

# JF Asia Property<sup>1)</sup>

January 2012

## Fund objective

To provide investors with long-term capital appreciation by investing primarily in securities of companies that are listed on Asia (including Japan, Australia and New Zealand) stock exchanges that are principally engaged in or related to the property industry.

## Fund Manager's report

**Portfolio Review:** Asian property stocks finished December down 1.9% for the month and down almost 20% for the year, underperforming broader equities over both periods. Singapore was the worst performing market during December losing almost 8% as the government introduced new measures to control residential prices. Japan lost 5.3% and Australia 2.8% while Hong Kong/China was the best performing and only market in positive territory with a gain of 3.5%. The Fund performed ahead of the benchmark during December.

**Outlook:** Markets are expected to remain volatile while macro concerns dominate sentiment. The real estate market in China remains one of the most contentiously debated sectors of that economy as does the outlook for policy relaxation. Residential markets in Singapore and Hong Kong felt the wrath of policy tightening during 2011 while stock prices are also implying significant falls in office and retail rents there. In Australia, the beginning of the rate cut cycle is expected to support residential prices while the outlook for office and retail rents also remains in question. The Fund remains overweight in Hong Kong/China, ASEAN and Singapore and underweight in Japan.

## Portfolio information

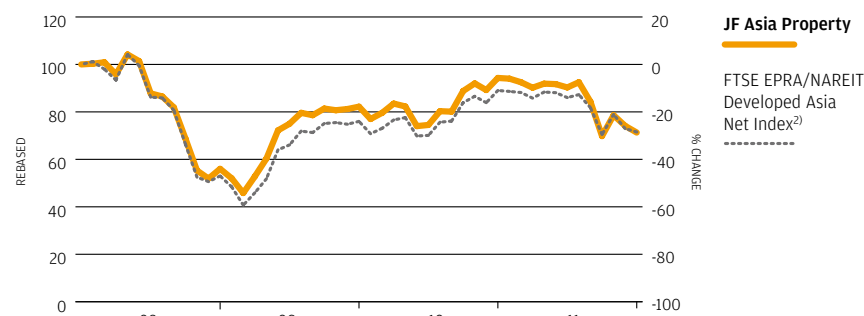
Fund manager	<b>Adam Upton/Mayur Nallamala, Hong Kong</b>	
Launch date	<b>30.01.08</b>	
Fund size (m)	<b>USD 2.1</b>	
Base currency and NAV per unit	<b>USD 7.13</b>	
12 month NAV:	High	<b>USD 9.79 (19.01.11)</b>
	Low	<b>USD 6.55 (04.10.11)</b>
Charges:	Initial	<b>5.0% of NAV</b>
	Redemption	<b>0.5% of NAV</b>
	Management fee	<b>1.5% p.a.</b>
Last distribution (xd date)	<b>N/A</b>	
SEDOL/ISIN codes	<b>B2NYGQ0/HK0000043528</b>	
Bloomberg code	<b>JFASPRO HK</b>	

## Statistical analysis

	3 years	5 years	Since launch <sup>3)</sup>
Correlation	0.98	-	0.98
Alpha %	-0.13	-	-0.03
Beta	0.96	-	0.95
Annual volatility %	26.26	-	28.39
Sharpe ratio	0.30	-	-
Annual tracking error %	5.54	-	5.99
Average annual return %	8.38	-	-8.27

- The Fund invests in specialised sectors and themes, primarily in listed companies in Asia, including Japan, Australia and New Zealand, that are related to the property industry and is therefore subject to greater concentration risk than a more diversified investment. The Fund's price movement may go down or up sharply over a short time span.
- The Fund may invest in emerging markets and thus may have exposure to the relevant currency risk.
- Investors may be subject to substantial losses.
- Investors should not solely rely on this document to make any investment decision.

## Performance from 30.01.08 to 30.12.11



## Cumulative performance %

	1 month	1 year	3 years	5 years	Since launch
<b>Fund</b>	<b>-3.8</b>	<b>-24.4</b>	<b>+27.3</b>	-	<b>-28.7</b>
Benchmark <sup>2)</sup>	-1.9	-19.7	+34.9	-	-28.5

## Calendar Year performance %

	2006	2007	2008*	2009	2010	2011YTD
<b>Fund</b>	-	-	<b>-44.0</b>	<b>+46.8</b>	<b>+14.7</b>	<b>-24.4</b>
Benchmark <sup>2)</sup>	-	-	-47.0	+43.3	+17.2	-19.7

## Portfolio analysis

By country/region		By sector	
Hong Kong	31.4%	1.7%	Consumer Services (non-EPRA)
Australia	20.6%	2.8%	Residential
Japan	19.6%	4.2%	Net Liquidity
Singapore	12.1%	4.5%	Office
Net Liquidity	4.2%	5.5%	Industrials (non-EPRA)
China	3.6%	8.2%	Industrial
Malaysia	3.6%	14.1%	Retail
Others	2.9%	15.8%	Financials (non-EPRA)
Korea	2.0%	43.1%	Diversified

## Top five holdings (as at end November 2011)

Holding	Sector	Country/region	%
<b>Westfield Group Australia</b>	Retail	Australia	8.0
<b>Sumitomo Realty &amp; Development Co. Ltd.</b>	Diversified	Japan	6.3
<b>Sun Hung Kai Properties Ltd.</b>	Diversified	Hong Kong	5.6
<b>Mitsubishi Estate Co. Ltd.</b>	Diversified	Japan	3.8
<b>Wharf (Holdings) Ltd.</b>	Diversified	Hong Kong	3.3

**For more information, please contact your bank, financial adviser or visit**  
[www.jpmorganam.com.hk](http://www.jpmorganam.com.hk)

Unless stated otherwise, all information as at the last valuation date of the previous month. Source: JPMAM/Thomson Reuters Datastream (NAV to NAV in USD with income reinvested). Source of star rating: Morningstar, Inc. Risk ratings (if any) are based on JPMAM's assessment of relative risk by asset class and is subject to change. This is for reference only. Any overweight in any investment holding exceeding the limit set out in the Investment Restrictions was due to market movements and will be rectified shortly. Top ten holdings is available upon request. \*Since launch to end of year. It should be noted that due to the difference of the fund domiciles the valuation points used by the JF funds and JPMorgan series of funds for fair valuation (where applied) may vary. For details please refer to the respective offering documents. <sup>1)</sup>This Fund is authorised under the SFC Code on Unit Trusts and Mutual Funds but not under the SFC Code on REITs. The fund does not invest in real estate property directly. The authorisation from SFC does not imply official approval or recommendation. <sup>2)</sup>The Total Index was replaced with Net Index on 01.01.10 retrospectively from the Fund's inception. <sup>3)</sup>With the exception of the "Average annual return" figure, all data are calculated from the month end after inception. <sup>4)</sup>The Asset Triple A Investment Awards. For 2011, the award is "Asset Management Company of the Year, Asia - Retail".

**Investment involves risk. Past performance is not indicative of future performance. Please refer to the offering document(s) for details, including the risk factors.**

This document has not been reviewed by the SFC. Issued by JPMorgan Funds (Asia) Limited.