

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 US\$ Money Fund
Summary of Explanatory Memorandum**

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

JF Funds Limited accepts responsibility for the information contained herein being accurate as at 3 May 2005.

JF Provident US\$ Money Fund (the “Trust”) has been authorized as a feeder fund under the *Securities Ordinance* of Hong Kong and is now deemed to have been authorized under the *Securities and Futures Ordinance* of Hong Kong. The Securities and Futures Commission (“SFC”) does not take any responsibility for the financial soundness of the Trust or the accuracy of any statement made or opinion expressed in this Summary of Explanatory Memorandum and does not imply that investment in its units is recommended by the SFC. The Trust is not subject to the supervision of the Hong Kong Monetary Authority. It should be appreciated that the subscription of units in the Trust is not the same as making a deposit with a bank or deposit taking company and the Manager’s obligation is limited to realize unitholder’s units at the relevant realization price, which may be different from the price at which units were purchased by such unitholder.

The investment objective of the Trust is to provide investors with the opportunity to invest in short term deposits and debt securities.

The Manager presently intends to achieve this investment objective by investing as a feeder fund solely in the JF USD shares of Fleming Series II Funds – USD (the “Underlying Fund”) which is a sub-fund of Fleming Series II Funds (“FSIIF”).

The Underlying Fund is a sub-fund of FSIIF, a limited liability investment company with variable share capital. FSIIF is an authorized investment fund in Luxembourg and managed by JPMorgan Asset Management (Europe) S.à r.l. (formerly known as J.P. Morgan Fleming Asset Management (Europe) S.à r.l.). JPMorgan Asset Management (UK) Limited (formerly known as J.P. Morgan Fleming Asset Management (UK) Limited) has been appointed as the investment manager in relation to the investments of the Underlying Fund. J.P. Morgan Bank Luxembourg S.A. has been appointed as the custodian of the assets of FSIIF.

The investment objective of the Underlying Fund is to provide, through active management, a return in line with short term money rates of the currency in which FSIIF - USD is denominated. Due regard is taken of capital security and high liquidity when choosing suitable money market securities.

The Underlying Fund will invest in short-dated transferable debt securities with an initial or residual maturity not exceeding 12 months. It may also invest in debt securities with maturities exceeding 12 months, provided that the rates of interest thereof are adjusted at least once a year in response to market conditions, either as a result of the terms of issue or through the issue of appropriate financial instruments or techniques. Cash and cash equivalents, consisting of money market instruments with a remaining maturity of less than one year, may be held on an ancillary basis.

It is anticipated that the Underlying Fund will invest in such transferable securities which are denominated in the currency of denomination of the Underlying Fund. If investments are made in transferable securities denominated in other currencies, such investments will be predominantly hedged to cover the currency risk and will be limited to one third of the portfolio.

Unless otherwise specified, any references to the investment policies and restrictions of the Underlying Fund in the Explanatory Memorandum and this Summary should be taken as applying equally to the Trust.

The Trust Deed contains provisions which allow the Manager, with the approval of the SFC, to switch all the investments of the Trust from any one single collective investment scheme to another by giving not less than three months’ notice to the Trustee and unitholders, provided that the investment objective of the Trust shall continue to be met and the Trustee certifies in writing that such change 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 will not result in any increase in the amount of costs and charges payable from the Trust’s assets. In such event, the investment restrictions applicable to the new underlying scheme in which the Trust’s assets are to be invested shall apply and be incorporated into the Explanatory Memorandum and this Summary in substitution for the investment restrictions set out below. For the avoidance of doubt, no approval of unitholders will be required to effect such change where the Trustee gives the required certification.

In addition, the Trust Deed also allows the Manager, with the approval of the SFC, to convert the Trust from a feeder fund to a fund which invests directly in investments permissible under the Trust Deed by giving not less than three months’ notice to the Trustee and unitholders, provided that the investment objective of the Trust shall continue to be met and the Trustee certifies in writing that such change 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 will not result in any increase in the amount of costs and charges payable from the Trust’s assets. In such event, the relevant provisions and investment restrictions contained in the SFC’s Code on Unit Trusts and Mutual Funds in force at the time and such other law, regulation or official requirement as shall then apply to the investment of the Trust’s assets shall at such time be incorporated into the Explanatory Memorandum and this Summary. For the avoidance of doubt, no approval of unitholders will be required to effect such conversion where the Trustee gives the required certification.

The Trust’s portfolio is, of course, subject to market fluctuations and to the risks inherent in all investments. Therefore, the subscription and realization prices of units may go down as well as up.

The Trust is designed principally as an investment vehicle for trustees, custodians or other administrators of provident and retirement schemes.

JF Funds Limited is the manager of the Trust (the “Manager”). The Manager has delegated day to day investment management to JF Asset Management Limited (the “Investment Manager”).

The Trustee of the Trust is Royal Bank of Canada Trust Company (Cayman) Limited, the registered office of which is at P.O. Box 1586, 24 Shedden Road, Grand Cayman, Cayman Islands, British West Indies. The Trustee is responsible for the safe custody of the assets of the Trust and is not responsible for the selection of investments or the Trust’s investment performance.

The Trust is governed by the laws of the Cayman Islands and is constituted by a Trust Deed dated 31 August 2000. Unless terminated earlier in accordance with the provisions of the Trust Deed, the Trust will automatically terminate on 31 August 2150. The Trust may be terminated by the Trustee or the Manager in certain circumstances, by Extraordinary Resolution of the unitholders or when the aggregate net asset value of all units in issue falls below US\$10,000,000.

MANAGEMENT AND ADMINISTRATION

Manager and Service Provider

JF Funds Limited
21st Floor
Chater House
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

Investment Manager

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

Auditors

PricewaterhouseCoopers
Certified Public Accountants
P.O. Box 258GT
Strathvale House
Grand Cayman
Cayman Islands
British West Indies

Solicitors

Deacons
5 Floor, Alexandra House
16-20 Chater Road
Central
Hong Kong

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

Issue and Realization of Units

The Trust is denominated in US dollars. There are two classes of units, Administration Units and Investment Units. Prices will be expressed in US dollars. The issue of units is at the discretion of the Manager. The Manager may decline to accept an initial subscription for less than HK\$2,000 or its equivalent. Current units are normally 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 which is also a dealing day of the Underlying Fund. Shares in the Underlying Fund will normally be issued and redeemed on every week day (other than a Saturday or a Sunday and except New Year's Day, Easter Monday, Christmas Day, the day prior to and following Christmas Day, or, if these days are not on week days, holidays in lieu of these days), other than a day on which any exchange or market on which a substantial portion of FSIIIF – USD's investment is traded, is closed or while dealing on any such exchange or market are restricted or suspended. 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. 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.

The price at which units will be issued (the "Subscription Price") is based on the net asset value of the Trust Fund. Administration Units are subject to an administration fee which is designed to cover the administration costs of the provident and retirement schemes operated by investors. Arrangements may be made by investors who are trustees or administrators of such schemes for the rebate by the Manager of the whole or part of the fee to them. As a result of the application of the administration fee, which is borne only by Administration Units, the price of Administration Units and Investment Units will be different with the price of Administration Units lower. In other respects the units rank *pari passu*.

The first issue of units was made on 31 August 2000 at a price of US\$10.00 per unit.

Subject to conditions set out in the Trust Deed, the Manager will realize units on every dealing day in respect of requests received up to 4:00 p.m. (Hong Kong time) on that dealing day or such other time agreed between the Manager and the Trustee. The Manager may change the time by which realization requests must be received in order to be dealt with on any particular dealing day.

With effect from and including 1 July 2005, the Manager will realize units on every dealing day in respect of requests received up to 3:00 p.m. (Hong Kong time) on that dealing day or such other time agreed between the Manager and the Trustee. All realization requests should be sent to the Manager.

The price at which units will be realized (the "Realization Price") is based on the net asset value of the Trust Fund. A realization charge not exceeding 0.5% of the net asset value of the unit realized (which will be retained by the Manager for its own use and benefit) and a charge for fiscal liabilities and sale costs (which will be retained as part of the Trust's assets), not exceeding 1% of the net asset value of the unit realized, may be charged but no such charges are currently made. For Administration Units, the Realization Price will take account of the accrued Administration Fee. Partial realizations are permitted, provided they do not result in a holding of less than HK\$2,000 or its equivalent of the relevant class. If the unitholder's holding falls below HK\$2,000 or its equivalent as a result of a partial realization, the Manager will require the unitholder to realize his units in full. Realization

Additional information can be obtained from the Manager at the above address.

Distribution of this Summary is not authorized in any jurisdiction unless it is accompanied by a copy of the most recent annual accounts of the Trust (if issued) and the most recent half yearly report (if issued after such annual accounts). Such annual accounts and half yearly report (where applicable) will form part of this Summary.

Units will be offered on the basis only of the information contained in the Explanatory Memorandum, such annual accounts and (where applicable) such half yearly report. Any further information or representations made by any dealer, salesman or other person must be regarded as unauthorized 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.

Risk Factors

An investment in money markets carries certain risks which investors should consider, 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) Currency risk - Investors whose base currency is **not** US 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 US dollar.

Exchange rates may also be affected by changes in exchange control regulations.

- (iii) Interest rates - Interest rates in the United States of America may fluctuate. Any such fluctuation may have a direct effect on the income received by the Trust and its capital value.

proceeds will normally be paid within five 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 realization amount is less than US\$1,000 or its equivalent, realization 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 Trust 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 realization of units in the Trust and accordingly a realization charge, calculated on the above basis, will be charged. In addition, a reduced preliminary or initial charge may also be charged by the particular collective investment scheme into which the realization monies are transferred.

The Subscription and Realization Prices for each dealing day are currently based on the valuation of the Trust as at the close of business on that day.

The method of establishing the value of the Trust's net assets is set out in the Trust Deed. As the Trust's assets will be invested in the Underlying Fund, this value is principally a function of the value of shares of the Underlying Fund. In general, quoted investments are valued at their closing price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager with the approval of the Trustee or as requested by the Trustee or caused by the Manager to be made by a professional person approved by the Trustee. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in US 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 subscription and realization prices for the Trust and the fair value of the Trust'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 realization, 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 Trust 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.

Investors should be aware that the price of units may go down as well as up. There are circumstances provided for in the Trust Deed which may temporarily restrict investors' rights to realize.

The Manager may, having regard to the interests of unitholders, suspend realization of units and/or delay the payment of any realization monies when (1) there is a closure or suspension of trading on any market on which a substantial part of the underlying investments of the Trust is normally quoted, listed, or dealt in, or (2) there is a breakdown in any of the means of determining the Trust's net asset value, or (3) the prices of the Trust's investments cannot be reasonably ascertained, or (4) the disposal of investments cannot be effected reasonably practicably or without prejudicing the interests of unitholders, or (5) the remittance of funds cannot be effected at normal rates of exchange or (6) the realization of shares in the Underlying Fund, or such other underlying fund as the Trust may then be investing in, is suspended.

In addition, the number of units realized on any dealing day may be limited to 10% of the total number of units of either class in issue. This limitation will apply pro rata to unitholders wishing to realize their units. Dealing days may be varied in future by the Manager.

Application for Subscription and Payment

Units may be purchased by completing an Application Form. All applications should be sent to the Manager. All applications must specify the class of Units, Administration Units or Investment Units, for which application is made. 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 subscription price will be expressed in US dollars. Alternative arrangements can be made for unitholders who wish to subscribe in HK 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 US 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 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.

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.

Charges and Liabilities

A variable preliminary charge not exceeding 5% of the subscription monies may be made by the Manager, although no such charge is currently made, and the whole or part of such charge may be rebated to the selling agent. A realization charge not exceeding 0.5% of the net asset value of the unit realized (which will be retained by the Manager for its own use and benefit) may be charged but no such charge is currently made. The Underlying Fund does not currently charge any preliminary charge or realization charge either.

The Manager is entitled under the Trust Deed to a management fee at the rate of 2.5% per

annum of the net asset value of the Trust. Since the manager of the Underlying Fund currently levies an annual management and advisory fee at the rate of 0.25% per annum of the net asset value of the Underlying Fund, the Manager has no present intention to charge a Management Fee in respect of the Trust. Accordingly, there will be no double charging.

The Manager may only increase the level of its fee (which may not exceed 2.5% per annum) by giving notice to the Trustee and not less than three months' notice to unitholders of the increased level of management fee. In any event, the overall aggregate management fee charged by the Trust and the Underlying Fund will not exceed the rate of 2.5% per annum of the net asset value of the Trust.

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 Trust 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 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 Manager's fee and Administration Fee are payable monthly.

The Trustee currently receives an annual fee of 0.02% of the Trust's net asset value, calculated and accrued on each dealing day and payable quarterly. The maximum charge permitted by the Trust Deed is 0.2% per annum and the Trustee may increase the fee up to the maximum with the agreement of the Manager and by giving three months' notice to unitholders.

Fees of the Investment Manager are borne by the Manager. In addition to the above described fees and charges, the fees of any custodian(s) of the Trust's investments, of the Registrar (including the Trustee or Manager acting as such) and the Auditors, stamp duty and brokerage expenses incurred in the making and disposal of all investments, the costs of any supplemental trust deeds and legal and certain other expenses incurred in the administration of the Trust and the cost of the publication of statements, accounts and reports are payable by the Trust.

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

Distribution Policy

All income will be accumulated within the Trust.

The policy of the FSIF is that all income accruing to the JF USD shares of the Underlying Fund will be retained for reinvestment.

Taxation

Prospective unitholders should inform themselves of, and take their own advice on, the taxes applicable to the subscription, holding and realization 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 Trust 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 Trust 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 Trust 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, Hong Kong, Luxembourg and under the European Union Savings Directive 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 Trust 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 unitholders any tax or duty on income or capital assets, gains or appreciations arising from the Trust.

Hong Kong

The Trust was authorized under Section 15 of the *Securities Ordinance* of Hong Kong and is now deemed to have been 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 Trust 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 realized on the sale or realization 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 Trust. Unitholders should take advice from their own professional advisers as to their particular tax position.

Taxation of, and in respect of holdings in, Fleming Series II Funds

FSIF is not subject to any taxes in Luxembourg on income or capital gains. The only tax to which FSIF in Luxembourg is subject is the "taxe d'abonnement" currently at the rate of 0.01 per cent. per annum based on the net asset value attributed to each class of share at the end of the relevant quarter, calculated and paid quarterly.

Interest and any dividend income received by FSIF may be subject to non-recoverable withholding tax in the countries of origin.

Under current law and practice in Luxembourg, the Trust is not subject to any capital gains, income, gift, estate, inheritance or other taxes in Luxembourg from its shareholdings in FSIF on the basis that it is not domiciled, resident or having a permanent establishment in Luxembourg nor does it own more than 10% of the share capital of FSIF and dispose of it in whole or part within six months of acquisition. Also see European Union Tax Considerations below.

European Union Tax Considerations

The Council of the European Union adopted on 3 June 2003, a Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "Directive"). Under the Directive, Member States of the European Union ("Member States") will be required to provide the tax authorities of another Member State with details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. Austria, Belgium and Luxembourg have opted instead for a withholding tax system for a transitional period in relation to such payments. Certain other countries, including Switzerland, the Caribbean countries, UK Channel Islands, Isle of Man, Monaco and Liechtenstein, will also be introducing measures equivalent to information reporting or withholding tax. From 1 July 2005 until 30 June 2008, the applicable withholding tax rate would be 15% and from 1 July 2008 until 30 June 2011 the applicable withholding tax rate would be 20%, rising to 35% from 1 July 2011. Any dividends distributed by FSIIIF - USD will be subject to the Directive if more than 15% of the assets of FSIIIF - USD are invested in debt claims (as defined in the above mentioned Directive). Proceeds realized by the Trust as shareholders of FSIIIF - USD on the disposal of shares in FSIIIF - USD will be subject to such reporting or withholding if more than 40% of the assets of FSIIIF - USD are invested in debt claims.

The Directive does not apply to Hong Kong paying agents, therefore individual investors who invest directly via Hong Kong should not be impacted.

Accounts

The Trust's year end is 30th June and audited accounts together with reports of the Trustee and the Manager will be sent to unitholders normally within four months after the year end. Unaudited half-yearly reports will also be sent to unitholders normally within two months after 31st December.

Investment Restrictions and Borrowing

A feeder fund may invest all of its assets in any single unit trust or collective investment scheme provided that such unit trust or scheme is authorized or deemed to have been authorized under the *Securities and Futures Ordinance* of Hong Kong. All of the assets of the Trust will be invested in the Underlying Fund which is authorized under the *Securities Ordinance* of Hong Kong and is now deemed to have been authorized under the *Securities and Futures Ordinance* of Hong Kong. Accordingly, as the assets of the Trust will be invested in the Underlying Fund, they will be invested in accordance with the investment restrictions of that fund.

The Trust has adopted the following investment restrictions which apply to the Underlying Fund.

The directors of FSIIIF have adopted the following principal investment restrictions which may be amended from time to time by the directors if and as they shall deem it to be in the best interests of FSIIIF.

- (a) FSIIIF will invest in transferable securities listed on a stock exchange in an Eligible State or dealt in on another Regulated Market and or recently issued, provided that the terms of issue include an undertaking that such recently issued securities will be listed on an Eligible Market within one year of issue (together "Eligible Transferable Securities"). Not more than 10 per cent. of the net asset value of FSIIIF - USD may be invested in transferable securities which are not Eligible Transferable Securities and debt instruments which are equivalent to transferable securities and

which are amongst other things, transferable, liquid and have a value which can be accurately determined on any dealing day of FSIIIF;

For the purposes of (a), (i) "Eligible State" shall mean any member state of the European Union, any member state of the Organisation for Economic Co-operation and Development, and any other state which the directors deem appropriate with regard to the investment objectives of FSIIIF - USD. Eligible States include in this category the countries in Africa, the Americas, Asia, Australasia and Europe; and

(ii) "Regulated Market" shall mean a market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.

- (b) not more than 10 per cent. of the net asset value of FSIIIF - USD may be invested in transferable securities issued by the same issuer;
- (c) not more than 40 per cent. of the net asset value of FSIIIF - USD may be invested in transferable securities of any issuing bodies which individually exceed 5 per cent. of the net asset value of FSIIIF - USD;
- (d) notwithstanding (b) & (c) above, up to 35 per cent. of the net asset value of FSIIIF - USD may be invested in transferable securities issued or guaranteed by an EU member state, its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members ("Government and other public securities");
- (e) notwithstanding (d) above, FSIIIF - USD may invest up to 100 per cent. in Government and other public securities, provided that FSIIIF - USD holds securities from at least six different issues and securities from a single issue must not exceed 30 per cent. of the net asset value of FSIIIF - USD;
- (f) FSIIIF - USD need not comply with the limits set out in (b), (c), (d) and (e) above for a period of 6 months following the date of its launch;
- (g) FSIIIF may not normally acquire shares carrying voting rights which would enable it to exercise significant influence over the management of the issuing body. Furthermore, FSIIIF may not acquire more than 10 per cent. of the non-voting shares or debt securities of any single issuing body or units of the same collective investment undertaking;
- (h) not more than 5 per cent. of the net asset value of FSIIIF - USD may be invested in securities of other collective investment undertakings of the open-ended type;
- (i) FSIIIF may not invest in precious metals or certificates representing these or enter into transactions involving commodities or commodity contracts;
- (j) FSIIIF may not purchase any securities on margin (except FSIIIF may obtain such short-term credit as may be necessary for the clearance of purchases and sales of securities) or make short sales of securities or maintain a short position;
- (k) FSIIIF may use techniques and instruments for the purpose of efficient portfolio management or providing protection against exchange rate risks including:
 - (i) options on securities provided that, the purchase and sale of such options would not, upon exercise, infringe any other investment restrictions, adequate assets or securities are set aside to cover the positions, the options are quoted on an exchange or dealt in on a Regulated Market and immediately after their acquisition the aggregate of the acquisition prices of all options held by FSIIIF -

USD, for purposes other than hedging, does not exceed 15 per cent. of the net asset value of FSIIIF - USD;

- (ii) options on interest rates and interest rate futures contracts provided that where such options or contracts are acquired for hedging purposes the commitments do not exceed the value of the relevant assets to be hedged and the total amount of such transactions does not exceed the level necessary to cover the risk of the fluctuation of the value of the assets concerned. Where such options or contracts are acquired for efficient portfolio management the positions are fully covered, all such options and contracts are listed on an exchange or dealt in on a Regulated Market and the aggregate of the acquisition prices of all options held by FSIIIF - USD, for purposes other than hedging, does not exceed 15 per cent. of the net asset value of FSIIIF - USD;
- (iii) forward currency contracts, currency futures or currency swap agreements or currency options for hedging currency risks. Currency futures and currency options must be quoted on an exchange or dealt on a Regulated Market. Currency forward contracts or swap arrangements may be entered into with highly rated financial institutions specialising in this type of transaction;
- (iv) securities lending transactions within the framework of a lending system organised by a recognised clearing body or highly rated financial institution. Incremental income from any such securities lending (after deduction of any fees or commissions payable) will accrue to FSIIIF - USD; and
- (v) the total underlying contract value of all options, futures, forward currency contracts, currency swap agreements and interest rate swaps for FSIIIF - USD is limited to 15 per cent. of the net asset value of FSIIIF - USD;
- (l) FSIIIF may not make loans or act as guarantor on behalf of third parties;
- (m) FSIIIF may not underwrite or sub-underwrite securities of other issuers;
- (n) FSIIIF - USD may not borrow other than amounts up to 10 per cent. of its net asset value on a temporary basis.

The above restrictions are an overview of the full investment restrictions contained in FSIIIF's Prospectus. The investment restrictions imposed by Luxembourg Law must be complied with by FSIIIF - USD.

The Trust Deed permits borrowings to be undertaken for the account of the Trust but only up to a limit of 10% of the latest net asset value of the Trust at the time the borrowing is made. The Trust's assets may be charged or pledged as security for any such borrowings. Borrowings may be undertaken only to provide cash to meet realizations or to pay operating expenses.

FSIIIF may not borrow for the account of FSIIIF – USD, other than amounts which do not in aggregate exceed 10 per cent. of the net asset value of FSIIIF – USD, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.

Additional Information

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.

Copies of the Trust Deed and the Investment Management Agreement may be obtained at a cost of HK\$80 each from the Manager or may be inspected free of charge during normal working hours at 21st Floor, Chater House, 8 Connaught Road Central, Hong Kong. All holders of units will be entitled to the benefit of, be bound by and be deemed to have notice of the provisions of the Trust Deed.

The Manager and any connected person (as defined in the Trust Deed) (“Connected Person”) shall not retain the benefit of any cash commission rebate (being cash commission repayment made by a broker or dealer to the Manager and/or any Connected Person) paid or payable from any such broker or dealer in respect of any business placed with such broker or dealer by the Manager or any Connected Person for or on behalf of the Trust. Any such cash commission rebate received from any such broker or dealer shall be held by the Manager and any Connected Person for the account of the Trust. The Manager and any of its Connected Persons may effect transactions by or through the agency of another person with whom the Manager and any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Manager and any of its Connected Persons goods, services or other benefits such as research and advisory services, computer hardware associated with specialized software or research services and performance measures etc, the nature of which is such that their provision can reasonably be expected to benefit the Trust as a whole and may contribute to an improvement in the Trust's performance and that of the Manager or any of its Connected Persons in providing services to the Trust and for which no direct payment is made but instead the Manager and any of its Connected Persons undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

The attention of investors is drawn to possible conflicts of interest as the Manager may enter into transactions with its Connected Persons for account of the Trust as principal with the consent of the Trustee (except in the case of a purchase of any unit in a collective investment scheme managed by the Manager or its Connected Persons where no such consent is required). If transactions in securities and other transactions are effected through a Connected Person such transactions may not exceed 50% by value of transactions in a financial year unless otherwise expressly permitted by the SFC. The Manager and its Connected Persons are entitled to retain the benefits of any dealing for account of the Trust. The Manager is under an obligation to ensure that transactions are executed on best available terms. The Manager and its Connected Persons may also manage or advise other trusts or clients which may lead to potential conflicts of interest. There is no limit on the deposits which may be made with any one bank and the purchase of securities issued by the Manager and any Connected Person will be subject to the same restrictions as those issued by other issuers.

The Trust has been categorised as a regulated mutual fund under the Mutual Funds Law of the Cayman Islands. The Trustee has agreed to provide the principal office of the Trust for the purposes of the Mutual Funds Law.

The investor should refer to the current Explanatory Memorandum for fuller details. This Summary is a short form of Explanatory Memorandum only and not all information in the Explanatory Memorandum is summarised herein.