

J.P. Morgan Asset Management launches Japan Market Neutral Fund

LONDON 29th June 2011: J.P. Morgan Asset Management today announces the launch of the J.P. Morgan Japan Market Neutral Fund which will benefit from the successful J.P. Morgan Asset Management Nippon Neutral Strategy, a market neutral strategy that has generated compelling absolute positive returns since its launch 17 years ago.

The Luxembourg domiciled UCITs III fund will utilise the same strategy that has earned a 7.4% annualised absolute return over five years.* The strategy has a low correlation with other asset classes and hedge funds thanks to the unique source of alpha.

The fund aims to achieve an absolute positive return in excess of cash and generate the return purely through bottom-up stock selections based on valuations. The fund makes long positions from undervalued stocks and short positions from overvalued stocks that the investment team identify based on their thorough in-house fundamental research. Net sector and market exposure are managed close to zero to minimise industry and market risks, but the fund has the flexibility to increase or decrease gross exposure to each sector. This flexibility in gross sector allocation along with net sector neutrality allows the fund to maximise potential returns irrespective of what happens in the market.

The fund, which is benchmarked to the British Bankers' Association (BBA) LIBOR JPY Spot Next, is denominated in Yen. Sterling, Euro, US Dollar, Swiss Franc and Swedish Krona hedged share classes are also available.

The fund is managed by Kaori Tsujino who has 16 years of experience in Japanese equity investment. She also manages a number of portfolios under the Nippon Neutral Strategy as well as a long only strategy.

Kaori Tsujino, portfolio manager of the **J.P. Morgan Japan Market Neutral Fund** comments: "Our strategy benefits from our strong in-house fundamental research capability which captures an information advantage and helps us to identify price arbitrage opportunities in the market based on valuations. We identify such opportunities by comparing long term earnings forecasts for Japanese companies against current share prices. My commitment is to maximise and translate the benefit of such opportunities into the absolute positive returns of the Fund. As an investment team, we believe in team work, and we share one goal to improve the effectiveness of our valuation signals.

Our investment team has been specializing in the Japanese equity market for over 20 years and is based locally in Tokyo. All of our processes are continuous and there is strong interaction between the portfolio managers and the analysts.

Thanks to its unique source of alpha identified by our skills and experience in the Japanese equity market, we are confident that the fund will consistently deliver positive absolute returns and maintain a low correlation with other asset classes and hedge funds. It may therefore serve as a diversifier to a core portfolio."



Kaori Tsujino

* as at 31 December 2010

About J.P. Morgan Asset Management

J.P. Morgan Asset Management is part of J.P. Morgan Chase & Co. and is a global asset management leader providing world-class investment solutions to clients. With US\$1.3 trillion in assets under management (the Asset Management client funds of J.P. Morgan Chase & Co. as at March 31st 2011) and offices in 41 locations around the world, J.P. Morgan Asset Management offers global coverage with a strong local market presence, and leadership positions in most asset classes.

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