JF Provident US$ Money Fund

Audited Annual Report
30 June 2011

J.P.Morgan
Asset Management

Contents **Page**

Statement of Responsibilities of the Manager and the Trustee	1
Report of the Trustee to the Unitholders	2
Independent Auditor's Report	3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Net Assets Attributable to Holders of Redeemable Units	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 16
Investment Portfolio - Unaudited	17
Statement of Movements in Portfolio Holdings	18
Supplementary Information - Investment Portfolio of JPMorgan Series II Funds - USD - Unaudited	19 - 22
Performance Record - Unaudited	23
Management and Administration	24

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 explanatory memorandum (or equivalent), supplemented by the most recent financial report.

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 31 August 2000, as amended, for the year ended 30 June 2011.

For and on behalf of
Royal Bank of Canada Trust Company (Cayman) Limited, Trustee

--- ---

Independent Auditor's Report

To the Unitholders of JF Provident US$ Money Fund (the "Fund")

Report on the financial statements

We have audited the accompanying financial statements of the Fund set out on pages 4 to 16, which comprise the Statement of Financial Position as at 30 June 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 31 August 2000, 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 June 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,

13 October 2011

Statement of Financial Position
As at 30 June 2011

	2011 US$	2010 US$
Assets		
Cash at banks	566,997	162,983
Amounts receivable on allotment	95,611	43,518
Investments [Note 4(I)(a)]	8,234,275	9,894,275
Total assets	8,896,883	10,100,776
Liabilities		
Amounts payable on redemption	-	72,400
Other accounts payable	14,823	14,756
Liabilities (excluding net assets attributable to holders of redeemable units)	14,823	87,156
Net assets attributable to holders of redeemable units [Note 3]	8,882,060	10,013,620

Approved by the Trustee and the Manager on 13 October 2011

Signed By:

For and on behalf of Royal Bank of Canada Trust Company (Cayman) Limited, Trustee

--- ---

For and on behalf of JPMorgan Funds (Asia) Limited, Manager

--- ---

The notes on pages 8 to 16 form part of these financial statements.

Statement of Comprehensive Income
For the year ended 30 June 2011

	2011 US$	2010 US$
Income		
Net gains on investments [Note 5]	-	1,877
Interest on deposits	3	15
Net foreign currency exchange gains/(losses)	1	(8)
	4	1,884
Expenses		
Administration fee [Note 7(g)]	19,641	23,643
Auditor's fee	12,400	11,900
Safe custody and bank charges	2,361	4,742
Trustee's fee [Note 8]	1,859	2,033
Legal and professional expenses	1,589	66
Printing and publication expenses	584	598
Transaction costs	186	140
Other operating expenses	4,584	4,539
	43,204	47,661
Decrease in net assets attributable to holders of redeemable units and total comprehensive loss	(43,200)	(45,777)

The notes on pages 8 to 16 form part of these financial statements.

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

	2011 US$	2010 US$
Net assets attributable to holders of redeemable units at the beginning of the year	10,013,620	10,784,818
Allotment of redeemable units [Note 3]	2,489,195	2,401,229
Redemption of redeemable units [Note 3]	(3,577,555)	(3,126,650)
Net redemption	(1,088,360)	(725,421)
	8,925,260	10,059,397
Decrease in net assets attributable to holders of redeemable units and total comprehensive loss	(43,200)	(45,777)
Net assets attributable to holders of redeemable units at the end of the year	8,882,060	10,013,620

The notes on pages 8 to 16 form part of these financial statements.

Statement of Cash Flows
For the year ended 30 June 2011

	2011 US$	2010 US$
Operating activities		
Proceeds from disposal of investments	1,660,000	790,000
Interest received	3	15
Transaction costs paid	(180)	(140)
Trustee's fee paid	(1,929)	(2,059)
Administration fee paid	(20,384)	(23,780)
Others	(20,643)	(23,462)
Net cash inflow from operating activities	1,616,867	740,574
Financing activities		
Receipts on allotment of redeemable units	2,437,102	2,396,000
Payments on redemption of redeemable units	(3,649,955)	(3,090,347)
Net cash outflow from financing activities	(1,212,853)	(694,347)
Increase in cash and cash equivalents	404,014	46,227
Cash and cash equivalents at the beginning of the year	162,983	116,763
Exchange losses on cash and cash equivalents	-	(7)
Cash and cash equivalents at the end of the year	566,997	162,983
Analysis of balances of cash and cash equivalents:		
Cash at banks	566,997	162,983

The notes on pages 8 to 16 form part of these financial statements.

Notes to the Financial Statements

1 The Fund

JF Provident US$ Money Fund (the "Fund") was established under a Trust Deed dated 31 August 2000, 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 Fund is a feeder fund investing solely in the shares of JPMorgan Series II Funds - USD (the "Master Fund") which is managed by JPMorgan Asset Management (Europe) S.à r.l., a Connected Person of the Manager. The investment objective of the Fund is to provide investors with the opportunity to invest in short term deposits and debt securities.

The investment objective of the Master Fund is to achieve a competitive level of total return in United States dollar, with the preservation of capital and a high degree of liquidity.

The Fund offers two classes of units, administration units and investment units. 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 Standard (“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

Classification

The Fund classifies its investments 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.

Recognition, derecognition and measurement

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

Fair value estimation

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.

(c) 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.

(d) Income and expense

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.

(e) 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".

(f) 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.

(g) Amounts due from/to brokers

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

(h) 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 31 August 2000, 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", "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 Number of units in issue and net assets attributable to holders of redeemable units (per unit)

	2011		2010	
	Investment Units	Administration Units	Investment Units	Administration Units
Number of units in issue:				
At the beginning of the year	490,936.532	341,509.494	523,542.000	369,088.260
Total allotments	132,117.095	74,702.436	103,451.547	96,557.852
Total redemptions	(130,323.217)	(170,632.712)	(136,057.015)	(124,136.618)
At the end of the year	492,730.410	245,579.218	490,936.532	341,509.494
	US$	US$	US$	US$
Net assets attributable to holders of redeemable units	6,053,336	2,828,724	6,046,359	3,967,261
Net assets attributable to holders of redeemable units (per unit)	12.29	11.52	12.32	11.62

Holders of investment units are only entitled to investment management services from the Manager. Holders of administration units are also entitled to other administrative services provided by the Manager upon payment of the administration fee, which is deducted from the share of net assets of the respective units.

4 Financial risk management

(I) Financial risk factors

The Fund solely invests in a collective investment scheme – JPMorgan Series II Funds – USD. The Master Fund invests in the money markets of major countries such as United States. The Fund's activities therefore expose it to the same financial risks to which the Master Fund is exposed to, i.e. market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

As at 30 June 2011, the Fund owned 1.83% (2010: 1.97%) of the Master Fund's net assets attributable to the holders of redeemable units.

(a) Market risk

(i) Market price risk

The Master Fund primarily invests in debt securities which are subject to interest rate risk. Refer to Note 4(I)(a)(ii) for interest rate risk.

(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.

<u>The Fund</u>

The Fund is a feeder fund investing substantially all of its assets in the Master Fund and thus its investment is not directly exposed to interest rate risk. The Fund's bank deposits are exposed to interest rate risk which is considered to be minimal as these interest bearing assets are short term in nature, changes in their fair values in the event of a change in interest rate will not be material.

<u>The Master Fund</u>

The Master Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its investments and cash deposits.

The table below summarizes the Master Fund's financial assets and liabilities as at 30 June extracted from the unaudited financial records of the Master Fund as at that date 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$
2011					
Cash at banks	60,681,361	-	-	-	60,681,361
Investments (Note*)	204,901,858	6,997,652	-	182,711,568	394,611,078
Total interest sensitivity gap	265,583,219	6,997,652	-	182,711,568	455,292,439
2010					
Cash at banks	42,887,561	-	-	-	42,887,561
Investments (Note*)	458,016,529	1,998,489	-	-	460,015,018
Total interest sensitivity gap	500,904,090	1,998,489	-	-	502,902,579

Note:

* The coupon rate of the investments ranged between 0.00% p.a. - 1.00% p.a. (2010: 0.00% p.a. – 0.82% p.a.). The non-interest bearing investments mainly refer to zero-coupon debt securities.

As at 30 June, the Master Fund's value of investments extracted from the unaudited financial information as at that date were as follows:

	2011		2010	
Listed/Quoted Investments	Fair value of investments US$	% of net assets	Fair value of investments US$	% of net assets
Assets				
Debt securities				
- United States	211,028,890	46.8	286,531,755	56.9
- United Kingdom	74,999,625	16.6	92,499,212	18.4
- France	23,499,910	5.2	28,000,213	5.6
- Others	85,082,653	18.9	52,983,838	10.5
Total Listed/Quoted Investments	394,611,078	87.5	460,015,018	91.4

The Manager of the Master Fund monitors the Master Fund's interest rate risk sensitivity primarily through the modified duration of the Master Fund on a regular basis. The modified duration measures the sensitivity of the price of a bond relative to the change in interest rate. As at 30 June 2011, the Manager of the Master Fund estimates that the Master Fund has a modified duration of 0.13 (2010: 0.10). For the purpose of disclosing relevant sensitivities, the percentage of reasonable possible change in interest rate adopted is 25 basis points, which is based on the typical possible change of Fed Funds rate and does not include remote or "worst case" scenarios or "stress tests" nor represent the Master Fund Manager's forecast of the Master Fund's future returns. If the interest rates were to rise by 25 basis points with all other variables held constant, this would result in a decrease in net asset value of the Master Fund by approximately US$146,501 (2010: US$125,867). If the interest rates were to fall by 25 basis points, this would result in an increase in the net asset value of the Master Fund by the same amount.

(iii) Currency risk

The Fund

The Fund invests substantially all of its assets in the Master Fund in United States dollar denomination. 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. The Investment Manager monitors the exposure on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund's other assets and liabilities are mainly denominated in United States dollar and Hong Kong dollar and are therefore not exposed to significant currency risk as the Hong Kong dollar is currently pegged to United States dollar.

The Master Fund

The Master Fund's functional currency is United States dollar and the Master Fund did not have any assets and liabilities denominated in currencies other than their functional currency, United States dollar. As a result, the Manager of the Master Fund considered that the Master Fund has no direct currency exposure.

(b) Credit risk

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

The Fund

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

	2011 US$	2010 US$
Cash at banks	566,997	162,983
Amounts receivable on allotment	95,611	43,518
	662,608	206,501

The table below summarizes the credit rating of the financial assets placed with banks as at 30 June.

	2011 Exposure to counterparties US$	2010 Exposure to counterparties US$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	566,997	162,983

The Master Fund

As at 30 June, the Master Fund's maximum exposure to credit risk before any credit enhancements based on unaudited financial information as at that date was as follows:

	2011 US$	2010 US$
Cash at banks	60,681,361	42,887,561
Amount receivable on allotment	210,282	1,966,177
Investments - debt securities	394,611,078	460,015,018
Accrued interest on investment	182,989	164,344
Prepaid expenses	85,097	52,596
	455,770,807	505,085,696

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 Master Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Master Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The Master Fund's investments are predominantly in debt securities and therefore the Master 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 June based on unaudited financial information as at that date.

	2011 % of net assets	2010 % of net assets
S&P(A-1)/Moody's(P-1)/FITCH(F-1)	87.3	91.1
Unrated	0.2	0.3
	87.5	91.4

The table below summarizes the credit rating of the financial assets other than debt securities placed with banks as at 30 June based on unaudited financial information as at that date.

	2011 Exposure to counterparties US$	2010 Exposure to counterparties US$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	60,681,361	42,887,561

(c) Liquidity risk

The Fund is exposed to daily redemption of units. As at 30 June 2011 and 2010, the Fund invests solely in collective investment scheme - JPMorgan Series II Funds - USD which allows daily redemption. The Manager may also limit the total number of units redeemed on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund

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

	2011 Less than 1 month US$	2010 Less than 1 month US$
Amounts payable on redemption	-	72,400
Other accounts payable	14,823	14,756
Net assets attributable to holders of redeemable units	8,882,060	10,013,620
Total financial liabilities	8,896,883	10,100,776

The Master Fund

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

	2011 Less than 1 month US$	2010 Less than 1 month US$
Amounts payable on redemption	4,811,061	1,412,320
Other accounts payable	187,751	204,836
Net assets attributable to holders of redeemable units (Note*)	450,771,995	503,468,540
Total financial liabilities	455,770,807	505,085,696

Note:

* The Manager of the Master Fund may limit the total number of units redeemed on any dealing day to 10% or more of the current units in issue of any one class on any dealing day.

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 perform 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 redeemed on any dealing day to 10% or more of the 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 June 2011 and 2010, the Management consider 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 within the fair value hierarchy measured at fair value as at 30 June:

Listed/Quoted Investments	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
2011				
Assets				
Collective Investment Schemes	8,234,275	-	-	8,234,275
Total financial assets at fair value through profit and loss	8,234,275	-	-	8,234,275
2010				
Assets				
Collective Investment Schemes	9,894,275	-	-	9,894,275
Total financial assets at fair value through profit and loss	9,894,275	-	-	9,894,275

5 Net gains on investments

	2011 US$	2010 US$
Change in unrealized gains/losses in value of investments	(204,104)	(95,180)
Realized gains on sale of investments	204,104	97,057
	-	1,877

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.

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

The following is a summary of 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) As stated in Note 1, the Fund is a feeder fund investing solely in the units of JPMorgan Series II Funds - USD which is issued and managed by the Fund's Investment Manager.

(b) 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 %
2011				
JPMorgan Funds (Asia) Limited	1,660,000	-	-	-
2010				
JPMorgan Funds (Asia) Limited	790,000	-	-	-

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

	2011 US$	2010 US$
Cash at banks	566,997	161,947
Accounts payable	(1,407)	(2,144)

As at 30 June 2011, the Fund's investment balance of US$8,234,275 (2010: US$9,894,275) represents the investments in the collective investment schemes issued and managed by a Connected Person of the Manager.

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

(e) For the year ended 30 June 2011, there was no income accruing to the Manager relating to allotments and redemptions in the Fund (2010: nil).

(f) During the year, no management fee was charged by the Manager since a management and advisory fee of 0.25% per annum of the net asset value of JPMorgan Series II Funds - USD was paid to the manager of JPMorgan Series II Funds - USD, a Connected Person of the Manager.

(g) Administration fee of 0.6% per annum of the net asset value attributable to administration units of the Fund is paid to JPMorgan Funds (Asia) Limited. Administration fee is calculated daily and is payable monthly in arrears.

(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.

8 Trustee's fee

Trustee's fee of 0.02% per annum of the net asset value of the Fund is paid to the Trustee. Trustee's fee is calculated daily and is payable quarterly in arrears.

9 Soft commission arrangements

During the year, the Investment Manager and its associates did not enter into any soft commission arrangements in connection with directing transactions of the Fund through a broker or dealer (2010: nil).

10 Distribution

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

Investment Portfolio
As at 30 June 2011 *(Unaudited)*

	Place of establishment	Holding	Fair value US$	% of net assets
Listed/Quoted Investments (92.7%)				
Collective Investment Schemes (92.7%)				
United States (92.7%)				
JPMorgan Series II Funds-JF USD *	Luxembourg	50,455	8,234,275	92.7
Total Listed/Quoted Investments			8,234,275	92.7
Other net assets			647,785	7.3
Net assets attributable to holders of redeemable units at 30 June 2011			8,882,060	100.0
Total investments, at cost			7,221,836	

* Issued and managed by a Connected Person of the Manager (refer to Note 7 for the definition of Connected Persons)

Note: Collective Investment Scheme listed above is quoted investment.

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

	% holdings of net assets	
	2011	2010
Listed/Quoted Investments		
Collective Investment Schemes		
United States	92.7	98.8
Total Listed/Quoted Investments	92.7	98.8
Other net assets	7.3	1.2
Net assets attributable to holders of redeemable units at 30 June	100.0	100.0

Supplementary Information
Investment Portfolio of JPMorgan Series II Funds – USD
As at 30 June 2011 *(Unaudited)*

	Holding	Cost add/less amortization of discount/premium US$	% of net assets
Listed/Quoted Investments (87.5%)			
Debt Securities (87.5%)			
Australia (3.9%)			
AUST & NEW ZEA ZERO 11/11	US$3,000,000	2,997,221	0.7
AUSTRALIA AND VAR 10/11	US$1,750,000	1,750,000	0.4
CMMNWLTH BNK ZERO 12/11	US$5,000,000	4,994,875	1.1
RABOBK NEDER ZERO 08/11	US$1,000,000	999,556	0.2
SUNCORP-METWY ZERO 07/11	US$1,000,000	999,968	0.2
WESTPAC BKG 0.29% 11/11	US$1,000,000	1,000,000	0.2
WESTPAC ZERO 07/11	US$1,000,000	999,962	0.2
WESTPAC ZERO 08/11	US$600,000	599,809	0.2
WESTPAC ZERO 10/11	US$1,000,000	999,138	0.2
WESTPAC ZERO 11/11	US$2,000,000	1,997,970	0.5
Canada (4.2%)			
BANK OF NOVA 0.19% 26/08/11	US$4,000,000	4,000,000	0.9
BANK OF NOVA 0.19% 31/08/11	US$2,000,000	2,000,000	0.5
BANK OF NOVA 0.19% 09/11	US$1,000,000	1,000,000	0.2
BANK OF NOVA 0.35% 07/11	US$2,250,000	2,250,005	0.5
BANK OF NOVA 0.43% 09/11	US$2,000,000	2,000,000	0.4
BANK OF NOVA VAR 06/07/11	US$1,000,000	1,000,000	0.2
BANK OF NOVA VAR 08/07/11	US$2,000,000	2,000,000	0.5
BANK OF NOVA VAR 21/07/11	US$1,000,000	1,000,016	0.2
ROYAL BK OF VAR 07/11	US$2,000,000	2,000,000	0.5
ROYAL BK OF VAR 09/11	US$1,500,000	1,500,000	0.3
Finland (1.3%)			
NORDEA BANK 0.37% 07/11	US$2,000,000	2,000,000	0.4
NORDEA BK 0.32% 09/11	US$2,000,000	2,000,000	0.4
NORDEA BK 0.325% 09/11	US$2,000,000	2,000,019	0.5
France (5.2%)			
BNP PARIBAS 0.44% 11/11	US$1,000,000	1,000,000	0.2
BNP PARIBAS 0.46% 10/11	US$4,000,000	4,000,000	0.9
BNP PARIBAS N 0.44% 11/11	US$1,000,000	1,000,000	0.2
BQE FED CRED 0.28% 09/11	US$5,000,000	5,000,053	1.1
CAISSE D'AMORT ZERO 07/11	US$3,000,000	2,999,818	0.7
CAISSE DES 0.36% 03/12	US$2,000,000	2,000,000	0.5
CAISSE DES 0.41% 01/08/11	US$1,000,000	1,000,004	0.2
CAISSE DES 0.41% 03/08/11	US$1,000,000	1,000,009	0.2
CAISSE DES 0.42% 08/11	US$1,000,000	1,000,000	0.2
CAISSE DES 0.58% 09/11	US$1,500,000	1,500,026	0.3
NATIXIS NY 0.32% 08/11	US$1,000,000	1,000,000	0.2
NATIXIS.NY VAR 10/11	US$2,000,000	2,000,000	0.5
Germany (0.4%)			
NRW. BANK ZERO 07/11	US$1,000,000	999,903	0.2
NRW. BANK ZERO 11/11	US$1,000,000	998,917	0.2
Japan (2.9%)			
MIZUHO 0.18% 07/11	US$5,000,000	5,000,000	1.1
MIZUHO CORPORA 0.2% 07/11	US$2,000,000	2,000,000	0.5
SUMITOMO MTSU 0.18% 07/11	US$1,000,000	1,000,000	0.2
SUMITOMO MTSU 0.36% 08/11	US$2,000,000	2,000,000	0.5
SUMITOMO MTSU VAR 07/11	US$1,000,000	1,000,000	0.2
SUMITOMO TR & ZERO 07/11	US$2,000,000	1,999,922	0.4

Supplementary Information (Continued)
Investment Portfolio of JPMorgan Series II Funds - USD (Continued)
As at 30 June 2011 ***(Unaudited)***

	Holding	Cost add/less amortization of discount/premium US$	% of net assets
Netherlands (2.4%)			
NEDERLANDSE ZERO 10/11	US$1,000,000	999,008	0.2
RABOBANK 0.46% 09/11	US$2,000,000	2,000,037	0.5
RABOBANK 0.495% 09/11	US$2,000,000	2,000,020	0.5
RABOBANK NEDERLAND 0.5% 17/08/11	US$2,000,000	2,000,000	0.4
RABOBANK VAR 08/11	US$2,000,000	2,000,000	0.4
RABOBANK VAR 10/11	US$2,000,000	2,000,000	0.4
New Zealand (0.2%)			
BNZ INTNL FDG ZERO 08/11	US$1,000,000	999,693	0.2
Norway (0.7%)			
DNB NOR BANK ZERO 09/11	US$2,000,000	1,999,261	0.5
DNB NOR BNK 0.195% 07/11	US$1,000,000	1,000,000	0.2
Sweden (1.6%)			
SVENSKA ZERO 07/11	US$7,000,000	6,999,238	1.6
Switzerland (1.3%)			
CREDIT SUISSE 0.28% 10/11	US$1,000,000	1,000,000	0.2
CREDIT SUISSE ZERO 10/11	US$2,000,000	1,998,115	0.4
UBS AG 0.19% 08/11	US$3,000,000	3,000,000	0.7
United Kingdom (16.6%)			
BARCLAYS BANK ZERO 07/11	US$1,000,000	999,945	0.2
BK 0.42% 08/11	US$1,000,000	1,000,013	0.2
BK TOKYO-MITSU ZERO 08/11	US$1,000,000	999,438	0.2
CIC 0.225% 08/11	US$2,000,000	2,000,014	0.5
CIC 0.285% 09/11	US$3,000,000	3,000,028	0.7
CLYDESDALE 0.295% 09/11	US$1,000,000	1,000,010	0.2
CLYDESDALE 0.3% 07/11	US$2,000,000	2,000,004	0.5
CMWLTH BK 0.23% 12/11	US$2,000,000	2,000,000	0.4
CR INDST COM 0.3% 08/11	US$1,000,000	1,000,008	0.2
CRD IND COM 0.245% 08/11	US$2,000,000	2,000,009	0.5
CRDT AGRIC SA 0.25% 08/11	US$3,000,000	3,000,000	0.7
CREDIT 0.25% 08/11	US$3,000,000	3,000,000	0.7
CREDIT AGRI 0.28% 07/11	US$2,000,000	2,000,000	0.4
CREDIT AGRI 0.31% 07/11	US$2,000,000	2,000,000	0.4
DANSKE BANK 0.185% 07/11	US$5,000,000	5,000,013	1.1
DNB NOR BANK 0.22% 07/11	US$1,000,000	1,000,001	0.2
DNBNR BK ASA 0.195% 08/11	US$2,000,000	2,000,000	0.4
HSBC BANK PLC 0.35% 08/11	US$2,000,000	2,000,000	0.5
HSBC BK PLC 0.33% 09/11	US$1,000,000	1,000,000	0.2
HSBC BK PLC 0.51% 08/11	US$1,000,000	1,000,000	0.2
HSBC BK PLC 0.53% 08/11	US$3,000,000	3,000,000	0.7
HSBC BK PLC 0.57% 08/11	US$2,000,000	2,000,014	0.5
HSBC BK PLC 0.59% 08/11	US$3,000,000	3,000,019	0.7
ING BANK NV 0.26% 22/08/11	US$2,000,000	2,000,000	0.4
ING BANK NV 0.26% 23/08/11	US$1,000,000	1,000,000	0.2
ING BANK NV 0.33% 07/11	US$2,000,000	2,000,000	0.4
ING BK AMTDM 0.27% 08/11	US$2,000,000	2,000,000	0.4
ING BK NV 0.26% 09/11	US$2,000,000	2,000,000	0.4
LLOYDS TSB BK 0.24% 08/11	US$2,000,000	2,000,000	0.4
LLOYDS TSB BK 0.25% 08/11	US$3,000,000	3,000,000	0.7
NAT AU BK 0.2825% 12/11	US$1,000,000	1,000,011	0.2
NATL 0.34% 09/11	US$2,000,000	2,000,000	0.5
NTL AU BK LDN 0.36% 08/11	US$2,000,000	2,000,081	0.5
NTL AUS BK LTD 0.3% 11/11	US$3,000,000	3,000,000	0.7
ROYAL BANK OF 0.2% 08/11	US$2,000,000	2,000,000	0.4

Supplementary Information (Continued)
Investment Portfolio of JPMorgan Series II Funds - USD (Continued)
As at 30 June 2011 ***(Unaudited)***

	Holding	Cost add/less amortization of discount/premium US$	% of net assets
United Kingdom (Continued)			
RYL BK SCTLND 0.2% 07/11	US$2,000,000	2,000,000	0.4
SOCIETE GENRL 0.26% 08/11	US$3,000,000	3,000,017	0.7
United States (46.8%)			
AMSTERDAM FDG ZERO 08/11	US$1,000,000	999,689	0.2
ATLANTIS ONE ZERO 08/11	US$1,500,000	1,499,183	0.3
ATLANTIS ONE ZERO 09/11	US$5,000,000	4,995,917	1.1
ATLANTIS ONE ZERO 10/11	US$500,000	499,551	0.1
ATLANTIS ONE ZERO 11/11	US$3,000,000	2,996,920	0.7
AUST & NEW ZEA ZERO 12/11	US$1,000,000	998,978	0.2
BANK OF 0.26% 07/11	US$1,000,000	1,000,000	0.2
BARCLAYS BANK 0.27% 11/11	US$3,000,000	3,000,000	0.7
BARCLAYS BANK 0.3% 26/10/11	US$2,000,000	2,000,000	0.5
BARCLAYS BANK 0.3% 28/10/11	US$1,000,000	1,000,000	0.2
BNK OF 0.19% 07/11	US$5,000,000	5,000,000	1.1
BNK OF 0.4% 07/11	US$4,000,000	4,000,000	0.9
BNK OF 0.4% 08/11	US$1,000,000	1,000,000	0.2
BNP PARIBAS FIN INC ZERO 26/09/11	US$4,000,000	3,994,683	0.9
BNP PARIBAS FIN INC ZERO 07/11/11	US$2,000,000	1,996,883	0.4
BNP PARIBAS ZERO 08/11	US$2,000,000	1,998,787	0.4
CAISSE D'AMORT ZERO 11/11	US$1,000,000	998,816	0.2
CAISSE D'AMORT ZERO 12/11	US$5,000,000	4,994,167	1.1
CHARTA, LLC ZERO 11/07/11	US$3,000,000	2,999,808	0.7
CHARTA, LLC ZERO 13/07/11	US$5,000,000	4,999,600	1.1
CIESCO, LLC ZERO 07/11	US$10,000,000	9,999,200	2.2
CREDIT 0.23% 08/11	US$1,100,000	1,100,009	0.3
CREDIT 0.25% 07/11	US$3,000,000	3,000,000	0.7
CREDIT IND ET 0.26% 07/11	US$5,000,000	5,000,000	1.1
CREDIT ZERO 08/11	US$2,000,000	1,999,399	0.5
DEUTSCHE BANK 0.4% 07/11	US$300,000	300,002	0.1
DEUTSCHE BK ZERO 10/11	US$2,000,000	1,998,153	0.4
DEUTSCHE BK ZERO 12/11	US$2,500,000	2,497,131	0.6
EBBETS PLC & ZERO 07/11	US$5,000,000	4,999,833	1.1
ERSTE ZERO 12/11	US$1,000,000	998,340	0.2
FED HOME LOAN VAR 01/12	US$1,000,000	999,849	0.2
FED HOME LOAN VAR 01/13	US$2,000,000	1,999,077	0.4
FED HOME LOAN VAR 04/12	US$2,000,000	1,999,408	0.5
FED HOME LOAN VAR 12/11	US$2,000,000	1,999,499	0.5
FED NATL MORT VAR 09/12	US$3,000,000	2,999,272	0.7
FEDERAL VAR 08/12	US$2,000,000	1,999,303	0.4
GENERAL ELEC ZERO 10/11	US$2,000,000	1,998,320	0.4
ING (US) ZERO 09/11	US$2,000,000	1,999,363	0.4
INTESA FUNDING ZERO 05/07/11	US$2,000,000	1,999,949	0.5
INTESA FUNDING ZERO 06/07/11	US$500,000	499,983	0.1
KELLS FUNDING, ZERO 08/11	US$2,000,000	1,999,289	0.4
KELLS FUNDING, ZERO 09/11	US$3,000,000	2,997,725	0.7
KELLS FUNDING, ZERO 11/11	US$5,000,000	4,995,035	1.1
LLOYDS BK 0.28313% 01/12	US$2,000,000	2,000,000	0.5
LLOYDS TSB 0.25% 07/11	US$1,000,000	1,000,000	0.2
MITSUBISHI 0.4% 08/11	US$2,000,000	2,000,000	0.5
MIZUHO FUNDING ZERO 07/11	US$10,000,000	9,999,778	2.2
NATIXIS US ZERO 08/11	US$1,000,000	999,580	0.2
NATL 0.25% 11/11	US$1,000,000	1,000,000	0.2
NAT'L ZERO 07/11	US$1,000,000	1,000,000	0.2
NORDEA NORTH ZERO 11/11	US$1,000,000	999,036	0.2
NORINCHUKIN 0.21% 07/11	US$1,000,000	1,000,000	0.2
NORINCHUKIN 0.22% 07/11	US$1,000,000	1,000,000	0.2
NORINCHUKIN 0.23% 07/11	US$2,000,000	2,000,000	0.5

Supplementary Information (Continued)
Investment Portfolio of JPMorgan Series II Funds – USD (Continued)
As at 30 June 2011 *(Unaudited)*

	Holding	Cost add/less amortization of discount/premium US$	% of net assets
United States (Continued)			
NORTHERN PINES ZERO 28/09/11	US$4,000,000	3,996,044	0.9
NORTHERN PINES ZERO 23/09/11	US$5,000,000	4,995,333	1.1
NORTHERN PINES ZERO 11/11	US$1,000,000	998,681	0.2
NRW BANK ZERO 11/11	US$2,000,000	1,997,777	0.4
RABOBANK 0.28% 11/11	US$1,000,000	1,000,000	0.2
ROYAL PARK ZERO 07/11	US$5,000,000	4,999,603	1.1
SHIZUOKA BANK 0.2% 07/11	US$1,000,000	1,000,000	0.2
SHIZUOKA BANK 0.22% 07/11	US$2,000,000	2,000,000	0.5
SHIZUOKA BANK 0.25% 07/11	US$5,000,000	5,000,000	1.1
SOCIETE 0.24% 08/11	US$2,000,000	2,000,000	0.5
SOCIETE GEN NO ZERO 08/11	US$2,000,000	1,999,375	0.5
SOCIETE GEN NO ZERO 09/11	US$1,000,000	999,604	0.2
SOCIETE VAR 08/11	US$2,000,000	2,000,000	0.5
STRAIGHT A FDG ZERO 07/11	US$2,701,000	2,700,629	0.6
SUMITOMO 0.345% 08/11	US$1,000,000	999,993	0.2
SVENSKA 0.35% 08/11	US$1,000,000	1,000,000	0.2
SWEDBANK ZERO 07/11	US$21,000,000	20,998,016	4.7
THAMES AST ZERO 08/11	US$2,000,000	1,999,547	0.5
THAMES AST ZERO 09/11	US$2,000,000	1,999,311	0.4
TORONTO-DOMIN 0.35% 07/11	US$500,000	500,000	0.1
UNITED STATES 1% 10/11	US$1,000,000	1,002,667	0.2
UOB FUNDING ZERO 07/11	US$1,000,000	999,911	0.2
WESTPAC ZERO 10/11	US$1,500,000	1,498,734	0.3
WESTPAC ZERO 12/11	US$5,000,000	4,994,761	1.1
WINDMILL ZERO 07/11	US$5,000,000	4,999,389	1.1
Total Listed/Quoted Investments		394,611,078	87.5
Other net assets (12.5%)			
Cash at banks		60,681,361	13.5
Accounts receivable			
Amounts receivable on allotment		210,282	0.1
Accrued interest on investment		182,989	0.0
Prepaid expenses		85,097	0.0
Accounts payable			
Amounts payable on redemption		(4,811,061)	(1.1)
Expenses and other payable		(187,751)	(0.0)
Total other net asset		56,160,917	12.5
Net assets attributable to holders of redeemable units at 30 June 2011		450,771,995	100.0
Total investments, at cost		394,520,410	
Amortization of discount/premium on held-to-maturity securities		90,668	
		394,611,078	

Performance Record - Unaudited

Net Asset Values

At financial period ended	Net asset value of the Fund US$	Net asset value per investment unit US$	Net asset value per administration unit US$
30/6/11	8,882,060	12.29	11.52
30/6/10	10,013,620	12.32	11.62
30/6/09	10,784,818	12.34	11.71

Highest Offer/Lowest Bid Prices

Financial period ended	Highest offer US$	Lowest bid US$
Investment unit		
30/6/11	12.32	12.29
30/6/10	12.34	12.32
30/6/09	12.34	12.19
30/6/08	12.19	11.76
30/6/07	11.75	11.22
30/6/06	11.21	10.83
30/6/05	10.82	10.66
30/6/04	10.66	10.61
30/6/03	10.61	10.51
30/6/02 [1]	10.50	10.34
Administration unit		
30/6/11	11.62	11.52
30/6/10	11.71	11.62
30/6/09	11.73	11.64
30/6/08	11.64	11.29
30/6/07	11.29	10.84
30/6/06	10.83	10.52
30/6/05	10.52	10.42
30/6/04	10.44	10.42
30/6/03	10.44	10.40
30/6/02	10.40	10.29

[1] There was no investment units in issue during this financial period.

Management and Administration

Manager and Service Provider
JPMorgan Funds (Asia) Limited
21/F, Chater House
8 Connaught Road Central
Hong Kong

Investment Manager
JF Asset Management Limited
21/F, Chater House
8 Connaught Road Central
Hong Kong

Directors of the Manager
as at 13 October 2011
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

Administrator/Trustee and Registrar
Royal Bank of Canada Trust Company
(Cayman) Limited
P.O. Box 1586, 24 Shedden Road
Grand Cayman
Cayman Islands
British West Indies

Auditor
PricewaterhouseCoopers
P.O. Box 258
Strathvale House
Grand Cayman KY1-1104
Cayman Islands
British West Indies

www.jpmorganam.com.hk