

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.

27 December 2017

Dear Investor,

**JPMorgan Asian Total Return Bond Fund / JPMorgan China Income Fund /
JPMorgan China Pioneer A-Share Fund / JPMorgan Europe High Yield Bond Fund /
JPMorgan Global Bond Fund/ JPMorgan Multi Balanced Fund /
JPMorgan Multi Income Fund (individually, the “Fund” or collectively, the “Funds”)**

We are writing to inform you about the following changes to the Funds which will take effect from and including 1 February 2018 (the “Effective Date”).

(1) Change applicable to JPMorgan Europe High Yield Bond Fund

Termination of the sub-delegation of the investment management role to J.P. Morgan Investment Management Inc.

Due to re-allocation of resources, the discretionary investment management of JPMorgan Europe High Yield Bond Fund will rest with JF Asset Management Limited (being the current Investment Manager of the Fund) and JPMorgan Asset Management (UK) Limited (being one of the current Sub-Managers of the Fund). The sub-delegation of the investment management role of the Fund to J.P. Morgan Investment Management Inc. will be terminated with effect from the Effective Date. Apart from the termination of the sub-delegation to J.P. Morgan Investment Management Inc., there will not be any change to the operation of the Fund and/or the manner in which the Fund is being managed. In addition, there will neither be any material adverse impact on the interests of the unitholders of the Fund, nor any changes to the features and risks applicable to the Fund as a result of this change.

(2) Changes applicable to JPMorgan Asian Total Return Bond Fund, JPMorgan China Income Fund, JPMorgan Global Bond Fund, JPMorgan Multi Balanced Fund and JPMorgan Multi Income Fund

Investment in China interbank bond market (“CIBM”) through the CIBM Initiative and/or Bond Connect

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”).

In July 2017, a new initiative (“Bond Connect”) has also been launched for mutual bond market access between Hong Kong and mainland China, and is established by China Foreign Exchange Trade System & National Interbank Funding Centre, China Central Depository & Clearing Co.,

Ltd, Shanghai Clearing House, together with Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Accordingly, under the prevailing regulations in mainland China, eligible foreign investors are allowed to invest in the bonds traded on the CIBM through northbound trading via Bond Connect (“**Northbound Trading Link**”). There is no investment quota for Northbound Trading Link.

In connection with the launch of the CIBM Initiative and Bond Connect, the investment policy and/or restrictions of the following Funds will be revised/clarified as described below:

JPMorgan Asian Total Return Bond Fund

The investment policy of JPMorgan Asian Total Return Bond Fund will be revised such that the Fund may invest not more than 10% of its total net asset value in Chinese debt securities traded in the CIBM through the CIBM Initiative and/or Bond Connect, and the Fund’s investments in PRC onshore securities (including equity and debt securities) will not be more than 10% of its total net asset value.

JPMorgan China Income Fund

Currently, JPMorgan China Income Fund may invest up to 60% of its non-cash assets in Chinese debt securities issued and/or distributed in or outside the PRC. The Chinese debt securities issued and/or distributed in the PRC are traded on the listed bond markets and/or the CIBM. The investment policy of the Fund will be revised such that the Fund’s means of investing in Chinese debt securities traded in the CIBM include the CIBM Initiative and/or Bond Connect.

JPMorgan Global Bond Fund

The investment policy of JPMorgan Global Bond Fund will be clarified such that the Fund’s investments in PRC onshore securities (including equity and debt securities) may be up to 10% of its total net asset value, and the Fund may invest not more than 10% of its total net asset value in Chinese debt securities traded in the CIBM through Bond Connect.

JPMorgan Multi Balanced Fund

Currently, JPMorgan Multi Balanced Fund may invest not more than 10% of its total net asset value in Chinese debt securities through direct investment in the CIBM. The investment policy and restrictions of the Fund will be revised such that it may invest not more than 10% of its total net asset value in Chinese debt securities traded in the CIBM through the CIBM Initiative and/or Bond Connect. The investment policy of the Fund will be further revised such that the Fund’s investments in PRC onshore securities (including equity and debt securities) will not be more than 10% of its total net asset value.

JPMorgan Multi Income Fund

The investment policy of JPMorgan Multi Income Fund will be revised such that it may invest not more than 10% of its total net asset value in Chinese debt securities traded in the CIBM through the CIBM Initiative and/or Bond Connect, and the Fund’s investments in PRC onshore securities (including equity and debt securities) will not be more than 10% of its total net asset value.

Risks associated with trading on the CIBM through the CIBM Initiative and/or Bond Connect

Please note that investments in Chinese debt securities traded in the CIBM through the CIBM Initiative and/or Bond Connect are subject to risks such as liquidity, volatility, regulatory, PRC tax risk and risks associated with settlement procedures and default of counterparties.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The relevant Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Please refer to the updated risk disclosures in the updated offering document for the risks associated with investments in the CIBM.

(3) Change applicable to JPMorgan China Pioneer A-Share Fund

Change of investment restrictions and guidelines and borrowing policy

Since JPMorgan China Pioneer A-Share Fund is no longer registered for sale in Korea, certain investment restrictions and guidelines and borrowing policy previously required by the relevant Korean regulator will be removed or amended accordingly. Among other things, the investment restrictions and guidelines of the Fund will be amended to provide that the value of the Fund's holding of units or shares in each underlying schemes which are either recognised jurisdiction schemes or schemes authorised by the Securities and Futures Commission (the "SFC") may not exceed 30 per cent. of its total net asset value, unless the underlying scheme is authorised by the SFC, and the name and key investment information of the underlying scheme are disclosed in the explanatory memorandum of the Fund. In addition, the borrowing policy of the Fund will be amended to provide that the Fund may enter into borrowing arrangements for investment purposes or otherwise provided that the aggregate principal amount of borrowing outstanding shall not exceed 25 per cent. of the net asset value of the Fund. Details of all changes are set out in Appendix I attached hereto.

The costs associated with these changes, estimated to be approximately US\$15,385, will be borne by the Funds. Further, the maximum levels and current levels of all fees and charges of the Funds including the initial and redemption charges, annual management fee and trustee fee will remain unchanged and will not in any way be impacted. There will not be any additional fees payable by unitholders as a result of the above changes.

If, as a consequence of the above changes, you wish to redeem or switch your holding in the Funds 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 SFC for sale to the public in Hong Kong, you may do so free of charge² during the waiver period between 27 December 2017 and 31 January 2018. Details of such funds (including the relevant offering documents) can be

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 switching instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.

found on our website www.jpmorganam.com.hk³. 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 current offering document of the Funds is available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁴, and on our website www.jpmorganam.com.hk³. The updated offering document reflecting the changes above will be available on or after the Effective Date.

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

If you have any questions with regard to the contents 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 Hotline on (852) 2978 7788;
- 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

³ The website has not been reviewed by the SFC.

⁴ The registered office of JPMorgan Funds (Asia) Limited is located at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong.

Appendix I

Change of investment restrictions and guidelines and borrowing policy of JPMorgan China Pioneer A-Share Fund

- The investment restrictions and guidelines of the Fund will be amended as follows and the relevant changes are marked-up for your ease of reference:

“The Fund may invest in anything into which a person may invest, subject to the investment restrictions as stipulated in the section entitled “Investment Restrictions and Guidelines” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.

Notwithstanding the above, the following investment restrictions and guidelines are also applicable to the Fund:

- (i) *The aggregate value of the Fund’s holding of securities issued by any single issuer which exceeds 5 per cent. of its total net assets value may not exceed 40 per cent. of the total net asset value of the Fund.*
- (ii) *The value of the Fund’s holding of securities neither listed nor quoted on a market may not exceed 10 per cent. of its total net asset value.*
- (iii) *The value of the Fund’s holding of A-Shares (including instruments which gain an exposure in A-Shares) shall not be less than 70 per cent. of its non-cash assets.*
- (iv) *In addition, the Fund may enter into futures contracts on an unhedged basis provided that the net total aggregate value of contract prices, whether payable to or by the Fund under all outstanding futures contracts may not exceed 20 per cent. of the total net asset value of the Fund.*
- (v) *The Fund may not sell short any securities.*
- (vi) *The Fund may not invest in any type of physical commodities or commodities based investments.*

For the purposes of (vi):

- (a) *“physical commodities” includes gold, silver, platinum or other bullion; and*
- (b) *“commodity based investments” does not include shares in companies engaged in producing, processing or trading in commodities.*
- (vii) *Notwithstanding (xiv), (xix) and (xx) respectively in the section entitled “Investment Restrictions and Guidelines” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds:*
 - (a) *the Fund may invest in one or more underlying schemes which are either recognised jurisdiction schemes or schemes authorised by the SFC. The value of the Fund’s holding of units or shares in each such underlying scheme may not exceed 20 per cent. of its total net asset value;*

~~(b) the Fund may not sell short any securities.~~

~~(c) the The Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.~~

~~(viii) In addition to and without contradicting the investment restrictions and guidelines set out in the section entitled “Investment Restrictions and Guidelines” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds, the following investment restrictions and guidelines shall apply to the Fund (for the avoidance of doubt, the more restrictive investment restrictions and guidelines shall apply):~~

~~(a) the Fund may invest up to 30 per cent. of its total net asset value in Korean Won denominated securities or assets;~~

~~(b) the value of the Fund’s total holdings with any single entity (including, but not limited to, securities, listed and unlisted derivative instruments and deposits) may not exceed 35 per cent. of its total net asset value, however, if such holdings with any single issuer also include over-the-counter derivatives (in addition to securities, listed and unlisted derivative instruments and deposits), such holdings may not exceed 20 per cent. of the Fund’s total net asset value; provided however that the investment restriction in this paragraph (viii)(b) does not affect paragraph (v) in the section entitled “Investment Restrictions and Guidelines” in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds; and~~

~~(c) the Fund’s total risk exposure in respect of over-the-counter derivatives issued by any single counterparty may not exceed 10 per cent. of its total net asset value.~~

~~(ixviii) The Fund may invest up to 100 per cent. of its total net asset value in China A-Shares via the Shanghai-Hong Kong Stock Connect.”~~

- The borrowing and securities lending policy of the Fund will be amended as follows and the relevant changes are marked-up for your ease of reference:

~~“The Fund may enter into borrowing arrangements. Any such borrowing by the Fund shall be temporary and for unavoidable circumstances only, including but not limited to, payment of redemption amounts provided that the aggregate principal amount of borrowing outstanding shall not exceed 10 per cent. of the net asset value of the Fund. The Fund’s assets may be charged or pledged as security for any such borrowings. Back-to-back loans do not count as borrowing. The Fund may borrow money from the Trustee, the Manager or any of their connected persons provided that the lender is permitted to lend money and the interest and any fee is no higher than an arm’s length commercial rate or fee for a loan of the same size and nature.~~

~~For the details of the borrowing and securities lending policy of the Fund, please refer to the sections entitled “Borrowing Policies” and “Securities Lending Policies” respectively in Section A of the Consolidated Explanatory Memoranda of Asia Pacific Equity Funds.”~~