

JF SAR Greater China

January 2012

Objective

To provide investors with long term capital growth in HK dollar terms through a portfolio consisting primarily of securities of companies based or operating principally in the People's Republic of China, Hong Kong, Macau or Taiwan ("Greater China Region") and the majority of these companies will be listed on a stock exchange in Hong Kong or Taiwan.

Fund Manager's report

Portfolio Review: Greater China equities rose in December, as coordinated central bank easing led to a strong rally on the first trading day of the month. The MSCI Taiwan was the strongest performer of the three markets, driven by both better retail sales data in the U.S., a top export market for the technology-heavy index, as well as equity market intervention by a government seeking to quell volatility ahead of its presidential election in January. The MSCI China and Hong Kong indices were comparatively weaker as the Shanghai index continued its slide, a result of investor disappointment with a lack of accelerated policy easing in the face of a slowdown.

Outlook: We expect a brighter outlook for markets in the near-term on an easing of global fears, given brighter macro data and more steps towards a liquidity response to the European debt crisis. We continue to expect inflation to ease in China and thus, pave the way for a looser policy environment. Valuations are cheap particularly within the MSCI China, with the stock market touching Global Financial Crisis levels. We continue to increase positions in Chinese banks and certain cheap global cyclical at the expense of financials in Hong Kong. Otherwise, the core strategies remain unchanged as we expect recovery from sectors that underperformed in this crisis-like atmosphere that started in September 2011.

Portfolio information

Fund manager	Emerson Yip/Howard Wang, Hong Kong	
Launch date	30.07.07	
Fund size (m)	HKD 640.6	
Denominated currency	HKD	
NAV per unit:	Class A	HKD 76.64
	Class B	HKD 77.03
Trustee / Custodian	Royal Bank of Canada Trust Co (Asia) Ltd	
Dealing	Daily	
Year End	30 June	
ISIN code:	Class A	HK0000038965
	Class B	HK0000038973
Bloomberg code:	Class A	JFSRGCA HK
	Class B	JFSRGCB HK

For more information, please contact

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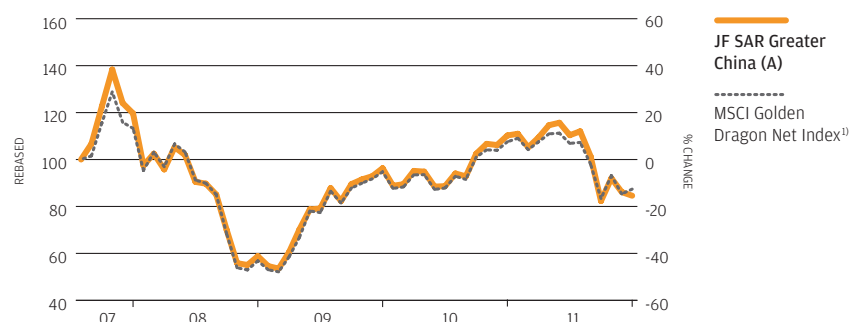
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- The Fund may invest in emerging markets and thus may have exposure to the relevant social, political, regulatory and currency risk. The Fund's price movement may go down or up sharply over a short time span.
- Investors may be subject to substantial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

Performance from 30.07.07 to 30.12.11



Cumulative performance %

	1 month	1 year	3 years	5 years	Since launch
Class A	-1.8	-23.3	+43.8	-	-15.4
Benchmark ¹⁾	+2.4	-18.7	+53.8	-	-12.6

Calendar Year performance %

	2006	2007 ²⁾	2008	2009	2010	2011YTD
Class A	-	19.7	-50.8	+63.7	+14.5	-23.3
Benchmark ¹⁾	-	13.3	-49.8	+66.7	+13.5	-18.7

Portfolio analysis

By country/region

China	51.6%
Taiwan	26.1%
Hong Kong	21.0%
Net Liquidity	1.4%

By sector

1.4%	Net Liquidity
6.0%	Consumer Discretionary
6.7%	Consumer Staples
6.8%	Telecommunication Services
7.9%	Others
8.2%	Materials
9.0%	Energy
16.9%	Information Technology
37.1%	Financials

Top five holdings as at end November 2011

Holding	Sector	Country/region	%
Taiwan Semiconductor Manufacturing	Information Technology	Taiwan	6.5
China Mobile	Telecommunication Services	China	5.0
China Construction Bank Corp	Financials	China	4.6
Industrial & Commercial Bank of China	Financials	China	3.5
CNOOC	Energy	China	3.5

Effective 01.07.11, the Fund was redenominated from USD to HKD. Historical performance is converted accordingly. 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). ¹⁾Dividends reinvested after deduction of withholding tax. ²⁾Since launch to end of year.

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.