

Addendum dated December 2011 to each of the following Explanatory Memoranda or Summary of Explanatory Memoranda (as the case may be) of the respective trusts, as amended from time to time:

- **Explanatory Memorandum of the JF Provident European Fund dated September 2011**
- **Explanatory Memorandum of the JF Provident Global Bond Fund dated April 2011**
- **Explanatory Memorandum of the JF Provident Greater China Fund dated September 2007**
- **Explanatory Memorandum of the JF Provident Hong Kong Fund dated September 2011**
- **Summary of Explanatory Memorandum of the JF Provident Balanced Fund dated 6 May 2005**
- **Summary of Explanatory Memorandum of the JF Provident Capital Fund dated 6 May 2005**
- **Summary of Explanatory Memorandum of the JF Provident Growth Fund dated 6 May 2005**
- **Summary of Explanatory Memorandum of the JF Provident High Growth Fund dated 6 May 2005**
- **Summary of Explanatory Memorandum of the JF Provident HK\$ Money Fund dated 6 May 2005**
- **Summary of Explanatory Memorandum of the JF Provident Stable Capital Fund dated 6 May 2005**
- **Summary of Explanatory Memorandum of the JF Provident US\$ Money Fund dated 3 May 2005**

(Each an “Explanatory Memorandum”)

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

Please note that some of the following changes are applicable only to the Chinese versions of the Explanatory Memorandum of certain trusts (“Chinese Explanatory Memorandum”) specified below.

The following changes to the Explanatory Memorandum shall apply with immediate effect.

Change to each Explanatory Memorandum (except the Explanatory Memoranda of the JF Provident European Fund, the JF Provident Global Bond Fund and the JF Provident Hong Kong Fund):

- All references to “JPMorgan Funds (Asia) Limited (previously known as “JF Funds Limited”)” in each Explanatory Memorandum shall be deleted in their entirety and replaced with “JPMorgan Funds (Asia) Limited”.

Changes to each Chinese Explanatory Memorandum of the JF Provident European Fund, JF Provident Global Bond Fund and JF Provident Hong Kong Fund:

- Except for the fifth paragraph under the sub-section entitled “Procedure for Application” under the section entitled “SUBSCRIPTIONS” in the Chinese Explanatory Memorandum, 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”.
- Reference to “摩根富林明基金（亞洲）有限公司” in the fifth paragraph under the sub-section entitled “Procedure for Application” under the section entitled “SUBSCRIPTIONS” in the Chinese Explanatory Memorandum shall be deleted in its entirety and replaced by “JPMorgan Funds (Asia) Limited”.

Change to the Explanatory Memorandum of the JF Provident Global Bond Fund:

- All references to “interest bearing securities” in the Explanatory Memorandum shall be deleted in their entirety and replaced by “bonds”.

J.P.Morgan

Asset Management

Addendum dated December 2008 to each of the following Summary of Explanatory Memoranda of the respective funds, as amended from time to time:

- Summary of Explanatory Memoranda of the following funds, each dated 6 May 2005 respectively:
 - JF Provident Balanced Fund (“Balanced Fund”)
 - JF Provident Capital Fund (“Capital Fund”)
 - JF Provident High Growth Fund (“High Growth Fund”)
 - JF Provident Growth Fund (“Growth Fund”)
 - JF Provident HK\$ Money Fund (“HK\$ Money Fund”)
 - JF Provident Stable Capital Fund (“Stable Capital Fund”)
- Summary of Explanatory Memorandum of the JF Provident US\$ Money Fund (“US\$ Money Fund”) dated 3 May 2005
(Each a “Summary of Explanatory Memorandum”)

This Addendum should be read in conjunction with and forms part of each Summary of Explanatory Memorandum, as applicable.

The following change shall apply with effect from and including 2 January 2009:

Change to each of the Summary of Explanatory Memorandum:

- Reference to “JF Funds Limited” under the section entitled “Procedure for Application” or “Application for Subscription and Payment”, as applicable, shall be deleted in its entirety and replaced by “JPMorgan Funds (Asia) Limited”.

The following changes shall apply simultaneously and with immediate effect:

Change to each of the Summary of Explanatory Memorandum:

- Except the section entitled “Procedure for Application” or “Application for Subscription and Payment”, as applicable, all references to “JF Funds Limited” shall be deleted in their entirety and replaced by “JPMorgan Funds (Asia) Limited (previously known as “JF Funds Limited)”.
- The sub-section entitled “Solicitors” under the section entitled “MANAGEMENT AND ADMINISTRATION DIRECTORY” or “MANAGEMENT AND ADMINISTRATION”, as applicable, shall be deleted in its entirety.

Change to the Summary of Explanatory Memorandum of the Balanced Fund:

- The following section shall be inserted after the last paragraph under the section entitled “MANAGEMENT AND ADMINISTRATION”:

“LEGAL AND MARKETING NAMES OF THE TRUST

Legal Name	Marketing Name
JF Provident Balanced Fund	JF Provident Balanced

Change to the Summary of Explanatory Memorandum of the Capital Fund:

- The following section shall be inserted after the last paragraph under the section entitled “MANAGEMENT AND ADMINISTRATION”:

“LEGAL AND MARKETING NAMES OF THE TRUST

Legal Name	Marketing Name
JF Provident Capital Fund	JF Provident Capital

Change to the Summary of Explanatory Memorandum of the High Growth Fund:

- The following section shall be inserted after the last paragraph under the section entitled “MANAGEMENT AND ADMINISTRATION DIRECTORY”:

“LEGAL AND MARKETING NAMES OF THE TRUST

Legal Name	Marketing Name
JF Provident High Growth Fund	JF Provident High Growth

Change to the Summary of Explanatory Memorandum of the Growth Fund:

- The following section shall be inserted after the last paragraph under the section entitled “MANAGEMENT AND ADMINISTRATION”:

“LEGAL AND MARKETING NAMES OF THE TRUST

Legal Name	Marketing Name
JF Provident Growth Fund	JF Provident Growth

Change to the Summary of Explanatory Memorandum of the HK\$ Money Fund:

- The following section shall be inserted after the last paragraph under the section entitled “MANAGEMENT AND ADMINISTRATION”:

“LEGAL AND MARKETING NAMES OF THE TRUST

Legal Name	Marketing Name
JF Provident HK\$ Money Fund	JF Provident HK\$ Money

Change to the Summary of Explanatory Memorandum of the Stable Capital Fund:

- The following section shall be inserted after the last paragraph under the section entitled “MANAGEMENT AND ADMINISTRATION DIRECTORY”:

“LEGAL AND MARKETING NAMES OF THE TRUST

Legal Name	Marketing Name
JF Provident Stable Capital Fund	JF Provident Stable Capital

Change to the Summary of Explanatory Memorandum of the US\$ Money Fund:

- All references to “Fleming Series II Funds” shall be deleted in their entirety and replaced by “JPMorgan Series II Funds”.

- The following section shall be inserted after the last paragraph under the section entitled “MANAGEMENT AND ADMINISTRATION”:

“LEGAL AND MARKETING NAMES OF THE TRUST

Legal Name	Marketing Name
JF Provident US\$ Money Fund	JF Provident US\$ Money

Change to the Summary Explanatory Memorandum of the High Growth Fund and Stable Capital Fund:

- The information on the Directors of the Manager under the subsection entitled “MANAGEMENT AND ADMINISTRATION DIRECTORY” under the section “GENERAL” in the Summary Explanatory Memoranda of these funds shall be deleted in its entirety and replaced by the following:-

“Edwin Tsun Kay Chan
Eddie She Lin Chang
Leo Ka Kui Cheung
Lily Suet Lai Lau
Terry San Kong Pan
Ken Wai Ming Tam
Marco Ka Nam Tang”

Change to the Explanatory Memorandum of the Global Bond Fund and Hong Kong Fund:

- The information on the Directors of the Manager under the subsection entitled “The Trustee and the Manager” under the section entitled “GENERAL” in the Explanatory Memoranda of these funds shall be deleted in its entirety and replaced by the following:-

“Edwin Tsun Kay Chan
Eddie She Lin Chang
Leo Ka Kui Cheung
Lily Suet Lai Lau
Terry San Kong Pan
Ken Wai Ming Tam
Marco Ka Nam Tang”

The following changes shall apply with effect from and including 19 May 2008:

Change to the Summary Explanatory Memorandum of the Balanced Fund, Capital Fund, Growth Fund, HK\$ Money Fund and US\$ Money Fund:

- References to “South China Morning Post” in the section entitled “Additional Information” in the Summary Explanatory Memoranda of these funds shall be replaced by “Standard”.

Change to the Summary Explanatory Memorandum of the High Growth Fund and Stable Capital Fund:

- All references to “South China Morning Post” in the section entitled “Suspension of Redemptions” and the subsection entitled “Publication of Net Asset Value” under the section entitled “GENERAL” in the Summary Explanatory Memoranda of these funds shall be replaced by “Standard”.

Change to the Explanatory Memorandum of the European Fund and Greater China Fund:

- All references to “South China Morning Post” in the subsection entitled “Price Information” under the section entitled “GENERAL” in the Explanatory Memoranda of these funds shall be replaced by “Standard”.

Change to the Explanatory Memorandum of the Global Bond Fund and Hong Kong Fund:

- All references to “South China Morning Post” in the subsection entitled “Publication of Net Asset Value” under the section entitled “GENERAL” in the Explanatory Memoranda of these funds shall be replaced by “Standard”.

Addendum dated May 2008 to each of the following Summary Explanatory Memoranda/ Explanatory Memoranda of the respective funds, as amended from time to time:

- **Summary Explanatory Memorandum of the JF Provident Balanced Fund (“Balanced Fund”) dated 6 May 2005**
- **Summary Explanatory Memorandum of the JF Provident Capital Fund (“Capital Fund”) dated 6 May 2005**
- **Summary Explanatory Memorandum of the JF Provident High Growth Fund (“High Growth Fund”) dated 6 May 2005**
- **Summary Explanatory Memorandum of the JF Provident Growth Fund (“Growth Fund”) dated 6 May 2005**
- **Summary Explanatory Memorandum of the JF Provident HK\$ Money Fund (“HK\$ Money Fund”) dated 6 May 2005**
- **Summary Explanatory Memorandum of the JF Provident Stable Capital Fund (“Stable Capital Fund”) dated 6 May 2005**
- **Summary Explanatory Memorandum of the JF Provident US\$ Money Fund (“US\$ Money Fund”) dated 3 May 2005**

(Each a “Summary Explanatory Memorandum”)

- **Explanatory Memorandum of the JF Provident European Fund (“European Fund”) dated September 2007**
- **Explanatory Memorandum of the JF Provident Global Bond Fund (“Global Bond Fund”) dated September 2006**
- **Explanatory Memorandum of the JF Provident Greater China Fund (“Greater China Fund”) dated September 2007**
- **Explanatory Memorandum of the JF Provident Hong Kong Fund (“Hong Kong Fund”) dated September 2006**

(Each an “Explanatory Memorandum”)

This Addendum should be read in conjunction with and forms part of each Summary Explanatory Memorandum/Explanatory Memorandum, as applicable.

The following changes shall apply with immediate effect:

Change to the Summary Explanatory Memorandum of the Balanced Fund, Capital Fund, Growth Fund, HK\$ Money Fund and US\$ Money Fund:

- The information on the Directors of the Manager under the section entitled “MANAGEMENT AND ADMINISTRATION” in the Summary Explanatory Memoranda of these funds shall be deleted in its entirety and replaced by the following:-

“Edwin Tsun Kay Chan
Eddie She Lin Chang
Leo Ka Kui Cheung
Lily Suet Lai Lau
Terry San Kong Pan
Ken Wai Ming Tam
Marco Ka Nam Tang”

JF Provident High Growth Fund Summary of Explanatory Memorandum

JF Funds Limited (the “Manager”) accepts responsibility for the accuracy of the information contained in this Summary of Explanatory Memorandum as at 6 May 2005.

No action has been taken to permit an offering of units in the JF Provident High Growth Fund (the “Fund”), or the distribution of this Summary of Explanatory Memorandum, in any jurisdiction where action would be required for such purpose, other than Hong Kong.

IMPORTANT:

If you are in any doubt about the contents of this Summary of Explanatory Memorandum, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

This is a Summary of the Explanatory Memorandum, to which investors should refer for further details on the Fund.

The JF Provident High Growth Fund is a unit trust constituted by a Trust Deed dated 8 December, 2003 (the “Trust Deed”) governed by the laws of the Cayman Islands, and is registered under the Mutual Funds Law (2003 Revision).

Units in the Fund may be either administration units (the “Administration Units”) or investment units (the “Investment Units”) and may be subscribed and redeemed through the Manager.

The Fund will terminate automatically on the date immediately preceding the one hundred and fiftieth anniversary of the date of the Trust Deed, unless terminated earlier. The Fund may also be terminated by the Trustee or Manager in certain circumstances, by Extraordinary Resolution of the unitholders or when the aggregate net asset value of all units in issue falls below HK\$20,000,000.

The Fund was authorized as a collective investment scheme in the form of a Unit Portfolio Management Fund by the Securities and Futures Commission (the “SFC”) under the *Securities and Futures Ordinance* of Hong Kong. The SFC does not take any responsibility for the financial soundness of the Fund or the correctness of any statement made or opinion expressed in this Summary of Explanatory Memorandum.

The Fund's portfolio is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Therefore, the offer and bid prices of units and the level of distributions may go down as well as up.

Investment Policy

The primary objective of the Fund is to maximize its long-term capital appreciation in Hong Kong dollar terms. The secondary objective is to outperform Hong Kong salary inflation over the long term. The Fund seeks to achieve these investment objectives through a professionally managed portfolio of interests in collective investment schemes managed by the Manager or its Connected Persons.

The Fund will have significantly more exposure in global equities than a traditional growth fund. The underlying assets of the Fund will primarily be invested in global equity markets although the Fund may be weighted towards Hong Kong and Asian markets at the discretion of the Manager. By investing primarily in the equity markets, higher potential returns will usually be available as compared to investing in fixed income securities or bonds. However, the investments in equities will, to a certain extent, be subject to the short term volatility of the equity markets, which means that the risks associated with the investments will be higher as compared with investments in fixed income securities or bonds.

Whilst the policy of the Manager is that the non-cash assets of the Fund should be kept invested in pursuit of the stated objectives, cash reserves may be held from time to time to protect the Fund's assets or to meet investment opportunities as they arise.

Short term volatility : High

Long term return target: Build real wealth

Risk Factors

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 securities, i.e. the value of holdings may fall as well as rise.
- (iii) Interest rates – Interest rates in the countries in which the Fund's assets will be invested may be subject to fluctuation. Any such fluctuation may have a direct effect on the income received by the Fund and its capital value.
- (iv) Currency risk – Investors whose base currency is not HK dollars will be exposed to currency risk in that the value of their investment in their base currency will be affected by movements in the exchange rate between their base currency and the HK dollar.

Furthermore, as investment of the Fund will include collective investment schemes which may be denominated in non-HK dollars or with assets, some or all of which may be quoted in non-HK dollars, the Fund will be exposed to currency risk since the performance of the underlying funds' non-HK dollar assets will also be affected by movements in exchange rates.

- (v) 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 negatively affected.

Investment Restrictions and Guidelines

The Fund may only invest in collective investment schemes subject to the following restrictions and other restrictions, if any, imposed by the SFC from time to time. Cash may be held for ancillary purposes.

The Fund must invest in at least five collective investment schemes.

No investment may be made for the account of the Fund if as a result: -

- (i) the value of the Fund's holding of interests in funds which have not been

authorized by the SFC or established in a jurisdiction which is recognised by the SFC for the authorization of collective investment schemes would exceed 10 per cent. of the net asset value of the Fund; or

- (ii) except with the approval of the SFC, the value of the Fund's holding of interests in any one collective investment scheme would exceed 30 per cent. of the net asset value of the Fund (the SFC has approved the increase of the limit in any one collective investment scheme managed by the Manager, the Investment Manager or any of their Connected Persons and the primary objective of which is to invest in Hong Kong equities to 50 per cent. of the net asset value of the Fund); or
- (iii) the value of the Fund's holding of interests in collective investment schemes the principal objective of which is investment in warrants, leveraged investments, or futures and options would exceed 10 per cent. of the net asset value of the Fund.

The Fund may not invest in any collective investment scheme which invests all its assets in other collective investment schemes.

The Manager will not be required to sell investments if any of the above limits are exceeded as a result of changes in the value of the Fund's investments, reconstructions or amalgamation, the redemption of units or payments out of the Fund's assets, but the Manager shall not make any investment which would result in such limits being further exceeded and the Manager shall as a priority objective within such period of time as it considers reasonable having regard to the interests of unitholders endeavour to dispose of investments to the extent necessary to cause such limits no longer to be exceeded.

In addition, neither the Manager nor the Investment Manager may for the account of the Fund: -

- (i) invest in a security of any class if any director or officer of the Manager or the Investment Manager individually owns more than 0.5 per cent of the total nominal amount of all the issued securities of that class or if all directors and officers of the Manager and the Investment Manager collectively own more than 5 per cent of those securities; or
- (ii) make loans (other than by making deposits and acquiring debt and money market instruments) or give guarantees; or
- (iii) make short sales of securities; or
- (iv) invest in any unit trust or other collective investment scheme (a) whose objective is to invest primarily in investments prohibited by the SFC for investment by schemes authorized by it pursuant to the *Securities and Futures Ordinance* or (b) if it is managed by the Manager, the Investment Manager or any of certain management companies connected with the Manager, where the full amount of any initial or redemption charge is not waived or (c) if the Manager is entitled to receive a rebate on any fees or charges imposed by such unit trust or collective investment scheme or its manager in relation to the acquisition of such interest; or
- (v) except with the consent of the SFC, invest directly in land or buildings (or interests therein); or
- (vi) make any investment which would involve the assumption of unlimited liability; or
- (vii) acquire any investment which is nil-paid or partly-paid unless the Trustee sets aside cash or other property sufficient to provide for the paying up of such investment in full; or

- (viii) invest in any options or futures contracts unless it is for hedging purposes.

The Fund does not intend to engage in securities lending.

Borrowing Policy

The Trust Deed permits borrowings to be undertaken for the account of the Fund but only up to a limit of 10 per cent. of the total 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. Borrowings may be undertaken only on a temporary basis for the purpose of paying amounts due on the redemption of units or defraying operating expenses.

Distribution Policy

All income will be accumulated within the Fund.

Fund Parties

JF Funds 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 Trustee, Royal Bank of Canada Trust Company (Cayman) Limited, is incorporated with limited liability in the Cayman Islands.

Offer Price

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

The price of units will be determined in accordance with rules laid down in the Trust Deed by reference to the net asset value of the Fund's assets. Administration Units differ from Investment Units in bearing an administration charge to cover the costs of administration of the investors which will generally be trustees or administrators of provident or retirement schemes. All or part of the fee will be rebated to the administrators of such schemes in accordance with arrangements made with them. This fee is calculated in the proportion of the net asset value of the Fund attributable to Administration Units. Units will normally be issued on every dealing day which will normally be every day (other than a Saturday or a Sunday) on which banks in Hong Kong are open for normal banking business and on which all or part of the collective investment scheme(s) invested in by the Fund are available for normal dealing. In order for units to be issued on any particular dealing day, the application must be received by the Manager not later than 4:00 p.m. (Hong Kong time) on that dealing day or such other time agreed between the Manager and the Trustee. Applications received after that time will be dealt with on the immediately following dealing day. The Manager may change the time by which applications must be received in order to be dealt with on any particular dealing day.

With effect from and including 1 July 2005, in order for units to be issued on any particular dealing day, the application must be received by the Manager not later than 3:00 p.m. (Hong Kong time) on that dealing day or such other time agreed between the Manager and the Trustee. Applications received after that time will be dealt with on the immediately following dealing day.

The price at which units will be issued (i.e. the offer price) will be calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day and by adding a provision (not exceeding 1 per cent. of the net asset value) for fiscal and purchase charges (which will be paid into the Fund) and rounding the resulting sum downwards to the nearest cent. The Manager is also entitled to deduct from the subscription moneys an initial charge (normally up to 5 per cent. of such subscription moneys). The Manager does not intend to levy any such initial charge or any such fiscal and purchase charges under normal circumstances. Any initial charge will be retained by the Manager, which may rebate the whole or part thereof to any dealer in securities or other intermediary through whom any application is received.

The method of establishing the net asset value of the Fund is set out in the Trust Deed. The value of interests in any collective investment scheme is the latest published net asset value per unit or share in such scheme (where the same is published and is considered by the Manager to be appropriate) or (if such net asset value is not published or not considered by the Manager to be appropriate) the average of the last published bid and offer prices for such unit or share. Cash, deposits and similar investments are valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the value thereof. Such valuations will be expressed in HK dollars. The Manager may adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.

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 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 or of a unit, 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.

Units will be issued in fractions of not less than one-thousandth of a unit. Subscription monies representing smaller fractions of a unit will be retained as part of the Fund's assets.

Procedure for Application

The Manager may decline to accept any application by a person who is not a unitholder to invest less than HK\$2,000.

Units may be purchased by completing an Application Form. All applications should be sent to the Manager. When the application is made, it should specify the class of Units (i.e. Administration Units or Investment Units) intended to be purchased. 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 *Securities and Futures Ordinance* 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 *Securities and Futures Ordinance*.

A contract note will be sent to successful applicants specifying the number and class of Units issued. Any Units issued will be registered in the name of the relevant unitholders in the Register kept by the Registrar.

The offer price will be expressed in HK dollars. Alternative arrangements can be made for

unitholders who wish to subscribe in US dollars, Japanese yen or sterling. Unitholders are advised to contact the Manager if they wish to pay in other currencies. In such cases, the Manager will charge the applicant the costs of conversion into HK dollars which may be at the spot or forward rate as determined on the business day following the dealing day, depending on the manner and currency of payment.

Payment may be made by cheque payable to "JF Funds 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 administration charges). Third party cheques and cash are not accepted.

Certificates will not be issued to unitholders.

Evidence of Identity

In order to ensure compliance with any 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 principal, or confirmation by the applicant that evidence 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.

Bid Price

Unitholders may redeem their units on every dealing day which will normally be every day (other than a Saturday or a Sunday) on which banks in Hong Kong are open for normal banking business and on which all or part of the collective investment scheme(s) invested in by the Fund are available for normal dealing. In order for units to be redeemed on any particular dealing day, the redemption request must be received by the Manager not later than 4:00 p.m. (Hong Kong time) on that dealing day. Redemption requests received after that time will be dealt with on the immediately following dealing day. The Manager may change the time by which redemption requests must be received in order to be dealt with on any particular dealing day.

With effect from and including 1 July 2005, in order for units to be redeemed on any particular dealing day, the redemption request must be received by the Manager not later than 3:00 p.m. (Hong Kong time) on that dealing day. Redemption requests received after that time will be dealt with on the immediately following dealing day.

The price at which units will be redeemed on a dealing day will be calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day, less (a) the redemption charge (normally up to 0.5 per cent of the net asset value per unit) and (b) a provision (not exceeding 1 per cent. of the net asset value per unit) for fiscal and sales charges (which will be retained by the Fund). The resultant sum will be rounded downwards to the nearest cent. The Manager does not intend to levy any such redemption charge or any such fiscal and sales charges under normal circumstances.

The amount of redemption charge will be retained by the Manager for its own benefit.

The amount due on the redemption of units will normally be paid within seven business days and in any event not later than one calendar month after the date of actual receipt by the Manager of a duly completed redemption request in a prescribed format and such other information as the Trustee or the Manager may reasonably require. Failure to

provide such information may delay the payment of redemption proceeds. Payment will 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, 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 collective investment scheme 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, will be charged. In addition, a reduced initial charge may also be charged by the particular collective investment scheme into which the redemption monies are transferred.

Procedure for Redemption

Requests for the redemption of units should be made by facsimile or other written or electronic form specified by the Manager and stating the number and class of units (i.e. the Administration Units or the Investment Units) or an amount in HK dollars or other currency to be redeemed. The Manager may also agree to accept redemption requests over the telephone, subject to certain conditions.

Partial redemption of holdings are permitted, provided that they do not result in the unitholder holding units having an aggregate value of less than HK\$2,000 of the relevant class on the day of redemption. If a redemption request results in a holding below HK\$2,000 or its equivalent, on the relevant dealing day, the Manager may, at its absolute discretion, treat the redemption request as an instruction to redeem, as appropriate, the total holding in that particular class of Units.

The bid price will be expressed in HK dollars and payment will normally be made in that currency. Arrangements can be made for unitholders to receive payment in certain 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.

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 next dealing day which is applicable to any particular unitholder after cessation of the suspension. The Manager may also limit the total number of units redeemed on any dealing day to 10 per cent. or more of the units in issue on any dealing day.

Notice of the imposition and ending of any suspension or delay in payment will be given to persons who have applied for or requested redemption of units and will be published in the South China Morning Post and the Hong Kong Economic Times.

Fees, Charges and Liabilities

The Manager is entitled to receive an initial charge of up to 5 per cent of the subscription monies on the issue or sale of units and a redemption charge of up to 0.5 per cent of the net asset value per unit on the cancellation or redemption of any of those units. However, the Manager does not intend to levy any initial charge and redemption charge. If the Fund invests in any collective investment scheme managed by the Manager, the Investment Manager or any of their Connected Persons, all initial charges on the underlying scheme must be waived.

In addition, the Manager is entitled to receive a management fee at the rate of 2.5 per cent per annum of the net asset value of the Fund. However, the Manager currently receives a management fee at the rate of 1.0 per cent per annum of the net asset value of the Fund. For investment in unit trusts or other collective investment schemes managed by the Manager, the Investment Manager or any of their Connected Persons, the fee of the Manager will be adjusted taking into account the management fee levied by such unit trust or other collective investment scheme to the extent attributable to the Fund's interest in such unit trust or scheme and in any event the aggregated management fee payable by the Fund shall not exceed the current rate of 1.0 per cent. per annum of net asset value of the Fund. The management fees of such connected funds currently range between zero per cent. and 1.25 per cent. per annum. The Manager may only increase the level of its fee (which may not exceed 2.5 per cent per annum) by giving to the Trustee and the unitholders not less than three months' notice of the increased level of management fee.

The Manager will bear the fees of the Investment Manager.

The Trustee is entitled to receive a fee at the rate of 0.2 per cent per annum of the net asset value of the Fund. However, the Trustee currently receives a trustee fee at the rate of 0.1 per cent per annum of the net asset value of the Fund and 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 the unitholders not less than three months' notice of the increased level of trustee fee.

The Manager is entitled under the Trust Deed to an administration fee ("Administration Fee") at the rate of 0.7% per annum of the portion of the net asset value of the Fund attributable to the Administration Units on each dealing day. However, the Manager currently receives an Administration Fee at the rate of 0.6% per annum and may only increase the level of its fee (which may not exceed 0.7% per annum) by giving three months' notice to the Trustee and the holders of Administration Units.

The Administration Units will generally be held by trustees, custodians or other administrators of provident and retirement schemes. The Administration Fee is a charge to cover the administration of such schemes and thus will be rebated in whole or in part to the relevant scheme administrators in accordance with such arrangements as may be made with them. The level of the Administration Fee will be uniform for all Administration Units.

The Manager's fee and Administration Fee are payable monthly, and the Trustee's fee quarterly, in arrears. The Manager's fee and Trustee's fee are payable by reference to the net asset value of the Fund on each dealing day and the Administration Fee is payable by reference to the relevant portion of the net assets of the Fund attributable to the Administration Units. All the fees are calculated and accrue on each dealing day.

In addition, the Fund bears stamp duties, taxes, brokerage, commissions, foreign exchange costs, bank charges, 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 certain other expenses incurred in the administration of the Fund. The Fund 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 requirement or the introduction of any new law or regulatory requirement (including any costs incurred as a result of compliance with any code relating to unit trusts, whether or not having the force of law). The cost of establishing the Fund, which amounts to approximately HK\$174,000, will be borne by the Fund and amortized over five years after the Fund has been launched (for the avoidance of doubt, if the Fund were to terminate for whatever reason within such period, any such cost remaining unamortized would be written off upon the Fund's termination).

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, and that execution of the transaction is consistent with best execution standards and the brokerage rates are not in excess of customary institutional full-service rates. However, no cash rebates of brokerage or commission may be retained.

The liability of the unitholders of the Fund is limited to the assets comprised in the Fund.

Taxation

Prospective unitholders should inform themselves of, and take their own advice on, the taxes applicable to the subscription, holding and redemption of units, and any distribution (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 the section entitled "MANAGEMENT AND ADMINISTRATION" of this Summary of Explanatory Memorandum makes any warranty and/or representation as to the tax consequences in relation to any Relevant Event (or combination of Relevant Events) or 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 on its investments in some countries may be liable to the imposition of irrecoverable withholding tax or other tax.

The following paragraphs are based on the law and practice currently in force in the Cayman Islands and Hong Kong at the date of this Summary of Explanatory Memorandum and are subject to changes in content or 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.

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.

Hong Kong

The Fund was authorized under Section 104 of the *Securities and Futures Ordinance* of Hong Kong. As a result, 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 is or forms 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 the Inland Revenue Department practice, unitholders also should not be taxed in Hong Kong on distribution of income from the Fund. Unitholders should take advice from their own professional advisers as to their particular tax position.

Reports and Accounts

The first financial year end will be 30 June 2005. Each subsequent financial year end of the Fund will be 30 June in each year. Audited accounts (including the Trustee's and the Manager's reports) will be sent to unitholders normally within four months after the end of the financial year. The Manager will also send an unaudited half-yearly report to unitholders within two months after 31 December.

GENERAL

Publication of Net Asset Value

For indication purposes only, the net asset value of Administration Units and Investment Units will normally be published regularly in the South China Morning Post and the Hong Kong Economic Times.

Documents

Copy of the Trust Deed may be obtained from the Manager at a cost of HK\$80 each or may be inspected free of charge during normal working hours at the offices of the Manager. Copy of the Investment Management Agreement may also be inspected free of charge at the same address.

Transmission of Units

The Trust Deed contains provisions relating to the transfer of units in the case of the death or bankruptcy of any 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.

MANAGEMENT AND ADMINISTRATION DIRECTORY

Manager and Service Provider

JF Funds Limited
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8 Connaught Road Central
Hong Kong

Trustee and Registrar

Royal Bank of Canada Trust Company
(Cayman) Limited
P.O. Box 1586
24 Shedden Road
Grand Cayman
Cayman Islands
British West Indies

Directors of the Manager

Eddie She Lin Chang
Andrew Douglas Eu
Desmond Ka Yiu Ng
Terry San Kong Pan
Ken Wai Ming Tam
Bonnie Pui Lan Tse

Auditors

PricewaterhouseCoopers
Certified Public Accountants
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British West Indies

Investment Manager

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