

JPMorgan Funds - Global Healthcare Fund

JPM D (acc) - USD

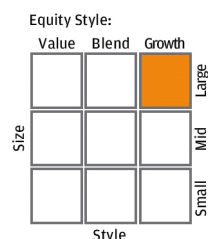
September 2014

Fund overview

Investment objective

To achieve a return by investing primarily in pharmaceutical, biotechnology, healthcare services, medical technology and life sciences companies ("Healthcare Companies"), globally.

Morningstar style box ^{® A}



Fund statistics

Overall Morningstar Rating [™]
(as at 30/09/14)



Morningstar Category [™]	Sector Equity Healthcare
Fund manager(s)	Anne Marden, Premal Pajwani
Client portfolio manager(s)	Frances Gerhold
Fund launch date	02/10/09
NAV (as at 31/10/14)	266.76
12M NAV High (as at 31/10/14)	266.76
12M NAV Low (as at 08/11/13)	207.69
Fund size (as at 31/10/14)	USD 2535.6m
Share class launch date ^{B C}	02/10/09

Fund codes

ISIN	LU0432979960
Bloomberg	JPHLUDA LX
Reuters	LU0432979960.LUF

Fund highlights

The JPM Global Healthcare Fund provides pure exposure to the strong growth potential of the global healthcare industry, which is benefiting from ageing populations in the West and increased demand from emerging markets. The fund seeks to generate long-term capital growth by diversifying its holdings across the pharmaceuticals, biotech, medtech and healthcare service sectors, and across geographical regions.

An experienced team of dedicated portfolio managers and healthcare sector analysts use their insight to manage the fund, drawing on J.P. Morgan Asset Management's extensive research capabilities and global network.

Quarterly comments

(as at 30/09/14)

Review

The healthcare sector delivered a positive return in the quarter. The fund outperformed the benchmark. Stock selection was the key contributor to returns and was positive across the majority of sub-sectors, including medtech, pharmaceuticals and biotech. Our overweight exposure to biotech relative to the MSCI World Healthcare Index also contributed positively, marking a reversal on previous months.

Puma Biotechnology, DBV Technologies and Receptos were among the stocks to contribute positively. Puma Biotechnology saw its share price rise significantly following positive results from a phase III clinical trial of an experimental breast cancer drug, Neratinib. Shares in DBV Technologies rallied strongly after the company announced positive phase II data for the trial of its peanut allergy treatment. There is significant unmet medical demand for the treatment of peanut allergies given the lack of effective medicines currently available. Shares of Receptos rallied after the company announced more positive clinical data for its multiple sclerosis treatment. Receptos still has to successfully complete its phase III study, but the promise for the treatment of multiple sclerosis means that the company could deliver a USD 1 billion-plus drug. M&A activity in the sector has been high, with our holdings in Shire and Intermune both receiving takeover offers from AbbVie and Roche, respectively. Holdings in Mazor Robotics and GenMark Diagnostics were among the stocks to detract from performance.

Outlook

We have not made any significant changes to the overall shape of the portfolio. Our portfolio remains diversified across the broad global healthcare space, with approximately 54% in pharmaceuticals, 25% in biotech, 10% in medical technology and 12% in healthcare services.

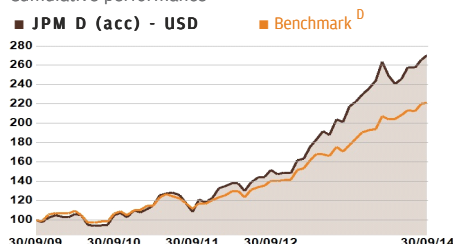
Benchmark ^D

MSCI World Healthcare Index (Total Return Net)

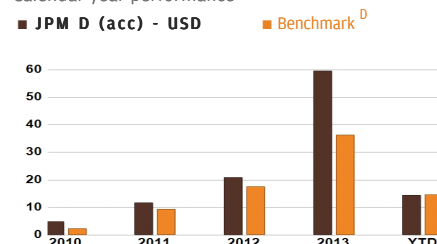
Performance

(as at 30/09/14)

Cumulative performance



Calendar year performance



Cumulative performance

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
JPM D (acc) - USD	1.89	4.90	24.52	150.02	170.82	179.04
Benchmark ^D	0.43	3.46	24.85	98.17	121.03	155.51

Calendar year performance

	2010	2011	2012	2013	YTD
JPM D (acc) - USD	4.85	11.78	20.91	59.44	14.49
Benchmark ^D	2.40	9.46	17.54	36.27	14.62

Annualised performance

%	3 Y	5 Y	10 Y	Since inception
JPM D (acc) - USD	35.72	22.05	10.81	7.87
Benchmark ^D	25.61	17.19	9.84	7.59

JPMorgan Funds - Global Healthcare Fund

Fund facts

Fund charges

Initial charge (max.)	5.00%
Redemption charge (max.)	0.50%
Annual Mgt.	2.50%
Expenses	0.40%
TER (Total Expense Ratio)	2.90%

Statistical analysis review

(as at 30/09/14)

	3 years	5 years
Correlation	0.86	0.90
Alpha	8.05	4.15
Beta	1.30	1.23
Annualised volatility	14.27	15.54
Sharpe ratio	2.22	1.35
Tracking error	7.90	7.24
Information ratio	1.07	0.65

Holdings

10 largest holdings

(as at 30/09/14)

Equity holding	Weight
Johnson & Johnson (Pharmaceutical)	8.0%
Roche (Pharmaceutical)	6.1%
Novartis (Pharmaceutical)	5.8%
Sanofi (Pharmaceutical)	4.1%
Bayer (Pharmaceutical)	4.0%
Bristol-Myers Squibb (Pharmaceutical)	3.8%
Celgene (Biotechnology)	3.5%
Biogen (Biotechnology)	3.5%
UnitedHealth (Healthcare Services)	3.0%
Gilead Sciences (Biotechnology)	2.8%

Market capitalisation

(as at 30/09/14)

	% of portfolio
> 100 bn	33.61%
10 bn <= 100 bn	41.52%
1 bn <= 10 bn	12.33%
< 1 bn	12.53%

Investor suitability

Investor profile

This is a specialist sector equity fund investing in Healthcare Companies, globally. Although this focused approach can result in high relative returns when Healthcare Companies are in favour with the market, investors can suffer long periods of underperformance when Healthcare Companies are out of favour. The fund may, therefore, be suitable for investors with at least a five year investment horizon looking for a higher risk equity strategy to complement an existing core portfolio, or for investors looking for exclusive exposure to Healthcare Companies.

Key risks

The value of your investment may fall as well as rise and you may get back less than you originally invested.

The value of equity securities may go down as well as up in response to the performance of individual companies and general market conditions.

Emerging markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging market currencies may be subject to volatile price movements. Emerging market securities may also be subject to higher volatility and lower liquidity than non emerging market securities.

The Sub-Fund will be concentrated in one industry sector and as a result, may be more volatile than more broadly diversified funds.

Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

Sector breakdown

(as at 30/09/14)

Sector	Fund	Benchmark ^D	Deviation
Pharmaceutical	52.0%	59.4%	-7.4%
Biotechnology	23.9%	14.6%	9.3%
Healthcare Services	10.9%	11.9%	-1.0%
Medtech	9.6%	14.1%	-4.5%
Cash	3.6%	0.0%	3.6%
Total	100.0%	100.0%	0.0%

Geographical breakdown

(as at 30/09/14)

Country	Fund	Benchmark ^D	Deviation
United States	60.3%	63.0%	-2.7%
Switzerland	12.2%	11.2%	1.0%
France	6.1%	3.9%	2.2%
United Kingdom	5.9%	6.6%	-0.7%
Germany	4.3%	4.2%	0.1%
Belgium	2.3%	0.3%	2.0%
Japan	1.8%	4.2%	-2.4%
Denmark	1.0%	2.6%	-1.6%
India	0.8%	0.0%	0.8%
Sweden	0.7%	0.2%	0.5%
Spain	0.5%	0.2%	0.3%
Portugal	0.5%	0.0%	0.5%
Canada	0.0%	1.2%	-1.2%
Israel	0.0%	1.1%	-1.1%
Australia	0.0%	1.1%	-1.1%
Finland	0.0%	0.1%	-0.1%
New Zealand	0.0%	0.1%	-0.1%
Cash	3.6%	0.0%	3.6%
Total	100.0%	100.0%	0.0%

Explanatory Notes, Risks and Important Information

Notes

^AThe Morningstar Style Box [™] indicates the fund's investment strategy. For equity funds the vertical axis shows the capitalization of the shares held by the fund, and the horizontal axis shows investment style (value, mixed, or growth). In bond funds, the vertical axis shows the average risk quality of the bonds the fund owns, and the horizontal axis indicates sensitivity to interest rates, as measured by the duration of the bond (short, medium, or long).

^BThe historic performance shown relates to the Share Class 'JPM Global Healthtech D (acc) - USD' which was launched on 20/03/02 prior to the merger. This Sub-Fund JPMorgan Funds - Global Healthcare Fund has been launched with the assets of the JPMorgan Investment Funds - Global Healthtech Fund which has been merged into the Sub-Fund on 02/10/09. The historical performance shown corresponds to the historical performance of the former Sub-Fund JPMorgan Investment Funds - Global Healthtech Fund. On 16/10/09 JPM Global Life Sciences Fund was merged into JPM Global Healthcare Fund.

^CFor reactivated share classes the performance is shown from the date of reactivation and not the share class launch date.

^DOn 01/10/02 the benchmark for this Fund was changed from a gross dividends reinvested basis to net dividends reinvested as this better reflects the tax status of the Fund.

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All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

All performance details are NAV - NAV with gross income reinvested.

FX Adjusted returns have been calculated by JPMAM. Blended benchmarks have been calculated by JPMAM.

This Sub-Fund was launched with the assets of JPMorgan Investment Funds Global Healthtech Fund which has been merged into the Sub-Fund on 02/10/09. On 16/10/09 JPM Global Life Sciences Fund was also merged into this Sub-Fund.

Source: J.P. Morgan

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