

**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.

31 March 2023

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 1 July 2023 (the “Effective Date”), unless otherwise stated.

**1. Change of base currency and investment policy of JPMorgan SAR Global Bond Fund**

Since it is the current investment policy of the Trust to hedge the currency exposure of the assets of the Trust back into HK dollars for at least 30 per cent., the Manager has decided to make the following changes to the Trust from the Effective Date such that the base currency of the Trust and its classes’ currency denomination and the investment objective of the Trust will be more aligned with the Trust’s currency hedging approach.

From the Effective Date, the base currency of JPMorgan SAR Global Bond Fund and the currency denomination of the classes of the Trust will be changed from US dollars to HK dollars and the investment objective of the Trust will be changed from “long term capital growth in US dollar terms” to “long term capital growth in HK dollar terms”.

With effect from and including the Effective Date, the net asset value per unit of each class of the Trust will be calculated and quoted in HK dollars instead of US dollars. The underlying value of the Trust’s investments and the number of units of the Trust you hold will not change due to the change of currency denomination of the Trust and each class. Please note that subscription and redemption requests of the Trust that are submitted on or after the Effective Date will be settled in HK dollars.

In addition, the minimum initial subscription amount, minimum subsequent subscription amount and minimum holding amount of the classes of the Trust will also be changed as follows from the Effective Date:

	Minimum Initial Subscription Amount*	Minimum Subsequent Subscription Amount*	Minimum Holding Amount*
Class A	HK\$16,000	HK\$16,000	HK\$16,000
Class B	HK\$16,000	HK\$16,000	HK\$16,000
Class C	HK\$80,000,000	HK\$8,000	HK\$80,000,000

\* In base currency (or the equivalent in another currency) or such lesser amount as the Manager may determine.

Furthermore, the Trust or all units of a particular class currently may be terminated by the Trustee or the Manager in certain circumstances, including when the aggregate net asset value of the Trust or the assets attributable to that class of units falls below US\$25,000,000. With effect from the Effective Date, as part of the change of currency of denomination of the Trust and each class, the threshold for termination of the Trust or all units of a particular class due to small fund size will also change such that the Trust or all units of a particular class may be terminated when the aggregate net asset value of the Trust or the assets attributable to that class of units falls below HK\$200 million.

Since the US dollars and HK dollars are pegged, the Manager believes that the above changes will not have any material impact on the Trust and unitholders.

In addition, upon a review of the investment policy of the Trust and the recent regulatory developments to facilitate the investment in China bonds, the Manager has decided to change the primary investment of the Trust from “international bonds of developed markets” to “international bonds (both developed and developing markets)” with effect from the Effective Date. The proposed asset allocation of the Trust will be changed as follows:

Before the Effective Date		From the Effective Date	
70-100%	net asset value in international bonds of developed markets	70-100%	net asset value in international bonds of developed and developing markets
0-30%	net asset value in international bonds of developing markets as permitted under the Regulation	0-30%	net asset value in cash and other investments as permitted under the Mandatory Provident Fund Schemes (General) Regulation (the “Regulation”)

From the Effective Date, the Trust’s direct or indirect exposure to onshore debt securities issued in Mainland China will be changed from “not more than 10 per cent of its net assets” to “up to 20 per cent of its net assets”.

As a result of the above changes, JPMorgan SAR Global Bond Fund will be subject to the following risks to a larger extent:

- Emerging markets risk – Accounting, auditing and financial reporting standards in some of the emerging markets in which the Trust’s assets may be invested may be less rigorous than international standards. As a result, certain material disclosures may not be made. Investment in emerging markets involves special considerations and risks. Many emerging market countries are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. There is a possibility of nationalisation, expropriation or confiscatory taxation, foreign exchange control, political changes, government regulation, social instability or diplomatic developments which could adversely affect the economies of emerging markets or the value of the Trust’s investments, and the risks of investing in countries with smaller capital markets, such as limited liquidity, price volatility, restrictions on foreign investment and repatriation of capital, and the risks associated with emerging economies, including high inflation and interest rates and political and social uncertainties. Investments in products relating to emerging markets may also become illiquid which may constrain the Manager’s and the Sub-Manager’s ability to realise some or all of the portfolio.
- Risks associated with the China interbank bond market (the “CIBM”) – The Trust may invest in Chinese debt securities traded on the CIBM through the CIBM Initiative<sup>1</sup> and/or Bond Connect<sup>2</sup>. 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, volatility, regulatory, PRC tax risk and risks associated with settlement procedures and default of counterparties.

Save as described above, there will not be any changes to the manner in which JPMorgan SAR Global Bond Fund operates or is managed, and there will be no other impact on the features and risk profile of the Trust. The changes above will not have any material adverse impact on the unitholders or materially prejudice the unitholders’ rights or interests. There is no change to the fee levels of the JPMorgan SAR Global Bond Fund.

The legal and administrative costs associated with the above changes, estimated to be approximately US\$19,200, will be borne by JPMorgan SAR Global Bond Fund.

## **2. Change of investment policy of JPMorgan SAR Asian Bond Fund**

From the Effective Date, JPMorgan SAR Asian Bond Fund’s direct or indirect exposure to onshore debt securities issued in Mainland China will be changed from “not more than 10

---

<sup>1</sup> 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”).

<sup>2</sup> 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.

per cent of its net assets” to “less than 30 per cent of its net assets”. Please refer to the Explanatory Memorandum for details of the risks associated with onshore debt securities issued in the Mainland China.

If, as a consequence of the above changes, you wish to redeem or switch your holding in JPMorgan SAR Global Bond Fund or JPMorgan SAR Asian Bond Fund into any other funds which are managed by JPMorgan Funds (Asia) Limited or for which it acts as Hong Kong representative 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 31 March 2023 and 30 April 2023<sup>3</sup>. 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 and investor notices (if applicable)) can be found on our website [am.jpmorgan.com/hk](http://am.jpmorgan.com/hk)<sup>4</sup>. 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.

### **3. Appointment of investment adviser for JPMorgan SAR Greater China Fund**

From 1 May 2023, JPMorgan Asset Management (Taiwan) Limited will be appointed as a non-discretionary investment adviser of JPMorgan SAR Greater China Fund. JPMorgan Asset Management (Taiwan) Limited is authorised by the Taiwan Financial Supervisory Commission.

The remuneration of JPMorgan Asset Management (Taiwan) Limited as investment adviser will be borne by the Manager. There will be no change to the fee levels of JPMorgan SAR Greater China Fund.

### **4. Means of obtaining hard copies of annual report and semi-annual report**

Previously, hard copies of the annual report and semi-annual report of the Funds were available upon request at the offices of the Administrator at 19th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

From the Effective Date, hard copies of the annual report and semi-annual report of the Funds are no longer available at the offices of the Administrator and can be obtained by contacting the Administrator at (852) 2265-1188 instead.

### **5. Other general updates to the Explanatory Memorandum**

The Explanatory Memorandum will be updated to reflect the following general updates:

- update of the Manager’s website from “[www.jpmorgan.com/hk/am/](http://www.jpmorgan.com/hk/am/)”<sup>4</sup> to “[am.jpmorgan.com/hk](http://am.jpmorgan.com/hk)”<sup>4</sup>;

<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 website has not been reviewed by the Securities and Futures Commission.

- update of the address of the registered office of JPMorgan Funds (Asia) Limited and JPMorgan Asset Management (Asia Pacific) Limited;
- enhancement of disclosures related to environmental, social and governance (“ESG”) integration;
- update to the risk disclosures related to London Interbank Offer Rate discontinuance or unavailability risk;
- insertion of the risk disclosures related to Chinese variable interest entity risk; and
- other general and miscellaneous updates.

The Explanatory Memorandum of the Trusts will be amended to reflect the changes as mentioned above. The Trust Deed of JPMorgan SAR Global Bond Fund will be amended and restated to reflect the change of base currency and the threshold for termination of the Trust.

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>5</sup>, and on our website [am.jpmorgan.com/hk](http://am.jpmorgan.com/hk)<sup>4</sup>. 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>5</sup>. The updated Explanatory Memorandum reflecting the above changes will be available on or after the Effective Date. The amended and restated Trust Deed of JPMorgan SAR Global Bond Fund 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



Elisa Ng  
Head of Hong Kong Funds and Institutional Business

---

<sup>5</sup> The registered office of the Administrator is located at 19th Floor, Chater House, 8 Connaught Road Central, Hong Kong.