

This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice.

The following change(s) in investment choice(s) relate(s) to the “FLEXI Series” investment plans, including Flexi-Invest Insurance Plan, FLEXI-Education InvestPlan and FLEXI-Annuity Investment Plan.

Changes to the Underlying Fund of the Investment Choice

- *US Dollar Cash Fund BP (BPUD) (the “Investment Choice”)*

As advised by JPMorgan Funds (Asia) Limited, there will be a number of changes to JPMorgan Funds - US Dollar Money Market Fund (the “Underlying Fund”), the underlying fund of the Investment Choice, with effect from 3 December 2018 (the “Effective Date”).

1. New Money Market Fund Regulation in Europe

As a result of the implementation of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (the “Regulation”), the Underlying Fund was reviewed in order to ensure compliance with the Regulation. The board of directors of the Underlying Fund has decided that it is in the best interests of investors for the Underlying Fund to be reclassified as a Short-Term Variable Net Asset Value Money Market Fund (“Short-Term VNAV MMF”).

The main characteristics of a Short-Term VNAV MMF are outlined below and are substantially in line with the way in which the Underlying Fund is currently managed:

- A Short-Term VNAV MMF can invest in any government or non-government eligible assets.
- A Short-Term VNAV MMF must have a weighted average maturity of no more than 60 days and a weighted average life of no more than 120 days.
- At least 7.5% of a Short-Term VNAV MMF’s assets must be comprised of daily liquid assets and at least 15% of weekly liquid assets.
- As a Short-Term VNAV MMF, the assets of the Underlying Fund must be valued using the Mark-to-Market pricing methodology (as defined below). As a result, the Underlying Fund’s net asset value per share may potentially exhibit increased volatility.

In order for the Underlying Fund to comply with the relevant portfolio and valuation requirements and other applicable rules provided for in the Regulation, a new Appendix IV entitled “Specific Provisions and Information relating to Money Market Sub-Fund” (the “Appendix IV”) will be inserted in the Hong Kong Offering Document of the Underlying Fund (the “Offering Document”) which sets out the structural features, investment objectives and policies, internal credit procedures, valuation methodology and investment restrictions and powers applicable to the Underlying Fund.

Changes to name, investment objective and policy, investment restrictions and investor profile

From the Effective Date, the Underlying Fund will be renamed as “JPMorgan Funds - USD Money Market VNAV Fund” and will be subject to the specific investment rules set forth in the section entitled “Investment Restrictions and Powers applicable to MMF Sub-Fund” in the new Appendix IV. The investment objective, investment policy and investor profile of the Underlying Fund will be updated to clarify what type of eligible assets the Underlying Fund may invest in under the Regulation.

In addition, the specific investment restrictions to allow the Underlying Fund for public distribution in Hong Kong will also be updated to ensure consistency with the limits and restrictions under the Regulation. In accordance with the Regulation, the Underlying Fund will no longer be allowed to borrow cash. For the avoidance of doubt, the Underlying Fund will continue to comply with the applicable requirements under Chapter 8.2 of the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission.

Valuation methodology applicable to money market funds

The Regulation sets out specific valuation rules for money market funds. From the Effective Date, the assets of the Underlying Fund will be valued in accordance with the valuation principles set forth in the section entitled “Specific provisions regarding the Net Asset Value calculation of the MMF Sub-Fund” in the new Appendix IV. In particular, securitisations, asset backed commercial paper(s) and money market instruments of the Underlying Fund will be valued at Mark-to-Market. Where the value of the assets of the Underlying Fund cannot be calculated following Mark-to-Market, their value shall be determined conservatively by using Mark-to-Model.

In this connection, “Mark-to-Market” means the valuation of positions at readily available closing prices that are sourced independently, including exchange prices, screen prices, or quotes from several independent reputable brokers, and “Mark-to-Model” means any valuation which is benchmarked, extrapolated or otherwise calculated from one or more market inputs.

2. Additional Investment Flexibility in Entering into Reverse Repurchase Transactions

It is currently disclosed in the Offering Document that the expected proportion of the assets under management of the Underlying Fund that could be subject to reverse repurchase transactions is 0%, subject to a maximum of 30%. In order to provide additional flexibility to the investment manager of the Underlying Fund, from the Effective Date, the maximum proportion of the assets under management of the Underlying Fund that could be subject to reverse repurchase transactions will be increased to 100%. In

addition, the expected proportion of the assets under management of the Underlying Fund subject to reverse repurchase transactions will fluctuate between 0% and 30%.

Investors should take note of the risks associated with reverse repurchase transactions. The counterparty of reverse repurchase transactions may fail to meet its obligations which could result in losses to the Underlying Fund. In the event of the failure of the counterparty with which cash has been placed, there is the risk that the value of the collateral received may be less than the cash placed out which may be due to factors including inaccurate pricing of the collateral, adverse market movements in the value of the collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Locking cash in transactions of significant size or duration, delays in recovering cash placed out, or difficulty in realising collateral may restrict the ability of the Underlying Fund to meet redemption requests or fund security purchases.

3. Implications of the Changes

Investors should take note of the risks associated with reverse repurchase transactions as a result of the Underlying Fund's potential increased exposure. However, the amendments for compliance with the Regulation would not result in any increase in the risk level of the Underlying Fund. The above amendments would not result in any changes to the fees of the Underlying Fund. Apart from the above amendments, there will be no change to the operation of the Underlying Fund and/or the manner in which the Underlying Fund is being managed. The above amendments will not have any material adverse impact on the interests of the investors of the Underlying Fund. The costs associated with the above changes will be borne by the management company.

You should refer to the relevant offering documents and the notice to shareholders of the underlying fund(s) of the above investment choice(s) in relation to the above changes, which are made available by MassMutual Asia Ltd. upon request.

If you have selected the above investment choice(s) under your insurance policy and if for any reason you wish to change to other investment choice(s), you may switch your investment choice(s) to other available investment choice(s) provided by your policy. Please note that bid-offer spread and switching charge are applicable for switching between investment choices. For details, please refer to Investment Choice Brochure or contact MassMutual Asia Ltd at (852) 2533 5555 (Hong Kong)/ (853) 2832 2622 (Macau).

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

3 September 2018

Dear Investor,

Changes to JPMorgan Funds - US Dollar Money Market Fund

We are writing to notify you of a number of changes to JPMorgan Funds - US Dollar Money Market Fund (the “**Sub-Fund**”), a sub-fund of JPMorgan Funds (the “**Fund**”) in which you own shares. The changes set out in this letter will take effect from and including 3 December 2018 (the “**Effective Date**”).

New Money Market Fund Regulation in Europe

As indicated in our Extraordinary General Meeting letters dated 3 May 2018 and 14 June 2018 in relation to the changes to the Articles of Incorporation of the Fund, as a result of the implementation of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on Money Market Funds (the “**Regulation**”), the money market product range of the Fund was reviewed in order to ensure compliance with the Regulation. The Board of Directors of the Fund has decided that it is in the best interests of shareholders for the Sub-Fund to be reclassified as a Short-Term Variable Net Asset Value Money Market Fund (“**Short-Term VNAV MMF**”). The ISIN of each share class of the Sub-Fund will not change as a result of this reclassification.

The main characteristics of a Short-Term VNAV MMF are outlined below and are substantially in line with the way in which the Sub-Fund is currently managed:

- A Short-Term VNAV MMF can invest in any government or non-government eligible assets.
- A Short-Term VNAV MMF must have a weighted average maturity of no more than 60 days and a weighted average life of no more than 120 days.
- At least 7.5% of a Short-Term VNAV MMF’s assets must be comprised of daily liquid assets and at least 15% of weekly liquid assets.
- As a Short-Term VNAV MMF, the assets of the Sub-Fund must be valued using the Mark-to-Market pricing methodology (as defined below). As a result, the Sub-Fund’s net asset value per share may potentially exhibit increased volatility.

In order for the Sub-Fund to comply with the relevant portfolio and valuation requirements and other applicable rules provided for in the Regulation, a new Appendix IV entitled “**Specific Provisions and Information relating to Money Market Sub-Fund**” (the “**Appendix IV**”) will be inserted in the Hong Kong Offering Document of the Fund (the “**Offering Document**”) which sets out the structural features, investment objectives and policies, internal credit procedures, valuation methodology and investment restrictions and powers applicable to money market product range of the Fund.

Changes to name, investment objective and policy, investment restrictions and investor profile

From the Effective Date, the Sub-Fund will be renamed as “**JPMorgan Funds - USD Money Market VNAV Fund**” and will be subject to the specific investment rules set forth in the section entitled “**Investment Restrictions and Powers applicable to MMF Sub-Fund**” in the new Appendix IV. The investment objective, investment policy and investor profile of the Sub-Fund will be updated to clarify what type of eligible assets the Sub-Fund may invest in under the Regulation. In addition, the specific investment restrictions to allow the Sub-Fund for public distribution in Hong Kong will also be updated to ensure consistency with the limits and restrictions under the Regulation. In accordance with the Regulation, the Sub-Fund will no longer be allowed to borrow cash. For the avoidance of doubt, the Sub-Fund will continue to comply with the applicable requirements under Chapter 8.2 of the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission (“**SFC**”).

Details of the changes to the name, investment objective, investment policy, specific investment restrictions and investor profile of the Sub-Fund in subsection 3.4 of the Offering Document are set out in the Appendix attached to this letter.

Valuation methodology applicable to money market funds

The Regulation sets out specific valuation rules for money market funds. From the Effective Date, the assets of the Sub-Fund will be valued in accordance with the valuation principles set forth in the section entitled “**Specific provisions regarding the Net Asset Value calculation of the MMF Sub-Fund**” in the new Appendix IV. In particular, securitisations, asset backed commercial paper(s) and money market instruments of the Sub-Fund will be valued at Mark-to-Market. Where the value of the assets of the Sub-Fund cannot be calculated following Mark-to-Market, their value shall be determined conservatively by using Mark-to-Model.

In this connection, “**Mark-to-Market**” means the valuation of positions at readily available closing prices that are sourced independently, including exchange prices, screen prices, or quotes from several independent reputable brokers, and “**Mark-to-Model**” means any valuation which is benchmarked, extrapolated or otherwise calculated from one or more market inputs.

Additional Investment Flexibility in Entering into Reverse Repurchase Transactions

It is currently disclosed in the Offering Document that the expected proportion of the assets under management of the Sub-Fund that could be subject to reverse repurchase transactions is 0%, subject to a maximum of 30%. In order to provide additional flexibility to the investment manager of the Sub-Fund, from the Effective Date, the maximum proportion of the assets under management of the Sub-Fund that could be subject to reverse repurchase transactions will be increased to 100%. In addition, the expected proportion of the assets under management of the Sub-Fund subject to reverse repurchase transactions will fluctuate between 0% and 30%. The change is also reflected in the Appendix attached to this letter.

Investors should take note of the risks associated with reverse repurchase transactions. The counterparty of reverse repurchase transactions may fail to meet its obligations which could result in losses to the Sub-Fund. In the event of the failure of the counterparty with which cash has been placed, there is the risk that the value of the collateral received may be less than the cash placed out which may be due to factors including inaccurate pricing of the collateral, adverse

market movements in the value of the collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Locking cash in transactions of significant size or duration, delays in recovering cash placed out, or difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests or fund security purchases.

Implications of the Changes and Alternatives to Investors

Investors should take note of the risks associated with reverse repurchase transactions as a result of the Sub-Fund's potential increased exposure. However, the amendments for compliance with the Regulation would not result in any increase in the risk level of the Sub-Fund. The above amendments would not result in any changes to the fees of the Sub-Fund. Apart from the above amendments, there will be no change to the operation of the Sub-Fund and/or the manner in which the Sub-Fund is being managed. The above amendments will not have any material adverse impact on the interests of the investors of the Sub-Fund. The costs associated with the above changes will be borne by the Management Company.

If, as a consequence of the above changes, you wish to redeem your shares, or switch your holdings in the Sub-Fund into any other funds which are managed by JPMorgan Funds (Asia) Limited or for which it acts as Hong Kong representative¹ and which are authorised by the SFC for sale to the public in Hong Kong, you may do so free of charge during the waiver period² from 3 September 2018 until 5:00 p.m. (Hong Kong time) on 30 November 2018. The redemption charge applicable to the Sub-Fund is currently at 0% of the net asset value per share. All other switching and redemption conditions as disclosed in the Offering Document still apply. Details of such funds (including the relevant offering documents) can be found on our website www.jpmorganam.com.hk³. SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of a fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

If you wish to switch or redeem your investment, we recommend that you seek tax and investment advice as appropriate before making a final decision.

Additional Information

The Offering Document is available free of charge upon request during normal working hours at the registered office of JPMorgan Funds (Asia) Limited⁴, and on our website www.jpmorganam.com.hk³. The Offering Document will be updated in due course to reflect the above changes and will be available on or after the Effective Date.

For further information on the Regulation, the new types of money market funds and their features, please contact the Hong Kong Representative of the Fund, JPMorgan Funds (Asia) Limited. In compliance with the Regulation, the following information will also be updated at least on a weekly

¹ Please note that, as provided in the relevant offering documents of the funds, the manager or the Hong Kong representative (as applicable) of each such fund has the discretion to accept or reject in whole or in part any application for units or shares (as the case may be) in the fund.

² Please note that although we will not impose any charges in respect of your switching or redemption instructions, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you switching or redemption fees and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor, financial adviser or pension scheme trustee or administrator should you have any questions.

³ The website has not been reviewed by the SFC.

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

basis and can be obtained from the Hong Kong Representative upon request from the Effective Date:

- The maturity breakdown of the portfolio of the Sub-Fund
- The credit profile of the Sub-Fund
- The weighted average maturity and weighted average life of the Sub-Fund
- Details of the 10 largest holdings in the Sub-Fund
- The total value of the assets of the Sub-Fund
- The net yield of the Sub-Fund

The Management Company of the Fund accepts responsibility for the accuracy of the content of this letter.

If you have any questions with regard to the content of this letter or any other aspect of the Sub-Fund, please do not hesitate to contact:

- your bank or financial adviser;
- your designated client adviser, account manager, pension scheme trustee or administrator;
- our Intermediary Hotline on (852) 2978 7788;
- our Intermediary Clients' Hotline on (852) 2265 1000; or
- if you normally deal directly with us, our J.P. Morgan Funds InvestorLine on (852) 2265 1188.

Yours faithfully,
For and on behalf of
JPMorgan Funds (Asia) Limited
as Hong Kong Representative of the Fund



Edwin TK Chan
Director

Appendix

Changes to the name, investment objective, investment policy, specific investment restrictions, investor profile and additional information of the Sub-Fund in subsection 3.4 of the Offering Document⁵:

JPMorgan Funds - USD Dollar-Money Market VNAV Fund

This Sub-Fund qualifies as a *Short-Term VNAV MMF* “~~Short-Term Money Market Fund~~” in accordance with ESMA guidelines reference CESR/10-049.

Investment Objective

The Sub-Fund seeks to achieve a return in the Reference Currency in line with prevailing money market rates whilst aiming to preserve capital consistent with such rates and to maintain a high degree of liquidity by investing in USD denominated short-term debt securities (*including Money Market Instruments, eligible securitisations and Asset-Backed Commercial Paper*) and *deposits with credit institutions*.

Investment Policy

The Sub-Fund will invest all of its assets, excluding cash and cash equivalents, in USD denominated short-term debt securities (*including Money Market Instruments, eligible securitisations and Asset-Backed Commercial Paper*) and *deposits with credit institutions*.

In addition to receiving a favourable assessment pursuant to the Management Company’s internal credit procedures, debt Debt securities with a long-term rating will be rated at least A and debt securities with a short-term rating will be rated at least A-1 by Standard & Poor’s or otherwise similarly rated by another independent rating agency.

The Sub-Fund may also invest in unrated debt securities of comparable credit quality to those specified above.

The weighted average maturity of the Sub-Fund’s investments will not exceed 60 days and the initial or remaining maturity of each debt security will not exceed 397 days at the time of purchase in accordance with Chapter 8.2 of the Code on Unit Trusts and Mutual Funds of the SFC.

The Sub-Fund may have exposure to investments in zero or negative yielding securities in adverse market conditions.

Cash and cash equivalents may be held on an ancillary basis.

~~Within the investment restrictions contained in “Appendix II – Investment Restrictions and Powers” and in accordance with Chapter 8.2 of the Code on Unit Trusts and Mutual Funds of the SFC, this~~ *The* Sub-Fund may at any time enter into Reverse Repurchase Transactions with highly rated financial institutions specialised in this type of transaction. The Sub-Fund will not typically invest more than 30% of its assets in Reverse Repurchase Transactions. The collateral underlying the Reverse Repurchase Transactions will also comply with the above credit quality restrictions, although no maturity constraints will apply.

⁵ There are no changes to the footnotes currently in subsection 3.4 of the Offering Document and therefore the footnotes are not included in this Appendix.

All of the above investments will be made in accordance with the limits set out in ~~“Appendix H – Investment Restrictions and Powers”~~ **“Appendix IV – 3. Investment Restrictions and Powers applicable to MMF Sub-Fund”**.

Specific investment restrictions

~~Further to the provisions 3a) iii), 3a) iv) and 3b) iii) in the main part of the Offering Document under the heading “Appendix H – Investment Restrictions and Powers”, the following additional investment restrictions will apply to allow for public distribution of the Sub-Fund in Hong Kong:~~

The aggregate value of the Sub-Fund’s holding of instruments and deposits issued by a single issuer may not exceed 10% of the total net asset value of the Sub-Fund except:

- (i) where the issuer is a substantial financial institution and the total amount does not exceed 10% of the issuer’s issued capital and published reserves, the limit may be increased to ~~25~~**15**%; or
- (ii) in the case of government and other public securities, up to 30% may be invested in the same issue; or
- (iii) in respect of any deposit of less than USD 1,000,000, where the Sub-Fund cannot otherwise diversify as a result of its size.

~~From time to time it may be necessary for the Sub-Fund to borrow on a temporary basis to fund redemption requests or defray operating expenses. The Sub-Fund may borrow on a temporary basis up to 10% of its total Net Asset Value.~~

Investor Profile

This Sub-Fund is a liquidity sub-fund that uses high quality ~~money market instruments~~ **short-term debt securities (including Money Market Instruments, eligible securitisations and Asset-Backed Commercial Paper) and deposits with credit institutions** to enhance returns. Investors in the Sub-Fund are therefore likely to be looking for an alternative to cash deposits for their medium-term or temporary cash investments, including seasonal operating cash for pension funds or the liquidity components of investment portfolios.

The Sub-Fund is offered to investors seeking a high degree of liquidity who have financial market knowledge and experience and also to investors who have basic or no financial market knowledge and experience and is intended for short-term investment. Investors should understand the risks involved and must evaluate the Sub-Fund objective and risks in terms of whether they are consistent with their own investment goals and risk tolerances. The Sub-Fund is not intended as a complete investment plan.

Additional Information

- The purchase of a Share in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company, that the management company has no obligation to redeem Shares at the offer value and that the Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority.
- The expected proportion of the assets under management of the Sub-Fund that could be subject to Reverse Repurchase Transactions is **fluctuates between 0% and 30%**, subject to a maximum of ~~30~~**100**%.