

**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.**

Capitalised terms in this letter have the same meaning as in the offering documents of the funds under JPMorgan Funds (Unit Trust Range) (each a “Fund”, collectively the “Funds”) unless otherwise specified.

30 June 2023

Dear Investor,

**JPMorgan Funds (Unit Trust Range)**

We are writing to inform you about certain changes to the Funds which will be effective on and from 31 July 2023 (the “Effective Date”).

**1. Change of investment objective and policy of JPMorgan Future Transition Multi-Asset 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 future transition investment, the Manager has decided to change the investment objective and policies of the Fund as follows:

	Until 30 July 2023	From 31 July 2023
Extracts of the Investment Objective and Policy	The investment objective of the Fund is to provide medium to long-term moderate capital growth by investing in a diversified portfolio of securities globally, including but not limited to, debt and equity securities whose issuers may benefit from, or contribute to, the transition towards the future world. The future transition concept aims to drive and help the societies transition to a better future and currently includes but is not limited to these subthemes: smart city <sup>1</sup> , digital education, autonomous vehicles, medical technology and social and environmental development.	The investment objective of the Fund is to provide medium to long-term moderate capital growth by investing in a diversified portfolio of securities globally, including but not limited to, debt and equity securities whose issuers are well positioned to promote or contribute to, the world’s transition towards a sustainable future.  The Fund will primarily invest (i.e. at least 70% of its total net asset value) in debt and equity securities (directly or indirectly through collective investment schemes with investment objective and strategy similar to that of the Fund)

<sup>1</sup> Smart City theme provides exposure to companies or organisations that create smart solutions to ensure resources and services run efficiently across cities, improving environmental, cost-associated and social aspects of urban life, such as new technologies and digital applications that alleviate traffic congestions, improve a city’s energy usage efficiencies, etc.

A company or an organisation is considered to benefit from the transition towards the future world if the Manager considers such company or organisation to be capable of achieving revenue growth that is due to exposure to one or more of these sub-themes over the long term. A company or an organisation is considered to contribute to the transition towards the future world if the Manager considers such company or organisation to be capable of promoting the development of one or more of these sub-themes.

The Manager will seek to achieve the investment objectives by: (1) using 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 documentation (e.g. company filings, regulatory reports, etc.) to identify companies and organisations with the most relevant exposure to the sub-themes; (2) determining the position sizes of the securities of such companies and organisations to be held by the Fund with the insights from a team of research analysts who review the system results; and (3) maintaining a dynamic allocation between different asset classes to take advantage of the most compelling growth opportunities.

The Fund will primarily invest (i.e. at least 70% of its total net asset value) in debt and equity securities (directly or indirectly through collective investment schemes) whose issuers may benefit from, or contribute to, the transition towards the future world. The Fund may vary its asset allocation in response to market conditions.

whose issuers are well positioned to promote or contribute to, the world's transition towards a sustainable future. The Fund maintains a dynamic allocation between different asset classes to take advantage of the most compelling growth opportunities.

The theme of future transition, which is the thematic focus of the Fund, aligns with the pursuit of the key UN Sustainable Development Goals aiming to improve sustainable and socially responsible finance in relation to the promotion of smart city<sup>1</sup>, digital education, autonomous vehicles, medical technology and social and environmental development (each a "sub-theme", collectively the "sub-themes").

The Manager determines the sub-themes based on the long-term market trends and may include new sub-themes, and modify and remove existing sub-themes in response to the ongoing development of the future world. The Fund may invest a large portion of its assets in a single sub-theme.

For the direct investments made by the Fund, the Manager will identify companies or organisations that are well positioned to promote or contribute to the world's transition towards a sustainable future by taking a three-step selection process:

(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 companies or organisations. The norms based exclusions are applicable to companies or organisations in breach of the United Nations Global Compact.

	<p>The Manager seeks to integrate environmental, social and governance (“ESG”) factors 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.</p>	<p>The values based exclusions reflect many of the shared environmental, social and governance values of investors, and the Fund fully excludes companies or organisations involved in controversial weapons (including white phosphorus) and nuclear weapons. The Fund also excludes companies or organisations 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 a company’s or an organisation’s involvement in or revenue which it derives from such industries.</p> <p>(2) 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 documentation (e.g. companies’ or organisations’ regulatory filings, broker reports, news reports, company profiles, etc.) to assess and score each company’s or organisation’s textual relevance and revenue attribution to the sub-themes. Companies or organisations which according to the Manager’s proprietary technology (i) have high proportion of their textual data related to the sub-themes relative to other companies or organisations; and/ or (ii) have high proportion of their revenue derived from the sub-themes, will be considered as companies or organisations with high thematic relevance.</p>
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		<p>(3) the Manager will validate the result of the proprietary technology and establish a list of companies and organizations with high thematic relevance (“List of Relevant Companies and Organisations”) with the insights from a team of research analysts. To ensure the securities the Fund invests in have strong ESG performance, the Manager will use third-party and/or proprietary ESG scores to exclude companies or organisations scoring in the bottom 20% of the List of Relevant Companies and Organisations in at least two of the three ESG pillars (i.e. social, environmental and governance). After such exclusion, the Manager will calculate a composite score for each remaining company and organisation using metrics which include the thematic relevance under step (2) above as well as the ESG score and quality metrics. The Manager will use the composite scores to determine the portfolio weighting of each position, with higher-scoring companies receiving greater weighting and lower-scoring companies receiving smaller portfolio weighting, subject to liquidity considerations.</p>
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In view of the above changes, the Fund may be subject to the following additional investment risk:

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 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 on the sustainability of many securities, particularly in respect of environmental and social factors. Any changes to such measures could have a negative impact on the relevant 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 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.

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. 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 above, estimated to be approximately USD 33,500, 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<sup>2</sup> 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 30 June 2023 and 31 July 2023<sup>3</sup> 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](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.

The trust deed of each Fund is available for inspection free of charge during normal working hours at the registered office of JPMorgan Funds (Asia) Limited<sup>5</sup>. The current offering documents of the Funds are available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited<sup>5</sup>, and on our website [am.jpmorgan.com/hk](http://am.jpmorgan.com/hk)<sup>4</sup>. The revised offering documents of the Funds reflecting the above amendments will be available on or after the Effective Date.

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

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<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> The website has not been reviewed by the Securities and Futures Commission.

<sup>5</sup> The registered office of JPMorgan Funds (Asia) Limited is located at 19th Floor, Chater House, 8 Connaught Road Central, Hong Kong.

If you have any questions with regard to the content of this letter or any other aspect of the Funds, 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; 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

A handwritten signature in black ink, appearing to be 'Edwin TK Chan', written in a cursive style.

Edwin TK Chan  
Director