

**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 in this letter have the same meaning as in the offering documents of JPMorgan Provident Funds unless otherwise specified.

31 March 2023

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 the following changes to the Funds which will take effect from and including 1 July 2023 (“**Effective Date**”), unless otherwise stated.

**1. Change of investment objective and policy of the underlying fund of certain Funds**

**1.1 Change of investment objective and policy of the underlying fund of JPMorgan Provident Global Bond Fund**

The investment policy of JPMorgan Provident Global Bond Fund is to invest in as a feeder fund solely in the units of JPMorgan SAR Global Bond Fund (the “**Underlying Fund**”).

From the Effective Date, the investment objective of the Underlying Fund will be changed from “long term capital growth in US dollar terms” to “long term capital growth in HK dollar terms”. Since the US dollars and HK dollars are pegged, it is believed that the above changes will not have any material impact on the Underlying Fund and the Fund.

In addition, the primary investment of the Underlying Fund will be changed 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 Underlying Fund will be changed as follows:

<b>Before the Effective Date</b>		<b>From the Effective Date</b>	
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 Regulation

From the Effective Date, the Underlying Fund'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, the Underlying 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 Underlying Fund'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 Underlying Fund'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 ability of the Underlying Fund's manager and sub-manager to realise some or all of the portfolio.
- Risks associated with the China interbank bond market (the "CIBM") – The Underlying Fund 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 Underlying Fund 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.

## **1.2 Change of investment objective and policy of an underlying fund of JPMorgan Provident Capital Fund**

The investment policy of JPMorgan Provident Capital Fund provides that the Fund may invest up to 40% of its net asset value in the units of the Underlying Fund.

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<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.

As mentioned in section 1.1 above, the investment objective of the Underlying Fund will be changed from “long term capital growth in US dollar terms” to “long term capital growth in HK dollar terms” and the primary investment of the Underlying Fund will be changed from “international bonds of developed markets” to “international bonds (both developed and developing markets)” from the Effective Date. The offering documents of the Fund will be amended to reflect the above changes.

Please refer to section 1.1 above for the implications of the above changes.

### **1.3 General**

Save as described above, there will not be any changes to the manner in which JPMorgan Provident Global Bond Fund and JPMorgan Provident Capital Fund operate or are managed, and there will be no other impact on the features and risk profile of these Funds. 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 these Funds.

The costs associated with the changes mentioned in sections 1.1 and 1.2 above, estimated to be approximately US\$25,500, will be borne by JPMorgan Provident Global Bond Fund and JPMorgan Provident Capital Fund equally.

If, as a consequence of the changes mentioned in sections 1.1 and 1.2 above, you wish to redeem or switch your holding in JPMorgan Provident Global Bond Fund and/or JPMorgan Provident Capital 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 1 May 2023 and 31 May 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) 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.

## **2. Appointment of investment adviser for the underlying fund of JPMorgan Provident Greater China Fund**

The offering documents will be amended to reflect that JPMorgan Asset Management (Taiwan) Limited will be appointed from 1 May 2023 to provide non-discretionary investment advice to the manager of JPMorgan SAR Greater China Fund which is the underlying fund of JPMorgan Provident Greater China Fund.

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<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 SFC.

### 3. Other general updates to the Explanatory Memorandum

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

- enhancement of disclosures related to environmental, social and governance (“ESG”) integration; and
- other general and miscellaneous updates.

The current offering documents of the Funds are available free of charge upon request at the registered office of the Manager of the Funds<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 Funds are available for inspection free of charge during normal working hours at the registered office of the Manager of the Funds<sup>5</sup>. The revised offering documents of the Funds reflecting the above amendments will be available on or after the Effective Date.

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

This letter is for information purposes only. Investors are not required to take any action.

Should you have any questions regarding the above, 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 J.P. Morgan Pension Services on (852) 2978 7588; 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



Elisa Ng  
Head of Hong Kong Funds and Institutional Business

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