

Addendum dated March 2012 to each of the following Information Memoranda of the respective Funds, as amended from time to time:

- Information Memorandum of the JF Asia Absolute Return Fund dated June 2011
- Information Memorandum of the JF Greater China Absolute Return Fund dated June 2011

(Each an “Information Memorandum”, and collectively the “Information Memoranda”)

The following should be read in conjunction with and forms part of each Information Memorandum, as amended from time to time. All capitalised terms in this Addendum shall have the same meaning as in the corresponding Information Memorandum relating to the respective Fund unless otherwise stated.

Change to the Information Memoranda

- The following paragraph shall be inserted after the first paragraph under the section entitled “12.2 Bases of Valuations” with immediate effect:
“It should be noted that due to the difference of the fund domiciles the valuation points used by the JF funds and JPMorgan series of funds for fair valuation (where applied) may vary. For details please refer to the respective offering document(s).”

Change to the Information Memorandum of the JF Asia Absolute Return Fund dated June 2011

- The fee schedule after the sixth paragraph under the section entitled “9. FEES, CHARGES AND LIABILITIES” shall be deleted in its entirety and replaced by the following with effect from and including 1 December 2011:

“	<i>Rate (per annum)</i>
<i>On the first US\$40,000,000</i>	<i>0.06%</i>
<i>On the next US\$30,000,000</i>	<i>0.04%</i>
<i>On the balance over US\$70,000,000</i>	<i>0.025%”</i>

Change to the Information Memorandum of the JF Greater China Absolute Return Fund dated June 2011

- The fee schedule after the seventh paragraph under the section entitled “9. FEES, CHARGES AND LIABILITIES” shall be deleted in its entirety and replaced by the following with effect from and including 1 December 2011:

“	<i>Rate (per annum)</i>
<i>On the first US\$40,000,000</i>	<i>0.06%</i>
<i>On the next US\$30,000,000</i>	<i>0.04%</i>
<i>On the balance over US\$70,000,000</i>	<i>0.025%”</i>

Addendum dated December 2011 to each of the following Information Memoranda of the respective funds, as amended from time to time:

- **Information Memorandum of the JF Asia Absolute Return Fund dated June 2011**
- **Information Memorandum of the JF Greater China Absolute Return Fund dated June 2011**

(Each an “Information Memorandum”)

The following should be read in conjunction with and forms part of each Information Memorandum, as amended from time to time. All capitalised terms in this Addendum shall have the same meaning as in the corresponding Information Memorandum relating to the respective fund unless otherwise stated.

Please note that all the following changes are applicable only to the Chinese versions of each Information Memorandum. The English versions of each Information Memorandum will remain unchanged.

- Except for the fourth paragraph under the section entitled “7.2 Procedure for Application”, all references to “**摩根富林明基金（亞洲）有限公司**” shall be deleted in their entirety and replaced by “**摩根基金（亞洲）有限公司**”, with immediate effect.
- Reference to “**摩根富林明基金II**” in the fourth paragraph under the section entitled “7.1 Subscription Price” shall be deleted in its entirety and replaced by “**摩根基金II**”, with effect from and including 2 January 2012.
- Reference to “**摩根富林明基金（亞洲）有限公司**” in the fourth paragraph under the section entitled “7.2 Procedure for Application” shall be deleted in its entirety and replaced by “**JPMorgan Funds (Asia) Limited**”, with immediate effect.



JF Greater China Absolute Return Fund

Information Memorandum
June 2011

IMPORTANT INFORMATION

- JF Greater China Absolute Return Fund (the “Fund”) is a hedge fund which invests in equities, debt securities, currencies and derivatives of any of these.
The Fund may have a maximum gross equity exposure of up to 250% of Net Asset Value (“NAV”) and a maximum gross short equity exposure of up to 100% of NAV.
- The Fund uses alternative investment strategies and the risks inherent in this Fund are not typically encountered in traditional funds. Although the Fund aims to achieve absolute performance, there may be circumstances that negative return could be generated. Investors should not interpret the name of the Fund to mean or imply that absolute return in the performance of the Fund is guaranteed.
- The Fund may borrow extensively and invest substantively in derivatives with leverage effect. The use of borrowing and leverage will subject the Fund to higher volatility and the Fund price may go down or up sharply over a short time span. Investors may be subject to losing their entire investment.
- The Fund may gain substantive exposure to a single issuer and may be subject to concentration risk and counterparty risk.
- Given the Fund's monthly dealing procedure, investment into this Fund may bear higher liquidity risk.
- The Fund may invest in emerging markets which may subject the Fund to the relevant liquidity, volatility, repatriation and foreign exchange risk.

Investors are advised to read this Memorandum before subscribing to this Fund. If you are in any doubt about the contents of this Memorandum, please consult your usual financial adviser and obtain professional advice. This Fund undertakes special risks that may lead to a substantial or total loss of capital and there is no guarantee that its investment objective can be achieved. Therefore, investment in this Fund is only suitable for sophisticated investors who can afford the risks. Investors are also advised to consider their own financial circumstances and the suitability of this Fund as part of their investment portfolio.

June 2011

The directors of JPMorgan Funds (Asia) Limited accept responsibility for the accuracy of the information contained in this Memorandum as at the date of publication. The trustee of the Fund, its directors, employees and agents are not responsible for the preparation of this Memorandum and are not liable to any person for any information contained in this Memorandum.

No action has been taken to permit an offering of units in the Fund or the distribution of this Memorandum in any jurisdiction other than in the Hong Kong Special Administrative Region, People's Republic of China ("Hong Kong"). Accordingly, this Memorandum is not an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Fund has not been registered under the US Securities Act of 1933, as amended, (the "Act") or under any similar or analogous provision of law enacted by any jurisdiction in the United States (the "US"). The units may not be offered or sold within the US or sold to any US Person unless the Manager, at its absolute discretion, grants an exception. For this purpose, a US Person is one falling under either the definition under the Act, or under the US Internal Revenue Code ("IR Code") as specified below:

A "US Person" is defined under the IR Code as follows:

1. An individual who is a citizen of the US or a resident alien for US federal income tax purposes. In general, the term "resident alien" is defined for this purpose to include any individual who (i) holds an Alien Registration Card (a "green card") issued by the US Immigration and Naturalization Service or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any calendar year if (i) the individual was present in the US on at least 31 days during such year and (ii) the sum of the number of days in which such individual was present in the US during such year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days;
2. A corporation, an entity taxable as a corporation, or a partnership created or organized in or under the laws of the US or any state or political subdivision thereof or therein, including the District of Columbia (other than a partnership that is not treated as a US person under Treasury Regulations);
3. An estate the income of which is subject to US federal income tax regardless of the source thereof; or
4. A trust with respect to which a court within the US is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of its substantial decisions, or certain electing trusts that were in existence on August 20, 1996 and were treated as domestic trusts on August 19, 1996.

This Memorandum is not available for general distribution in, from or into the United Kingdom because the Fund is an unregulated collective investment scheme whose promotion is restricted by Sections 238 and 240 of the Financial Services and Markets Act 2000. When distributed in, from or into the United Kingdom this Memorandum is only intended for investment professionals, high net worth companies, partnerships, associations or trusts and investment personnel of any of the foregoing (each within the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005), persons outside the European Economic Area receiving it electronically, persons outside the United Kingdom receiving it non-electronically and any other persons to whom it may be communicated lawfully. No other person should act or rely on it. Persons distributing this Memorandum in, from or into the United Kingdom must satisfy themselves that it is lawful to do so.

This Memorandum is not allowed to be distributed to the retail public in Singapore and does not relate to any collective investment scheme which is authorised under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or recognised under Section 287 of the SFA. The Fund is not authorised or recognised by the Monetary Authority of Singapore (the "MAS") and units are not allowed to be offered to the retail public in Singapore. This Memorandum is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you after reviewing this Memorandum.

This Memorandum has not been registered as a prospectus with the MAS. Accordingly, this Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the units may not be circulated or distributed, nor may the units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor, and in accordance with the conditions specified in Section 304 of the SFA; (b) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2) of the SFA, and in accordance with the conditions specified in Section 305 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where units are subscribed or purchased under Section 305 by a relevant person which is:

- (i) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments, and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; and
- (ii) a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments, and each beneficiary of which is an accredited investor,

it shall not transfer (in the case of a corporation) its securities (as defined in Section 293(1) of the SFA), or (in the case of a trust) its beneficiaries' rights and interest, within 6 months after the date of acquisition of the units unless:

- (1) the transfer is made only to an institutional investor or relevant person defined in Section 305(5) of the SFA, or to any person pursuant to an offer referred to in Section 275(1A) of the SFA;
- (2) no consideration is given for the transfer; or
- (3) the transfer is by operation of law.

No invitation may be made to the public in the Cayman Islands to subscribe for units.

Distribution of this Memorandum is not authorised in any jurisdiction unless it is accompanied by a copy of the most recent annual report and audited accounts of the Fund and, if later, the most recent half-yearly report. Such annual report and accounts and half-yearly report (where applicable) will form part of this Memorandum.

Units will be offered on the basis only of the information contained in this Memorandum, such annual accounts and such half-yearly report. Any further information or representations made by any dealer, salesperson or other person must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of any of the foregoing documents nor any offer, issue or sale of units shall, under any circumstances, constitute a representation that the information given in any such document is correct as of any time subsequent to the date of such document.

In this Memorandum, references to “US\$” and “US dollars” are to the United States dollars; references to “HK\$” and “HK dollars” are to the currency of Hong Kong; references to “euros” are to the currency of European Union; references to “Yen” are to the currency of Japan and references to “sterling” and “GBP” are to the currency of the United Kingdom.

Unless otherwise provided herein, words and expressions defined in the trust deed of the Fund shall have the same meaning when used in this Memorandum and words denoting the singular number shall be deemed to include the plural number and vice versa.

If you are in any doubt about the contents of this Memorandum, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other financial adviser. Prospective investors should review this Memorandum carefully and in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal and regulatory requirements within their own countries for the subscription, purchase, holding, conversion, redemption or disposition of units of the Fund; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscription, purchase, holding, conversion, redemption or disposition of units of the Fund; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of units of the Fund; and (iv) any other consequences of such activities.

Contents

	Page
1. MANAGEMENT AND ADMINISTRATION	1
2. INTRODUCTION	1
3. PURPOSE AND POLICIES	2
3.1 Investment Objective	2
3.2 Investment Policy	2
3.3 Risk Factors	3
3.4 Investment Restrictions and Guidelines	6
3.5 Borrowing and Securities Lending Policy	7
3.6 Distribution Policy	7
4. MANAGER AND INVESTMENT MANAGER	8
5. TRUSTEE AND REGISTRAR	8
6. NOTIONAL CLASSES	8
7. SUBSCRIPTIONS	9
7.1 Subscription Price	9
7.2 Procedure for Application	9
7.3 Evidence of Identity	10
8. REDEMPTIONS	10
8.1 Redemption Price	10
8.2 Procedure for Redemption	11
8.3 Suspension of Redemptions	11
9. FEES, CHARGES AND LIABILITIES	11
10. TAXATION	13
10.1 Cayman Islands	13
10.2 Hong Kong	13
10.3 United Kingdom	13
11. REPORTS AND ACCOUNTS	13
12. GENERAL	14
12.1 Publication of Net Asset Value	14
12.2 Bases of Valuations	14
12.3 Trust Deed	14
12.4 Documents Available for Inspection	14
12.5 Cayman Islands Mutual Funds Law (2009 Revision)	14
12.6 Joint Holders	15
12.7 Certificates and Transfers of Units	15
12.8 Cancellation of Units	15
12.9 Notices and Meetings of Unitholders	15
12.10 Duration of the Fund	15
12.11 Complaints and Enquiries Handling	16
12.12 The Trustee and the Manager	16
12.13 Legal and Marketing Names	16
Appendix 1 - Valuation Rules	17

1. MANAGEMENT AND ADMINISTRATION

Manager and Service Provider

JPMorgan Funds (Asia) Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Trustee and Registrar

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman
KY1-1106
Cayman Islands

Investment Manager

JF Asset Management Limited
21st Floor, Chater House
8 Connaught Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
PO Box 258GT
Strathvale House
Grand Cayman
Cayman Islands
British West Indies

2. INTRODUCTION

JF Greater China Absolute Return Fund (the “Fund”) is a unit trust constituted by a Trust Deed dated 20 November 2002, as amended (the “Trust Deed”) governed by the laws of the Cayman Islands. The Fund was authorised as a unit trust by the Securities and Futures Commission (the “SFC”) under the Securities Ordinance of Hong Kong and is now deemed to be authorised as a collective investment scheme under Section 104 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“SFO”) and the Code on Unit Trusts and Mutual Funds (“SFC Code”). SFC authorization is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the 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.

SUMMARY

The Fund is a unit trust formed to provide investors with long-term capital growth in US\$ terms through an aggressively managed portfolio consisting of equities, bonds, currencies and derivatives of any of these. The Fund is managed by JPMorgan Funds (Asia) Limited (the “Manager”), which has delegated investment management of the Fund’s assets to JF Asset Management Limited (the “Investment Manager”). The Trustee of the Fund is HSBC Trustee (Cayman) Limited.

The Fund is valued at the close of business on each dealing day (normally the last day in every month, other than a Saturday or a Sunday, on which banks in Hong Kong are open for normal banking business and on which exchanges or markets on which, in the opinion of the Manager, all or part of the investments of the Fund are quoted, listed or dealt in are open for trading) (“Dealing Day”). Units may be subscribed and redeemed through the Manager. The minimum subscription is US\$50,000 (or its equivalent in another currency) or such other amount as the Manager may from time to time determine. A variable preliminary charge per unit of up to 5 per cent. of the Subscription Price (as defined in Section 7 below), and a redemption charge per unit of up to 0.5 per cent. of the Redemption NAV (as defined in Section 8 below) on the day on which units are redeemed (the

“Redemption Date”), may be made and retained by the Manager. However, the Manager does not currently intend to impose any such redemption charge. The annual management fee is currently 1 per cent. of the net asset value of the Fund (calculated before deduction of any accrued management performance fees (other than those which have accrued and become payable as a result of redemption of units on any previous Dealing Days) in respect of the relevant financial year of the Fund). In addition, the Manager is entitled under the Trust Deed to a management performance fee in certain circumstances (as described below) which will be paid (if at all) out of the assets of the Fund annually within 30 days of the last day of each financial year of the Fund (the “Year-end Date”).

In this connection, all units shall be treated in the same way as all other units issued on the same day and, for convenience only, shall be referred to as units of a particular notional class. In certain circumstances, units of separate notional classes may be regarded as forming part of one notional class. For convenience only, this shall be referred to as the “merging” of notional classes.

A management performance fee will be payable, in any given financial year, in respect of a unit of a particular notional class only if the net asset value per unit of that notional class (calculated before deduction of any accrued management performance fees in respect of the relevant financial year of the Fund attributable to such unit) exceeds the “high water mark” per unit of that notional class, in each case as at the Year-end Date or the Redemption Date (as the case may be). In these circumstances, the management performance fee payable will be an amount equal to 20 per cent. of such excess. Further details in relation to the method of calculating the management performance fee, including the “high water mark”, are contained in Section 9 below entitled “FEES, CHARGES AND LIABILITIES”.

Amounts in respect of the subscription and redemption of units are payable in US\$. However, subscription monies may be paid, and arrangements may be made for redemption monies to be paid, in HK dollars, Japanese Yen, euros or sterling.

The Manager may from time to time suspend the issue of new units in the interests of unitholders if and when the Manager believes that additional inflows into the Fund may dilute performance for existing unitholders. Without limiting the foregoing, the Manager also reserves the right to close the Fund to further subscriptions if at any time the net asset value of the Fund exceeds US\$100 million.

The Fund’s portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the subscription and redemption prices of units and the level of distributions, if any, may go down as well as up. The redemption price may further be affected by fluctuations in value of the underlying investments during the period between the date on which a redemption request is delivered to the Manager and the date on which the redemption price is calculated.

This section contains a summary of information contained elsewhere in this Memorandum and is qualified in its entirety by the more detailed information contained elsewhere in this Memorandum.

3. PURPOSE AND POLICIES

3.1 Investment Objective

The investment objective of the Fund is to provide investors with long-term capital growth in US\$ terms through an aggressively managed portfolio of equities, bonds and currencies, and derivatives of any of these. The Manager will seek to achieve this objective by investing primarily in securities whose performance is linked to the economies of the Mainland China, Hong Kong and Taiwan.

The Fund may, as considered appropriate by the Manager, hold substantial amounts of its portfolio in cash and cash-based instruments.

The investment objective, policy and investment restrictions and guidelines of the Fund may, subject to the approval of the Trustee and/or the SFC (as applicable), vary from time to time when the Manager considers appropriate in the circumstances.

3.2 Investment Policy

The Investment Manager has extensive experience in the Asia-Pacific region with expertise provided by a network of fund managers and analysts in offices across the region. The Investment Manager will apply its knowledge of the region and follow the macro investment strategy by conducting fundamental analysis to qualitatively examine macro events such as trade policies, political events, interest rate movements and monetary and fiscal policies to determine the relative values of various equity, bond and currency assets and derivatives of any of these. The Investment Manager may take long and/or short investment positions when and as it sees fit, and with or without leverage provided that they are within the boundaries of the stated investment restrictions. The Investment Manager may create leverage by borrowing or, for the purpose of enhancing the efficiency of the portfolio, by investing in financial derivatives including, but not limited to, futures, forward contracts, swaps and options.

In order to deliver performance in US\$ terms, the Investment Manager will actively manage the portfolio’s currency exposure and may enter into currency contracts, including but not limited to currency options, futures and forward contracts.

Portfolio Benchmark of the Fund

The Fund is an “absolute return fund” i.e. the performance of the Fund is measured on an absolute return basis and not by reference to a pre-selected benchmark such as a stock or bond market index. In other words, the portfolio of the Fund will not be constructed by reference to a benchmark of any particular stock or bond market indices. The Investment Manager will employ a combination of top-down and bottom-up strategies to determine the holdings of the Fund in order to maximise performance. Although the Fund aims to achieve absolute performance, there may be circumstances that negative return could be generated. Investors should not interpret the name of the Fund to mean or imply that absolute return in the performance of the Fund is guaranteed.

Definition of Risk

A unit trust that is benchmarked against a particular stock or bond market index typically defines risk as deviation from the mix of securities that constitute the benchmark. As an “absolute return fund”, risk for the Fund is defined as the possibility of the loss of capital.

3.3 Risk Factors

Investment in the Fund is suitable only for sophisticated investors who fully understand and are capable of assuming the risks of investment in the Fund. There is no certainty or guarantee that the investment objective of the Fund will be achieved. The performance of the Fund will be affected by a number of risk factors, including the following:

- (i) Political, economic and social risks - All financial markets may at times be adversely affected by changes in political, economic and social conditions.
- (ii) Market risk - The Fund's investments are subject to the risks inherent in all investments in securities i.e. the value of holdings may fall as well as rise. In particular, bond prices are sensitive to interest rate movements. Investors are warned that the price of warrants and other derivatives, such as index futures and options, may fall in value as rapidly as they may rise and it may not always be possible to dispose of warrants or liquidate the Fund's positions in the relevant derivatives contracts during such falls. Since emerging markets tend to be more volatile than developed markets, any holdings in emerging markets are exposed to higher levels of market risks.
- (iii) Equity risk - Equity markets may fluctuate significantly with prices rising and falling sharply, and this will have a direct impact on the Fund's net asset value. When equity markets are extremely volatile, the Fund's net asset value may fluctuate substantially.
- (iv) Currency risk - The Fund is denominated in US\$. The assets in which it is invested and the income from them will or may be quoted in other currencies. The performance of the Fund will therefore be affected by movements in the exchange rates between the currencies in which the assets are held and the US\$. Since the Manager and the Investment Manager aim to maximise returns in US\$ terms, investors whose base currency is not the US\$ (or not in a currency linked to US\$) may be exposed to additional currency risk. The performance of the Fund may also be affected by changes in exchange control regulations.
- (v) Interest rates risk - Interest rates in the countries in which the Fund's assets will be invested may be subject to fluctuation. Any such fluctuations in interest rates may have a direct effect on the income received by the Fund and its capital value. Bonds are particularly susceptible to interest rate changes and may experience significant price volatility. The prices of bonds generally increase when interest rates decline and decrease when interest rates rise. Longer term bonds are usually more sensitive to interest rate changes.
- (vi) Hedging risk - The Manager and the Investment Manager are permitted, but not obliged, to use hedging techniques to attempt to offset market and currency risks. There is no guarantee that hedging techniques will achieve the desired result.
- (vii) Derivatives risk - Participation in warrants, futures, options and forward contracts involves potential investment returns which the Fund would not receive, and risks of a type, level or nature to which the Fund would not be subject, in the absence of using these instruments. If the direction of movement of the securities or money markets is for or against the prediction of the Manager and the Investment Manager, the Fund may be placed in a position which is better or worse than that in which it would have been if these instruments had not been used.

Equity Warrants - An equity warrant generally allows an investor the right to subscribe for a fixed number of ordinary shares at a pre-determined price on a future date or during a fixed period of time. Since the price of the warrant is normally substantially less than the price of the share itself, an increase in the share price will generally cause the value of the warrant to increase at a greater rate. On the other hand, a fall in the share price may cause the warrant to become valueless. The use of warrants by the Fund will, therefore, usually mean that the net asset value of the Fund will increase or decrease at a greater rate than would have been the case if the relevant investment had actually been made in the shares underlying the relevant warrants.

Futures - Owing to the low margin deposits normally required in index and stock futures contracts, a high degree of leverage is typical of a futures trading account. As a result, a small price movement in index and stock futures contract may result in relatively large losses or profits to the Fund. The position of the Fund in such transactions may not be capable of being closed out in certain circumstances.

Options - The Fund may engage in the use of call and put options. There are risks associated with the sale and purchase of call and put options. The buyer of a call or put options assumes the risk of losing his entire investment in the options. If the buyer of the call/(put) option shorts/(holds) the underlying security, the loss on the call/(put) option will be offset in whole or in part by any gain on the underlying security. The seller of a call/(put) option which is covered (e.g. the seller has a long/(short) position in the underlying security) assumes the risk of a decrease/(an increase) in the market price of the underlying security below/(above) the purchase/(sales) price (in establishing the long/(short) position) of the underlying security, less the premium received, and gives up the opportunity for gain on the underlying security above/(below) the exercise price of the option. The seller of the call/(put) option which is uncovered assumes the risk of an increase/(a decrease) in the market price of the underlying security above/(below) the exercise price of the option, less the premium received.

A call or put option on index futures contracts gives the investor the right to buy or sell respectively an index futures contract at a pre-determined level on a future date or during a fixed period of time. Since the cost of the option is normally substantially less than

the cost of the index futures contract itself, an increase in the value of the index futures contract will generally cause the value of the call option to increase at a greater rate and may cause the put option to become valueless. On the other hand, a fall in the value of the index futures contract will generally cause the value of the put option to increase at a greater rate and may cause the call option to become valueless. The use of call and put options on index futures contracts by the Fund will, therefore, usually mean that the net asset value of the Fund will increase or decrease at a greater rate than would have been the case if the relevant investment had actually been made in the index futures contract underlying the relevant option.

Forward contracts - The Fund may enter into forward contracts which are not traded on exchanges and are generally not regulated. There are no limitations on a daily price movement of forward contracts. Banks and other dealers with whom the Fund may maintain accounts may require the Fund to deposit margin with respect to such trading, although margin requirements are often minimal or nonexistent. The Fund's counterparties are not required to continue to make markets in such contracts. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Manager or the Investment Manager would otherwise recommend, to the possible detriment of the Fund.

Currency futures and forward contracts are contractual obligations between two parties to purchase or sell a specific quantity of one currency in exchange for the sale or purchase of a specific quantity of a second currency at a stated time in the future. The Fund may enter into such transactions for the purposes of hedging against changes in a country's currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the reference currency of the Fund. The precise matching of the contract amounts and the value of the portfolio securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements between the date on which the futures or forward contract is entered into and the date on which it matures. Therefore, no assurance can be given that any such currency hedging techniques will be successful. The Fund may also enter into such transactions for speculative purposes. Owing to the low margin deposits normally required, a small price movement in currency futures and forward contract may result in relatively large losses or profits to the Fund.

- (viii) Short selling - The Fund may sell securities of an issuer short in the expectation of "covering" the short sale with securities purchased in the open market at a price lower than that received in the short sale. If the price of the relevant issuer's securities declines, the Fund may then cover the short position with securities purchased in the market. The profit realised on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale. The possible losses to the Fund from selling short a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited due to the lack of an upper limit on the price to which a security may rise, whereas the latter can only equal the total amount of the cash investment.
- (ix) Leverage risk - The Fund may borrow funds (up to 200 per cent. of its net assets) and employ financial instruments and techniques with an embedded leverage effect. The borrowing of funds and use of leverage will magnify increases or decreases in the net asset value of the Fund. No assurance can be given that secured or unsecured financing will be available on terms that the Manager and the Investment Manager consider acceptable, nor that the use of leveraged financial instruments and techniques will not generate losses in excess of the amount invested or committed.
- (x) Diversification risk - The Fund is highly specialised. Although its portfolio is well diversified in terms of the number of holdings, investors should be aware that the Fund is likely to be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the countries in which it invests.
- (xi) Emerging markets risk - Accounting, auditing and financial reporting standards in some of the emerging markets in which the 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 affect adversely the economies of emerging markets or the value of the 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 Manager's and the Investment Manager's ability to realise some or all of the portfolio.

- (xii) Low level of monitoring risk - The legal and regulatory frameworks of many of the emerging markets are still in the development stage compared to many of the world's leading stock markets, and accordingly there may be a lower level of regulatory monitoring of the activities of such securities markets.

- (xii) Payment of distributions out of capital risk - 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. Investors should note that the payment of distributions out of capital represents a withdrawal of part of the amount they originally invested and may result in an immediate decrease in the value of units.
- (xiv) Legal, tax and regulatory risk - Legal, tax and regulatory changes could occur during the term of the Fund which may adversely affect it. If any of the laws and regulations currently in effect should change or any new laws or regulations should be enacted, the legal requirements to which the Fund and the investors may be subject could differ materially from current requirements and may materially and adversely affect the Fund and the investors.
- (xv) Liquidity risk - The Fund may invest in instruments where the volume of transactions may fluctuate significantly depending on market sentiment. There is a risk that investments made by the Fund may become less liquid in response to market developments or adverse investor perceptions. In extreme market situations, there may be no willing buyer and the investments cannot be readily sold at the desired time or price, and the Fund may have to accept a lower price to sell the investments or may not be able to sell the investments at all. An inability to sell a portfolio position can adversely affect the Fund's value or prevent the Fund from being able to take advantage of other investment opportunities.

Liquidity risk also includes the risk that the Fund will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, the Fund may be forced to sell investments, at an unfavorable time and/or conditions.

Investment in fixed income securities, small and mid-capitalization stocks and emerging country issuers will be especially subject to the risk that during certain periods, the liquidity of particular issuers or industries, or all securities within a particular investment category, will shrink or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse investor perceptions whether or not accurate.

- (xvi) Personnel risk - The Fund relies on certain key personnel in investment decision-making to a greater extent than ordinary unit trusts. The loss of key personnel may therefore have a more serious impact on the management of the Fund than otherwise. Nevertheless, the Investment Manager will utilise a team management approach to minimise this risk.
- (xvii) Valuation risk - Securities purchased by the Fund, particularly debt securities, that are liquid at the time of purchase may subsequently become illiquid due to events relating to the issuer of the securities, markets events, economic conditions, investor perceptions, legislation or regulatory sanctions. Domestic and foreign markets are becoming more and more complex and interrelated, such that events in one sector of the market or the economy, or in one geographical region, can reverberate and have negative consequences for other markets, economic or regional sectors in a manner that may not be reasonably foreseen.

In cases where no clear indication of the value of the Fund's portfolio instruments is available, the portfolio instruments will be valued at their fair value according to the valuation procedures approved by the Trustee. These cases include, among others, situations where it would be inaccurate to rely on the valuations provided by the secondary markets on which a security has previously been traded because these secondary markets are no longer viable for lack of liquidity.

In addition, market volatility may result in a discrepancy between the latest available offer and bid prices for the Fund and the fair value of the Fund's net asset value. Certain investors might seek to exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with the prior consent of the Trustee, adjust the net asset value of the Fund or unit thereof, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. It should be noted that the bases of valuations adopted by the Fund may not be the same as the accounting principles generally accepted in Hong Kong.

- (xviii) Volatility risk - The value of the Fund's underlying investments will be affected by economic, political, market, and issuer specific changes. Such changes may adversely affect the value of the Fund's underlying investments. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Fund's value could be volatile and are often exacerbated in the short-term as well.
- (xix) Counterparty risk - The Fund may invest in different instruments in accordance with the objectives of the Fund and as permitted by the investment restrictions. If the counterparties of these underlying investments default, the Fund could suffer substantial losses. Such risks include, but are not limited to, the following:

Cash and deposits - The Fund may hold cash and deposits in banks or other deposit-taking companies which might not be subject to regulatory or government full or partial protection, and might suffer a significant or even total loss in the event of bankruptcy of the banks or deposit-taking companies.

Depository receipts - Investment into a given country may be made via direct investments into that market or by depository receipts traded on other international exchanges in order to benefit from increased liquidity in a particular security and other advantages. Investments in depository receipts may be subject to counterparty risk, in which a significant or even total loss might be suffered in the event of the liquidation of the depository or custodian bank.

Credit risk - If the issuer of any of the securities in which the Fund's assets are invested defaults, the performance of the Fund will be adversely affected. For fixed income securities, a default on interest or principal may adversely impact the performance of the Fund.

Risks related to debt securities - The Fund may invest in, but are not limited to debt securities. There is no assurance that losses will not occur with respect to investment in debt securities. Factors that may affect the value of the Fund's debt securities holdings include: (i) changes in interest rates and (ii) the credit worthiness of the issuers of the debt securities held by the Fund.

Settlement risk - Settlement procedures in emerging countries are frequently less developed and less reliable and may involve the Fund's delivery of securities before receipt of payment for their sale. In addition, significant delays may occur in certain markets in registering the transfer of securities. Settlement or registration problems may make it more difficult for the Fund to value its portfolio securities and could cause the Fund to miss attractive investment opportunities, or to have a portion of their assets uninvested, or to incur losses due to the failure of a counterparty to pay for securities the Fund have delivered, or the Fund's inability to complete its contractual obligations because of theft or other reasons. As a result, the creditworthiness of the local securities firms used by the Fund in emerging countries may not be as sound as the creditworthiness of firms used in more developed countries. The Fund may be subject to a risk of loss if a securities firm defaults in the performance of its responsibilities.

- (xx) Early termination risk - The Fund is subject to the risk of early termination under certain circumstances as specified under Section 12.10 "Duration of the Fund". The amount distributed to investors upon termination may be less than investors' initial investments. Thus, investors may be exposed to losses in their investments.
- (xxi) US Tax Withholding under the Foreign Account Tax Compliance Act - The Fund may invest in the US. Certain payments of (or attributable to) US-source income and the proceeds of sales of property that give rise to US-source interest and dividends paid to the Fund after December 31, 2012 will be subject to 30% withholding unless the Fund enters into an agreement with the Secretary of the Treasury under which the entity agrees to certain reporting and withholding requirements. However, the form of the agreement has not been provided by the Internal Revenue Service (the "IRS") or the Treasury Department. Any amounts withheld may not be refundable by the IRS. Potential investors should consult their advisors regarding the application of the withholding rules and the information that may be required to be provided and disclosed in connection with any such agreement. The application of the withholding rules and the information that may be required to be reported and disclosed are uncertain and subject to change.

In view of the above, investment in the Fund should be regarded as **high risk** and long term in nature. The Fund is, therefore, only suitable for sophisticated investors who can afford the risks involved.

Risk Control Mechanism

The analysis of risk, whether it be economic risk, market risk, currency risk, liquidity risk, etc. is assessed at all stages of the stock selection process and is an integral part of the investment process.

Multiple levels of reviews and well-defined procedures are followed pre and post trading to ensure compliance with the applicable guidelines and restrictions: -

- (a) The portfolio manager is required to strictly adhere to a disciplined investment process, and to ensure that portfolios are managed in accordance with the Fund's investment objectives and risk tolerance embodied in the Investment Restrictions and Guidelines.
- (b) A risk management team, with an independent reporting line from the portfolio manager, is responsible to ensure that procedures are well documented and that policies and procedures are adhered with. The team also ensures that any breaches of the Investment Restrictions and Guidelines are properly identified on a timely basis and rectified in accordance with the established policies and procedures.
- (c) The key duties and functions of the portfolio manager and valuing agent are appropriately segregated. Front office functions (including portfolio management, marketing, dealing in collective investment schemes, and placing orders to deal with brokers) are physically separated from back office functions (including settling trades, accounting and reconciliation, valuing client portfolios and reporting to clients) and will be carried out by staff of different reporting lines to ensure absolute functional independence.

3.4 Investment Restrictions and Guidelines

The Fund may invest in anything into which a person may invest, subject to the following restrictions and other restrictions, if any, imposed by the SFC from time to time.

The following investment restrictions and guidelines shall apply to the Fund by reference (where applicable) to its net asset value as shown by the immediately preceding valuation: -

- (a) The Fund may not invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts).
- (b) 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 without the prior written consent of the Trustee.
- (c) At the date of acquisition of any non-cash asset, not less than 70 per cent. of all the Fund's non-cash assets shall comprise securities whose performance is linked to the economies of the Mainland China, Hong Kong and Taiwan.

- (d) The Fund's net exposure in relation to any one company at the date of acquisition by the Fund of an investment may not exceed 20 per cent. of its total net asset value.
- (e) The Fund's net exposure in ordinary shares or stocks which are neither listed nor quoted on a market at the date of acquisition by the Fund of the relevant shares or stocks may not exceed 20 per cent. of the Fund's total net asset value.
- (f) Notwithstanding (d) and (e) where direct investment in a market is not in the best interests of investors, the Fund may invest through a special purpose vehicle established solely for the purpose of making direct investments in such market. In such circumstances, the underlying investments of the special purpose vehicle, together with the direct investments made by the Fund, must in aggregate comply with the requirements of these investment restrictions and guidelines. The Manager has no present intention to make use of such a special purpose vehicle.
- (g) The Fund may enter into currency futures contracts and currency forward contracts for hedging purposes. In addition, the Fund may enter into currency futures contracts and currency forward contracts on an unhedged basis provided that the gross total exposure in terms of the value (on a marked-to-market basis) of such contracts at the date of entering into the relevant contract may not exceed 400 per cent. of the total net asset value of the Fund.
- (h) No short sale may be made which will result in the Fund having a liability at the date of sale by the Fund to deliver securities the value of which exceeds 100 per cent. of its total net asset value.
- (i) The Fund may enter into index and stock futures contracts provided that the gross total exposure in terms of the value (on a marked-to-market basis) of such contracts at the date of entering into the relevant contract may not exceed 250 per cent. of the total net asset value of the Fund.
- (j) The Fund's exposure in terms of the value of shares or stocks acquired by the Fund (excluding, for the avoidance of doubt, exposure through financial futures contracts, options and warrants and any other structured products) shall not at the time of acquisition exceed 200 per cent. of the total net asset value of the Fund.
- (k) The Fund's total exposure in index futures, stock futures, currency forwards, currency futures, cash borrowings and options written that are not covered at the date of making any such investment or borrowing may not exceed 500 per cent. of the total net asset value of the Fund.
- (l) The Fund's total exposure in index warrants, stock warrants and long options measured in terms of the lower of the market value and the acquisition price of such instruments shall not exceed 200 per cent. of the total net asset value of the Fund.

The above investment restrictions may be varied from time to time subject to the approval of the Trustee and the SFC where required and provided the changes do not materially prejudice unitholders' interests.

The Fund may invest in other collective investment schemes managed by the Manager or any of its connected persons provided that there shall be no increase in the overall total of any costs and charges payable to the Manager or any of its connected persons by the Fund. The Fund may also place cash on deposit with the Trustee, the Manager, the Investment Manager or any of their connected persons provided that such person is permitted to accept deposits and the interest rate paid to the Fund is no lower than an arm's length commercial rate for deposits of the same size and nature as the deposit in question.

Where a breach of any of the above investment limits occurs, the Manager and the Investment Manager will as a priority objective within a reasonable period of time take all steps as are necessary to remedy the situation taking due account of the interests of unitholders.

3.5 Borrowing and Securities Lending Policy

The Fund may enter into borrowing arrangements for investment purposes or otherwise provided that the aggregate principal amount of borrowing outstanding shall not exceed 200 per cent. of the net asset value of the Fund at the time the borrowing is made. 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. It is the intention of the Manager that borrowings may be undertaken from time to time with a view to enhancing the capital performance of the Fund.

Although the Trust Deed contains provisions which allow the Manager to, on behalf of the Fund, enter into securities lending arrangements, repurchase agreements or reverse repurchase agreements, the Manager does not currently intend to enter into such arrangements and/or agreements. Should the Manager decide to enter into these arrangements and/or agreements, this Memorandum will be amended and unitholders will be provided with not less than one month's (or such other period as the SFC may require) prior written notification in respect of such amendment.

3.6 Distribution Policy

The investments of the Fund will yield little (if any) income. It is therefore expected that, after meeting fees and expenses, the net investment income (if any) of the Fund will not be sufficient to make a distribution.

Although the Trust Deed contains provisions under which the Manager has the discretion to distribute net realised capital gains, it is not the present intention of the Manager that any such distribution will be made.

4. MANAGER AND INVESTMENT MANAGER

JPMorgan Funds (Asia) Limited, the Manager of the Fund, is incorporated with limited liability under the laws of Hong Kong.

Day-to-day investment management of the Fund has been delegated to the Investment Manager, JF Asset Management Limited, a company incorporated with limited liability in Hong Kong.

The Manager and the Investment Manager may provide services to, or effect transactions with or for, the Fund which may involve an actual or potential conflict of interest with their duties to the Fund. Each of them will, however, have regard in such event to its obligations to act in the best interests of unitholders when such conflicts of interest arise and will seek to resolve such conflicts fairly.

5. TRUSTEE AND REGISTRAR

The Trustee is HSBC Trustee (Cayman) Limited, an exempted company incorporated in the Cayman Islands. It is licensed as an unrestricted trust company under the Banks and Trust Companies Law (Revised) of the Cayman Islands, as well as being licensed as a mutual fund administrator under the Mutual Funds Law (Revised). Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Fund's investments.

HSBC Trustee (Cayman) Limited is also the registrar of the Fund ("Registrar") and is responsible for keeping the register of unitholders.

HSBC Trustee (Cayman) Limited is an indirect wholly owned subsidiary of HSBC Holding plc, a public company incorporated in England and Wales. The HSBC Group has adopted a policy of compliance with the sanctions issued by The Office of Foreign Assets Control of the US Department of the Treasury.

In the event of a conflict of interest arising between the interests of the Fund and the interests of the operations of the Manager and/or the Investment Manager, such conflict will be resolved by the Trustee in the best interests of the Fund and unitholders.

6. NOTIONAL CLASSES

For the purpose only of calculating the net asset value of individual units and, consequently, the amount payable to unitholders upon redemption of their units and the amount of the management performance fee payable in respect of individual units: -

- (i) each unit shall be treated in the same way as all other units issued on the same Dealing Day and, for convenience only, shall be referred to as units of "Notional Class (relevant year numerically) (relevant month numerically)". For example, units issued on the Dealing Day of December 2002 shall be referred to as units of "Notional Class 0212", units issued on the Dealing Day of January 2003 shall be referred to as units of "Notional Class 0301", and so on; and
- (ii) in certain circumstances, units of separate notional classes may be regarded as forming part of one notional class (see below) and, for convenience only, this shall be referred to as the "merging" of notional classes. If two notional classes are "merged", the units of those two notional classes will be regarded as units of a single notional class. A "merging" of separate notional classes will normally occur where, as at a Year-end Date, a management performance fee becomes payable by each of such notional classes, and will occur at such other times as the Manager may consider appropriate provided that consent has been obtained from the Trustee and both the Manager and the Trustee have taken into account the interests of unitholders.

Accordingly, prior to the "merging" of different notional classes, the units of one notional class may have a net asset value which is different from the net asset value of the units of another notional class. Immediately upon any "merging" of a notional class (the "Collapsed Notional Class") into another notional class (the "Earlier Notional Class"), the net asset value of all units of the "merged" notional class will be identical and, thereafter, unitholders of any Collapsed Notional Class will be issued with a notification showing the number of units they hold in the "merged" notional class.

In the event that immediately prior to any "merging" of separate notional classes (the "Relevant Time"), the net asset value per unit of any Collapsed Notional Class is different from the net asset value per unit of the Earlier Notional Class, the number of units held by unitholders of any such Collapsed Notional Class at the Relevant Time will, immediately after the Relevant Time, be adjusted to ensure that the total value of any such unitholders' holding of units remains unchanged as a result of the "merging" of the notional classes (rounded in number of Units in the Earlier Notional Class to 3 decimal places, with 0.0005 being rounded up).

The categorisation of units into notional classes is designed to ensure that the management performance fee payable by each unitholder accurately reflects any gain in which the unitholder has participated and that no unitholder subsidises any other unitholder in relation to the payment of the management performance fee by reason of unitholders subscribing for units at different times.

As stated above, units will be categorised into notional classes only for the purposes of calculating their respective net asset values (and, consequently, the amount payable to a unitholder upon redemption of his units and the amount of the management performance fee payable in respect of individual units). In all other respects, all units in the Fund are identical and rank *pari passu* inter se.

The net asset value of a particular notional class of units will, as at the Dealing Day on which those units are issued, be equal to the Subscription Price (as defined in Section 7 below) per unit for such units multiplied by the number of units of that particular notional class which are issued on that particular Dealing Day. When a new notional class of units ("New Notional Class Units") is issued, the net asset value of the New Notional Class Units immediately after they are issued will be calculated by reference to the proportion of the total net asset value of the Trust Fund which the net asset value of the New Notional Class Units bears to the aggregate net asset values of all the notional classes of units then in issue (in each case calculated as at the time immediately after the New Notional Class Units are issued). The net asset value of a unit of a particular notional class may therefore be different from the net asset value of a unit of another notional class.

7. SUBSCRIPTIONS

The Manager has an absolute discretion to accept or reject in whole or in part any application for units.

7.1 Subscription Price

The Fund is denominated in US\$ and the subscription price will be expressed in US\$. Units will normally be issued on every Dealing Day in respect of which applications for units are duly received by the Manager. Applications in respect of applicants who have applied for units will only be effected after the Manager has received confirmation from its bankers that cleared purchase funds have been received. In order for units to be issued on any particular Dealing Day, an application and confirmation of receipt of cleared purchase funds shall be received by the Manager not later than 6:00 p.m. (Hong Kong time) on that Dealing Day or by such other time as may be agreed by the Manager. Applications and cleared purchase funds received after that time will normally be considered on the immediately following Dealing Day.

Units may not be issued or redeemed by the Manager during any period when the right of unitholders to redeem their units is suspended. Applicants who have applied for units will be notified of any such suspension, and, unless withdrawn, their applications will be considered on the first Dealing Day after the suspension is lifted, or returned to the applicant. Without limiting the foregoing, the Manager also reserves the right to close the Fund to further subscriptions if at any time the net asset value of the Fund exceeds US\$100 million.

Units will be issued on any Dealing Day at a fixed price of US\$10 per unit (the "Subscription Price"). The Manager may levy a preliminary charge per unit of up to 5 per cent. of the Subscription Price which is payable by applicants in addition to the Subscription Price. The preliminary charge and any rounding adjustment will be retained by the Manager, and may be reimbursed in whole or part to any agent or intermediary through whom an application is received. The Manager is also entitled to charge an appropriate provision per unit (not exceeding 1 per cent. of the Subscription Price) for fiscal and purchase charges (which would be payable by applicants in addition to the Subscription Price and would be retained by the Fund for its own account). However, the Manager does not currently intend to levy such fiscal and purchase charges in normal circumstances.

Where a unitholder wishes to subscribe for units by switching from another fund managed by the Manager or in respect of which the Manager acts as Hong Kong representative, a reduced preliminary charge per unit of 1 per cent. of the Subscription Price may be charged (other than switching from JF Money Fund or any classes of shares of the JPMorgan Series II Funds in which case the full preliminary charges will normally be charged), unless other arrangements have been made with the Manager.

Any switching orders to invest in units of the Fund from another fund managed by the Manager or in respect of which the Manager acts as Hong Kong representative are generally effected on a cleared funds basis upon completion of the redemption orders. For switching orders to invest in units of the Fund from another JF absolute return fund where the dealing day for that other JF absolute return fund is earlier than or falls on the Dealing Day of the Fund in a particular month, the subscription order into the Fund and the redemption order from such JF absolute return fund will be executed on their respective dealing day(s) in the same month. However, for switching orders to invest in units of the Fund from another JF absolute return fund where the dealing day for that other JF absolute return fund is later than the Dealing Day of the Fund in a particular month, the redemption order from such JF absolute return fund will be executed on the dealing day of such JF absolute return fund in that month while the subscription order into the Fund will be executed on the Dealing Day of the Fund in the subsequent month.

The number of units issued to applicants will be the total subscription monies divided by the sum of the Subscription Price and any preliminary charges and fiscal and purchase charges per unit (after any rounding adjustment). Units will be issued in fractions calculated to 3 decimal places. Subscription monies representing smaller fractions of a unit will be retained by the Manager.

As explained in Section 6 above, units issued to applicants on the same Dealing Day will represent a separate notional class of units.

7.2 Procedure for Application

Units may be purchased by completing an application form. All applications should be sent to the Manager. In addition, the Manager may accept applications made over the telephone, subject to certain conditions. No application should be lodged with any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 regulated activity (dealing in securities) under Part V of the SFO of the Laws of Hong Kong or who does not fall within the statutory or other applicable exemption from the requirement to be licensed or registered to carry on Type 1 regulated activity (dealing in securities) under Part V of the SFO.

A contract note will be sent to successful applicants. Payment shall be due on application, unless the Manager from time to time determines otherwise in the case of any particular unitholder. Any units issued will be registered in the name of the relevant unitholders in the Register kept by the Registrar.

The total subscription price will be expressed in US\$. Alternative arrangements can be made for unitholders who wish to subscribe in HK dollars, Japanese Yen, euros or sterling. Unitholders are advised to contact the Manager if they wish to pay in any currency other than US\$. In such cases, the Manager will charge the applicant the costs of conversion into US\$, which may or may not be at the prevailing spot or forward rate as determined on the business day following the Dealing Day, depending on the manner and currency of payment.

Payment should be made by cheque payable to "JPMorgan Funds (Asia) Limited" and crossed "A/C Payee Only, Not Negotiable" or by telegraphic/bank transfer, in which case the subscription amount should be transferred net of any bank charges (i.e. the applicant is required to pay any bank or other administrative charges). A copy of the telegraphic/bank transfer request, duly receipted by the remitting bank, should accompany the application form.

Third party cheques and cash are not accepted.

For Hong Kong investors, the minimum subscription is US\$50,000 (or its equivalent in another currency) or such other higher amount as the Manager may from time to time determine. However, the Manager may from time to time and at its absolute discretion set a different minimum subscription amount in respect of any non-Hong Kong investor.

7.3 Evidence of Identity

In order to ensure compliance with any law, guidelines or regulations which may be applicable relating to the prevention of money laundering, applicants will be required to provide evidence of identity and, in the case of corporate applicants, of legal existence and corporate authority. Where an applicant is acting on behalf of another person, evidence of the identity of the underlying principal, or confirmation by the applicant that evidence as to the identity of the underlying principal has been obtained and that the applicant is satisfied as to the source of funds, will be required. Where an applicant fails to provide such evidence or confirmation on request, the application will be rejected.

The Trustee, the Manager and their delegates also reserve the right to refuse to make any redemption payment to a unitholder if the Trustee, the Manager or their delegates suspect or are advised that the payment of redemption proceeds to such unitholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure the compliance by the Trustee, the Manager and their delegates with any such laws or regulations in any applicable jurisdiction.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law 2008 of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher pursuant to the Terrorism Law (2009 Revision) of the Cayman Islands if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment of otherwise.

8. REDEMPTIONS

8.1 Redemption Price

Subject as mentioned below, unitholders may redeem their units on any Dealing Day. In order for units to be redeemed on a particular Dealing Day, a redemption request must be received by the Manager not later than 6:00 p.m. (Hong Kong time) on the seventh day of the calendar month in which the Dealing Day, upon which the redemption is intended to occur (the "Intended Redemption Date"), falls or by such other time as may be agreed between the Manager and the Trustee from time to time. Redemption requests received after that time will be dealt with on the Dealing Day immediately following the Intended Redemption Date.

The price at which a unit will be redeemed (and, therefore, the amount payable to a unitholder in respect of the unit being redeemed) will be calculated by reference to the net asset value of the unit being redeemed. For this purpose, the net asset value of the unit being redeemed is calculated by dividing the gross asset value of the notional class of the unit being redeemed less the liabilities of that notional class (in each case, as at the close of business on the Redemption Date) by the total number of units of that notional class in issue at the close of business on the immediately preceding Dealing Day (as adjusted following any prior "merging" of notional classes) (the "Redemption NAV"). For the avoidance of doubt, the Redemption NAV will be a net figure calculated after the deduction of such portion of the management performance fee (if any) as is attributable to the unit being redeemed. This will be calculated and paid in the manner described in Section 9 below entitled "FEES, CHARGES AND LIABILITIES". No unitholder will be subject to additional management performance fee in respect of any units being held by him (other than that required under Section 9) as a result of the redemption of unit on any Dealing Day by any other unitholders.

A redemption charge of up to 0.5 per cent. of the Redemption NAV of the relevant units on the Redemption Date may be deducted from the amount payable to the relevant unitholder. The redemption charge will be retained by the Manager for its own account. However, the Manager does not currently intend to levy any such redemption charge in normal circumstances.

The Manager is also entitled to charge on behalf of the Fund an appropriate premium (not exceeding 1 per cent. of the Redemption NAV of the relevant units on the Redemption Date) for fiscal and sale charges (which would be retained by the Fund for its own account). However, the Manager does not currently intend to levy such fiscal and sale charges in normal circumstances.

The amount due on the redemption of units will normally be paid within five business days of the relevant Redemption Date and in any event not later than one calendar month after the relevant Redemption Date provided that a duly completed redemption request in a prescribed format has been received by the Manager and such information as the Trustee or the Manager may reasonably require has been provided by the unitholder. Failure to provide such information may delay the payment of redemption proceeds. Payment will normally be made by telegraphic transfer where the unitholder has provided payment details for this purpose. Unitholders may be liable for any bank charges on payment by telegraphic transfer. Where the unitholder has not provided bank payment details or where the redemption amount is less than US\$1,000 (or its equivalent in another currency), redemption proceeds will normally be paid by cheque, posted at the risk of the unitholder. No third party payments will be made.

In the event that a unitholder wishes to switch out of the Fund into another fund managed by the Manager or in respect of which the Manager acts as Hong Kong representative, the switch will be treated as a redemption of units in the Fund and accordingly a redemption

charge, calculated on the above basis, may be charged. In addition, a reduced preliminary charge may also be charged by the particular fund into which the redemption monies are transferred.

8.2 Procedure for Redemption

Requests for the redemption of units should be made by facsimile or other written or electronic form specified by the Manager stating the number of units or an amount in US dollars or other currency to be redeemed.

Partial redemptions of holdings are permitted. However, the Manager has a discretion whether or not to permit any partial redemption request which would result in such unitholders holding units having an aggregate value of less than US\$50,000 or its equivalent in another currency on the Redemption Date. If a switch or redemption request would otherwise result in a holding below US\$50,000 or its equivalent in another currency on the Redemption Date, the Manager may, at its absolute discretion, treat the switch or redemption request as an instruction to redeem or switch, as appropriate, the total holdings in the Fund.

Any partial redemption request for a particular number of units (the "pre-merging redemption units") is received by the Manager after 6:00 p.m. (Hong Kong time) on the seventh day of September of any financial year of the Fund or such other time as may be agreed between the Manager and the Trustee from time to time and the number of units held by the relevant unitholder will be adjusted as at the Year-end Date of that financial year in consequence of any "merging" of notional classes, that partial redemption request will be treated as applying only to that number of units held by that unitholder after that adjustment is made as equals the same percentage as the pre-merging redemption units bore to that unitholder's unit holding immediately prior to that adjustment being made.

The redemption price will be expressed in US\$ and payment will normally be made in that currency. Arrangements can be made for unitholders to receive payment in any other freely convertible currency. Unitholders are advised to contact the Manager for details of such arrangements. Any exchange costs may be deducted by the Manager from the redemption monies.

8.3 Suspension of Redemptions

The Manager may, by giving notice to the Trustee, suspend the right of unitholders to redeem their units and/or delay the payment of any redemption where the Manager considers such suspension or delay appropriate in the circumstances, for example, the Manager may exercise this right when (i) there is a closure of or suspension of trading on any market on which a substantial part of the underlying investment of the Fund is traded or capable of being traded; (ii) there is a breakdown in any of the means normally employed by the Manager in determining the net asset value of the Fund; (iii) for any other reason the price of investment held by the Fund cannot, in the opinion of the Manager, reasonably be ascertained; (iv) in the opinion of the Manager, the disposal of investments cannot be effected reasonably practicably or without prejudicing the interests of unitholders; or (v) the remittance of funds which will or may be involved in the redemption of, or in payment for, the investments of the Fund or the subscription or redemption of units cannot, in the opinion of the Manager, be effected at normal prices or normal rates of exchange. If the redemption of units is suspended, units will be carried forward for redemption on the first Dealing Day after cessation of the suspension. In relation to redemption requests effected on Dealing Day(s) prior to the suspension of redemption of units, payment will be arranged pursuant to the provisions as described in Sections 8.1 and 8.2 above. The Manager may also limit the total number of units which may be redeemed on any Dealing Day to 10 per cent. or more of the total number of units in issue on any Dealing Day.

In the event that the redemption of units is so limited, units will be redeemed pro rata between unitholders and those units not redeemed will be carried forward for redemption, subject to the same limitation, on the next Dealing Day. Unitholders affected will be informed by the Manager.

Notice of the imposition and ending of any suspension of redemption of units of the Fund will be published immediately following such decision and at least once a month during the period of suspension, in the newspapers in which the Fund prices are normally published.

9. FEES, CHARGES AND LIABILITIES

As stated above, the Manager may make a preliminary charge per unit of up to 5 per cent. of the Subscription Price on the issue or sale of units and receive a redemption charge per unit of up to 0.5 per cent. of the Redemption NAV on the cancellation or redemption of units. In addition, the Manager is entitled to a management fee and a management performance fee, in each case as described below.

The Manager is entitled under the Trust Deed to a management fee at the rate of 2.5 per cent. per annum of the net asset value of the Fund (calculated before deduction of any accrued management performance fees (other than those which have accrued and become payable as a result of redemption of units on any previous Dealing Days) in respect of the relevant financial year of the Fund). However, the Manager currently charges a management fee at the rate of 1 per cent. per annum of the net asset value of the Fund (calculated before deduction of any accrued management performance fees (other than those which have accrued and become payable as a result of redemption of units on any previous Dealing Days) in respect of the relevant financial year of the Fund) and may only increase the level of its fee (which may not exceed 2.5 per cent. per annum) by giving notice to the Trustee and unitholders of not less than three months' notice of the increased level of management fee. The management fee shall accrue daily based on the net asset value of the Fund (calculated before deduction of any accrued management performance fees (other than those which have accrued and become payable as a result of redemption of units on any previous Dealing Days) in respect of the relevant financial year of the Fund) on each Dealing Day and is payable monthly in arrears. If the assets of the Fund include interests in any unit trust or other collective investment scheme managed by the Manager or certain management companies connected with the Manager, the fee of the Manager will be reduced to take account of the management fee levied in respect of such unit trust or scheme to the extent attributable to the Fund's interest in such unit trust or scheme.

The Manager will bear the fees of the Investment Manager.

A management performance fee will be payable in respect of a unit of a particular notional class only if the net asset value per unit of that notional class (before deduction of any accrued management performance fees in respect of the relevant financial year of the Fund attributable to such unit) exceeds the "high water mark" (the "HWM") per unit of that notional class, in each case as at the Year-end Date or the Redemption Date (as the case may be). In these circumstances, the management performance fee payable will be an amount equal to 20 per cent. of such excess. For this purpose: -

- (i) the net asset value per unit of that notional class as at the Year-end Date or the Redemption Date (as the case may be) will be calculated in accordance with the Trust Deed; and
- (ii) the HWM per unit of that notional class as at the Year-end Date or the Redemption Date (as the case may be) will be the higher of: (a) the net asset value per unit of that notional class on the Dealing Day on which such units were issued; and (b) the highest net asset value per unit of that notional class as at the last Dealing Day in any previous financial year of the Fund in which such notional class of units was in issue, after deduction of any management performance fees accrued in respect of such units.

The management performance fee of a unit will be adjusted and accrue on each Dealing Day. In case the excess of the net asset value per unit of a notional class (before deduction of any accrued management performance fees in respect of the relevant financial year of the Fund attributable to such unit) above HWM per unit of that notional class is lower than that of the preceding Dealing Day, there will be a credit of the accrued management performance fee, to the extent of the accrued management performance fee attributable to such unit, to the net asset value of the Fund. Any management performance fee which becomes payable will be paid out of the Fund annually within 30 days of the last day of each Year-end Date.

The Trustee is entitled to a fee at the rate of 0.2 per cent. per annum of the net asset value of the Fund (calculated before deduction of any accrued management performance fees (other than those which have accrued and become payable as a result of redemption of units on any previous Dealing Days) in respect of the relevant financial year of the Fund). However, the Trustee currently receives a trustee fee at the following rates of the Fund's net asset value (calculated before deduction of any accrued management performance fees (other than those which have accrued and become payable as a result of redemption of units on any previous Dealing Days) in respect of the relevant financial year of the Fund): -

	<u>Rate (per annum)</u>
On the first US\$40,000,000	0.125%
On the next US\$30,000,000	0.08%
On the balance over US\$70,000,000	0.03%

** all of the above rates are subject to a minimum of US\$12,500 per annum*

The Trustee may only increase the level of its fee (which may not exceed 0.2 per cent. per annum) with the agreement of the Manager and by giving to the unitholders not less than three months' notice of the increased level of the trustee fee. The trustee fee shall accrue daily based on the net asset value of the Fund (calculated before deduction of any accrued management performance fees (other than those which have accrued and become payable as a result of redemption of units on any previous Dealing Days) in respect of the relevant financial year of the Fund) on each Dealing Day and is payable monthly in arrears.

In addition, the Fund bears other costs and expenses, including stamp duties, taxes, brokerage, commissions, foreign exchange costs, bank charges and registration fees relating to the Fund and its investments, insurance and security costs, the costs of obtaining and maintaining a listing for the units on any stock exchange, the fees and expenses of the Auditors, the Registrar, the custodian(s) of the Fund's investments, the costs of preparing the Trust Deed and any supplemental trust deeds and legal and other professional or expert charges and certain other costs and expenses incurred in the administration of the Fund. It is also responsible for the costs of preparing, printing and distributing all statements, accounts and reports and for any costs incurred as a result of a change in law or regulatory requirements or the introduction of any new law or regulatory requirements (including any costs incurred as a result of compliance with any applicable code relating to unit trusts, whether or not having the force of law).

The Manager, the Investment Manager and any of their connected persons may provide services to the Fund including the execution of portfolio transactions for or with the Fund (either as agent or, with the approval of the Trustee, as principal). Such persons may receive and retain their normal commissions, charges, fees or other benefits provided they are arm's length commercial rates for transactions or services of a similar size and nature.

The Manager, the Investment Manager and any of their connected persons may enter into soft commission arrangements with brokers under which certain goods and services are received, provided such goods and services are of demonstrable benefit to unitholders. Cash payment will not be made for these services but instead those persons may transact an agreed amount of business with the brokers on behalf of the Fund. Commission will be paid by the Fund for these transactions, provided that the relevant brokerage rates are not in excess of customary institutional full-service rates.

No cash or other rebates from brokers, dealers or market makers may be retained by the Manager, the Investment Manager or any of their connected persons in consideration of directing transactions on behalf of the Fund to such brokers, dealers or market makers.

No unitholder will be liable to make any further payment in respect of any units subscribed by him after he has paid the relevant subscription price in full. The liability of the unitholders is limited to their investment in the Fund.

10. TAXATION

This Memorandum is not intended to provide a comprehensive guide to the taxation treatment of investors. This Memorandum is intended as a general guide only and does not necessarily describe the tax consequences for all types of investors in the Fund and no reliance, therefore, should be placed upon them. All prospective unitholders, and in particular those from jurisdictions other than those specifically referred to below or of classifications not referred to below should inform themselves of, and take their own advice on, the taxes applicable to the subscription, holding, transfer and redemption of units, any distribution, the merging of notional classes and the adjustment of holdings following the merging of notional classes (each, a “Relevant Event”) under the laws of the place of their operations, domicile, residence, citizenship and/or incorporation. Neither the Fund nor any of the parties listed in Section 1 of this Memorandum entitled “MANAGEMENT AND ADMINISTRATION” gives or makes any warranty and/or representation as to the tax consequences in relation to any Relevant Event (or combination of Relevant Events), takes any responsibility for any tax consequences in relation to any Relevant Event (or combination of Relevant Events) and each of the Fund and such parties expressly disclaims any liability whatsoever for any tax consequences in relation to any Relevant Event (or combination of Relevant Events) and/or for any loss howsoever arising (whether directly or indirectly) from any Relevant Event (or combination of Relevant Events).

Dividends, interest income, gains on the disposal of investments and other income received by the Fund or by any collective investment schemes in which it invests or on its investments in some countries may be liable to the imposition of income tax, irrecoverable withholding tax or other tax.

In some jurisdictions that the Fund invests in there may be uncertainty as to: the interpretation and implementation of the current tax rules; the tax rules being changed; and taxes being applied retrospectively. Therefore, any provision for taxation made by the Manager may be excessive or inadequate to meet final tax liabilities and any penalties and interest. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provisioning and when they subscribed for and/or redeemed their units in/from the Fund.

The following paragraphs of this section are based on the law and practice currently in force in the Cayman Islands, Hong Kong and the United Kingdom at the date of this Memorandum and are subject to changes in content and interpretation. They are intended as a general guide only and do not necessarily describe the tax consequences for all types of investors in the Fund and no reliance, therefore, should be placed upon them. Individual investors who intend to subscribe, hold or dispose of units in the Fund should seek their own tax advice on their tax position with regard to their investment in the Fund.

10.1 Cayman Islands

At present Cayman Islands law does not impose upon the Trustee, the Manager or the unitholders any tax or duty on income or capital assets, gains or appreciations arising from the Fund.

10.2 Hong Kong

The Fund was authorised under Section 15 of the Securities Ordinance of Hong Kong and is now deemed to have been authorised under Section 104 of the SFO of Hong Kong. Therefore, any Hong Kong sourced income it derives will be exempt from Hong Kong profits tax provided the Fund is carried on in accordance with the purposes stated in its constitutive documents as approved by the SFC and in accordance with the requirements of the SFC.

A unitholder will not be liable to Hong Kong profits tax on gains realised on the sale or redemption of units except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholder in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. As a matter of Inland Revenue Department practice, unitholders also should not be taxed in Hong Kong on distributions of income from the Funds. Unitholders should take advice from their own professional advisers as to their particular tax position.

10.3 United Kingdom

The Manager does not intend to apply for the Fund to be certified as a “distributing fund” by HM Revenue & Customs of the United Kingdom. Accordingly, investors resident or ordinarily resident in the United Kingdom may be subject under Sections 757 to 764 of the United Kingdom Income and Corporation Taxes Act 1988 to income or corporation tax (rather than capital gain tax) on any gains arising on disposals of interests in the Fund.

11. REPORTS AND ACCOUNTS

The Fund’s financial year end is 30 September in each year. Audited accounts (including the Trustee’s report) and unaudited half-yearly reports will be made available to unitholders as soon as practicable through the website www.jpmorganam.com.hk¹ and in any event not more than four months after the end of each financial year and within two months after 31 March respectively (unless the Trustee agrees to an extension of time). When the audited accounts and unaudited half-yearly report are finalised, unitholders will be notified with details of where they can access them. The audited accounts and unaudited half-yearly report will be published in English only and hard copies will be available free of charge upon request at the offices of JPMorgan Funds (Asia) Limited.

The above-mentioned reports will include a statement of the net asset value of the Fund and of the investments and cash comprising its portfolio. The audited accounts will be in such form and will be prepared in accordance with such accounting standards or policies as the Manager and the Trustee may from time to time agree, although such accounting standards or policies may, for financial reporting purposes, adopt different methodologies or principles for calculating the net asset value of the Fund and/or in respect of other aspects as compared to those set out in the

¹ The website has not been reviewed by the SFC. It may contain information on funds which are not authorised for sale to the public in Hong Kong and are not available to Hong Kong investors.

Trust Deed. Currently, it is intended that the audited accounts will be prepared in accordance with accounting principles generally accepted in Hong Kong. In addition, the accounting principles generally accepted in Hong Kong and International Financial Reporting Standards converged with effect from 1 January 2005. For the avoidance of doubt, the Fund will be dealt at the subscription price and redemption price calculated in accordance with the provisions of the Trust Deed.

In addition, a quarterly report on the activities of the Fund during the quarter to which it relates will be sent to unitholders by the Manager within one month of the end of each quarter.

12. GENERAL

12.1 Publication of Net Asset Value

The net asset values per unit or the redemption (bid) prices per unit of all notional classes are normally published regularly in The Standard and the Hong Kong Economic Times and are also available through the website www.jpmorganam.com.hk¹.

12.2 Bases of Valuations

The Manager reserves the right at any time and from time to time to amend the basis or bases on which any valuations are made and/or to adopt any new basis or bases on which any valuation is made in order to comply with any applicable accounting standard, subject to the prior approval of the Trustee. The Investment Manager has been appointed by the Manager to calculate the net asset value of the Fund in accordance with the valuation rules set out in the Trust Deed, a copy of such valuation rules is attached as Appendix 1 of this Memorandum. Market volatility may result in a discrepancy between the latest available subscription and redemption prices for the Fund and the fair value of the Fund's net asset value. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on redemption, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with the prior consent of the Trustee, adjust the net asset value of the Fund attributable to a unit of any particular notional class, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders. The Investment Manager has over 30 years of experience acting as valuation agent for an extensive range of investment funds, including hedge funds since 1990. As of the end of March 2011, the assets under administration amounted to US\$66.8 billion, of which US\$326 million related to hedge funds. In its capacity as valuation agent, the Investment Manager is responsible for obtaining pricing and entitlement action information from third party sources, in particular for generation of valuation report and net asset value calculation.

12.3 Trust Deed

Unitholders are advised to review the terms of the Trust Deed. Copies of the Trust Deed may be obtained from the Manager at a cost of HK\$80 or may be inspected free of charge during normal working hours at the offices of the Manager.

The Trustee and the Manager may agree to modify the Trust Deed by supplemental deed, provided that the Trustee has certified such modification (i) does not materially prejudice the interests of unitholders, does not operate to release to any material extent the Trustee or the Manager from any responsibility under the Trust Deed and (except for any fees and expenses incurred in relation to the preparation of the relevant supplemental deed) will not result in an increase in the amount of costs and charges payable out of the Fund's assets; (ii) is necessary in order to comply with any fiscal, statutory or official requirement; or (iii) is made to correct a manifest error, or such modification has been approved by the SFC. In all other cases modifications require the sanction of an Extraordinary Resolution (as defined in the Trust Deed).

12.4 Documents Available for Inspection

Copies of the following documents are available for inspection free of charge during normal working hours at the offices of the Manager: -

- (i) Trust Deed and Base Terms.
- (ii) Investment Management Agreement.

12.5 Cayman Islands Mutual Funds Law (2009 Revision)

The Fund is regulated as a mutual fund under the Mutual Funds Law (2009 Revision) of the Cayman Islands ("Mutual Funds Law"). The Cayman Islands Monetary Authority (the "Authority") has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Authority. As a regulated mutual fund, the Authority may at any time instruct the Fund to have its accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines on the part of the Trustee and may result in the Authority applying to the court to have the Fund wound up.

The Fund will not, however, be subject to supervision in respect of its investment activities or the constitution of the Fund's portfolio by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the Fund in certain circumstances. Neither the Authority nor any other governmental authority in the Cayman Islands has passed judgement upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

¹ The website has not been reviewed by the SFC. It may contain information on funds which are not authorised for sale to the public in Hong Kong and are not available to Hong Kong investors.

The Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of the Trustee, to appoint a person to advise the Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

12.6 Joint Holders

Not more than four persons may be registered as the joint holders of any unit. The Trustee and the Manager may require any redemption request or other instruction in relation to any joint holding to be signed by all the registered joint holders or may rely on any redemption request or other instruction signed by or otherwise received from any one of the registered joint holders.

12.7 Certificates and Transfers of Units

Certificates will not be issued to unitholders.

Units are transferable by instrument in writing executed by or on behalf of the transferor. However, without the approval of the Manager no transfer will be registered which would result in either the transferor or the transferee holding units having an aggregate value of less than US\$50,000 or its equivalent in another currency on the Dealing Day on which the transaction is to be registered. Instruments of transfer should be sent to the Manager. The transferee must follow the usual procedures for application for units.

The Trust Deed contains provisions relating to the transfer of units in the case of the death of the unitholders. The law of the Cayman Islands requires any grant of probate, or equivalent, to be re-sealed by the courts of the Cayman Islands. Any costs incurred will be borne by the unitholders. Any person who becomes entitled to a unit as a consequence of the death or bankruptcy of any of the unitholders shall be responsible for producing such documents or satisfactory evidence as to that person's title at the request of the Trustee and the Manager. The Manager's only obligation in these circumstances will be to forward any information received in writing from or on behalf of the unitholder to the Trustee.

12.8 Cancellation of Units

The Manager has the right to effect reductions of the Fund by requiring the Trustee to cancel units and by paying to the affected unitholders the monies which would have been payable if the units had been redeemed in the normal manner. The type of situations in which it is envisaged that the Manager might exercise its right of cancellation include where the full subscription monies are not received within a reasonable time or where it becomes unlawful to permit a unitholder to continue to be registered.

12.9 Notices and Meetings of Unitholders

The Trust Deed provides for meetings of unitholders to be convened by the Trustee or the Manager giving at least 21 days' notice. The Manager is obliged to convene a meeting of all unitholders if requested by the holders of no fewer than 10 per cent. of the total number of units in issue. Notices of meetings of unitholders will be posted to unitholders at their registered addresses.

The quorum at any unitholders' meetings is unitholders present in person or by proxy and holding 10 per cent. of the total number of units for the time being in issue in the Fund save that the quorum for passing an Extraordinary Resolution shall be unitholders present in person or by proxy and holding at least 25 per cent. of the total number of units for the time being in issue in the Fund. If a quorum is not present, the meeting will be adjourned to a time and place to be determined by the chairman. At least 15 days' notice of any adjourned meeting will be given, and at an adjourned meeting any unitholders will form a quorum. At any meeting, on a show of hands every unitholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote. On a poll every unitholder present in person or by proxy shall have one vote for every unit held. An Extraordinary Resolution is a resolution proposed as such and passed by a 75 per cent. majority of the votes cast in respect of such resolution.

12.10 Duration of the Fund

Unless previously terminated, the Fund will terminate automatically on 19 November 2152. Either the Manager or the Trustee may, in certain circumstances, terminate the Fund at any time. Such circumstances include the passing of any law which renders it illegal to continue the Fund or, in the opinion of the Manager, impracticable or inadvisable to continue the Fund (with the approval of the Trustee) or where the aggregate net asset value of the Fund falls below US\$10,000,000 or its equivalent in another currency or where the Manager (with the approval of the Trustee) considers termination of the Fund is in the best interest of unitholders. The Fund may also be terminated by Extraordinary Resolution of the unitholders at any time.

In addition, the Manager may in its absolute discretion, if it considers it to be in the best interest of unitholders, give not less than 3 months' written notice to unitholders and the Trustee of termination of the Fund and: -

- (a) apply for new shares, units or other interests in a collective investment scheme (whether a unit trust, an open-ended investment company or otherwise) whose investment objectives and restrictions are substantially the same as those of the Fund in consideration for subscription in cash or the transfer of substantially all the assets of the Fund and in its application determine whether such new shares, units or other interests are to be issued or registered in the name of unitholders directly or in a company nominated by the Manager as nominee for unitholders; or

- (b) distribute on a pro rata basis all or any of the investments held by the Fund to unitholders or into the name of a company nominated by the Manager as nominee for unitholders.

All expenses incurred or payable by the Fund in relation to any termination in accordance with the above shall be borne by the Fund.

12.11 Complaints and Enquiries Handling

Investors may contact JPMorgan Funds (Asia) Limited for any queries or complaints in relation to the Fund. To contact JPMorgan Funds (Asia) Limited, investors may either:

- Write to the registered office of JPMorgan Funds (Asia) Limited (address at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong);
- Call JPM Funds InvestorLine on (852)2265 1188; or
- Call Intermediary Clients' Hotline on (852) 2265 1000.

JPMorgan Funds (Asia) Limited will, under normal circumstances, endeavour to send an acknowledgement of receipt of the enquiries and complaints to the relevant investor within five business days of receipt.

12.12 The Trustee and the Manager

The Trust Deed contains provisions governing the responsibilities of the Trustee and the Manager and providing for their indemnification in certain circumstances. The Trustee or the Manager may retire upon the appointment of a successor in accordance with the provisions of the Trust Deed. In addition, the Manager may be removed in certain circumstances by the Trustee or at any time by the holders of not less than 50 per cent. in value of the units for the time being in issue.

Any change in the Trustee or the Manager of the Fund will be notified to the unitholders.

The Directors of the Manager are: -

Edwin Tsun Kay Chan
Leo Ka Kui Cheung
Kui-Ching Kao
Lily Suet Lai Lau
Elsie Pui Shan Leung
Terry San Kong Pan
Ken Wai Ming Tam
Marco Ka Nam Tang

12.13 Legal and Marketing Names

Legal Name	Marketing Name
JF Greater China Absolute Return Fund	JF Greater China Absolute Return

Appendix 1 - Valuation Rules

Words and expressions defined in the Trust Deed shall have the same meanings when used in this Appendix 1.

- 1 On each Dealing Day, the Manager shall calculate the Net Asset Value of the Trust Fund attributable to each Unit and Redemption Price of each Unit as at the close of business in the market where such assets are primarily traded on such Dealing Day in accordance with the following paragraphs.
 - 2 The Net Asset Value of the Trust Fund attributable to a Unit of a particular notional class shall be the Net Asset Value of the Trust Fund (calculated by valuing the assets of the Trust Fund in accordance with paragraphs 3 and 4 below and deducting the liabilities of the Trust Fund in accordance with paragraph 4 below) attributable to that particular notional class divided by the aggregate number of Units in issue of that particular notional class (including any Units of the particular notional class deemed to be in issue and excluding any Units of that particular notional class deemed not to be in issue) at the Dealing Deadline on the immediately preceding Dealing Day rounded to the nearest 4 decimal places (0.00005 being rounded up) or to such other number of decimal places as the Manager may determine from time to time.
 - 3 (A) *Listed investments*: the value of any Investment (including a unit in a collective investment scheme which does not provide for units to be redeemed at the option of the holder of such a unit) listed, quoted or traded on a Market shall be calculated by reference to the price appearing to the Manager to be (i) the closing or official price of the relevant Investment on the relevant Dealing Day on the Market on which the Investment is, in the opinion of the Manager, primarily traded or (ii) (if no such closing or official price is available) the mid of the closing offered and bid prices on such Market or (iii) (if no such closing or official price and no such closing offered and bid prices are available) the last available traded price of the relevant Investment on such Market.

(B) *Unlisted investments*: the value of any Investment (including a unit in a collective investment scheme which does not provide for units therein to be redeemed at the option of the holder of such a unit but excluding any Investment which has a contingent liability for the Trust) which is not listed, quoted or traded on a Market shall be: -
 - (i) its acquisition cost (including any stamp duties, commissions and other expenses incurred in its acquisition and vesting in the Trustee); or
 - (ii) its value as shown by the most recent revaluation.The Manager may at any time (and shall at such times or at such intervals as the Trustee may request) revalue any such Investment or engage a professional person, approved by the Trustee as appropriately qualified, to perform such valuation;
 - (C) *Collective investment schemes*: the value of each unit in any collective investment scheme (other than a unit in a collective investment scheme to which paragraph 3(A) or 3(B) above applies) shall be the last published net asset value per unit in such collective investment scheme or (if such net asset value is not published or not considered by the Manager to be appropriate) a price calculated as the average of the last published bid and offered price for such a unit;
 - (D) *Cash*: cash, deposits and similar Investments shall be valued at their face value (together with accrued but unpaid interest);
 - (E) *Other property*: all other property shall be valued in such manner and at such time or times as the Manager and the Trustee shall from time to time agree; and
 - (F) *Adjustments*: notwithstanding any of the foregoing paragraphs, the Manager may adjust the value of any Investment or other property if it considers that such adjustment is required to reflect more accurately the fair value of the relevant Investment or other property.
- 4 In calculating the Net Asset Value of the Trust Fund: -
 - (A) Where any agreement by the Manager to issue Units is outstanding, such Units shall be deemed to have been issued and payment to have been received.
 - (B) Where a reduction of the Trust by the cancellation of Units has been effected but payment in respect of such reduction has not been completed, the Units in question shall be deemed not to be in issue and the aggregate Redemption Price for such Units shall be deducted.
 - (C) Where agreements for the unconditional sale or purchase of Investments have been made but not completed, due completion shall be deemed to have occurred.
 - (D) There shall be included in the assets an amount equal to the total expenses incurred in establishing the Trust and payable out of the Trust Fund less the amount of such expenses which has previously been or is then to be written off.
 - (E) The liabilities of the Trust Fund shall include (without limitation): -
 - (i) any amount accrued but unpaid in respect of Management Fee and Trustee Fee;
 - (ii) the amount of tax (if any) on capital gains accrued but unrealised to the date of the relevant calculation;
 - (iii) the aggregate amount for the time being outstanding of any borrowing effected on the Trust's account and the amount of any interest and expenses accrued but unpaid on such borrowing;
 - (iv) any other unpaid costs or expenses accrued which are expressly authorised by the terms of the Trust Deed to be payable out of the Trust Fund;

- (v) an appropriate allowance for any contingent liabilities; and
 - (vi) any amount that may become payable but unpaid in respect of Management Performance Fee.
- (F) There shall be taken into account such sum (if any) as the Manager estimates will be payable or capable of being reclaimed in respect of taxation related to income and transactions.
- (G) Any value or amount which is not denominated in the Authorised Currency shall be converted into the Authorised Currency at the rate (whether official or otherwise) which the Manager shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange.
- (H) Where the current price of an Investment is quoted "ex" any dividend (including stock dividend), interest or other rights to which the Trust Fund is entitled but such dividend, interest or the property or cash to which such rights relate has not been received and is not taken into account under any other provisions of paragraph 3 above, the amount of such dividend, interest, property or cash shall be taken into account.
- (I) Any entity wholly owned by the Trust shall be valued on the basis of its net assets (being the difference between the value of its assets and liabilities) and in valuing its net assets the provisions contained in this Appendix 1 shall apply, with the necessary changes.
- (J) Liabilities shall (where appropriate) be treated as accruing from day to day.
- (K) Notwithstanding any of the foregoing paragraphs, the Manager may, with the prior consent of the Trustee, adjust the Net Asset Value of the Trust Fund attributable to a Unit of any particular notional class if it considers that such adjustment is required to reflect more accurately the fair value of such Net Asset Value. Any such adjustment shall be made in good faith, in such manner as the Manager considers appropriate taking into account the best interests of the unitholders.

JF Greater China Absolute Return Fund (Hedge fund)

JF大中華先鋒基金（對沖基金）

January 2012 • 2012年1月

- ***This Fund is a hedge fund.***
- ***This statement provides you with key information about this product.***
- ***This statement is a part of the offering document.***
- ***You should not invest in this product based on this statement alone.***
- 本基金為一對沖基金。
- 本概要提供本基金的重要資料，
- 是銷售文件的一部分。
- 請勿單憑本概要作投資決定。

Quick facts 資料便覽

Manager 經理人：	JPMorgan Funds (Asia) Ltd. 摩根基金（亞洲）有限公司
Investment Manager 投資經理人：	JF Asset Management Ltd., Hong Kong (internal delegation) JF資產管理有限公司，香港（同集團委任）
Trustee 信託管理人：	HSBC Trustee (Cayman) Ltd.
Dealing frequency 交易頻率：	Monthly 每月
Base currency 基本貨幣：	USD 美元
Dividend policy 派息政策：	Accumulative (income will be retained and reinvested within the Fund) 累計（收益將保留並撥作投資本基金）
Financial year end 財政年度終結日：	30 September 9月30日
Minimum investment 最低投資額：	Lump-sum (same amount for initial/additional): USD50,000 or its equivalent in another currency 整額（首次及其後每次相同）：50,000美元或其他貨幣之等值

The Manager may apply a different minimum lump sum investment.
經理人可設定不同的最低整筆投資額。

What is this product? 本基金是甚麼產品？

This is a hedge fund constituted in the form of a unit trust under the laws of Cayman Islands.
本基金是一個根據開曼群島法律以單位信託形式組成的對沖基金。

Objective and investment strategy 目標及投資策略

The investment objective of the Fund is to provide investors with long-term capital growth in US\$ terms through an aggressively managed portfolio of equities, bonds and currencies, and derivatives of any of these. The Manager will seek to achieve this objective by investing primarily in securities whose performance is linked to the economies of the Mainland China, Hong Kong and Taiwan. The Fund may, as considered appropriate by the Manager, hold substantial amounts of its portfolio in cash and cash-based instruments.

The Investment Manager will apply its knowledge of the region and follow the macro investment strategy by conducting fundamental analysis to qualitatively examine macro events such as trade policies, political events, interest rate movements and monetary and fiscal policies to determine the relative values of various equity, bond and currency assets and derivatives of any of these. The Investment Manager may take long and/or short investment positions when and as it sees fit, and with or without leverage provided that they are within the boundaries of the stated investment restrictions. The Investment Manager may create leverage by borrowing or, for the purpose of enhancing the efficiency of the portfolio, by investing in financial derivatives including, but not limited to, futures, forward contracts, swaps and options.

In order to deliver performance in US\$ terms, the Investment Manager will actively manage the portfolio's currency exposure and may enter into currency contracts, including but not limited to currency options, futures and forward contracts.

本基金的投資目標為透過積極管理由股票、債券、貨幣及任何該等之衍生工具所組成之投資組合，為投資者提供長遠美元資本增值。經理人將主要投資於其表現跟中國大陸地區、香港及台灣的經濟體系有關連的證券，以達致此目標。如經理人認為合適，本基金可於其投資組合內持有相當數目之現金及以現金為本的工具。

投資經理人將透過對宏觀事項（例如貿易政策、政治事項、利率變動以及貨幣及財務政策）進行基礎分析及仔細研究，落實宏觀投資策略，以釐訂不同股票、債券及貨幣資產以及任何該等之衍生工具的相對價值。投資經理人可於其認為適合情況下，持有好倉及/或淡倉，及可能涉及槓桿效應，惟須附合投資限制所列之規定。投資經理人可利用借貸從而產生槓桿效應或為求提升投資組合的效益而投資於財務衍生工具（包括但不限於期貨、遠期合約、掉期及期權）。

投資經理人為求提供以美元計算之表現，將積極管理投資組合的貨幣風險，並可訂立貨幣合約，包括但不限於貨幣期權、期貨及遠期合約。

What are the KEY RISKS? 本基金有哪些主要風險？

Investment involves risk. Investors are advised to read the Information Memorandum, including the risk factors before subscribing to this Fund. This Fund uses alternative investment strategies and the risks inherent in this Fund are not typically encountered in traditional funds. This Fund undertakes special risks that may lead to a substantial or total loss of capital and there is no guarantee that its investment objective can be achieved. Therefore, investment in this Fund is only suitable for sophisticated investors who can afford the risks. Investors are also advised to consider their own financial circumstances and the suitability of this Fund as part of their investment portfolio.

The Fund is to provide investors with long-term capital growth in US\$ terms through an aggressively managed portfolio of equities, bonds and currencies, and derivatives. The Manager will seek to achieve this objective by investing primarily in securities whose performance is linked to the economies of the Mainland China, Hong Kong and Taiwan.

- **Derivatives risk** - Participation in warrants, futures and options involves potential investment returns which the Fund would not receive, and risks of a type, level or nature to which the Fund would not be subject, in the absence of using these instruments. The Fund may invest into derivatives which are not traded on exchanges and are generally not regulated. If the counterparties of these derivatives default, the Fund could suffer substantial losses. There have been periods during which certain counterparties have refused to continue to quote prices for these derivatives or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). As a result, the Fund's net asset value may fluctuate substantially.
- **Emerging markets risk** - Accounting, auditing and financial reporting standards 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.
- **Liquidity risk** - The Fund may invest in instruments where the volume of transactions may fluctuate significantly depending on market sentiment. There is a risk that investments made by the Fund may become less liquid in response to market developments or adverse investor perceptions. In extreme market situations, there may be no willing buyer and the investments cannot be readily sold at the desired time or price, and the Fund may have to accept a lower price to sell the investments or may not be able to sell the investments at all. An inability to sell a portfolio position can adversely affect the Fund value or prevent the Fund from being able to take advantage of other investment opportunities. Liquidity risk also includes the risk that the Fund will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, the Fund may be forced to sell investments, at an unfavorable time and/or conditions.
- **Leverage risk** - The Fund is a hedge fund investing primarily in securities whose performance is linked to the economies of the Mainland China, Hong Kong and Taiwan. The Fund uses derivatives for investment purposes and may have a maximum gross equity exposure of up to 250% of Net Asset Value (NAV) and a maximum gross short equity exposure of up to 100% of NAV.
- **Short selling risk** - The Fund may sell securities of an issuer short in the expectation of "covering" the short sale with securities purchased in the open market at a price lower than that received in the short sale. If the price of the relevant issuer's securities declines, the Fund may then cover the short position with securities purchased in the market. The profit realised on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale. The possible losses to the Fund from selling short a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited due to the lack of an upper limit on the price to which a security may rise, whereas the latter can only equal the total amount of the cash investment.

投資涉及風險。投資者務請於認購本基金前細閱基金說明書，包括風險因素。本基金採用另類投資策略，而本基金的固有風險並非傳統基金一般所涉及者。本基金所涉及的特殊風險可能導致投資者損失大部份或全部的投資金額，無法保證投資目標將能達致。因此，只有能承擔此風險之資深投資者才適合投資於本基金。投資者亦務請考慮其本身之財務狀況及以本基金作為其投資組合一部份之合適性。

本基金旨在透過積極管理由股票、債券、貨幣及任何該等之衍生工具所組成之投資組合，為投資者提供長遠美元資本增值。經理人將主要投資於其表現跟中國大陸地區、香港及台灣的經濟體系有關連的證券，以達致此目標。

- **衍生工具風險** - 參與認股權證、期貨及期權市場涉及不利用此等工具將不會承受或承擔不同種類、水平或性質的潛在投資回報或風險。本基金可投資於並非在交易所買賣且一般不受規管之衍生工具。倘若此等衍生工具之交易對象違約，本基金可能會承受重大損失。若干交易對象曾經在某段期間拒絕繼續就此等衍生工具報價或其報價之差價（即交易對象願意買入之價格與願意出售之價格之差額）異常寬闊。因此，本基金之價值可能大幅波動。
- **新興市場風險** - 會計、審計及財務申報標準可能不如國際標準嚴格。國有化、徵用私產或充公性稅項、外匯管制、政治變動、政府規定、社會不穩定或外交發展均有機會對新興市場經濟或本基金之投資價值構成不良影響。
- **流通性風險** - 本基金可投資於其交易成交量或會因市場狀況而顯著波動之工具。本基金作出之投資或會面對因應市場發展或投資者的相反意向而減低其流通性之風險。於極端市況下，該等投資可能有願意進行購買的買家及不能以理想時間或價格賣出；本基金可能需要接受以較低價格賣出該等投資，甚或不能賣出該等投資。本基金在未能賣出其投資組合中的一項投資的情況下，可能會對其價值產生不利影響，或因此未能從其他投資機會中獲益。流通性風險同時包括本基金由於不尋常之市況、罕有的大量贖回要求，或其他不能控制之原因，而不能於限定期限內支付贖回款項。本基金可能需要於不理想的時間及/或情況下出售其投資，以應付贖回要求。

- **槓桿風險** — 本基金是一項對沖基金，主要投資於其表現與中國大陸、香港及台灣經濟相關之證券。本基金採用衍生工具作投資用途，股票持倉總額最高可達資產淨值之250%，股票短倉總額最高可達資產淨值之100%。
- **沽空風險** — 本基金可能沽空一名發行人之證券，以期望在公開市場以低於沽空時之價格購入沽空證券作「補倉」。如果有關發行人之證券價格下跌，本基金可在市場上購入證券以補足沽空倉盤。沽空所變現之溢利，將為出售所得之價格與購入證券以補足出售的成本之間的差額。本基金從沽空證券可能出現之虧損，與現金投資證券所招致之虧損有所不同；前者屬無限額，因為證券可升至之價值並無上限，而後者則只會相等於現金投資之總額。

Is there any guarantee? 本基金有否提供保證？

This Fund does not provide any guarantees. You may not get back the full amount of money you invest.
本基金並不提供任何保證。閣下未必能取回全數投資本金。

What are the fees and charges? 投資本基金涉及哪些費用及收費？

◆ Charges which may be payable by you 閣下或須繳付的收費

You may have to pay the following fees up to the rate listed below when dealing in the units of the Fund:
閣下買賣基金單位時或須繳付最高可達之費用如下：

Subscription fee (Initial charge) 認購費：	5.0% of NAV 資產淨值之5.0%
Switching fee 轉換費：	1.0% of NAV 資產淨值之1.0%
Redemption fee 贖回費：	Currently 0% (up to 0.5% of NAV) 現時為0% (最高可達資產淨值的0.5%)

◆ Ongoing fees payable by the Fund 本基金須持續繳付的費用

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.
以下費用將從基金中扣除，閣下的投資回報將會因而減少。

Management fee 管理費：	1.0% of NAV p.a. (maximum 2.5%) 每年資產淨值之1.0% (最高可達2.5%)
Trustee fee 信託管理人費用：	0.025%-0.06% of NAV p.a. (maximum 0.2%; subject to the NAV) 每年資產淨值之0.025%-0.06% (最高可達0.2%；根據基金資產淨值)
Performance fee 表現費：	20% of any increase in NAV greater than the NAV per unit on which the performance fee was last calculated and paid (payable annually). Please refer to the 'FEES, CHARGES AND LIABILITIES' section in the Information Memorandum of the Fund. 每單位資產淨值相對最近一次計算及支付表現費的單位資產淨值之任何升幅的20% (每年支付)。請參閱本基金的基金說明書內之「收費、開支及責任」一節。
Administration fee 行政費：	N/A 不適用

◆ Other fees 其他費用

The Fund may charge other fees. Please refer to the 'FEES, CHARGES AND LIABILITIES' section in the Information Memorandum of the Fund.
本基金或會收取其他費用。請參閱本基金的基金說明書內之「收費、開支及責任」一節。

Additional information 其他資料

- You generally buy, redeem or switch units at the Fund's next-determined net asset value after the manager or Intermediaries receive your request in good order at or before 6.00pm (Hong Kong time) being the dealing cut-off time. The manager or Intermediaries may impose different dealing deadlines for receiving requests from investors.
- The net asset value of this Fund is calculated on each "dealing day" and the bid price of units are published on each "business day". They are available online at www.jpmorganam.com.hk.
- The annual, semi-annual and quarterly reports will be made available to investors. Hard copy can be obtained upon request.
- 在交易截止時間即下午6時正（香港時間）或之前由經理人或中介人收妥的單位認購、贖回及轉換要求，一般按基金隨後釐定的資產淨值執行。經理人或中介人設定的交易截止時間可能各有不同，投資者應注意提交要求的截止時間。
- 本基金在每一「交易日」計算資產淨值及在每一「營業日」定期公布單位的買入價。詳情請瀏覽www.jpmorganam.com.hk。
- 基金之年度、半年度及季度報告將提供予投資者。投資者可要求索取印刷本。

Important 重要提示

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

閣下如有疑問，應諮詢專業意見。

證監會對本概要的內容並不承擔任何責任，對其準確性及完整性亦不作出任何陳述。