

JPM Global Convertibles

JF share class of JPMorgan Funds



Your World of Opportunity

JF Asset Management

Part of JPMorgan Asset Management

June 2008

Singapore version

Fund objective

To provide a return by investing primarily in a diversified portfolio of convertible securities and warrants, globally.

Suitable for investors seeking...

- ✓ to capitalise on the growth potential around the world using a lower risk approach than a pure equity portfolio.
- ✓ The performance potential of equities, with the lower volatility and downside protection characteristics of bonds.

Fund Manager's report

Portfolio Review: Global stock markets outperformed government bonds in May overall, as the rally that had began in late March persisted with investors taking on more risk. However, by the end of May inflation fears were once again dominating headlines as oil prices reached new highs and concern grew of high emerging market inflation contributing to inflation in imported goods. Convertible benchmarks rose in May, with the exception of Asia ex Japan which was down -0.3% (USD terms). Japan was the strongest performer, up +2.5%, followed by Europe up +0.9% and the US up +0.3% (all in local terms). May saw the highest monthly issuance at USD 28.2bn, and we participated in 9 new issues. The portfolio delta increased over the month.

Outlook: Within the Fund, we retain a high credit quality bias from a strategic perspective as we remain cautious on the equity market. From a tactical standpoint, we are selectively looking for opportunities in the credit market, however a number of criteria would need to be met before including lower credit quality names in the portfolio. On a sector basis, we have increased our exposure to high yielding bonds and continue to be overweight large cap in the Fund, mainly as a result of credit concerns. On a county/regional basis, we have increased our weighting in Japanese names.

Portfolio information

Fund manager	Neill Nuttall/Antony Vallee, London	
Launch date ²⁾	20.06.03	
Fund size (m)	USD 2,921.0	
Base currency and NAV per share	USD 19.41	
Current Bid/Offer	USD 19.31 / USD 20.39	
12 month offer prices:	High	USD 20.87 (21.05.08)
	Low	USD 17.62 (17.08.07)
Charges:	Initial	5.0% of NAV
	Redemption	0.5% of NAV
	Management fee	1.5% p.a.
Last dividend value (xd date)	USD 0.86 (27.07.04)	
Dividend distribution	Expected annually	
Fund Yield ³⁾	0.00%	

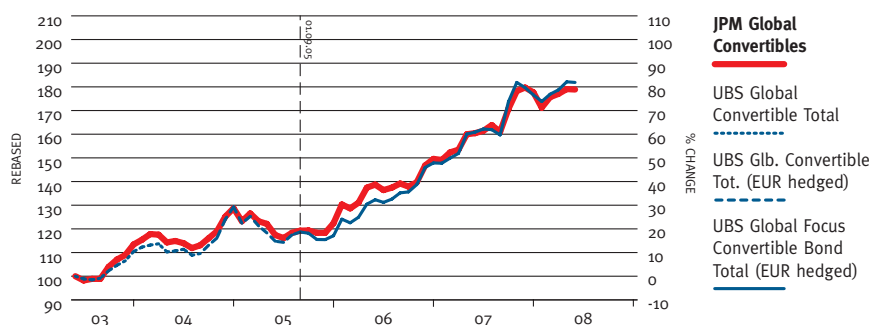
Portfolio characteristics

Convertible Bond quality	AAA: 4.5% / AA: 4.1%
	A: 26.8% / BBB: 19.7%
	<BBB: 6.7% / Unrated: 33.9%
Average: duration/maturity	4.2 years / 7.1 years
Yield to maturity ⁴⁾	1.77%

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

www.jfam.com

Performance from 20.06.03 to 30.05.08



Annualised performance %

	1 year	3 years	5 years	Since launch
Fund (NAV to NAV)	+11.5	+15.1	-	+12.5
Fund (offer to bid*)	+5.6	+13.0	-	+11.3
Benchmark ³⁾	+13.0	+16.6	-	+12.8

Calendar Year performance %

	2003	2004	2005	2006	2007
Fund (NAV to NAV)	-	+13.5	-4.9	+22.2	+18.8
Fund (offer to bid*)	-	+7.6	-9.9	+15.8	+12.6
Benchmark ³⁾	-	+17.1	-9.4	+26.3	+19.4

* Offer to Bid calculation of fund performance is based on JFAM's current calculation method and charges.

Portfolio analysis

By country

United States	27.9%
Others	25.7%
Japan	13.7%
France	8.6%
Germany	7.5%
Portugal	4.3%
Net Liquidity	4.3%
United Kingdom	4.0%
Malaysia	4.0%

By sector

4.3%	Net Liquidity
7.0%	Technology
9.7%	Others
9.7%	Energy
10.0%	Industrial
10.9%	Consumer, Cyclical
11.2%	Communications
12.8%	Consumer, Non-cyclical
24.4%	Financial

Top ten holdings (as at end April 2008)

Holding	Sector	Country	%
KFW into Deutsche Telecom 0.75% CB 08/08/08	Financial	Germany	3.7
Portugal Telecom 4.13% CB 28/08/14	Communications	Portugal	2.0
Bank of America 7.25% CB -	Financial	US	1.9
Parapublica into EDP 3.25% CB 18/12/14	Utilities	Portugal	1.9
Citigroup 6.5% CB Perpetual	Financial	US	1.7
Medtronic 1.5% CB 15/04/11	Technology	US	1.7
Transocean 1.63% CB 15/12/37	Industrial	US	1.6
Finmeccanica into STM 0.38% CB 08/08/10	Industrial	Switzerland	1.5
Prudential Financial FRN 0% CB 12/12/36	Financial	US	1.5
Fortis FRN 0% CB 07/11/49	Financial	Netherlands	1.5

Unless stated otherwise, all information as at the last valuation date of the previous month. Source: JFAM/JPMAM/Thomson Datastream/UBS (NAV to NAV in USD with income reinvested). Source of Fund Rating and Star Rating: S&P & Morningstar, Inc. Source of bond rating: Moody's, S&P, Rating and Investment and Fitch. All performance data refers to JF share class A (dist) - USD. 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. 1)Launch-31.08.04: UBS Global Convertible Total. 01.09.04-31.08.05: UBS Global Convertible Total (EUR hedged). From 01.09.05: UBS Global Focus Convertible Bond Total (EUR hedged). 2)Available for purchase in Hong Kong on 25.07.03. 3)Fund yield is defined as the total amount of fund distribution per share made over the previous 12 months divided by the current NAV per share. 4)Convertible bonds which are in the money and trading significantly above par may exhibit a negative yield to maturity.

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

IMPORTANT NOTE:

The attached fund information is not allowed to be distributed to the retail public in Singapore. The attached fund information is not a prospectus as defined in the Securities and Futures Act (Chapter 289) of Singapore ("SFA"). Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you after reviewing the relevant Explanatory Memorandum and the attached fund information.

The attached fund information has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the attached fund information and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the units of the Other Funds may not be circulated or distributed, nor may the units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor, and in accordance with the conditions specified in Section 304 of the SFA; (b) to a relevant person, or any person pursuant to Section 305(2) of the SFA, and in accordance with the conditions specified in Section 305 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Each of the following relevant persons specified in Section 305 of the SFA which acquires the units of the Other Funds:

- (i) a corporation (which is not an accredited investor) the sole business of which is to hold investments, and the entire share capital of which is owned by one or more individuals, each whom is an accredited investor; and
- (ii) a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments, and each beneficiary of which is an accredited investor,

shall not transfer (in the case of a corporation) its securities, or (in the case of a trust) its beneficiaries' rights and interest, within 6 months after the date of acquisition of the units unless:

- (1) the transfer is made only to an institutional investor or relevant person, or arises from (in the case of a corporation) an offer referred to in Section 275(1A) of the SFA, (in the case of a trust) an offer that is made on terms that such rights or interest are acquired at a consideration of not less than SGD200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;
- (2) no consideration is given for the transfer; or
- (3) the transfer is by operation of law.