, investors should read and understand the investment objective, policies, risks factors, fees and other information applicable to such funds as described in the relevant Hong Kong offering documents. Details of such funds (including the relevant offering documents) can be found on our website am.jpmorgan.com/hk[2]. SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of a fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The trust deed of the Fund is available for inspection free of charge during normal working hours at the registered office of JPMorgan Funds (Asia) Limited[5]. The current offering documents of the Fund are available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited[5], and on our website am.jpmorgan.com/hk[2]. The amended trust deed and revised offering documents of the Fund reflecting the above amendments will be available on or after the Effective Date.

The Manager of the Fund accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Clients' Hotline on (852) 2265 1000;
- our distributor hotline on (852) 2978 7788; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited

Edwin TK Chan
Director

3 Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

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

5 The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.