

# JPMorgan Funds - US Technology Fund

JPM I (dist) - USD

April 2015

## Fund overview

### Investment objective <sup>A</sup>

To provide long-term capital growth by investing primarily in technology, media and telecommunications related US companies.

### Fund statistics

Morningstar Category <sup>TM</sup>	Sector Equity Technology
Fund manager(s)	Greg Tuorto, Gregory Luttrell
Client portfolio manager(s)	Christian Preussner, Fiona Harris
Fund launch date	05/12/97
Fund size (as at 30/04/15)	USD 366.8m
NAV (as at 30/04/15)	127.37
12M NAV High (as at 27/04/15)	130.45
12M NAV Low (as at 07/05/14)	100.48
Share class launch date <sup>B</sup>	10/10/13

### Fund codes

ISIN	LU0973530180
Bloomberg	JPUTBDI LX
Reuters	LU0973530180.LUF

### Fund highlights

The US Technology Fund is managed by Greg Luttrell using a fundamental bottom-up process focusing on high quality technology companies in industries benefiting from secular growth resulting from periods of under investment, industry change, technology advancements and/or regulatory changes.

The portfolio construction is based on vigorous company and industry research, leveraging Greg's insights and 20+ years of investment experience along with the growth platform of 7 large and mid sector analysts and 4 portfolio managers.

He also draws on the insights of 22 large cap sector specialists and 200+ global analysts.

## Quarterly comments

(as at 31/03/15)

### Review

US equity markets were a virtual seesaw in the first quarter. While the S&P 500 Index reached an all-time high on 2 March, it experienced three mini dips of greater than 3%. Investor concerns were largely focused on reduced earnings estimates caused by the massive decline in oil prices and the continued strength of the US dollar.

The fund outperformed its benchmark for the quarter. Strong stock selection in the semiconductor sector was the main driver of this outperformance. In contrast, stock selection in the information technology (IT) services proved lacklustre.

Our overweight position in Freescale Semiconductors was the most significant contributor. The company reported better-than-expected earnings and issued better-than-expected guidance. In addition, NPX announced its plans to acquire the company.

In contrast, a lack of exposure to Cognizant Technology in the IT services sector detracted after the company posted a strong top-line beat.

### Outlook

Despite the volatility we have seen so far this year, our outlook for both the US economy and equity markets remains constructive. We believe markets will be more volatile than they have been in the past few years given that equities are now fairly valued. However, given that the bottom-line benefits of lower energy prices have not been considered and the European economy continues to improve, estimates may in fact rise as the year progresses.

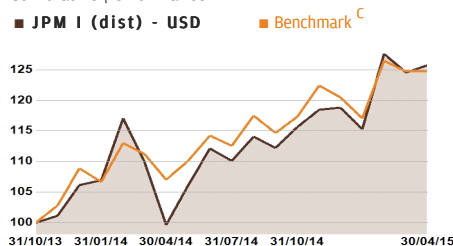
### Benchmark <sup>C</sup>

BofA Merrill Lynch 100 Technology Price Index

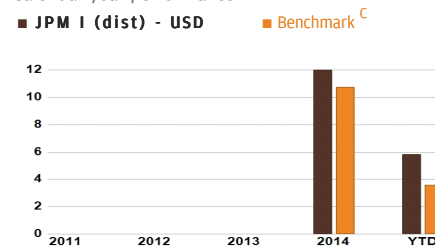
### Performance

(as at 30/04/15)

Cumulative performance



Calendar year performance



### Cumulative performance

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
JPM I (dist) - USD	0.93	9.08	26.23	-	-	-
Benchmark <sup>C</sup>	0.10	6.65	16.67	-	-	-

### Calendar year performance

	2011	2012	2013	2014	YTD
JPM I (dist) - USD	-	-	-	11.99	5.82
Benchmark <sup>C</sup>	-	-	-	10.73	3.57

### Annualised performance

%	1 Y	3 Y	5 Y	Since inception
JPM I (dist) - USD	26.23	-	-	16.85
Benchmark <sup>C</sup>	16.67	-	-	16.36

# JPMorgan Funds - US Technology Fund

## Fund facts

### Fund charges

Initial charge (max.)	0.00%
Redemption charge (max.)	0.00%
Annual Mgt.	0.80%
Distribution Fee	0.00%
Expenses	0.21%
TER (Total Expense Ratio)	1.01%

### Statistical analysis review<sup>D</sup>

(as at 30/04/15)

	3 years	5 years
Correlation <sup>D</sup>	-	-
Alpha <sup>D</sup>	-	-
Beta <sup>D</sup>	-	-
Annualised volatility	-	-
Sharpe ratio	-	-

## Holdings

### 10 largest holdings

(as at 30/04/15)

Equity holding	Weight
Salesforce.com (Software)	3.4%
Apple (Hardware)	3.3%
LinkedIn (Internet)	3.2%
Mastercard (IT Services)	3.2%
Facebook (Internet)	3.2%
NXP Semiconductors (Semiconductors)	3.1%
Amphenol (Data-Comm/Tele-Comm)	3.0%
Applied Materials (Semiconductors)	2.9%
Adobe Systems (Software)	2.8%
Lam Research (Semiconductors)	2.8%

### Market capitalisation

(as at 30/04/15)

> 100 bn	15.30%
10 bn <> 100 bn	54.09%
1 bn <> 10 bn	29.76%
< 1 bn	0.85%

## Investor suitability

### Investor profile

This is a specialist equity fund investing in the US technology, media and telecommunications sectors. Although this focused approach can result in high relative returns when the technology sector is in favour, investors can suffer long periods of underperformance when the sector falls out of favour. The fund may, therefore, be best suited for investors with a five to ten year investment horizon looking for a higher risk equity strategy to complement an existing core portfolio, or for investors looking for exclusive exposure to a single stock market sector.

### Key risks

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

There is no guarantee that the use of long and short positions will succeed in limiting the Sub-Fund's volatility.

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

The single market in which the Sub-Fund invests may be subject to particular political and economic risks, and as a result, the Sub-Fund may be more volatile than more broadly diversified funds.

The value of financial derivative instruments can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the financial derivative instrument and therefore, investment in such instruments may result in losses in excess of the amount invested by the Sub-Fund.

The possible loss from taking a short position on a security may be unlimited as there is no restriction on the price to which a security may rise. The short selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.

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 30/04/15)

Sector	Fund	Benchmark <sup>C</sup>	Deviation
Software	34.0%	25.9%	8.1%
Semiconductors	21.5%	26.2%	-4.7%
Internet	18.4%	10.2%	8.2%
Data-Comm/Tele-Comm	11.9%	9.8%	2.1%
IT Services	7.8%	12.6%	-4.8%
Hardware	6.4%	11.1%	-4.7%
Service Provider	0.0%	4.2%	-4.2%
Total	100.0%	100.0%	0.0%

## Explanatory Notes, Risks and Important Information

### Notes

<sup>A</sup>As at 01/09/06 the investment objective of the Fund was changed to harmonise the wording across the Fund range.

<sup>B</sup>For reactivated share classes the performance is shown from the date of reactivation and not the share class launch date.

<sup>C</sup>Prior to 01/04/02, the benchmark was the JPMorgan H&Q Technology Index. On 01/10/11 the benchmark was changed from CTN (CSFB Tech Index) (total return gross) to BofA Merrill Lynch 100 Technology Price Index.

<sup>D</sup>The time difference between Fund NAV calculation and the US market can distort this figure.

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.

Source: J.P. Morgan

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