

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 Hong Kong Offering Document of JPMorgan Funds (the “**Fund**”) unless otherwise specified.

25 October 2019

Dear Investor,

**JPMorgan Funds - China Fund / JPMorgan Funds - Greater China Fund
(each a “Sub-Fund”, collectively the “Sub-Funds”)**

We are writing to inform you about the following changes in relation to the Sub-Funds, which will take effect from 25 November 2019 (“**Effective Date**”).

Substantial Investment in China A-Shares

In a jurisdiction where the Sub-Funds have been registered, the local regulations previously restricted direct investment in securities traded in the PRC (including China A-Shares) to 10% of each Sub-Fund’s net assets (the “**Restriction**”). Against this background, the Sub-Funds’ ability to invest directly in China A-Shares was limited; therefore the current investment policy of each Sub-Fund only permits a Sub-Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares to be less than 30% of its net assets.

The Restriction has been recently relaxed to 20% of each Sub-Fund’s net assets. The Sub-Funds will seek to benefit from this increased flexibility to invest in China A-Shares, in line with the Sub-Funds’ investment objectives. The investment policy of each Sub-Fund will be amended such that each Sub-Fund may invest up to 40% of its net assets in China A-Shares through direct and/or indirect means (i.e. up to 20% direct investment in China A-Shares and up to 20% indirect investment in China A-Shares which include means such as participation notes) with effect from the Effective Date. Means for direct investment include the QFII and RQFII investment quota granted to the Investment Manager and the China Connect program.

Details of the amendments to the investment policy of the Sub-Funds (as contained in subsection 3.1 of the Hong Kong Offering Document (the “**Offering Document**”) of JPMorgan Funds (the “**Fund**”)) are set out in the Appendix attached to this letter.

As a result of the above changes, the Sub-Funds will be subject to the risks associated with investments in the People’s Republic of China (“**PRC**”) to a larger extent. Investing in the PRC is subject to the risks of investing in emerging markets and additional risks which are specific to the PRC market. Investments in the PRC may be sensitive to changes in law and regulation together with political, social or economic policy which includes possible government intervention. In extreme circumstances, the Sub-Funds may incur losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy, due to local

investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution and settlement of trades. The Sub-Funds will be exposed to fluctuation in the exchange rate between the reference currency of the Sub-Funds and CNY (onshore RMB) or CNH (offshore RMB) in respect of such investments. Investments in PRC securities through QFII and RQFII schemes, the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are also subject to specific risks. Please refer to subsection 4.27 of the Offering Document entitled “Investments in the People’s Republic of China (“**PRC**”)” for further details of risks associated with investments in the PRC (including the relevant PRC tax risk).

Save as described above, there will not be any other changes to the features or risks applicable to the Sub-Funds, or any other changes in the operation and/or manner in which the Sub-Funds are being managed. There will not be any change in the fee level or cost in managing the Sub-Funds following the implementation of the above changes. The above changes will not have any material adverse impact on the rights or interests of the investors of the Sub-Funds.

The costs associated with the above changes, estimated to be approximately USD15,000, will be borne by the Sub-Funds equally.

The current Offering Document of the Sub-Funds is available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited¹, and on our website am.jpmorgan.com/hk². The updated Offering Document reflecting the above changes will be available on or after the Effective Date.

The Management Company of the Sub-Funds 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 Sub-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;
- 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
as Hong Kong Representative of the Fund



Edwin TK Chan
Director

¹ The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

² The website has not been reviewed by the SFC.

Appendix

Changes to the investment policy of **JPMorgan Funds - China Fund** in subsection 3.1 of the Offering Document:

“Investment Policy

At least 67% of the Sub-Fund’s assets (excluding cash and cash equivalents) will be invested in equity securities of companies (including smaller capitalisation companies) that are domiciled in, or carrying out the main part of their economic activity in, the People’s Republic of China.*

The Sub-Fund may invest up to 40% of its net assets in China A-Shares through direct and/or indirect means as follows:

(a) The Sub-Fund may invest up to 20% of its net assets in China A-Shares through direct means such as the QFII and RQFII investment quota granted to the Investment Manager and the China Connect program; and

(b) The Sub-Fund may invest up to 20% of its net assets in China A-Shares through indirect means such as participation notes.

The Investment Manager seeks to assess risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Sub-Fund.

Debt securities, cash and cash equivalents may be held on an ancillary basis.

The Sub-Fund may also invest in UCITS and other UCIs.

The Sub-Fund may invest in assets denominated in any currency and currency exposure may be hedged.

~~The Sub-Fund may invest in China A-Shares through the QFII and RQFII investment quota granted to the Investment Manager and the China Connect Program.~~

~~The Sub-Fund may invest up to 20% of its net assets in participation notes.~~

The Sub-Fund may use financial derivative instruments for the purposes of hedging and efficient portfolio management.#

All of the above investments will be made in accordance with the limits set out in Appendix II – “Investment Restrictions and Powers”.

* ~~The Sub-Fund’s aggregate exposure (direct and indirect) to China A-Shares and B-Shares will be less than 30% of its net assets and should this investment policy change in the future, the SFC’s approval will be sought (if applicable) and the offering document will be updated accordingly.~~

The Sub-Fund invests in financial derivative instruments in a limited extent for investment purpose.”

Changes to the investment policy of **JPMorgan Funds - Greater China Fund** in subsection 3.1 of the Offering Document:

“Investment Policy

At least 67% of the Sub-Fund’s assets (excluding cash and cash equivalents) will be invested in equity securities of companies (including smaller capitalisation companies) that are domiciled in, or carrying out the main part of their economic activity in, a country of Greater China.*

The Sub-Fund may invest up to 40% of its net assets in China A-Shares through direct and/or indirect means as follows:

(a) The Sub-Fund may invest up to 20% of its net assets in China A-Shares through direct means such as the QFII and RQFII investment quota granted to the Investment Manager and the China Connect program; and

(b) The Sub-Fund may invest up to 20% of its net assets in China A-Shares through indirect means such as participation notes.

The Investment Manager seeks to assess risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Sub-Fund.

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重要資料：務請即時細閱本重要函件。閣下如對本函件的內容有任何疑問，應尋求獨立專業意見。

除非另有指明，否則本函件內所載的術語應與摩根基金（「**本基金**」）香港銷售文件所載者具有相同的涵義。

敬啟者：

摩根基金－中國基金／摩根基金－大中華基金（各稱「子基金」及統稱「該等子基金」）

本函件旨在告知閣下有關於該等子基金的以下變更，將由2019年11月25日（「**生效日期**」）起生效。

對中國A股的重大投資

在該等子基金註冊的某一司法管轄區，當地法規此前規定，對於在中國買賣的證券（包括中國A股）的直接投資以各子基金淨資產的10%為限（「**該限制**」）。有鑑於此，該等子基金直接投資於中國A股的能力受到限制；因此，各子基金現時的投資政策只允許子基金在中國A股及B股的總投資（直接及間接）少於其淨資產的30%。

該限制最近已放寬至各子基金淨資產的20%。該等子基金將尋求在符合該等子基金的投資目標下受惠於投資中國A股的靈活性增加。各子基金的投資政策將作出修訂，據此，由生效日期起，各子基金可透過直接及／或間接方式將其淨資產最多40%投資於中國A股（即最多20%直接投資於中國A股及最多20%間接投資於中國A股（包括參與票據等方式））。直接投資方式包括投資經理人獲授的QFII及RQFII投資額度及中華通機制。

對該等子基金的投資政策（如摩根基金（「**本基金**」）香港銷售文件（「**銷售文件**」）第3.1分節所載）作出之修訂的詳情載於本函件隨附的附錄。

鑑於上述變更，該等子基金將在更大程度上承受與投資於中華人民共和國（「**中國**」）相關的風險。於中國之投資須承受新興市場的風險及與中國市場相關的額外風險。於中國之投資可能對法律法規的改變，以及政治、社會或經濟政策（包括政府可能作出干預）的改變敏感。在極端情況下，該等子基金可能因有限的投資能力而招致損失，或因為當地投資限制、中國內地證券市場缺乏流通性，及／或執行及結算交易出現延誤或干擾而未能全面實施或實行其投資目標或策略。該等子基金就該等投資承受該等子基金的參考貨幣兌CNY（境內人民幣）或CNH（境外人民幣）的匯率波動之影響。透過QFII及RQFII計劃、滬港通及深港通投資於中國證券亦須承受特定風險。請參閱銷售文件第4.27分節「於中華人民共和國（「**中國**」）之投資」，了解與投資於中國相關的風險（包括有關中國稅務風險）的進一步詳情。

除上文所載者外，適用於該等子基金的特徵或風險並無任何其他變動，該等子基金的運作及／或管理方式亦無任何其他改變。上述變更落實後，管理該等子基金的費用水平或成本將不會發生任何變動。上述變更將不會對該等子基金的投資者之權利或利益造成任何重大影響。

與上述變更相關的成本估計約為15,000美元，將由該等子基金平分。

閣下可於一般辦公時間內於摩根基金（亞洲）有限公司之註冊辦事處¹，以及瀏覽本公司網頁am.jpmorgan.com/hk²，免費索取該等子基金現行的銷售文件。反映上述變更之經更新銷售文件將於生效日期或之後提供。

該等子基金之管理公司就本函件內容之準確性承擔責任。

如閣下對本函件的內容或該等子基金任何其他方面有任何疑問，請聯絡：

- 閣下的銀行或財務顧問；
- 閣下指定的客戶顧問、客戶經理、退休金計劃受託人或行政管理人；
- 本公司的代理客戶服務熱線（852）2265 1000；
- 本公司的分銷商服務熱線（852）2978 7788；或
- 如閣下通常直接與我們聯絡，請致電摩根基金理財專線（852）2265 1188。

摩根基金（亞洲）有限公司
（本基金之香港代表人）



董事
陳俊祺
謹啟

2019年10月25日

¹ 摩根基金（亞洲）有限公司之註冊辦事處位於香港中環干諾道中8號遮打大廈21樓。

² 此網頁並未經證監會審閱。

附錄

銷售文件第3.1分節所載**摩根基金－中國基金**的投資政策的變更：

「投資政策

子基金之資產（不包括現金及現金等價物）至少67%將投資於在中華人民共和國法律註冊成立或在中華人民共和國從事其大部分經濟活動之公司（包括小型公司）之股票。^{*}

子基金可透過如下直接及／或間接方式將其淨資產最多40%投資於中國A股：

(a) 子基金可透過直接方式（如投資經理人獲授的QFII及RQFII投資額度及中華通機制）將其淨資產最多20%投資於中國A股；及

(b) 子基金可透過間接方式（如參與票據）將其淨資產最多20%投資於中國A股。

投資經理人尋求評估若干環境、社會及管治因素帶來的風險。儘管該等特定風險將獲考慮，但子基金仍可購入及繼續持有存在有關風險的發行人的證券。

債務證券、現金及現金等價物可以輔助投資方式持有。

子基金亦可投資於可轉讓證券集體投資企業及其他集體投資企業。

子基金可投資於任何貨幣之資產及可對沖任何貨幣風險。

~~子基金可透過投資經理人獲授的QFII及RQFII投資額度及中華通機制投資於中國A股。~~

~~子基金可將其淨資產最多20%投資於參與票據。~~

子基金可為對沖目的及有效組合管理投資於金融衍生工具。[#]

所有上述投資將按照附錄二－「投資限制及權力」所載之限制作出。

~~* 子基金在中國A股及B股的總投資（直接及間接）將少於其淨資產的30%。倘此投資政策在日後有任何改變，將尋求證監會的批准（如適用），而銷售文件將相應作出更新。~~

~~# 子基金有限度投資於金融衍生工具作投資目的。」~~

銷售文件第3.1分節所載**摩根基金—大中華基金**的投資政策的變更：

「投資政策

子基金之資產（不包括現金及現金等價物）至少67%將投資於在大中華區國家註冊成立或在大中華區國家從事其大部分經濟活動之公司（包括小型公司）之股票。^{*}

子基金可透過如下直接及／或間接方式將其淨資產最多40%投資於中國A股：

(a) 子基金可透過直接方式（如投資經理人獲授的QFII及RQFII投資額度及中華通機制）將其淨資產最多20%投資於中國A股；及

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投資經理人尋求評估若干環境、社會及管治因素帶來的風險。儘管該等特定風險將獲考慮，但子基金仍可購入及繼續持有存在有關風險的發行人的證券。

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^{*} 子基金在中國A股及B股的總投資（直接及間接）將少於其淨資產的30%。倘此投資政策在日後有任何改變，將尋求證監會的批准（如適用），而銷售文件將相應作出更新。

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