

JF Asia Absolute Return Fund

Audited Annual Report
30 September 2011

This report does not constitute an offer of any units in the fund forming the subject matter of this document (the "Fund"). Subscriptions are only valid if made on the basis of the current information memorandum (or equivalent), supplemented by the most recent financial report.

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Statement of Responsibilities of the Manager and the Trustee**Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

Trustee's Responsibilities

The Trustee of the Fund is required to:

- ensure that the Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period on the conduct of the Manager in the management of the Fund.

Report of the Trustee to the Unitholders

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 6 September 1989, as amended, for the year ended 30 September 2011.

HSBC Trustee (Cayman) Limited, Trustee

6 January 2012

Independent Auditor's Report

To the Unitholders of JF Asia Absolute Return Fund (the "Fund")

Report on the Financial Statements

We have audited the accompanying financial statements of the Fund set out on pages 3 to 30, which comprise the Statement of Financial Position as at 30 September 2011, and the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Trustee and the Manager (the "Management") of the Fund are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 6 September 1989, as amended (the "Trust Deed"), and the relevant financial statements disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code"), and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2011, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

Report on Other Legal and Regulatory Disclosure Requirements

We report that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed and the relevant financial statements disclosure provisions specified in the SFC Code.

PricewaterhouseCoopers
Cayman Islands,

6 January 2012

Statement of Financial Position
As at 30 September 2011

	2011 US\$	2010 US\$
Assets		
Cash at banks	37,943,498	25,136,748
Short term deposits	16,002,694	-
Amounts due from brokers	15,999,478	13,662,148
Amounts receivable on allotment	-	15,549,734
Margin deposits	5,329,430	14,690,969
Collateral deposits with brokers [Note 9]	29,545,500	55,077,220
Derivatives [Notes 3, 4(l)(a)]	837,198	-
Investments - long positions [Notes 3, 4(l)(a)]	101,777,409	248,174,831
Dividend and other accounts receivable	417,680	572,909
	<hr/>	<hr/>
Total assets	207,852,887	372,864,559
	<hr/>	<hr/>
Liabilities		
Amounts due to brokers	824,146	7,592,951
Amounts payable on redemption	2,823,463	3,522,910
Performance fee payable [Note 7(f)]	38,747	3,323,636
Derivatives [Notes 3, 4(l)(a)]	3,094,256	4,491,071
Investments - short positions [Notes 3, 4(l)(a)]	30,057,790	49,306,476
Other accounts payable	442,871	752,759
	<hr/>	<hr/>
Liabilities (excluding net assets attributable to holders of redeemable units)	37,281,273	68,989,803
	<hr/>	<hr/>
Net assets attributable to holders of redeemable units (before fair value adjustment) [Note 3]	170,571,614	303,874,756
Fair value adjustment of units of the Fund [Note 3]	577,706	1,201,136
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Net assets attributable to holders of redeemable units (after fair value adjustment) [Note 3]	171,149,320	305,075,892
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Approved by the Trustee and the Manager on 6 January 2012

Signed By:

HSBC Trustee (Cayman) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

Statement of Comprehensive Income
For the year ended 30 September 2011

	2011	2010
	US\$	US\$
Income		
Net (losses)/gains on investments and derivatives [Note 5]	(29,153,750)	19,379,459
Dividend income	3,290,376	1,685,018
Interest on deposits	27,120	15,639
Securities borrowing fee (net of interest on collateral deposits) [Note 9]	(58,859)	(68,204)
Net foreign currency exchange (losses)/gains	(127,285)	59,734
Other income	18,325	11,000
	<u>(26,004,073)</u>	<u>21,082,646</u>
	-----	-----
Expenses		
Transaction costs	3,633,472	2,638,056
Management fee [Note 7(e)]	2,767,840	2,065,465
Trustee's fee [Note 8]	136,035	114,964
Safe custody and bank charges	62,059	33,088
Auditor's fee	51,200	47,400
Registrar's fee [Note 7(k)]	41,022	31,646
Performance fee [Note 7(f)]	38,747	3,323,636
Legal and professional expenses	24,417	3,800
Printing and publication expenses	8,198	11,364
Valuation fee [Note 7(e)]	840	840
Other operating expenses	48,308	47,756
	<u>6,812,138</u>	<u>8,318,015</u>
	-----	-----
Net operating (loss)/profit	(32,816,211)	12,764,631
Finance costs		
Interest paid	(28,750)	-
	<u>(32,844,961)</u>	<u>12,764,631</u>
(Loss)/profit before taxation	(32,844,961)	12,764,631
Taxation [Note 6]	(341,981)	(173,024)
	<u>(33,186,942)</u>	<u>12,591,607</u>
	-----	-----
Change in cumulative difference arising from the fair value adjustment of units of the Fund	(623,430)	721,378
	<u>(33,810,372)</u>	<u>13,312,985</u>
	-----	-----
(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive (loss)/income	(33,810,372)	13,312,985

The notes on pages 7 to 30 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
For the year ended 30 September 2011

	2011 US\$	2010 US\$
Net assets attributable to holders of redeemable units at the beginning of the year	305,075,892	153,887,627
Allotment of redeemable units [Note 3]	63,870,973	160,150,131
Redemption of redeemable units [Note 3]	(163,987,173)	(22,274,851)
Net (redemption)/allotment	(100,116,200)	137,875,280
	204,959,692	291,762,907
(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive (loss)/income	(33,810,372)	13,312,985
Net assets attributable to holders of redeemable units at the end of the year	171,149,320	305,075,892

The notes on pages 7 to 30 form part of these financial statements.

Statement of Cash Flows
For the year ended 30 September 2011

	2011	2010
	US\$	US\$
Operating activities		
Purchase of investments and derivatives	(807,931,886)	(662,465,789)
Proceeds from disposal of investments and derivatives	894,599,686	552,189,191
Decrease/(increase) in collateral deposits with brokers	25,531,720	(24,177,370)
Decrease/(increase) in margin deposits	9,361,539	(7,016,136)
Dividend received	3,245,380	1,574,082
Interest received	26,414	15,033
Registrar's fee paid	(43,692)	(26,603)
Securities borrowing fee paid (net of interest on collateral deposits)	(63,613)	(69,059)
Trustee's fee paid	(139,053)	(111,320)
Tax paid	(341,981)	(173,024)
Management fee paid	(2,868,444)	(1,944,018)
Performance fee paid	(3,323,636)	(2,739,011)
Transaction costs paid	(3,648,147)	(2,622,429)
Others	(320,665)	(156,092)
Net cash inflow/(outflow) from operating activities	114,083,622	(147,722,545)
Financing activities		
Interest paid	(28,750)	-
Receipts on allotment of redeemable units [Note 12]	79,420,707	155,424,251
Payments on redemption of redeemable units [Note 12]	(164,686,620)	(21,687,231)
Net cash (outflow)/inflow from financing activities	(85,294,663)	133,737,020
Increase/(decrease) in cash and cash equivalents	28,788,959	(13,985,525)
Cash and cash equivalents at the beginning of the year	25,136,748	39,010,036
Exchange gains on cash and cash equivalents	20,485	112,237
Cash and cash equivalents at the end of the year	53,946,192	25,136,748
Analysis of balances of cash and cash equivalents:		
Cash at banks	37,943,498	25,136,748
Short term deposits	16,002,694	-
	53,946,192	25,136,748

The notes on pages 7 to 30 form part of these financial statements.

Notes to the Financial Statements

1 The Fund

JF Asia Absolute Return Fund (the "Fund") was established under a Trust Deed dated 6 September 1989, as amended, and is governed by the laws of the Cayman Islands. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital growth in US\$ terms through an aggressively managed portfolio of equities, bonds and currencies, and derivatives of any of these. The Manager seeks to achieve this objective by investing primarily in the Asia-Pacific region (including Japan). The Fund may, as considered appropriate by the Manager, hold substantial amounts of its portfolio in cash and cash-based instruments.

In order to ensure that the relevant performance fee charged to holders of redeemable units would relate more accurately to any investment gains in which they have participated, all units issued on a particular monthly dealing day have notionally been regarded as a separate unit class from units issued on other dealing days. Accordingly, a number of different unit classes are created within the Fund. A merging of separate unit classes will normally occur where, as at a year-end date, a management performance fee becomes payable by each of such unit classes. For unit classes to be merged, all units from respective unit class will be redeemed and subsequently subscribed into a merged unit class. The total value of any unitholders' units is not affected by the merger. On 3 October 2011, there was no merging of unit classes in respect of this financial year.

Pursuant to the Trust Deed, with effect from 20 December 2002, all units for any new unit classes are issued at a fixed price of US\$10 per unit (the "Subscription Price"). A preliminary charge per unit of up to 5 per cent of Subscription Price on the issue of unit is charged and paid to the Manager.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

2 Summary of principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation of financial statements

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

New standards and amendments to standards that are not yet effective and have not been early adopted by the Fund

HKFRS 9, "Financial Instruments" issued in November 2009. This standard is the first step in the process to replace Hong Kong Accounting Standards ("HKAS") 39, "Financial Instruments: Recognition and Measurement". HKFRS 9 introduces new requirements for classifying and measuring financial assets. In the fourth quarter of 2010, the Hong Kong Institute of Certified Public Accountants ("HKICPA") has released additions to HKFRS 9 dealing with financial liabilities. The additions, which are part of the HKICPA's plan to replace HKAS 39, retain most of the HKAS 39's requirements for financial liabilities. The main change is that in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to the entity's own credit risk is recorded in other comprehensive income. The standard is not applicable until 1 January 2013 but is available for early adoption. The Management is currently assessing the impact on the Fund's financial statements.

HKFRS 13, "Fair Value Measurement" issued in June 2011. This standard introduces guidance for defining and measuring fair value. It also requires for additional disclosures about fair value measurements so as to enhance the comparability of information reported in the financial statements. The standard is not applicable until 1 January 2013 but is available for early adoption. The Management is currently assessing the impact on the Fund's financial statements.

(b) Investments and derivatives

Classification

The Fund classifies its investments and derivatives as financial assets or financial liabilities at fair value through profit or loss. These financial assets or financial liabilities are held-for-trading as they are acquired or incurred principally for the purpose of selling or repurchasing in the near term or short-term profit taking.

All derivatives are carried in assets when amounts are receivable by the Fund and in liabilities when amounts are payable by the Fund.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

Recognition, derecognition and measurement

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

Fair value estimation

Investments that are listed or traded on an exchange and investments with prices quoted in over-the-counter markets or by market makers, are fair valued based on quoted "bid" prices on long investments and quoted "ask" prices on investments sold short. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at "bid" prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at "bid" prices for long positions and "ask" prices for short positions at the valuation date. The differences between the bid/ask prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at "bid" prices for long positions and "ask" prices for short positions at the valuation date. The differences between the bid/ask prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

(c) Securities lending and borrowing

Securities lenders' agreements are entered into with institutions of appropriate financial standing who engage in such arrangements acceptable to the Trustee and on arm's length commercial terms. Securities lent are included in the investment portfolio of the Fund. Relevant securities lending income entitled by the Fund is accounted for in the Statement of Comprehensive Income. Collateral received for the purpose of securities lent generally consist of non-cash collateral which are off-balance sheet transactions and are therefore not included in the financial statements.

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately. Refer to Note 9.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(e) Income and expense

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

(f) Foreign currency translation*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

(g) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short term bank loans which the Fund usually undertakes as overnight bank borrowings.

(h) Margin deposits

Margin deposits with brokers for trading of future and swap contracts are stated at amortized cost using the effective interest method.

(i) Amounts due from/to brokers

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

(j) Proceeds and payments on allotment and redemption of units

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Fund's Trust Deed dated 6 September 1989, as amended, which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

3 Net assets attributable to holders of redeemable units and number of units in issueFair value adjustment of units of the Fund

As stated in Note 2(j), units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to the holders of redeemable units and is carried at the redemption amount that would be payable at the Statement of Financial Position date, if the holders of redeemable units exercised the right to redeem units of the Fund. The redemption amount is determined based on the net assets attributable to holders of redeemable units calculated in accordance with the provisions of the Fund's Trust Deed dated 6 September 1989, as amended ("Trust Deed NAV").

	2011 US\$	2010 US\$
Net assets attributable to holders of redeemable units (before fair value adjustment)	170,571,614	303,874,756
Fair value adjustment of units of the Fund:		
Difference between bid/ask prices and last traded prices basis in valuing investments and derivatives as at 30 September [Note 3(a)]	577,706	1,201,136
Net assets attributable to holders of redeemable units (after fair value adjustment)	171,149,320	305,075,892

Note:

- (a) Listed investments, investments and derivatives with prices quoted in over-the-counter markets or by market makers are stated at the last traded prices for the purpose of the Trust Deed NAV. As stated in Note 2(b), the accounting policy of the Fund for the purpose of compliance with HKAS 39, "Financial Instruments: Recognition and Measurement" and for reporting purposes is to value its investments and derivatives at fair value based on the relevant bid/ask market prices on the Statement of Financial Position date.

Number of units in issue

2011

	Class A Units	Class 0907 Units	Class 0908 Units	Class 0909 Units	Class 0910 Units
Number of units in issue:					
At the beginning of the year	2,024,806.860	283,202.768	808,303.774	182,385.383	647,420.916
Total allotments	-	-	-	-	-
Total redemptions	(1,780,669.530)	-	-	-	-
Merger [Note 1 and 12]	2,362,051.687	(283,202.768)	(808,303.774)	(182,385.383)	(647,420.916)
At the end of the year	2,606,189.017	-	-	-	-
	US\$	US\$	US\$	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	145,761,480	-	-	-	-
Net assets attributable to holders of redeemable units (per unit)	55.93	-	-	-	-

JF ASIA ABSOLUTE RETURN FUND

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	Class 0911 Units	Class 0912 Units	Class 1001 Units	Class 1002 Units	Class 1003 Units
Number of units in issue:					
At the beginning of the year	539,938.003	890,137.878	742,332.510	156,952.779	476,642.656
Total allotments	-	-	-	-	-
Total redemptions	-	-	-	-	-
Merger [Note 1 and 12]	(539,938.003)	(890,137.878)	(742,332.510)	(156,952.779)	(476,642.656)
At the end of the year	-	-	-	-	-
	US\$	US\$	US\$	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	-	-	-	-	-
Net assets attributable to holders of redeemable units (per unit)	-	-	-	-	-
	Class 1004 Units	Class 1005 Units	Class 1006 Units	Class 1007 Units	Class 1008 Units
Number of units in issue:					
At the beginning of the year	1,404,223.636	530,724.854	5,189,021.684	1,873,911.881	1,373,598.531
Total allotments	-	-	-	-	-
Total redemptions	-	-	-	-	-
Merger [Note 1 and 12]	(1,404,223.636)	(530,724.854)	(5,189,021.684)	(1,873,911.881)	(1,373,598.531)
At the end of the year	-	-	-	-	-
	US\$	US\$	US\$	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	-	-	-	-	-
Net assets attributable to holders of redeemable units (per unit)	-	-	-	-	-

JF ASIA ABSOLUTE RETURN FUND

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	Class 1009 Units	Class 1010 Units	Class 1011 Units	Class 1012 Units	Class 1101 Units
Number of units in issue:					
At the beginning of the year	1,554,973.378	-	-	-	-
Total allotments	-	1,758,157.932	378,368.740	1,710,194.527	909,701.946
Total redemptions	(845,850.733)	(1,489,551.483)	(300,000.000)	(1,468,224.447)	(255,601.443)
Merger [Note 1 and 12]	-	-	-	-	-
At the end of the year	<u>709,122.645</u>	<u>268,606.449</u>	<u>78,368.740</u>	<u>241,970.080</u>	<u>654,100.503</u>
	US\$	US\$	US\$	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	<u>6,009,308</u>	<u>2,243,119</u>	<u>668,647</u>	<u>2,050,182</u>	<u>5,680,614</u>
Net assets attributable to holders of redeemable units (per unit)	<u>8.47</u>	<u>8.35</u>	<u>8.53</u>	<u>8.47</u>	<u>8.68</u>
	Class 1102 Units	Class 1103 Units	Class 1104 Units	Class 1105 Units	Class 1106 Units
Number of units in issue:					
At the beginning of the year	-	-	-	-	-
Total allotments	280,264.966	564,038.779	215,236.851	43,770.834	67,309.146
Total redemptions	-	(524,501.267)	(100,000.000)	-	-
Merger [Note 1 and 12]	-	-	-	-	-
At the end of the year	<u>280,264.966</u>	<u>39,537.512</u>	<u>115,236.851</u>	<u>43,770.834</u>	<u>67,309.146</u>
	US\$	US\$	US\$	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	<u>2,448,440</u>	<u>338,770</u>	<u>975,092</u>	<u>373,942</u>	<u>585,963</u>
Net assets attributable to holders of redeemable units (per unit)	<u>8.74</u>	<u>8.57</u>	<u>8.46</u>	<u>8.54</u>	<u>8.71</u>

	Class 1107 Units	Class 1108 Units
Number of units in issue:		
At the beginning of the year	-	-
Total allotments	455,000.000	5,053.602
Total redemptions	-	-
Merger [Note 1 and 12]	-	-
At the end of the year	<u>455,000.000</u>	<u>5,053.602</u>

US\$ US\$

Net assets attributable to holders of redeemable units (after fair value adjustment)	<u>3,968,666</u>	<u>45,097</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>8.72</u>	<u>8.92</u>
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2010

	Class A Units	Class 0709 Units	Class 0710 Units	Class 0711 Units	Class 0712 Units
Number of units in issue:					
At the beginning of the year	552,706.988	31,530.114	15,006.737	16,306.748	4,454,873.695
Total allotments	-	-	-	-	-
Total redemptions	(100,196.010)	-	-	-	-
Merger [Note 1 and 12]	1,572,295.882	(31,530.114)	(15,006.737)	(16,306.748)	(4,454,873.695)
At the end of the year	<u>2,024,806.860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

US\$ US\$ US\$ US\$ US\$

Net assets attributable to holders of redeemable units (after fair value adjustment)	<u>133,634,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>66.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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JF ASIA ABSOLUTE RETURN FUND

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	Class 0801 Units	Class 0802 Units	Class 0803 Units	Class 0804 Units	Class 0805 Units
Number of units in issue:					
At the beginning of the year	305,990.281	627,336.303	71,993.558	122,524.911	74,221.774
Total allotments	-	-	-	-	-
Total redemptions	-	-	-	-	-
Merger [Note 1 and 12]	(305,990.281)	(627,336.303)	(71,993.558)	(122,524.911)	(74,221.774)
At the end of the year	-	-	-	-	-
	US\$	US\$	US\$	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	-	-	-	-	-
Net assets attributable to holders of redeemable units (per unit)	-	-	-	-	-
	Class 0806 Units	Class 0807 Units	Class 0808 Units	Class 0810 Units	Class 0811 Units
Number of units in issue:					
At the beginning of the year	301,163.235	10,000.000	70,693.893	5,053.589	172,782.520
Total allotments	-	-	-	-	-
Total redemptions	-	-	-	-	-
Merger [Note 1 and 12]	(301,163.235)	(10,000.000)	(70,693.893)	(5,053.589)	(172,782.520)
At the end of the year	-	-	-	-	-
	US\$	US\$	US\$	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	-	-	-	-	-
Net assets attributable to holders of redeemable units (per unit)	-	-	-	-	-

JF ASIA ABSOLUTE RETURN FUND

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	Class 0812 Units	Class 0901 Units	Class 0902 Units	Class 0903 Units	Class 0904 Units
Number of units in issue:					
At the beginning of the year	6,102.812	44,321.197	186,829.558	1,217,306.062	318,916.305
Total allotments	-	-	-	-	-
Total redemptions	-	-	-	-	-
Merger [Note 1 and 12]	(6,102.812)	(44,321.197)	(186,829.558)	(1,217,306.062)	(318,916.305)
At the end of the year	-	-	-	-	-
	US\$	US\$	US\$	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	-	-	-	-	-
Net assets attributable to holders of redeemable units (per unit)	-	-	-	-	-
	Class 0905 Units	Class 0906 Units	Class 0907 Units	Class 0908 Units	Class 0909 Units
Number of units in issue:					
At the beginning of the year	543,193.559	512,740.536	298,280.204	813,303.774	1,082,385.383
Total allotments	-	-	-	-	-
Total redemptions	-	-	(15,077.436)	(5,000.000)	(900,000.000)
Merger [Note 1 and 12]	(543,193.559)	(512,740.536)	-	-	-
At the end of the year	-	-	283,202.768	808,303.774	182,385.383
	US\$	US\$	US\$	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	-	-	2,986,634	8,586,443	1,938,113
Net assets attributable to holders of redeemable units (per unit)	-	-	10.55	10.62	10.63

JF ASIA ABSOLUTE RETURN FUND

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	Class 0910 Units	Class 0911 Units	Class 0912 Units	Class 1001 Units	Class 1002 Units
Number of units in issue:					
At the beginning of the year	-	-	-	-	-
Total allotments	706,462,542	639,938,003	904,637,878	742,332,510	162,081,779
Total redemptions	(59,041,626)	(100,000,000)	(14,500,000)	-	(5,129,000)
Merger [Note 1 and 12]	-	-	-	-	-
At the end of the year	<u>647,420,916</u>	<u>539,938,003</u>	<u>890,137,878</u>	<u>742,332,510</u>	<u>156,952,779</u>
	US\$	US\$	US\$	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	<u>6,806,323</u>	<u>5,668,946</u>	<u>9,286,335</u>	<u>7,752,377</u>	<u>1,617,133</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.51</u>	<u>10.50</u>	<u>10.43</u>	<u>10.44</u>	<u>10.30</u>
	Class 1003 Units	Class 1004 Units	Class 1005 Units	Class 1006 Units	Class 1007 Units
Number of units in issue:					
At the beginning of the year	-	-	-	-	-
Total allotments	496,642,656	1,506,123,636	839,282,228	5,189,021,684	1,873,911,881
Total redemptions	(20,000,000)	(101,900,000)	(308,557,374)	-	-
Merger [Note 1 and 12]	-	-	-	-	-
At the end of the year	<u>476,642,656</u>	<u>1,404,223,636</u>	<u>530,724,854</u>	<u>5,189,021,684</u>	<u>1,873,911,881</u>
	US\$	US\$	US\$	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	<u>4,826,182</u>	<u>14,278,905</u>	<u>5,415,816</u>	<u>53,703,699</u>	<u>18,961,238</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.13</u>	<u>10.17</u>	<u>10.20</u>	<u>10.35</u>	<u>10.12</u>

	Class 1008 Units	Class 1009 Units
Number of units in issue:		
At the beginning of the year	-	-
Total allotments	1,373,598.531	1,554,973.378
Total redemptions	-	-
Merger [Note 1 and 12]	-	-
At the end of the year	<u>1,373,598.531</u>	<u>1,554,973.378</u>
	US\$	US\$
Net assets attributable to holders of redeemable units (after fair value adjustment)	<u>14,063,754</u>	<u>15,549,734</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.24</u>	<u>10.00</u>

4 Financial risk management

(i) Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

(a) Market risk

(i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2011		2010	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Equities and Convertibles				
- China	25,732,725	15.1	65,317,743	21.4
- Hong Kong	21,578,811	12.6	8,365,107	2.7
- Japan	19,362,611	11.3	39,657,530	13.0
- Korea	8,778,878	5.1	34,787,256	11.4
- Others	5,625,269	3.3	41,712,922	13.7
	<u>81,078,294</u>	<u>47.4</u>	<u>189,840,558</u>	<u>62.2</u>
Debt Securities				
- China	8,503,044	5.0	9,443,214	3.1
- Korea	-	-	15,147,385	5.0
- Others	12,196,071	7.1	33,743,674	11.0
	<u>20,699,115</u>	<u>12.1</u>	<u>58,334,273</u>	<u>19.1</u>
Derivatives				
- Futures	837,198	0.5	-	-
	<u>102,614,607</u>	<u>60.0</u>	<u>248,174,831</u>	<u>81.3</u>
<u>Liabilities</u>				
Equities and Convertibles				
- Japan	(1,389,465)	(0.8)	(19,790,399)	(6.5)
- Hong Kong	(5,509,490)	(3.2)	(16,859,490)	(5.5)
- China	(16,208,613)	(9.5)	(5,555,055)	(1.8)
- Others	(6,950,222)	(4.1)	(7,101,532)	(2.3)
	<u>(30,057,790)</u>	<u>(17.6)</u>	<u>(49,306,476)</u>	<u>(16.1)</u>
Derivatives				
- Futures	(308,896)	(0.2)	(3,810,272)	(1.3)
- Forward foreign exchange contracts	(2,785,360)	(1.6)	(680,799)	(0.2)
	<u>(3,094,256)</u>	<u>(1.8)</u>	<u>(4,491,071)</u>	<u>(1.5)</u>
	<u>(33,152,046)</u>	<u>(19.4)</u>	<u>(53,797,547)</u>	<u>(17.6)</u>
Total Listed/Quoted Investments	<u>69,462,561</u>	<u>40.6</u>	<u>194,377,284</u>	<u>63.7</u>

Also, refer to Note 11 for the exposures on derivative contracts.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Fund's volatility, which helps to describe the likely range of the Fund's return, on a regular basis. In statistical terms, it is the standard deviation of the return distribution. Greater volatility of monthly fund returns means that there is a wider range of likely returns in the future, or greater uncertainty regarding the fund returns. Most investors would equate this greater uncertainty with greater risk.

The table below summarizes the volatility of the Fund expressed in annual terms and the estimated impact on the net asset value.

	2011	2010
Annual volatility (Note*)	8.87	7.49

If the above volatility were to be applied to the Fund's net asset value as of 30 September 2011 US\$171,149,320 (2010: US\$305,075,892) and assuming that the Fund's returns are normally distributed with its mean return equals to nil and with one standard deviation away from the mean return (i.e. a probability of 68%), the estimated reasonable possible change in the Fund's net asset value would be between US\$155,968,375 and US\$186,330,265; or within +/- US\$15,180,945 (2010: between US\$282,225,708 and US\$327,926,076; or within +/- US\$22,850,184) over a twelve-month period based on the Fund's historical annual volatility percentage as a result of the market price fluctuation, assuming that all other variables are held constant.

Note:

* Volatility is calculated based on the monthly Fund's returns over the maximum of past 36 months or the number of months since portfolio inception. For funds launched within a period of less than 12 months, volatility is calculated based on the weekly Fund's returns since the Fund's launch. Volatility is expressed in annual volatility by applying the square root of time adjustment. Volatility may not cover stressed market events, nor represent the Investment Manager's forecast of the Fund's range of future returns. In order to reflect the period until the Fund will next present risk management disclosures, the Investment Manager assessed and revised the expression of volatility from quarterly to annual.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates. The Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its investments, derivatives and cash deposits.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	Less than 1 year US\$	1-5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<u>2011</u>					
Cash at banks	37,943,498	-	-	-	37,943,498
Short term deposits	16,002,694	-	-	-	16,002,694
Margin deposits	5,329,430	-	-	-	5,329,430
Collateral deposits with brokers	29,545,500	-	-	-	29,545,500
Derivatives	-	-	-	222,496	222,496
Investments - long positions (Note*)	10,010,669	7,792,977	2,895,469	-	20,699,115
Total interest sensitivity gap	<u>98,831,791</u>	<u>7,792,977</u>	<u>2,895,469</u>	<u>222,496</u>	<u>109,742,733</u>

2010

Cash at banks	25,136,748	-	-	-	25,136,748
Margin deposits	14,690,969	-	-	-	14,690,969
Collateral deposits with brokers	55,077,220	-	-	-	55,077,220
Derivatives	-	-	-	(1,288,017)	(1,288,017)
Investments - long positions (Note*)	2,050,389	53,790,933	5,635,207	-	61,476,529
Total interest sensitivity gap	<u>96,955,326</u>	<u>53,790,933</u>	<u>5,635,207</u>	<u>(1,288,017)</u>	<u>155,093,449</u>

Note:

* The coupon rate of the investments ranged between 3.70% p.a. - 12.75% p.a. (2010: 2.00% p.a. - 11.75% p.a.). The non-interest bearing investments mainly refer to bond future derivatives.

Any cash and cash equivalents are placed/borrowed at short term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

The Fund held 12.1% (2010: 19.1%) of net asset value in debt securities with an average duration of 2.10 (2010: 2.89). If the interest rates were to rise by 25 basis points with all other variables held constant, this would result in a decrease in the fair value of debt securities by approximately US\$108,670 (2010: US\$421,465). Conversely, if the interest rates were to fall by 25 basis points, this would result in an increase in the fair value of debt securities by the same amount.

(iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. The realized profits or losses are normally quoted and settled net in United States. Refer to Note 11(a) for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
2011			
Australian Dollar	1,854,923	+0.4	7,420
Chinese Yuan	29,548,847	+4.8	1,418,345
Hong Kong Dollar	32,113,239	-0.3	(96,340)
Indonesian Rupiah	12,856,177	+1.5	192,843
Japanese Yen	(10,746,183)	+8.4	(902,679)
Korean Won	3,835,169	-3.2	(122,725)
Malaysian Ringgit	10,998,708	-3.3	(362,957)
Singapore Dollar	(3,349,827)	+0.9	(30,148)
Taiwan Dollar	1,938,052	+2.5	48,451
	79,049,105		152,210
2010			
Australian Dollar	(13,167,711)	+9.7	(1,277,268)
Chinese Yuan	59,429,744	+2.0	1,188,595
Hong Kong Dollar	54,791,654	-0.2	(109,583)
Indonesian Rupiah	276,634	+8.3	22,961
Japanese Yen	(20,615,389)	+7.2	(1,484,308)
Korean Won	19,814,316	+3.3	653,872
Malaysian Ringgit	5,444,358	+12.1	658,767
Singapore Dollar	(2,155,211)	+7.1	(153,020)
Taiwan Dollar	11,169,422	+2.9	323,913
Thai Baht	2,741,351	+10.1	276,876
	117,729,168		100,805

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming that all other variables are held constant.

Note:

* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

** % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. In order to reflect the period until the Fund will next present risk management disclosures, the Investment Manager assessed and revised the calculation of % of reasonable possible change from using the actual historical change in the respective currencies against the functional currency of the Fund from in the past 3 months to 12 months.

(b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2011 US\$	2010 US\$
Cash at banks	37,943,498	25,136,748
Short term deposits	16,002,694	-
Amounts due from brokers	15,999,478	13,662,148
Amounts receivable on allotment	-	15,549,734
Margin deposits	5,329,430	14,690,969
Collateral deposits with brokers	29,545,500	55,077,220
Investments and derivatives issued by brokers	1,941,571	10,895,693
Investments - debt securities	20,699,115	58,334,273
Dividend and other accounts receivable	417,680	572,909
	<u>127,878,966</u>	<u>193,919,694</u>

All transactions in listed investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

As at 30 September 2011, the Fund held 12.1% (2010: 19.1%) of net asset value in debt securities and therefore the Fund is exposed to credit risk that the issuers may not be able to repay the principal amount and interest at maturity.

The table below summarizes the debt securities by credit rating as at 30 September.

	2011 % of net assets	2010 % of net assets
S&P(AA)/Moody's(Aa)/FITCH(AA)	-	1.2
S&P(A)/Moody's(A)/FITCH(A)	2.8	7.5
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	-	1.7
S&P(BB)/Moody's(Ba)/FITCH(BB)	6.9	7.8
S&P(B)/Moody's(B)/FITCH(B)	2.4	0.9
	<u>12.1</u>	<u>19.1</u>

The table below summarizes the credit rating of the banks/brokers which the Fund has placed the financial assets as at 30 September.

	2011 Exposure to counterparties US\$	2010 Exposure to counterparties US\$
Bank balances S&P(AA)/Moody's(Aa)/FITCH(AA)	53,946,192	25,136,748
Margin deposits with brokers, collateral deposits with brokers and investments and derivatives issued by brokers S&P(AA)/Moody's(Aa)/FITCH(AA)	36,816,501	80,663,882

(c) Liquidity risk

The Fund is exposed to monthly redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units which may be redeemed on any dealing day to 10% or more of the total number of units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2011		2010	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Amounts due to brokers	824,146	-	7,592,951	-
Amounts payable on redemption	2,823,463	-	3,522,910	-
Performance fee payable	38,747	-	3,323,636	-
Derivatives	942,293	4,093,534	1,027,427	5,268,298
Investments - short positions	30,057,790	-	49,306,476	-
Other accounts payable	442,871	-	752,759	-
Net assets attributable to holders of redeemable units	171,149,320	-	305,075,892	-
Total financial liabilities	206,278,630	4,093,534	370,602,051	5,268,298

The Investment Manager manages the Fund's liquidity risk by investing predominantly in investments that the Investment Manager expects to be able to liquidate within 1 month to meet the total financial liabilities and making short term bank borrowing.

(II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to subscriptions and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor subscriptions and redemptions activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units which may be redeemed on any dealing day to 10% or more of the total number of units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

(III) Fair value estimation

As at 30 September 2011 and 2010, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 7 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2011</u>				
<u>Assets</u>				
Equities	81,078,294	-	-	81,078,294
Debt Securities	-	20,699,115	-	20,699,115
Derivatives	837,198	-	-	837,198
Total financial assets at fair value through profit and loss	<u>81,915,492</u>	<u>20,699,115</u>	<u>-</u>	<u>102,614,607</u>
<u>Liabilities</u>				
Equities	(30,057,790)	-	-	(30,057,790)
Derivatives	(308,896)	(2,785,360)	-	(3,094,256)
Total financial liabilities at fair value through profit and loss	<u>(30,366,686)</u>	<u>(2,785,360)</u>	<u>-</u>	<u>(33,152,046)</u>
<u>2010</u>				
<u>Assets</u>				
Equities and Convertibles	177,607,263	12,233,295	-	189,840,558
Debt Securities	-	58,334,273	-	58,334,273
Total financial assets at fair value through profit and loss	<u>177,607,263</u>	<u>70,567,568</u>	<u>-</u>	<u>248,174,831</u>
<u>Liabilities</u>				
Equities and Convertibles	(49,306,476)	-	-	(49,306,476)
Derivatives	(3,810,272)	(680,799)	-	(4,491,071)
Total financial liabilities at fair value through profit and loss	<u>(53,116,748)</u>	<u>(680,799)</u>	<u>-</u>	<u>(53,797,547)</u>

5 Net (losses)/gains on investments and derivatives

	2011 US\$	2010 US\$
Change in unrealized gains/losses in value of investments and derivatives	(36,412,547)	5,008,654
Realized gains on sale of investments and derivatives	7,258,797	14,370,805
	<u>(29,153,750)</u>	<u>19,379,459</u>

6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Under current laws of the Cayman Islands, there are no income, capital gains or other taxes payable by the Fund. As a result, no provision for income taxes has been made in the financial statements.

Overseas withholding tax was charged on certain dividend and interest income received during the year.

7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2011</u>				
JP Morgan Chase Bank, N.A. - Singapore Branch	688,291	-	-	-
J.P. Morgan Securities (Asia Pacific) Limited	145,117,882	155,723	6.60	0.11
J.P. Morgan Securities (Far East) Limited	9,269,984	14,290	0.61	0.15
J.P. Morgan Securities Australia Limited	6,791,954	10,099	0.43	0.15
J.P. Morgan Securities Limited	625,060,379*	114,782	4.87	0.02
<u>2010</u>				
JP Morgan Chase Bank, N.A. - Singapore Branch	1,579,046	-	-	-
J.P. Morgan Securities (Asia Pacific) Limited	123,461,972	134,331	7.20	0.11
J.P. Morgan Securities (Far East) Limited	6,395,272	11,399	0.61	0.18
J.P. Morgan Securities Australia Limited	7,248,663	13,762	0.74	0.19
J.P. Morgan Securities Limited	821,684,073*	117,975	6.32	0.01

* These amounts include future transactions totalling US\$613,856,679 (2010: US\$811,663,252).

(b) Balances with the Manager and its Connected Persons as at year end:

	2011 US\$	2010 US\$
Cash at banks	96,561	3,262,644
Margin deposits	153,259	989,281
Collateral deposits	15,854,500	22,200,420
Accounts receivable	1,410,218	820,909
Accounts payable	(317,007)	(3,579,532)

As at 30 September 2011, the Fund's investment balance of US\$ nil (2010: US\$1,528,875) represents the investment in participation note issued by a Connected Person of the Manager.

(c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons.

(d) For the year ended 30 September 2011, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$12,460 (2010: US\$42,311).

- (e) Management fee of 1% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Manager is entitled to a performance fee calculated on 20% of the excess of the net asset value per unit of a particular class of units over the high water mark per unit of that particular class as at year-end date or the redemption date (as the case may be). The high water mark per unit of that particular class of units as at year-end date or the redemption date (as the case may be) will be the higher of: (i) the net asset value per unit of that particular class of units on the dealing day on which such units were issued (and, for this purpose, all units in issue as at 30 September 2001 shall be treated as having been issued on that date); and (ii) the highest net asset value per unit of that particular class of units as at the last dealing day in any previous financial year of the Fund in which such particular class of units was in issue, after deduction of any performance fee accrued in respect of such units. Performance fee is accrued monthly for the purpose of the monthly valuation process for dealing purposes and calculated in accordance with the above basis and payable at year end or at redemption of units (if any). The accrued performance fee will be paid (if at all) out of the assets of the Fund annually in arrears within 30 days of the last day of each financial year of the Fund.
- (g) The Fund has a securities lender's agreement with J.P. Morgan Securities Limited, a Connected Person of the Manager. However, the Fund does not intend to carry out any securities lending transactions. The arrangement is mainly intended to allow the Fund to carry out securities borrowing transactions. Refer to Note 9 for other securities lenders' agreements.
- (h) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (i) The unsecured short term bank borrowing is entered with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee, in the ordinary course of business and is on normal commercial terms.
- (j) Refer to Note 8 for fee paid to the Trustee.
- (k) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

8 Trustee's fee

Trustee's fee of 0.125% per annum of the net asset value of the Fund for the first US\$40 million, 0.08% per annum for the balance from US\$40 million to US\$70 million, and 0.03% per annum for the balance in excess of US\$70 million, subject to a minimum charge of US\$8,000 per annum, is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

9 Securities borrowing and collateral deposits

In addition to the securities lender's agreement with J.P. Morgan Securities Limited [Note 7(g)], the Fund also entered into securities lenders' agreements with Deutsche Bank, Goldman Sachs International and UBS Limited.

Details of securities borrowing transactions were as follows:

	2011 US\$	2010 US\$
Aggregate value of securities borrowed at year end		
- J.P. Morgan Securities Limited	15,606,343	21,140,663
- UBS Limited	13,045,999	30,970,434
	28,652,342	52,111,097
	28,652,342	52,111,097

As at 30 September 2011, the Fund provided collateral deposits to counterparties amounting to US\$29,545,500 (2010: US\$55,077,220) and representing around 105% of the value of securities borrowed at the commencement of such loans. If at any time the aggregate value of the collateral in respect of all loans of securities outstanding under the agreements falls below the aggregate of required collateral values in respect of all such loans, the borrower shall on demand provide such further collateral to the lenders to maintain the required collateral values.

10 Soft commission arrangements

The Investment Manager has entered into soft commission arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services, computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications.

11 Derivatives

(a) Outstanding forward foreign exchange contracts as at year end were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2011</u>			
Open contracts:			
KRW5,000,000,000	US\$4,674,645	12 January 2012	494,486
KRW6,000,000,000	US\$5,560,189	17 January 2012	544,230
JPY1,000,000,000	US\$13,046,314	7 March 2012	40,198
		Total unrealized gains	1,078,914

JPY500,000,000	US\$6,230,724	9 November 2011	(259,125)
JPY500,000,000	US\$6,183,833	30 November 2011	(308,333)
JPY500,000,000	US\$6,210,409	7 December 2011	(282,533)
US\$6,586,964	MYR20,000,000	14 December 2011	(391,195)
US\$6,916,427	IDR60,000,000,000	18 January 2012	(644,916)
US\$5,794,414	IDR50,000,000,000	26 January 2012	(576,124)
US\$6,268,315	CNY40,000,000	18 June 2012	(41,619)
US\$23,452,158	CNY150,000,000	27 September 2012	(130,006)
		Total unrealized losses	(2,633,851)

			(1,554,937)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2011</u>			
Closed but not yet settled contracts:			
KRW7,000,000,000	US\$6,396,783	30 November 2011	
US\$5,921,164	KRW7,000,000,000	30 November 2011	475,619
KRW5,000,000,000	US\$4,596,855	29 December 2011	
US\$4,209,817	KRW5,000,000,000	29 December 2011	387,038
		Total unrealized gains	<u>862,657</u>
KRW5,000,000,000	US\$4,505,317	5 October 2011	
US\$4,658,530	KRW5,000,000,000	5 October 2011	(153,213)
KRW5,000,000,000	US\$4,505,316	5 October 2011	
US\$4,553,734	KRW5,000,000,000	5 October 2011	(48,418)
KRW7,000,000,000	US\$6,365,372	5 October 2011	
US\$6,588,855	KRW7,000,000,000	5 October 2011	(223,483)
US\$9,930,487	THB300,000,000	12 October 2011	
THB300,000,000	US\$9,811,617	12 October 2011	(118,870)
JPY500,000,000	US\$5,974,144	18 October 2011	
US\$6,167,053	JPY500,000,000	18 October 2011	(192,909)
JPY700,000,000	US\$8,723,013	9 November 2011	
US\$9,039,606	JPY700,000,000	9 November 2011	(316,593)
JPY300,000,000	US\$3,738,434	9 November 2011	
US\$3,873,016	JPY300,000,000	9 November 2011	(134,582)
JPY500,000,000	US\$6,230,724	9 November 2011	
US\$6,539,196	JPY500,000,000	9 November 2011	(308,472)
US\$8,046,606	SG\$10,000,000	30 November 2011	
SG\$10,000,000	US\$7,912,832	30 November 2011	(133,774)
US\$8,204,791	MYR25,000,000	30 November 2011	
MYR25,000,000	US\$7,789,375	30 November 2011	(415,416)
US\$6,668,222	SG\$8,000,000	31 January 2012	
SG\$8,000,000	US\$6,620,872	31 January 2012	(47,350)
		Total unrealized losses	<u>(2,093,080)</u>
			<u>(1,230,423)</u>
		Net unrealized losses	<u><u>(2,785,360)</u></u>

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2010</u>			
Open contracts:			
US\$3,532,092	JPY300,000,000	26 October 2010	59,602
US\$11,799,410	CNY80,000,000	10 June 2011	344,573
US\$4,440,497	CNY30,000,000	20 June 2011	116,268
US\$19,482,952	CNY130,000,000	12 August 2011	324,658
US\$22,796,353	CNY150,000,000	28 September 2011	125,034
		Total unrealized gains	970,135

JPY500,000,000	US\$5,782,687	26 October 2010	(203,488)
JPY500,000,000	US\$5,983,581	26 October 2010	(2,593)
JPY600,000,000	US\$6,969,532	10 November 2010	(214,970)
KRW8,000,000,000	US\$6,816,633	12 November 2010	(190,004)
KRW8,000,000,000	US\$6,766,472	22 November 2010	(236,143)
A\$15,000,000	US\$13,335,300	23 November 2010	(1,099,200)
KRW10,000,000,000	US\$8,540,439	17 December 2010	(200,287)
A\$8,000,000	US\$7,586,080	30 December 2010	(77,120)
JPY1,000,000,000	US\$11,888,203	28 February 2011	(104,678)
JPY1,000,000,000	US\$11,884,106	7 March 2011	(110,012)
JPY400,000,000	US\$4,773,839	15 March 2011	(24,372)
		Total unrealized losses	(2,462,867)

			(1,492,732)

Closed but not yet settled contracts:			
US\$4,420,997	CNY30,000,000	8 October 2010	
CNY30,000,000	US\$4,482,295	8 October 2010	61,298
US\$7,235,052	S\$10,000,000	21 October 2010	
S\$10,000,000	US\$7,563,552	21 October 2010	328,500
US\$10,899,579	S\$15,000,000	13 January 2011	
S\$15,000,000	US\$11,344,300	13 January 2011	444,721
		Total unrealized gains	834,519

US\$4,492,363	CNY30,000,000	8 October 2010	
CNY30,000,000	US\$4,482,295	8 October 2010	(10,068)
US\$11,967,091	CNY80,000,000	13 October 2010	
CNY80,000,000	US\$11,954,573	13 October 2010	(12,518)
		Total unrealized losses	(22,586)

			811,933

		Net unrealized losses	(680,799)
			=====

(b) Open future contracts as at year end were as follows:

	No. of contracts long/(short)	Contract value US\$	Settlement date	Unrealized gains/(losses) US\$
<u>2011</u>				
Hang Seng Index (HFE) Futures	(60)	(6,866,669)	October 2011	153,544
MSCI Taiwan Index (SGX) Futures	(300)	(7,584,400)	October 2011	(110,600)
SGX CNX Nifty Index (SGX) Futures	(600)	(5,905,200)	October 2011	(94,800)
JGB 10Years Bond (TSE) Futures	(35)	(64,805,397)	December 2011	222,496
KOSPI 200 (KFE) Futures	(100)	(10,023,598)	December 2011	310,513
Nikkei 225 (SGX) Futures	(500)	(28,065,289)	December 2011	(103,496)
Share Price Index 200 (SFE) Futures	(80)	(7,925,845)	December 2011	150,645
<u>2010</u>				
Hang Seng China Enterprises Index (HFE) Futures	(340)	(26,927,620)	October 2010	(171,386)
Hang Seng Index (HFE) Futures	(60)	(8,624,311)	October 2010	(6,408)
Kuala Lumpur Composite Index (KLO) Futures	(400)	(9,500,235)	October 2010	(55,969)
MSCI Singapore Index (SGX) Futures	(150)	(8,368,115)	October 2010	(180,180)
MSCI Taiwan Index (SGX) Futures	(600)	(17,386,260)	October 2010	(79,740)
SGX CNX Nifty Index (SGX) Futures	(1,700)	(20,587,923)	October 2010	(305,077)
Australia 3Years Bond (SFE) Futures	600	60,102,076	December 2010	(119,714)
JGB 10Years Bond (TSE) Futures	(65)	(110,422,552)	December 2010	(1,168,303)
KOSPI 200 (KFE) Futures	(400)	(41,040,254)	December 2010	(1,722,298)
Nikkei 225 (SGX) Futures	(250)	(14,056,440)	December 2010	(1,197)

12 Non-cash transactions

For the year ended, non-cash activities include:

	2011 US\$	2010 US\$
Subscription of Class A units	155,891,898	97,651,860
Redemption of Class 0709 units	-	(353,797)
Redemption of Class 0710 units	-	(158,923)
Redemption of Class 0711 units	-	(174,944)
Redemption of Class 0712 units	-	(47,808,606)
Redemption of Class 0801 units	-	(3,367,750)
Redemption of Class 0802 units	-	(6,688,371)
Redemption of Class 0803 units	-	(798,881)
Redemption of Class 0804 units	-	(1,337,804)
Redemption of Class 0805 units	-	(804,885)
Redemption of Class 0806 units	-	(3,314,292)
Redemption of Class 0807 units	-	(111,113)
Redemption of Class 0808 units	-	(787,733)
Redemption of Class 0810 units	-	(60,065)
Redemption of Class 0811 units	-	(2,010,082)
Redemption of Class 0812 units	-	(70,130)
Redemption of Class 0901 units	-	(492,682)
Redemption of Class 0902 units	-	(2,056,288)
Redemption of Class 0903 units	-	(13,193,668)
Redemption of Class 0904 units	-	(3,312,786)
Redemption of Class 0905 units	-	(5,568,649)
Redemption of Class 0906 units	-	(5,180,411)
Redemption of Class 0907 units	(2,986,634)	-
Redemption of Class 0908 units	(8,586,443)	-
Redemption of Class 0909 units	(1,938,113)	-
Redemption of Class 0910 units	(6,806,323)	-
Redemption of Class 0911 units	(5,668,946)	-
Redemption of Class 0912 units	(9,286,335)	-
Redemption of Class 1001 units	(7,752,377)	-
Redemption of Class 1002 units	(1,617,133)	-
Redemption of Class 1003 units	(4,826,182)	-
Redemption of Class 1004 units	(14,278,905)	-
Redemption of Class 1005 units	(5,415,816)	-
Redemption of Class 1006 units	(53,703,699)	-
Redemption of Class 1007 units	(18,961,238)	-
Redemption of Class 1008 units	(14,063,754)	-

The above non-cash activities were to accommodate the units from respective unit classes which were redeemed and subsequently subscribed into a merged unit class. Refer to Note 1 for the merging of separate unit classes.

13 Distribution

No distribution was made during the year (2010: nil).

Investment Portfolio

As at 30 September 2011 *(Unaudited)*

	Holding	Fair value US\$	% of net assets
Listed/Quoted Investments (40.6%)			
(I) Equities (29.8%)			
Australia (-0.1%)			
BHP Billiton	40,000	1,360,660	0.8
Westpac Banking	(80,000)	(1,582,253)	(0.9)
China (5.6%)			
Agricultural Bank of China 'H'	8,000,000	2,641,061	1.6
Bank of China 'H'	12,000,024	3,761,206	2.2
China Construction Bank 'H'	1,500,000	921,032	0.5
China Mobile	270,000	2,672,340	1.6
China National Bldg Material 'H'	1,000,000	863,226	0.5
China Overseas Land & Investment	1,800,000	2,612,801	1.5
China Resources Enterprise	(500,000)	(1,682,777)	(1.0)
China Resources Land	1,300,000	1,416,102	0.8
China Telecom 'H'	(4,000,000)	(2,548,573)	(1.5)
China Unicom (Hong Kong)	(1,500,000)	(3,136,902)	(1.8)
CNOOC Ltd	1,200,000	1,997,752	1.2
Cosco Pacific	1,000,000	1,115,000	0.7
Ind & Comm Bank of China 'H'	6,000,000	2,944,218	1.7
Lenovo Group	(4,000,000)	(2,718,135)	(1.6)
PetroChina Co 'H'	(2,000,000)	(2,484,344)	(1.5)
Ping An Insurance (Group) 'H'	200,000	1,129,131	0.7
Poly Hong Kong Investment	1,701,000	520,040	0.3
Sichuan Expressway 'H'	3,966,000	1,604,791	0.9
Want Want China Hldgs	(4,000,000)	(3,637,882)	(2.1)
Yanzhou Coal Mining 'H'	700,000	1,534,025	0.9
Hong Kong (9.4%)			
Cheung Kong (Hldgs)	250,000	2,747,359	1.6
Henderson Land Development	758,730	3,455,085	2.0
HK & China Gas	(1,100,000)	(2,498,218)	(1.4)
Hong Kong Exchanges & Clearing	(100,000)	(1,475,963)	(0.9)
Jardine Matheson Hldgs (CDP)	35,200	1,614,976	0.9
Jardine Strategic Hldgs (CDP)	54,000	1,387,260	0.8
Kerry Properties	300,000	957,642	0.6
Lifestyle Intl Hldgs	(600,000)	(1,535,309)	(0.9)
MGM China Hldgs	2,800,200	3,690,555	2.2
Swire Pacific 'A'	100,000	1,032,146	0.6
Wharf (Hldgs)	650,629	3,251,160	1.9
Wheelock & Co	350,000	1,043,065	0.6
Wynn Macau	1,000,000	2,399,563	1.4
India (0.9%)			
Tata Motors ADR	100,000	1,536,000	0.9
Indonesia (0.4%)			
United Tractors	288,000	717,543	0.4
Japan (10.5%)			
FUJIFILM Hldgs	70,000	1,644,655	1.0
Honda Motor	60,000	1,784,120	1.0
Keyence Corp	(5,000)	(1,389,465)	(0.8)
Mitsubishi Corp	100,000	2,058,900	1.2
Mitsubishi Estate	100,000	1,641,152	1.0
Nippon Electric Glass	200,000	1,844,837	1.1
Nippon Telegraph & Telephone	30,000	1,449,792	0.8
Nissan Motor	150,000	1,346,653	0.8

**Investment Portfolio (Continued)
As at 30 September 2011 (Unaudited)**

	Holding	Fair value US\$	% of net assets
Japan (Continued)			
Panasonic Corp	150,000	1,465,361	0.9
Ricoh Co	150,000	1,268,812	0.7
Softbank Corp	80,000	2,378,827	1.4
Teijin Ltd	300,000	1,089,777	0.6
Toyota Motor	40,000	1,389,725	0.8
Korea (5.1%)			
Dongsuh Co	26,567	726,164	0.4
Hyundai Mobis	4,000	1,157,846	0.7
KB Financial Group	60,000	2,052,544	1.2
KIA Motors	45,000	2,746,488	1.6
LG Chem	3,000	816,179	0.5
LG Corp	25,000	1,279,657	0.7
Singapore (-2.0%)			
CapitalLand Ltd	500,000	943,903	0.6
Keppel Land	539,000	1,067,163	0.6
Singapore Airlines (CDP)	(200,000)	(1,754,278)	(1.0)
Singapore Press Hldgs (CDP)	(800,000)	(2,308,342)	(1.4)
United Overseas Bank (CDP)	(100,000)	(1,305,349)	(0.8)
		<u>51,020,504</u>	<u>29.8</u>
		-----	----
(II) Debt Securities (12.1%)			
Cayman Islands (2.7%)			
KWG Property 12.75% 30/03/16-RegS	USD2,000,000	1,343,308	0.8
Longfor Prop 9.5% 07/04/16-RegS	USD4,000,000	3,248,867	1.9
China (5.0%)			
Parkson Retail 7.875% 14/11/11	USD7,000,000	7,209,711	4.2
Shimao Property 8% 01/12/16-RegS	USD2,000,000	1,293,333	0.8
Malaysia (2.8%)			
Malaysian Govt No0110 3.835% 8/15	MYR5,000,000	1,597,529	0.9
Malaysian Govt No0210 4.012% 09/17	MYR5,000,000	1,602,136	0.9
Malaysian Govt No0507 3.7% 15/05/13	MYR5,000,000	1,603,273	1.0
Thailand (1.6%)			
True Move 10.375% 1/8/14(Offer9/11)	USD2,600,000	2,800,958	1.6
		<u>20,699,115</u>	<u>12.1</u>
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Investment Portfolio (Continued)
As at 30 September 2011 (*Unaudited*)

Holding	Fair value US\$	% of net assets
(III) Derivatives (-1.3%)		
Forward foreign exchange contracts (-1.6%)	(2,785,360)	(1.6)
Futures (0.3%)		
HSI (HFE) Fut 10/11	(60)	153,544
JGB 10Yr Bond (TSE) Fut 12/11	(35)	222,496
KOSPI 200 (KFE) Fut 12/11	(100)	310,513
MSCI Taiwan Idx (SGX) Fut 10/11	(300)	(110,600)
Nikkei 225 (SGX) Fut 12/11	(500)	(103,496)
SGX CNX Nifty Idx (SGX) Fut 10/11	(600)	(94,800)
Share Price Idx 200 (SFE) Fut 12/11	(80)	150,645
	<u>(2,257,058)</u>	<u>(1.3)</u>
Total Listed/Quoted Investments	<u>69,462,561</u>	<u>40.6</u>
Cash at banks	37,943,498	22.2
Short term deposits	16,002,694	9.3
Other net assets	<u>47,740,567</u>	<u>27.9</u>
Net assets attributable to holders of redeemable units at 30 September 2011	<u>171,149,320</u>	<u>100.0</u>
Total investments, at cost less proceeds on short positions	<u>102,243,455</u>	

Statement of Movements in Portfolio Holdings
For the year ended 30 September 2011 (*Unaudited*)

	% holdings of net assets	
	2011	2010
Listed/Quoted Investments		
Equities and Convertibles		
Japan	10.5	6.5
Hong Kong	9.4	(2.8)
China	5.6	19.6
Korea	5.1	11.4
India	0.9	4.5
Indonesia	0.4	0.6
Australia	(0.1)	3.0
Singapore	(2.0)	(0.8)
Taiwan	-	2.5
Thailand	-	0.9
Malaysia	-	0.7
Debt Securities		
China	5.0	3.1
Malaysia	2.8	2.7
Cayman Islands	2.7	1.1
Thailand	1.6	0.9
Korea	-	5.0
Virgin Islands	-	1.3
Indonesia	-	1.2
Canada	-	1.2
Australia	-	1.1
Hong Kong	-	1.0
Singapore	-	0.5
Derivatives		
Futures	0.3	(1.3)
Forward foreign exchange contracts	(1.6)	(0.2)
Total Listed/Quoted Investments	<u>40.6</u>	<u>63.7</u>
Cash at banks	22.2	8.2
Short term deposits	9.3	-
Other net assets	<u>27.9</u>	<u>28.1</u>
Net assets attributable to holders of redeemable units at 30 September	<u><u>100.0</u></u>	<u><u>100.0</u></u>

Performance Record - Unaudited

Net Asset Values

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/11		
- Class A	145,761,480	55.93
- Class 0907	-	-
- Class 0908	-	-
- Class 0909	-	-
- Class 0910	-	-
- Class 0911	-	-
- Class 0912	-	-
- Class 1001	-	-
- Class 1002	-	-
- Class 1003	-	-
- Class 1004	-	-
- Class 1005	-	-
- Class 1006	-	-
- Class 1007	-	-
- Class 1008	-	-
- Class 1009	6,009,308	8.47
- Class 1010	2,243,119	8.35
- Class 1011	668,647	8.53
- Class 1012	2,050,182	8.47
- Class 1101	5,680,614	8.68
- Class 1102	2,448,440	8.74
- Class 1103	338,770	8.57
- Class 1104	975,092	8.46
- Class 1105	373,942	8.54
- Class 1106	585,963	8.71
- Class 1107	3,968,666	8.72
- Class 1108	45,097	8.92
30/9/10		
- Class A	133,634,260	66.00
- Class 0709	-	-
- Class 0710	-	-
- Class 0711	-	-
- Class 0712	-	-
- Class 0801	-	-
- Class 0802	-	-
- Class 0803	-	-
- Class 0804	-	-
- Class 0805	-	-
- Class 0806	-	-
- Class 0807	-	-
- Class 0808	-	-
- Class 0810	-	-
- Class 0811	-	-
- Class 0812	-	-
- Class 0901	-	-
- Class 0902	-	-
- Class 0903	-	-
- Class 0904	-	-
- Class 0905	-	-
- Class 0906	-	-
- Class 0907	2,986,634	10.55
- Class 0908	8,586,443	10.62
- Class 0909	1,938,113	10.63
- Class 0910	6,806,323	10.51
- Class 0911	5,668,946	10.50
- Class 0912	9,286,335	10.43

Performance Record – Unaudited (Continued)

Net Asset Values

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/10 (Continued)		
- Class 1001	7,752,377	10.44
- Class 1002	1,617,133	10.30
- Class 1003	4,826,182	10.13
- Class 1004	14,278,905	10.17
- Class 1005	5,415,816	10.20
- Class 1006	53,703,699	10.35
- Class 1007	18,961,238	10.12
- Class 1008	14,063,754	10.24
- Class 1009	15,549,734	10.00
30/9/09		
- Class A	34,327,370	62.11
- Class 0709	353,797	11.22
- Class 0710	158,923	10.59
- Class 0711	174,944	10.73
- Class 0712	47,808,606	10.73
- Class 0801	3,367,750	11.01
- Class 0802	6,688,371	10.66
- Class 0803	798,881	11.10
- Class 0804	1,337,804	10.92
- Class 0805	804,885	10.84
- Class 0806	3,314,292	11.00
- Class 0807	111,113	11.11
- Class 0808	787,733	11.14
- Class 0810	60,065	11.89
- Class 0811	2,010,082	11.63
- Class 0812	70,130	11.49
- Class 0901	492,682	11.12
- Class 0902	2,056,288	11.01
- Class 0903	13,193,668	10.84
- Class 0904	3,312,786	10.39
- Class 0905	5,568,649	10.25
- Class 0906	5,180,411	10.10
- Class 0907	2,954,956	9.91
- Class 0908	8,129,587	10.00
- Class 0909	10,823,854	10.00

Performance Fee

	2011	2010
Performance fee	US\$38,747	US\$3,323,636
As a percentage of average net asset value*	0.01%	1.61%

* Average net asset value is calculated from the monthly net asset value of the Fund during the financial period.

Highest Offer/Lowest Bid Prices

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/11		
- Class A	-	55.92
- Class 0907	-	_***
- Class 0908	-	_***
- Class 0909	-	_***
- Class 0910	-	_***
- Class 0911	-	_***

Performance Record – Unaudited (Continued)

Highest Offer/Lowest Bid Prices

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/11 (Continued)		
- Class 0912	-	-.***
- Class 1001	-	-.***
- Class 1002	-	-.***
- Class 1003	-	-.***
- Class 1004	-	-.***
- Class 1005	-	-.***
- Class 1006	-	-.***
- Class 1007	-	-.***
- Class 1008	-	-.***
- Class 1009	-	8.47
- Class 1010	10.50**	8.35
- Class 1011	10.50**	8.53
- Class 1012	10.50**	8.47
- Class 1101	10.50**	8.68
- Class 1102	10.50**	8.73
- Class 1103	10.50**	8.56
- Class 1104	10.50**	8.46
- Class 1105	10.50**	8.54
- Class 1106	10.50**	8.70
- Class 1107	10.50**	8.72
- Class 1108	10.50**	8.92
30/9/10		
- Class A	-	62.77
- Class 0709	-	-.***
- Class 0710	-	-.***
- Class 0711	-	-.***
- Class 0712	-	-.***
- Class 0801	-	-.***
- Class 0802	-	-.***
- Class 0803	-	-.***
- Class 0804	-	-.***
- Class 0805	-	-.***
- Class 0806	-	-.***
- Class 0807	-	-.***
- Class 0808	-	-.***
- Class 0810	-	-.***
- Class 0811	-	-.***
- Class 0812	-	-.***
- Class 0901	-	-.***
- Class 0902	-	-.***
- Class 0903	-	-.***
- Class 0904	-	-.***
- Class 0905	-	-.***
- Class 0906	-	-.***
- Class 0907	-	10.03
- Class 0908	-	10.10
- Class 0909	-	10.10
- Class 0910	10.50**	10.01
- Class 0911	10.50**	10.05
- Class 0912	10.50**	9.98
- Class 1001	10.50**	10.08
- Class 1002	10.50**	9.94
- Class 1003	10.50**	9.73
- Class 1004	10.50**	9.78
- Class 1005	10.50**	9.82
- Class 1006	10.50**	10.10
- Class 1007	10.50**	9.85
- Class 1008	10.50**	10.23
- Class 1009	10.50**	10.00

Performance Record – Unaudited (Continued)

Highest Offer/Lowest Bid Prices

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/09		
- Class A	-	51.62
- Class 0709	-	9.32
- Class 0710	-	8.68
- Class 0711	-	8.82
- Class 0712	-	8.83
- Class 0801	-	9.11
- Class 0802	-	8.76
- Class 0803	-	9.20
- Class 0804	-	9.02
- Class 0805	-	8.94
- Class 0806	-	9.10
- Class 0807	-	9.21
- Class 0808	-	9.24
- Class 0810	10.50**	10.20
- Class 0811	10.50**	10.11
- Class 0812	10.50**	10.32
- Class 0901	10.50**	10.09
- Class 0902	10.50**	10.15
- Class 0903	10.50**	10.43
- Class 0904	10.50**	10.13
- Class 0905	10.50**	10.14
- Class 0906	10.50**	10.10
- Class 0907	10.50**	9.90
- Class 0908	10.50**	9.99
- Class 0909	10.50**	10.00
30/9/08		
- Class A	-	53.98
- Class 0604	-	***
- Class 0612	-	***
- Class 0701	-	***
- Class 0702	-	***
- Class 0704	-	***
- Class 0705	-	***
- Class 0706	-	***
- Class 0707	-	***
- Class 0708	-	***
- Class 0709	-	9.75
- Class 0710	10.50**	9.08
- Class 0711	10.50**	9.23
- Class 0712	10.50**	9.23
- Class 0801	10.50**	9.52
- Class 0802	10.50**	9.16
- Class 0803	10.50**	9.62
- Class 0804	10.50**	9.43
- Class 0805	10.50**	9.35
- Class 0806	10.50**	9.52
- Class 0807	10.50**	9.63
- Class 0808	10.50**	9.67
30/9/07		
- Class A	-	42.97
- Class 0312	-	***
- Class 0401	-	***
- Class 0402	-	***
- Class 0412	-	***
- Class 0501	-	***
- Class 0502	-	***
- Class 0503	-	***
- Class 0504	-	***

Performance Record – Unaudited (Continued)

Highest Offer/Lowest Bid Prices

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/07 (Continued)		
- Class 0511	-	..***
- Class 0602	-	..***
- Class 0604	-	9.86
- Class 0605	-	..***
- Class 0607	-	..***
- Class 0608	-	..***
- Class 0612	10.50**	10.10
- Class 0701	10.50**	10.09
- Class 0702	10.50**	10.19
- Class 0703	10.50**	10.44
- Class 0704	10.50**	10.32
- Class 0705	10.50**	10.45
- Class 0706	10.50**	9.81
- Class 0707	10.50**	9.59
- Class 0708	10.50**	10.48
- Class 0709	10.50**	10.00
30/9/06		
- Class A	-	36.31
- Class 0310	-	9.43
- Class 0312	-	9.07
- Class 0401	-	9.22
- Class 0402	-	8.78
- Class 0409	-	..***
- Class 0410	-	..***
- Class 0411	-	..***
- Class 0412	-	9.55
- Class 0501	-	9.61
- Class 0502	-	9.24
- Class 0503	-	9.39
- Class 0504	-	9.47
- Class 0505	-	9.56
- Class 0507	-	..***
- Class 0508	-	..***
- Class 0511	10.50**	10.22
- Class 0602	10.50**	10.29
- Class 0604	10.50**	9.08
- Class 0605	10.50**	9.93
- Class 0607	10.50**	9.93
- Class 0608	10.50**	10.20
30/9/05		
- Class A	-	35.79
- Class 0310	-	9.19
- Class 0311	-	9.37
- Class 0312	-	8.83
- Class 0401	-	8.98
- Class 0402	-	8.55
- Class 0409	-	10.11
- Class 0410	10.50**	10.36
- Class 0411	10.50**	10.04
- Class 0412	10.50**	9.76
- Class 0501	10.50**	9.83
- Class 0502	10.50**	9.44
- Class 0503	10.50**	9.60
- Class 0504	10.50**	9.68
- Class 0505	10.50**	9.77
- Class 0507	10.50**	9.95
- Class 0508	10.50**	10.00

Performance Record – Unaudited (Continued)

Highest Offer/Lowest Bid Prices

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/04		
- Class A	-	35.39
- Class G	-	***
- Class L	-	***
- Class M	-	***
- Class 0303	-	***
- Class 0304	-	***
- Class 0305	-	***
- Class 0306	-	***
- Class 0307	-	***
- Class 0308	-	***
- Class 0310	10.50**	9.06
- Class 0311	10.50**	9.24
- Class 0312	10.50**	8.71
- Class 0401	10.50**	8.86
- Class 0402	10.50**	8.43
- Class 0409	10.50**	10.00
30/9/03		
- Class A	-	30.30
- Class B	-	-
- Class C	-	-
- Class D	-	-
- Class E	-	-
- Class F	-	-
- Class G	-	31.92
- Class H	-	-
- Class I	-	31.92
- Class K	-	-
- Class L	-	31.17
- Class M	32.90	31.73
- Class 0301	10.50**	9.94
- Class 0303	10.50**	9.97
- Class 0304	10.50**	10.04
- Class 0305	10.50**	10.10
- Class 0306	10.50**	10.32
- Class 0307	10.50**	10.32
- Class 0308	10.50**	10.26
30/9/02		
- Class A	25.34	25.16
- Class B	26.95	27.21
- Class C	29.26	29.89
- Class D	32.41	30.45
- Class E	32.81	30.45
- Class F	32.23	30.60
- Class G	34.35	30.63
- Class H	32.33	31.38
- Class I	34.43	31.56
- Class K	33.31	31.98
- Class L	33.07	31.34

** Subscription Price plus preliminary charge (see Note 1).

*** These notional classes were merged. Therefore, there were no bid prices during the year for these notional classes.

Management and Administration

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Investment Manager

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Directors of the Manager

as at 6 January 2012
Ann Kui Ching Kao
Edwin Tsun Kay Chan
Elsie Pui Shan Leung
Ken Wai Ming Tam
Leo Ka Kui Cheung
Lily Suet Lai Lau
Marco Ka Nam Tang
Terry San Kong Pan

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