

JF Asia Domestic Opportunities

January 2012

Fund objective

To provide investors with long-term capital appreciation by investing primarily in securities of companies whose predominant business will benefit from, or is related to, the domestic growth in Asian economies excluding Japan but including Australia and New Zealand.

Fund Manager's report

Portfolio Review: Markets were generally stronger due to falling inflation numbers across Asia. The H-shares market was up marginally as investors are hopeful that monetary policy will start easing with inflation falling. The Indian market continues to see selling pressure. It is the only market in Asia where the CPI is still stuck at stubbornly high levels. Moreover, the lack of fresh government policies to improve the investment climate has been a drag on sentiment. Stocks in South Korea were down on concerns of leadership changes in North Korea after the death of Kim Jong Il.

Outlook: Markets should remain range bound in the short term, unless the Chinese government acts more aggressively to "fine tune" its monetary policy. Further out, we still believe the investment opportunities in Asia are good given the massive correction seen in 2011 and attractive valuations. While the problems in Europe will continue to haunt us this year, the improving economic data in the US could be an important catalyst for increasing risk in the portfolio.

Portfolio information

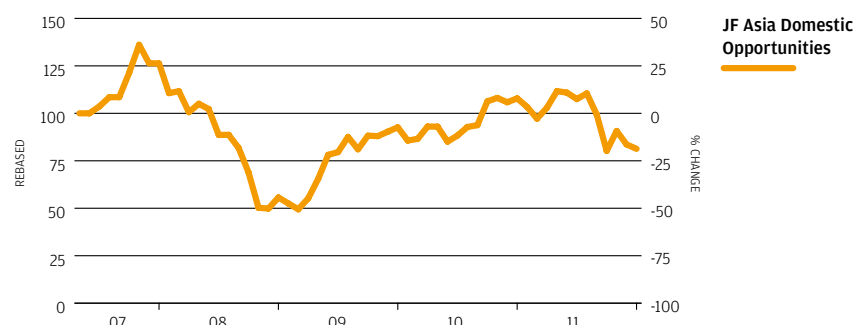
Fund manager	Joshua Tay, Singapore/ Howard Wang, Hong Kong	
Launch date	14.05.07	
Fund size (m)	USD 384.2	
Base currency and NAV per unit	USD 8.13	
12 month NAV:	High	USD 11.20 (26.04.11)
	Low	USD 7.40 (04.10.11)
Charges:	Initial	5.0% of NAV
	Redemption	Currently 0% (up to 0.5% of NAV)
	Management fee	1.5% p.a.
Management performance fee	10% of the fund return, subject to the Low Tide Mark	
Last distribution (xd date)	N/A	
SEDOL/ISIN codes	B1XDC06/HK0000038148	
Bloomberg code	JFASDOM HK	

Statistical analysis

	3 years	5 years	Since launch ⁹⁾
Correlation	-	-	-
Alpha %	-	-	-
Beta	-	-	-
Annual volatility %	28.36	-	31.31
Sharpe ratio	0.46	-	-
Annual tracking error %	-	-	-
Average annual return %	13.44	-	-4.37

- The Fund invests in specialised sectors and themes, primarily in companies whose predominant business will benefit from the domestic growth in Asian economies, excluding Japan but including Australia and New Zealand, 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 14.05.07 to 30.12.11



Cumulative performance %

	1 month	1 year	3 years	5 years	Since launch
Fund	-2.8	-24.6	+46.0	-	-18.7

Calendar Year performance %

	2006	2007*	2008	2009	2010	2011YTD
Fund	-	+26.3	-55.9	+66.3	+16.4	-24.6

Portfolio analysis

By country/region		By sector	
China	30.6%	2.4%	Information Technology
Hong Kong	12.3%	2.7%	Utilities
Taiwan	11.4%	2.8%	Net Liquidity
Thailand	10.6%	9.1%	Industrials
Korea	10.1%	10.1%	Materials
Indonesia	8.8%	19.4%	Consumer Staples
India	6.9%	25.2%	Consumer Discretionary
Others	6.4%	28.4%	Financials
Net Liquidity	2.8%		

Top five holdings (as at end November 2011)

Holding	Sector	Country/region	%
China Vanke Co. Ltd.	Financials	China	4.1
Sands China Ltd.	Consumer Discretionary	Hong Kong	4.0
President Chain Store Corp.	Consumer Staples	Taiwan	3.5
United Tractors	Industrials	Indonesia	3.3
Samsung Engineering Co. Ltd.	Industrials	Korea	3.2

For more information, please contact your bank, financial adviser or visit
www.jpmorganam.com.hk

Unless stated otherwise, all information as at the last valuation date of the previous month. Source: JPMAM (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 document(s). ¹⁾With the exception of the "Average annual return" figure, all data are calculated from the month end after inception. ²⁾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.