

# JF SAR European

January 2012

## Objective

To provide investors with long term capital growth in US dollar terms through a portfolio consisting primarily of securities of companies based or operating principally in the countries in Western Europe.

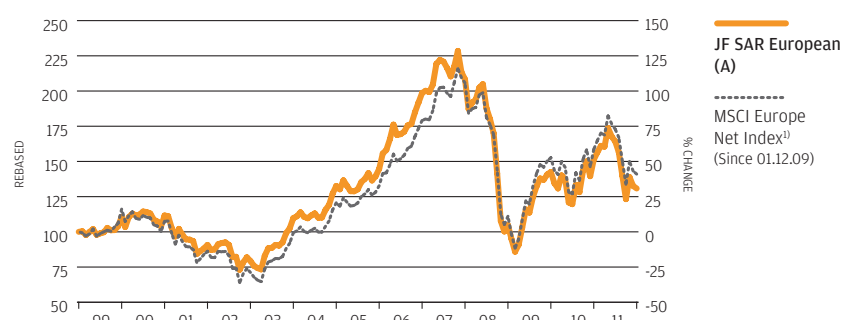
## Fund Manager's report

**Portfolio Review:** The MSCI Europe Index returned 2.1% in euro terms in December as policy actions boosted sentiment. The European Union summit on the debt crisis produced a proposal for most of the EU members to increase fiscal coordination. The European Central Bank cut interest rates by a quarter of a percentage point, taking its main rate to 1%, and announced additional measures to improve liquidity in the banking system.

**Outlook:** December's policy actions appear to have brought a measure of calm to markets, but sceptical investors will need to see tenacity and commitment from governments for confidence to recover. Earnings releases will also be closely watched to assess the impact of slowing regional growth on the corporate sector. In the Fund, we maintain our bottom-up focus on the most attractive European growth and value stocks.

- The Fund may invest in emerging markets and thus may have exposure to the relevant social, political, regulatory and currency risk. The Fund's price movement may go down or up sharply over a short time span.
- Investors may be subject to substantial losses.
- Investors should not solely rely on this document to make any investment decision.

## Performance from 31.12.98 to 30.12.11



## Cumulative performance %

|                         | 1 month     | 1 year       | 3 years      | 5 years      | Since launch |
|-------------------------|-------------|--------------|--------------|--------------|--------------|
| <b>Class A</b>          | <b>-1.4</b> | <b>-13.5</b> | <b>+24.8</b> | <b>-34.2</b> | <b>+50.2</b> |
| Benchmark <sup>1)</sup> | -1.5        | -11.1        | +27.0        | -21.3        | +62.2        |

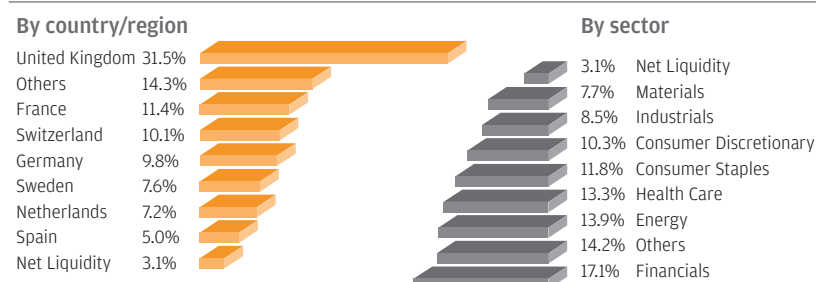
## Calendar Year performance %

|                         | 2006         | 2007        | 2008         | 2009         | 2010        | 2011YTD      |
|-------------------------|--------------|-------------|--------------|--------------|-------------|--------------|
| <b>Class A</b>          | <b>+37.3</b> | <b>+4.9</b> | <b>-49.7</b> | <b>+36.0</b> | <b>+6.1</b> | <b>-13.5</b> |
| Benchmark <sup>1)</sup> | +34.9        | +14.9       | -46.0        | +37.4        | +3.9        | -11.1        |

## Portfolio information

|                      |   |                     |
|----------------------|---|---------------------|
| Fund manager         | <b>Stephen Macklow-Smith,<br/>London</b>            |                     |
| Launch date          | <b>17.09.98</b>                                     |                     |
| Fund size (m)        | <b>USD 270.9</b>                                    |                     |
| Denominated currency | <b>USD</b>  |                     |
| NAV per unit:        | Class A   | <b>USD 15.02</b>    |
|                      | Class B   | <b>USD 16.29</b>    |
| Trustee / Custodian  | <b>Royal Bank of Canada<br/>Trust Co (Asia) Ltd</b> |                     |
| Dealing              | <b>Daily</b>  |                     |
| Year End             | <b>30 June</b>                                      |                     |
| ISIN code:           | Class A   | <b>HK0000013778</b> |
|                      | Class B   | <b>HK0000013786</b> |
| Bloomberg code:      | Class A   | <b>JFSREUR HK</b>   |
|                      | Class B   | <b>JFSREUB HK</b>   |

## Portfolio analysis



## Top five holdings as at end November 2011

| Holding                             | Sector           | Country/region | %   |
|-------------------------------------|------------------|----------------|-----|
| <b>Royal Dutch Shell plc</b>        | Energy           | Netherlands    | 4.7 |
| <b>HSBC Holdings plc</b>            | Financials       | UK             | 3.3 |
| <b>Roche Holding AG</b>             | Health Care      | Switzerland    | 2.8 |
| <b>British American Tobacco plc</b> | Consumer Staples | UK             | 2.7 |
| <b>Novartis AG</b>                  | Health Care      | Switzerland    | 2.3 |

Unless stated otherwise, all information as at the last valuation date of the previous month. Source: JPMAM/Thomson Reuters Datastream (NAV to NAV in base currency with income reinvested). 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. 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). <sup>1)</sup>Dividends reinvested after deduction of withholding tax. Prior to 01.12.09, FTSE World Europe Total Index.

**Investment involves risk. Past performance is not indicative of future performance. Funds which are invested in emerging markets and smaller companies may also involve a higher degree of risk and are usually more sensitive to price movements. 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.

For more information, please contact

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