

JPMorgan Funds - Brazil Equity Fund

Singapore Recognised Schemes

February 2012

Objective

To provide superior long term capital growth by investing primarily in a concentrated portfolio of Brazilian companies.

Fund Manager's report

Portfolio Review: Brazil rebounded sharply in January, gaining 15.2% and outperforming the broader EM and LATAM universe. The strong performance was due to promising macro data and accommodative monetary policy. The Fund underperformed the benchmark (NAV to NAV), mainly due to our asset allocation, in particular an underweight in the materials and energy sectors. However, an overweight in consumer discretionary added to returns. Our investment ideas in the industrials, energy and consumer discretionary sectors contributed, while stocks in the consumer staples detracted.

Outlook: Despite the sharp rally in markets, we are positive as fundamentals are improving and valuations are still attractive. Inflation is beginning to roll-over across our markets. The focus of central banks is therefore shifting to supporting growth. The Brazilian economy has slowed but looks to have bottomed and the central bank will respond with more rate cuts. Even as investors wait for inflation to fall to justify the central bank's early steps to ease policy, the government is building a solid track record for fiscal prudence. In 2011 the primary fiscal surplus improved by 1.3% of GDP and there is talk of further cuts this year, which will help contain inflationary pressure.

Portfolio information - JPM USD A (acc)

Fund manager	Sebastian Luparia, Brazil/ Luis Carrillo, New York		
Total fund size (m)	USD 706.0		
Base currency and NAV per share	USD 10.76		
12 month NAV:	High	USD 12.26 (20.04.11)	
	Low	USD 8.43 (04.10.11)	
Fund charges:	Initial	5.0% of NAV	
	Redemption	Currently 0%	
		(up to 0.5% of NAV)	
	Management fee	1.5% p.a.	

Fund codes

Share Class	ISIN	Sedol
JPM USD A (acc)	LU0318934451	B28YV04
JPM SGD A (acc)	LU0532187761	B532D64

Statistical analysis (NAV to NAV) - JPM USD A (acc)

	3 years	5 years	Since launch ²⁾
Correlation	0.97	-	0.97
Alpha %	0.14	-	0.02
Beta	0.89	-	0.92
Annual volatility %	28.95	-	34.89
Sharpe ratio	1.04	-	0.01
Annual tracking error %	7.50	-	8.52

Performance from 18.10.07 to 31.01.12



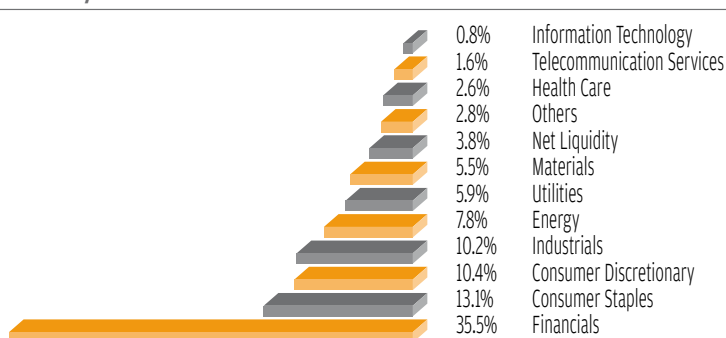
Annualised performance %

Share Class	1 year	3 years	5 years	Since launch	Launch date
JPM USD A (acc) (NAV to NAV)	-2.7	+30.5	-	+1.7	18.10.07
JPM USD A (acc) (offer to bid)*	-7.4	+28.3	-	+0.6	18.10.07
JPM SGD A (acc) (NAV to NAV)	-4.8	-	-	-3.5	13.08.10
JPM SGD A (acc) (offer to bid)*	-9.3	-	-	-6.6	13.08.10
Benchmark ¹⁾ (in USD)	-3.6	+31.9	-	+1.8 (since 18.10.07)	

Cumulative performance %

Share Class	1 month	1 year	3 years	5 years	Since launch
JPM USD A (acc) (NAV to NAV)	+13.4	-2.7	+122.3	-	+7.6
JPM USD A (acc) (offer to bid)*	+7.9	-7.4	+111.4	-	+2.5
JPM SGD A (acc) (NAV to NAV)	+9.0	-4.8	-	-	-5.1
JPM SGD A (acc) (offer to bid)*	+3.8	-9.3	-	-	-9.6
Benchmark ¹⁾ (in USD)	+14.2	-3.6	+129.7	-	+7.8 (since 18.10.07)

Portfolio analysis



Top five holdings (as at end December 2011)

Holding	Sector	%
Itau Unibanco	Financials	10.3
Banco Bradesco	Financials	9.4
Companhia De Bebidas	Consumer Staples	7.5
BRF Brasil Foods	Consumer Staples	4.6
OGX	Energy	4.4

For more information, please contact your bank, financial adviser or visit
www.jpmmorganam.com.sg / tel (65) 6882 1328

Formerly JPMorgan Funds - Brazil Alpha Plus Fund, the fund name and investment objective were changed on 16.08.11. *Offer to Bid calculation of fund performance is based on JPMAM's current calculation method and charges. Unless stated otherwise, all information refers to JPM USD A (acc) as at the last valuation date of the previous month. Source: JPMAM/Thomson Reuters Datastream (NAV to NAV and Offer to Bid in base currency with income reinvested, taking into account all charges which would have been payable upon such reinvestment). Source of star rating: Morningstar, Inc. 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. 1) Dividends reinvested after deduction of withholding tax. 2) All data is calculated from the month end after inception. 3) The Asset Triple A Investment Awards. For 2011, the award is 'Asset Management Company of the Year, Asia - Retail'.

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