

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 JPMorgan Australia Fund unless otherwise specified.

14 November 2023

Dear Investor,

JPMorgan Australia Fund

We are writing to inform you about the following changes to JPMorgan Australia Fund (the “Fund”) which will be effective on and from 21 December 2023 (the “Effective Date”).

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

In order to capture investment opportunities in Asia, the Manager has decided to change the name and investment objective and policies of the Fund as follows:

	Prior to the Effective Date	From the Effective Date
Fund Name	JPMorgan Australia Fund	JPMorgan Asia Equity High Income Fund
Investment Objective	The investment policy of the Fund is to provide investors with long term capital growth by investing primarily (i.e. at least 70% of its total net asset value) of equity securities of companies listed on the Australian Securities Exchange.	The investment policy is to aim to generate a high level of income while maintaining prospects for long-term capital appreciation by investing primarily (i.e. at least 70% of its total net asset value) in equity securities of listed companies in Asia (excluding Japan), and using derivatives where appropriate. At the same time, the Fund is intended to offer a less volatile return stream than the broader market through the use of derivatives.
Extracts of Investment Policies	The Manager aims at diversifying risks at the sector and security levels while providing exposure to the following factors that have the potential to enhance risk-adjusted returns over the long term. The Manager will adopt a proprietary quantitative process that uses	The Fund seeks to achieve this objective by constructing a diversified Asian equity portfolio through a proprietary fundamental research process designed to identify stocks with attractive risk/return characteristics and dividend yields based on their financial

	<p>multiple factors to select the securities to invest:</p> <ul style="list-style-type: none"> ● Value – Targets equity securities with attractive prices relative to their sector peers based on fundamental characteristics of book yield, earnings yield, dividend yield and cash flow yield. ● Momentum (a tendency that stocks that are rising in price tend to continue to rise, while those that are falling tend to continue to fall) – Targets equity securities with higher momentum that have higher risk adjusted returns relative to those of their sector peers over a twelve month period. Risk-adjusted returns in this case is calculated from the twelve month returns divided by the twelve month volatility. ● Quality – Targets equity securities with higher quality characteristics relative to their sector peers as measured by profitability, earnings quality and solvency/ financial risk. <p>The Fund is not subject to any limitation on the portion of its total net asset value that may be invested in any sector or any limitation on the market capitalisation of the companies in which it may invest.</p> <p>The Fund may also invest in derivatives such as forward contracts, options, warrants and futures for investment purposes.</p> <p>The Investment Manager integrates financially material environmental, social and governance factors as part of the Fund’s investment process.</p>	<p>projections, valuations, and potential for income and capital growth, which in aggregate will have a higher yield than the broad market benchmark. In addition, the Fund will generate additional income through selling call options on indices and call options on index futures in the Asia (excluding Japan) region, seeking to deliver a monthly income stream from associated option premiums.</p> <p>The Fund is not subject to any limitation on the portion of its total net asset value that may be invested in any country in Asia (excluding Japan) (including emerging market countries) or sector or any limitation on the market capitalisation of the companies in which it may invest.</p> <p>The Fund may invest less than 30% of its total net asset value in listed Real Estate Investment Trusts (“REITs”) domiciled or investing in Asia (excluding Japan).</p> <p>The Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares (including eligible China A-Shares invested via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect) may not exceed 20% of its total net asset value.</p> <p>The Investment Manager integrates financially material environmental, social and governance factors as part of the Fund’s investment process.</p> <p>The Fund may also invest in derivatives as permitted by the SFC from time to time such as options, warrants and futures for hedging and investment purposes.</p>
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In view of the above changes, the Fund may be subject to additional/increased investment risks including the following:

1. Derivatives risk – Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a derivative can result in a loss significantly greater than the amount invested in the derivatives by the Fund. Exposure to derivatives may lead to a high risk of significant loss by the Fund.

When selling call options on indices and call options on index futures, the Fund receives a cash premium but the Fund's opportunity to benefit from an increase in the market value of the underlying instruments is limited to the market value of those instruments when they reach the option exercise price (plus premium received). In a rising market, the Fund will be required to post additional cash collateral and may need to sell securities holdings to raise cash, which may limit its upside potential compared to holding securities directly.

2. Emerging markets risk – The Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility. Certain countries in Asia may be considered emerging markets countries. Accounting, auditing and financial reporting standards in emerging markets may be less rigorous than international standards. There is a possibility of nationalisation, expropriation or confiscatory taxation, foreign exchange control, political changes, government regulation, social instability or diplomatic developments which could affect adversely the economies of emerging markets or the value of the Fund's investments.

High market volatility and potential settlement difficulties in certain equity markets in the Asian region may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Fund.

3. Concentration risk – The Fund concentrates its investments in Asia (excluding Japan). 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 geographical area.
4. Hedging risk – The Manager and the Investment Manager are permitted, in their absolute discretion, but not obliged, to use hedging techniques to attempt to reduce market and currency risks. There is no guarantee that hedging techniques if used, will achieve the desired result nor that hedging techniques will be used, in those cases, the Fund may be exposed to the existing market and currency risks and may be adversely impacted. The hedging, if any, against foreign exchange risks may or may not be up to 100% of assets of the Fund.
5. Smaller companies risk – The stock prices of small and medium-sized companies may tend to be more volatile than large-sized companies due to a lower degree of liquidity, greater sensitivity to changes in economic conditions and higher uncertainty over future growth prospects.

In order to ensure the portfolio of the Fund aligns with the new investment objective and policies from the Effective Date, the Manager will start to rebalance the portfolio of the Fund from 14 December 2023. During the period of portfolio rebalancing, the Fund may not be able to meet its existing investment objective and policies.

It is estimated that 85.24% of the portfolio is subject to rebalancing. The transaction costs (including market impact cost and spread cost) associated with the portfolio rebalancing, estimated to be approximately USD 75,400 which represents 0.43% of the net asset value of the Fund as of 12 October 2023, will be borne by the Fund. Investors who remain in the Fund when such portfolio rebalancing is carried out will be impacted. The actual expenses incurred during portfolio rebalancing may exceed the above estimate and in such case, the excess amount will be borne by the Fund.

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

Current name	Revised name from the Effective Date
JPMorgan Australia (acc) - AUD	JPMorgan Asia Equity High Income (acc) - AUD
JPMorgan Australia (acc) - USD	JPMorgan Asia Equity High Income (acc) - USD

The trust deed of the Fund will be amended to reflect the name change of the Fund accordingly.

2. Increase in management fees applicable to the Fund

Currently, the Manager receives a fee of 0.75 per cent. per annum of the net asset value of each Class.

The Manager is proposing a meaningful shift in the portfolio construction approach. Currently it employs a quantitative process that uses multiple factors to select securities. The Manager intends to change it to a proprietary fundamental research process to identify securities with attractive risk/return characteristics, plus adopting option strategies on different market indices to generate additional income. As a result the degree of active investment management is substantially increased. Consequently, from the Effective Date, the Manager will receive a fee of 1.5 per cent. per annum of the net asset value of each Class.

3. Launch of new Classes and change of representative Class of the Fund

From the Effective Date, (mth) - USD Class and (mth) - HKD Class will be launched for the Fund. It is the intention of the Manager to have such amount, as the Manager may determine, of the income attributable to such Classes respectively for each accounting period, after charging the expenses attributable to these Classes respectively, to be distributed to unitholders of these Classes respectively. It is the intention of the Manager to make distributions on a monthly basis or/and such other time as the Manager may, with the prior approval of the Trustee, provide one month's prior notice to unitholders. The Manager expects to be able to pay distributions from its income generated by the Fund from its investment, but in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital.

In respect of (mth) Classes, where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment. As a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value of units of the relevant Class. Also, a positive distribution yield does not imply a positive return on the total investment.

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

4. 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 Fund, including update of disclosures related to the new 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 increase 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 rights or interests of existing investors of the Fund.

The legal and other administrative costs associated with the changes mentioned above, estimated to be approximately USD 44,000, 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 representative¹ 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 14 November 2023 and 20 December 2023² 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/hk³. SFC authorisation is not a recommendation or endorsement of a

¹ 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.

² 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.

³ The website has not been reviewed by the SFC.

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) Limited⁴. 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) Limited⁴, and on our website am.jpmorgan.com/hk³. 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; 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

⁴ The registered office of JPMorgan Funds (Asia) Limited is located at 19th Floor, Chater House, 8 Connaught Road Central, Hong Kong.