

JF Provident HK\$ Money

January 2012

Fund objective

To provide investors with the opportunity to invest in short term deposits and debt securities.

Investor profile

- Employees who have built up capital and wish to minimise risk.
- Suitable age group: 55+ (or less than 5 years to retirement date).

Fund Manager's report

Portfolio Review: Hibor rates rose across the curve during December. The 3-month Hibor rate was yielding 0.38% (+8bps), 6-month 0.56% (+10bps) and 12-month 0.88% (+6ps) by month's end. The move upwards in Hibor rates reflected the upward trend in US Libor rates, however, the Hibor/Libor spread moved to positive territory at the short end of the curve as the HKD remained tight into year end. This pushed short HK yields above their US counterparts. Domestic Hong Kong economic data was weaker in December. Although retail sales continued to rise, the rate slowed as increases in Chinese tourist spending failed to offset declining purchases by locals due to a falling equity market, weaker housing and poor sentiment. Exports also slowed sharply due to falling global demand, while the PMI remained under 50 for the fourth month and industrial production declined. Finally, Hong Kong's inflation remained high and sticky at 5.7%yoy, above 5% for the 7th consecutive month.

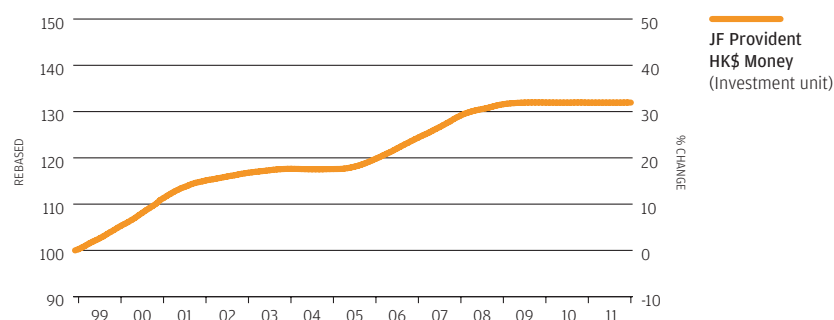
Outlook: Of the three key drivers of the Hong Kong economy two are under pressure. Exports are sharply lower due to weaker global growth and local property prices are under downward pressure due to government cooling measures. This leaves only strong retail sales, supported by Chinese tourists as an economic bright spot. Also, high and sticky inflation continues to weigh on consumer sentiment. Average broker forecasts for 2012 expect a slowdown in both GDP and CPI. The Fund yield was stable during the month and we maintained high liquidity.

Portfolio information

Launch date	07.12.98
Fund size (m)	HKD 207.7
Base currency	HKD
NAV Investment unit	HKD 131.94
per unit: Administration unit	HKD 122.02
Yield ¹⁾	0.23%
Year end	30 June
Annual management fee	0.25%
Fund prices quoted:	The Standard Hong Kong Economic Times www.jpmmorganam.com.hk
Dealing	Daily (on cleared funds basis only)

- The Fund invests in a collective investment scheme. The Fund is not a time deposit and is not guaranteed. The investor may be subject to interest rate and counterparty risk.
- Investors may be subject to losses.
- Investors should not solely rely on this document to make any investment decision.

Performance from 07.12.98 to 30.12.11



Cumulative performance %

	1 month	1 year	3 years	5 years	Since launch
Investment unit	-0.0	+0.0	+0.3	+6.1	+31.9

Calendar Year performance %

	2006	2007	2008	2009	2010	2011YTD
Investment unit	+3.8	+3.9	+1.9	+0.3	-0.0	+0.0

Portfolio analysis



Top five holdings

Holding	%
Hongkong Electric Finance Ltd 4.32% 24/01/12	3.5
Commonwealth Bank of Australia FRN 15/05/12	3.5
Westpac Banking Corp Sydney FRN 22/05/12	3.5
Standard Chartered Bank Hong Kong FRN 27/02/12	3.1
Rabobank Nederland NV Hong Kong 4% 21/06/12	2.8

For more information, please contact JPM Pension Services

Tel: 2978 7588 Fax: 2868 4409 Email: jpm.pension@jpmorgan.com
or visit www.jpmmorganam.com.hk

Members' Hotline: 2200 6688

This Fund is a feeder fund into JF Money Fund - HK\$. Unless stated otherwise, all information as at the last valuation date of the previous month. Source: JPMAM (NAV to NAV in base currency). 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⁾This yield refers to its underlying fund and is calculated based on the annualised percentage change in NAV of its underlying fund over the last two valuation dates of the previous month. The yield is not guaranteed and is provided for reference only.

The yield of the fund is denominated in the fund currency and has included management fee. If the US dollar is your based currency, you may therefore be exposed to fluctuations in the relevant foreign currency exchange rate. 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.