

JF China Pioneer A-Share



Your World of Opportunity

JF Asset Management

Part of JPMorgan Asset Management

May 2008

Fund objective

To achieve long-term capital growth by investing primarily in PRC securities, including but not limited to A-Shares.

Suitable for investors seeking...

- ✓ easy access to a still-not-fully-open A-share market.
- ✓ alpha in the inefficient domestic Chinese markets while maintaining a medium risk level.
- ✓ exposure to a wide variety of domestic-listed enterprises leveraged to China's fast and sustainable economic growth.
- ✓ diversification of China exposure in addition to the highly-concentrated off-shore listed Chinese equities.

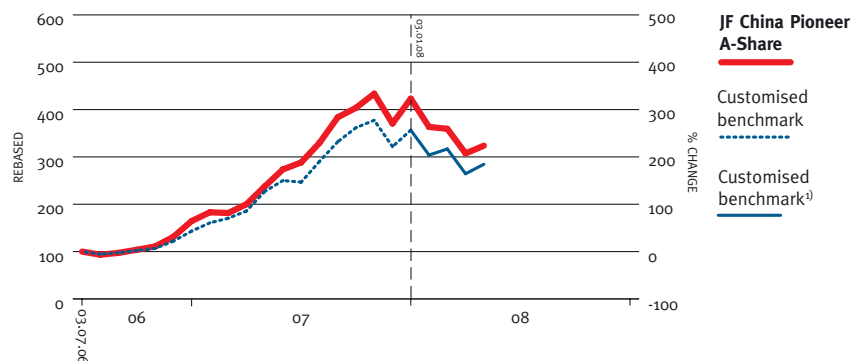
Fund Manager's report

Portfolio Review: With the beginning of the normalization process for the global credit markets, global equity markets rallied in April. China showed the first signs of a stabilization in inflationary conditions with its March CPI print, while the government cut stamp taxes on stock trading in an attempt to end the plunge in the A-share markets. Earnings results have been mixed; generally-speaking, commodity and industrial companies reported below-consensus results due to cost inflation and margin pressure while banks and consumer counters continued to deliver strong results reflecting firm pricing power as well as solid growth in real household income. The Fund underperformed in April mainly attributed to its higher A-share weighting than that of the benchmark. **Outlook:** With systemic risk in the global financial system no longer at the forefront of investors' minds, we believe a fragile and volatile recovery is under way - fragile and volatile because while liquidity remains abundant, macro-economic fundamentals in the developed world continue to deteriorate and inflation is an issue everywhere. China's National Agricultural price index has continued to trend downward post the peak in early Feb, suggesting sequentially easing CPI pressure. China remains less affected by the surge in international grain prices since most grains are nearly self-sufficient while industry players/observers expect meat supply to rise visibly after 3Q'08 given the government's incentive programs for farmers to raise supply since 2H'07. However, Producers Price Index continues to stay at high levels led by energy and material prices. We expect industrial companies to face continued cost inflation while it could take time to pass on cost increases led by the industry consolidation. We maintain our preference of industry leaders/consolidators and the major players with strong pricing power in respective markets.

Portfolio information

Fund manager	Howard Wang/Shumin Huang, Hong Kong	
Launch date	19.06.06	
Fund size (m)	USD 554.0	
Base currency and NAV per unit	USD 32.37	
Current prices:	Bid	USD 32.21
	Offer	USD 33.99
12 month offer prices:	High	USD 45.53 (31.10.07)
	Low	USD 28.73 (31.05.07)
Charges:	Initial	5.0% of NAV
	Redemption	0.5% of NAV
	Management fee	1.75% p.a.
Last dividend value and xd date	None paid	

Performance from 03.07.06 to 30.04.08



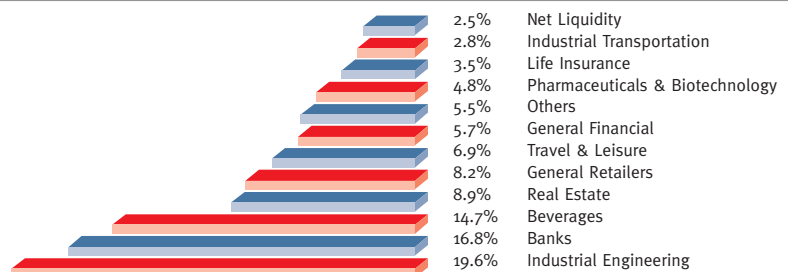
Cumulative performance %

	1 month	1 year	3 years	5 years	Since launch
JF China Pioneer A-Share	+5.3	+36.4	-	-	+223.7
Customised benchmark ¹⁾	+7.6	+25.5	-	-	+184.4

Calendar Year performance %

	2003	2004	2005	2006	2007	2008YTD
JF China Pioneer A-Share	-	-	-	-	+157.2	-23.5
Customised benchmark ¹⁾	-	-	-	-	+148.9	-20.2

Portfolio analysis



Top ten holdings (as at end March 2008)

Holding	Sector	Country	%
Kweichow Moutai Co. Ltd.	Beverages	China	8.7
China State Shipbuilding Co. Ltd.	Industrial Engineering	China	7.2
Shenzhen Overseas Chinese Town Hldgs Co. Ltd.	Travel & Leisure	China	6.7
CITIC Securities Co. Ltd.	General Financial	China	6.4
Sany Heavy Industry Co. Ltd.	Industrial Engineering	China	5.7
Financial Street Holding Co. Ltd.	Real Estate	China	5.0
Shanghai Pudong Development Bank Co. Ltd.	Banks	China	4.7
China Vanke Co. Ltd.	Real Estate	China	4.7
China Merchants Bank Co. Ltd	Banks	China	4.6
Shandong Dong-E E-jiao Co. Ltd.	Pharmaceuticals & Biotechnology	China	4.4

For more information, please contact your bank or your financial adviser or us directly.

www.jfam.com

Unless stated otherwise, all information as at the last valuation date of the previous month. As the Fund's dealing date for December 2007 has been postponed to 2 January 2008, any performance-related data that would otherwise have referred to end-December 2007 is now referred to 2 January 2008 instead. Source: JFAM/Factset/BNP Paribas/CSI (NAV to NAV in USD with income reinvested). Source of Fund Rating and Star Rating: S&P & Morningstar, Inc. Individual stock and market performance is not indicative of fund performance. Investors should note that direct investments in A-Shares through QFIs are subject to compliance with the investment and other restrictions currently imposed under QFII regulations in the PRC. The Fund may invest up to 10% in securities issued by any single issuer or 30% in government and other public securities of the same issue. The overweight, if any, was due to market movements and will be rectified shortly. Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market. 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. ¹⁾This benchmark is customised by JFAM and comprises 75% CSI 300 Total + 25% BNP Paribas China Price (Price change only, dividends not taken into account). Prior to 03.01.08, 75% FTSE Xinhua 600 Total + 25% BNP Paribas China Price. All rights about CSI 300 Index belong to China Securities Index Co., Ltd.

Past performance is not indicative of future performance. Investment involves risk. Please refer to the offering document(s).