

JPMorgan Funds - Emerging Markets Investment Grade Bond Fund

JPM I (acc) - EUR

April 2015

Fund overview

Investment objective ^A

To achieve a return in excess of investment grade bond markets of emerging countries by investing primarily in emerging market investment grade USD denominated debt securities.

Fund statistics

Morningstar Category TM	Global Emerging Markets Bond
Fund manager(s)	Pierre-Yves Bateau, Matias Silvani, Scott McKee
Client portfolio manager(s)	Zsolt Papp
Fund launch date	29/11/10
Fund size (as at 30/04/15)	USD 361.6m
NAV (as at 30/04/15)	96.31
12M NAV High (as at 13/04/15)	101.43
12M NAV Low (as at 30/04/14)	72.71
Share class launch date ^B	03/09/12
Average duration	7.1 yrs
Yield to worst	3.7%
Average maturity	12.9 yrs

Fund codes

ISIN	LU0815108492
Bloomberg	JPEMIGI LX
Reuters	LU0815108492.LUF

Fund highlights

The JPM Emerging Market Investment Grade Bond Fund gives investors exposure to the long-term growth potential and attractive yields of investment grade emerging market government and corporate bonds.

The fund follows a disciplined investment process that combines rigorous macroeconomic research with bottom-up fundamental country and credit analysis, seeking to produce a high conviction portfolio.

The fund benefits from the in-depth company insight of our dedicated emerging market debt investors, based in local markets around the world, as well as the global resources of J.P. Morgan Asset Management.

Quarterly comments

(as at 31/03/15)

Review

Emerging market debt spreads widened marginally over the quarter. At the index level, corporate debt delivered similar performance to external sovereign debt, while local currency debt underperformed. Oil prices declined to historical lows, but recovered as the US dollar weakened following the March Federal Open Market Committee statement. Emerging market economic data was divergent. Chinese data continued to disappoint as flash manufacturing purchasing managers' indices (PMIs) fell into contractionary territory, while eurozone services and manufacturing PMIs continued to see improvement.

The fund underperformed the benchmark. At the start of the quarter, the key duration overweights in the fund were Morocco, Panama and Indonesia, and the key duration underweights were Malaysia, Qatar and Chile. The most significant positive performance contributors were our underweights in Malaysia and South Africa. Our overweight positions in Indonesia and Morocco also contributed positively. Key detractors included our underweight to Russia, where the markets rallied in March. Our flat positioning in Brazil and Kazakhstan also detracted from performance. At quarter end, the key duration overweights in the fund included Morocco, Mexico and Turkey, and the key duration underweights were Malaysia, Qatar and Colombia.

Outlook

Our outlook for emerging market debt is positive but more cautious over the near term. We continue to favour countries with solid fundamentals, and idiosyncratic credits. We also prefer a barbell strategy of short duration high yield names, which have an attractive risk-reward profile, along with certain long-end investment grade names that still have relatively attractive valuations.

Benchmark

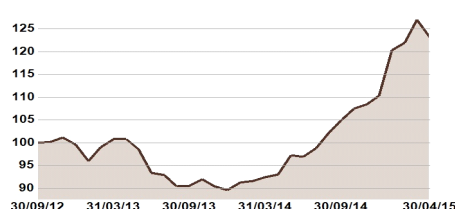
70% J.P. Morgan Emerging Markets Bond Index Global Diversified Investment Grade (Total Return Gross) / 30% J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified Investment Grade (Total Return Gross)

Performance

(as at 30/04/15)

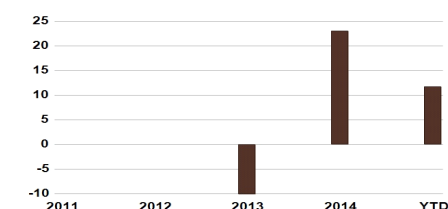
Cumulative performance

■ JPM I (acc) - EUR



Calendar year performance

■ JPM I (acc) - EUR



Cumulative performance

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
JPM I (acc) - EUR	-3.01	2.37	32.46	-	-	-

Calendar year performance

	2011	2012	2013	2014	YTD
JPM I (acc) - EUR	-	-	-10.04	23.06	11.73

Annualised performance

%	1 Y	3 Y	5 Y	Since inception
JPM I (acc) - EUR	32.46	-	-	7.47

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Fund facts

Fund charges

Initial charge (max.)	0.00%
Redemption charge (max.)	0.00%
Annual Mgt.	0.40%
Distribution Fee	0.00%
Expenses	0.16%
TER (Total Expense Ratio)	0.56%

Statistical analysis review

(as at 30/04/15)

	3 years	5 years
Correlation	-	-
Alpha	-	-
Beta	-	-
Annualised volatility	-	-
Sharpe ratio	-	-
Tracking error	-	-
Information ratio	-	-

Value at Risk

(VaR)

(as at 30/04/15)

VaR	3.24%	3.07%
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Value at Risk (VaR) provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The VaR approach is measured at a 99% confidence level and based on a time horizon of one month. The holding period relating to the financial derivative instruments, for the purpose of calculating global exposure, is one month.

Holdings

Bond quality breakdown

(as at 30/04/15)

AAA	0.3%
AA	3.4%
A	14.9%
BBB	79.7%
< BBB	0.0%
Cash	1.7%
Percentage of Corporate Bonds	17.9%

Investor suitability

Investor profile

As this bond fund invests in emerging market investment grade bonds, it is most suited for investors willing to take the extra risks associated with emerging market investments in search of higher future returns but wishing to restrict their exposure to investment grade bonds. Investors in the fund may therefore use it to complement an existing core bond portfolio invested in government or agency bonds from developed markets. As the assets of the fund are in principle denominated in, or hedged into, USD, it may be suitable for investors who wish to benefit from these diversification opportunities whilst limiting foreign exchange risks. Due to the higher volatility of emerging market debt securities, investors should have at least a three to five year time horizon.

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 debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. Issuers of debt securities may fail to meet payment obligations or the credit rating of debt securities may be downgraded. These risks are typically increased for emerging market and below investment grade debt securities.

In addition, 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 and below investment grade debt securities may also be subject to higher volatility and lower liquidity than non emerging market and investment grade debt securities respectively.

The credit worthiness of unrated debt securities is not measured by reference to an independent credit rating agency.

10 largest holdings

(as at 30/04/15)

Bond holding	Coupon rate	Maturity date ^c	Weight
Government of Philippines (Philippines)	7.750%	14/01/31	2.8%
Government of Philippines (Philippines)	10.625%	16/03/25	2.5%
Government of Uruguay (Uruguay)	7.625%	21/03/36	2.2%
Government of Poland (Poland)	5.000%	23/03/22	1.9%
Government Of Romania (Romania)	6.750%	07/02/22	1.7%
Government of Turkey (Turkey)	6.000%	14/01/41	1.6%
Government of Panama (Panama)	9.375%	01/04/29	1.6%
Government of Brazil (Brazil)	4.250%	07/01/25	1.5%
Government of Peru (Peru)	6.550%	14/03/37	1.4%
Government of South Africa (South Africa)	4.665%	17/01/24	1.4%

Geographical breakdown

(as at 30/04/15)

Country	Fund	Benchmark	Deviation
Mexico	7.0%	7.4%	-0.4%
Turkey	6.6%	6.9%	-0.3%
Indonesia	6.5%	5.5%	1.0%
Philippines	6.4%	5.6%	0.8%
China	6.3%	5.7%	0.6%
Brazil	6.2%	6.5%	-0.3%
Peru	5.9%	4.7%	1.2%
Colombia	5.4%	5.7%	-0.3%
Kazakhstan	4.8%	3.5%	1.3%
Other	44.9%	48.5%	-3.6%
Total	100.0%	100.0%	0.0%

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Explanatory Notes, Risks and Important Information

Notes

^AAs at 30/04/12 the investment objective was revised. For clarification the revisions made do not constitute any changes in the way the Sub-Fund is managed.

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

^CMaturity Date refers to the maturity/reset date of the security. For those securities whose reference coupon rate is adjusted at least every 397 days, the date of the next coupon rate adjustment is shown.

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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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