JPMorgan Investment Funds - Global High Yield Bond Fund

JPM I (acc) - EUR (hedged) — April 2015

Fund overview

Investment objective [A]

To achieve a return in excess of global bond markets by investing primarily in global below investment grade corporate debt securities, using financial derivative instruments where appropriate.

Fund statistics

Morningstar Category™	Global High Yield Bond - EUR Hedged
Fund manager(s)	Robert Cook, Thomas Hauser
Client portfolio manager(s)	Maria Ryan
Fund launch date	24/03/00
Fund size (as at 30/04/15)	USD 6633.1m
NAV (as at 30/04/15)	79.84
12M NAV High (as at 27/04/15)	79.97
12M NAV Low (as at 17/12/14)	75.08
Share class launch date [B]	03/10/13
Average duration	3.4 yrs
Yield to worst	5.6%
Average maturity	6.2 yrs

Fund codes

ISIN	LU0248018375
Bloomberg	JPGACIH LX
Reuters	LU0248018375.LUF

Fund highlights

The difference between the returns of high yield bonds are often higher than those offered by Treasuries.
Diversifying across industry sectors and credit ratings gives the potential for higher returns while reducing investment risk.
The Fund offers compelling risk/ return characteristics as high yield debt historically outperformed traditional bond investments with only limited additional volatility.

Quarterly comments (as at 31/03/15)

Review

High yield got off to a strong start in 2015, returning 2.54% (as measured by the BAML US High Yield Master II Constrained Index) for the first quarter after a difficult second half of 2014.

The fund underperformed its benchmark for the quarter. Relative contributions from gaming, technology and retailers hindered fund performance. Specifically, the largest detractors were Caesars Entertainment Corporation, Magnachip Semiconductor, Claire's Stores, Intelsat Jackson Holdings and Momentive Specialty Chemicals. In contrast, security selection in independent energy, oil field services and telecommunications enhanced fund performance. Relative weightings in Sprint Corporation, General Cable Corporation, EP Energy, Memorial Production Partners and Walter Energy improved quarterly results.

Outlook

US economic activity was mixed in early 2015; however, we anticipate corporate earnings will continue to remain supportive of high yield fundamentals. Growth outside of the US remains sluggish and could continue to impact risk asset performance. Default rates are forecast to be 2.0-2.5% through 2015, well below long-term averages. We expect new issue activity to remain robust and to be led by refinancing. However, we expect mergers and acquisition activity, and general corporate purposes financings, to continue to increase. As central bank policies develop, and if global growth concerns continue, episodes of volatility will persist while increasing the dispersion of returns among individual issuers and sectors. Spread and performance volatility may also continue around technical pressures resulting from retail fund flows.

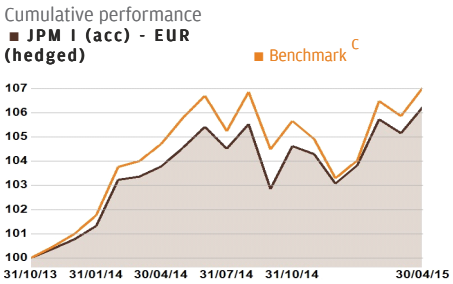
We believe our current portfolio positioning and our fundamental research, bottom-up oriented style should allow us to take advantage of market opportunities.

Benchmark [C]

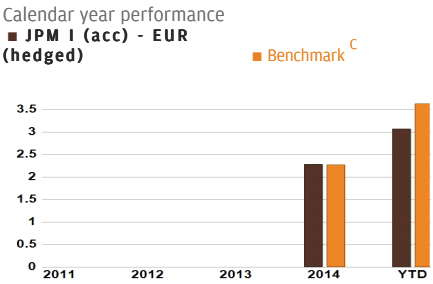
BofA Merrill Lynch US High Yield Master II Constrained Index (Total Return Gross) Hedged to EUR

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 (acc) - EUR (hedged)	1.04	2.32	2.36	-	-	-
Benchmark [C]	1.11	2.90	2.21	-	-	-

Calendar year performance

	2011	2012	2013	2014	YTD
JPM I (acc) - EUR (hedged)	-	-	-	2.28	3.07
Benchmark [C]	-	-	-	2.27	3.62

Annualised performance

%	1 Y	3 Y	5 Y	Since inception
JPM I (acc) - EUR (hedged)	2.36	-	-	5.39
Benchmark [C]	2.21	-	-	5.81

J.P.Morgan Asset Management

JPMorgan Investment Funds - Global High Yield Bond Fund

Fund facts

Fund charges

Initial charge (max.)	0.00%
Redemption charge (max.)	0.00%
Annual Mgt.	0.45%
Distribution Fee	0.00%
Expenses	0.11%
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 31/03/15)

VaR	2.12%	1.82%

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.

Investor suitability

Investor profile

As this bond Sub-Fund invests beyond the investment grade arena in high yield bonds, it is most suited for investors willing to take extra risks in search of higher future returns. Investors in the Sub-Fund will therefore likely use it to complement an existing core bond portfolio invested in lower risk government or agency bonds, in order to gain greater diversification through exposure to the higher return potential of non-investment grade securities. The Sub-Fund can also be used as a stand alone investment for investors looking to produce capital growth. Because of the higher volatility of high yield securities, investors should have at least a three to five year investment 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 below investment grade debt securities which may also be subject to higher volatility and lower liquidity than investment grade debt securities.

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

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 insuch instruments may result in losses in excess of the amount invested by the Sub-Fund.

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.

JPMorgan Investment Funds - Global High Yield Bond Fund

Holdings

Bond quality breakdown [D]

(as at 30/04/15)

AAA	2.1%
AA	0.1%
A	0.0%
BBB	3.4%
< BBB	94.4%
Non Investment Grade	94.4%

10 largest holdings

(as at 30/04/15)

Bond holding	Coupon rate	Maturity date [E]	Weight
Sprint (United States)	7.875%	15/09/23	1.3%
HCA (United States)	7.500%	15/02/22	1.3%
Sprint Capital (United States)	8.750%	15/03/32	1.2%
Valeant Pharmaceuticals International (Canada)	7.500%	15/07/21	1.1%
Clear Channel (United States)	6.500%	15/11/22	1.0%
Dish DBS (United States)	6.750%	01/06/21	1.0%
HCA Holdings (United States)	7.750%	15/05/21	0.9%
Intelsat Jackson (Luxembourg)	7.250%	15/10/20	0.9%
Chrysler (United States)	8.250%	15/06/21	0.9%
First Data (United States)	8.750%	15/01/22	0.8%

Sector breakdown

(as at 30/04/15)

Sector	Fund	Benchmark [C]	Deviation
Communications	22.4%	18.5%	3.9%
Consumer Non-Cyclicals	17.2%	12.9%	4.3%
Consumer Cyclicals	16.6%	15.5%	1.1%
Energy	10.4%	14.2%	-3.8%
Technology	9.0%	5.6%	3.4%
Capital Goods	7.9%	7.8%	0.1%
Basic Industry	5.8%	7.7%	-1.9%
Financial Institutions	3.9%	11.1%	-7.2%
Transportation	1.7%	1.7%	0.0%
Others	4.2%	5%	-0.8%
Cash	0.9%	0.0%	0.9%
Total	100.0%	100.0%	0.0%

Geographical breakdown

(as at 30/04/15)

Country	Fund	Benchmark [C]	Deviation
United States	85.5%	81.6%	3.9%
Luxembourg	5.6%	4.5%	1.1%
Canada	4.2%	4.3%	-0.1%
Netherlands	1.8%	1.1%	0.7%
United Kingdom	1.2%	2.8%	-1.6%
France	0.8%	1.2%	-0.4%
Ireland	0.4%	0.6%	-0.2%
Australia	0.4%	0.6%	-0.2%
Italy	0.3%	0.4%	-0.1%
Others	-0.2%	2.9%	-3.1%
Total	100.0%	100.0%	0.0%

Explanatory Notes, Risks and Important Information

Notes

[A]On 10/04/07 the investment objective was updated to make reference to the use of derivatives strategies. As at 30/06/12 the investment objective was revised. For clarification the revisions made do not constitute any changes in the way the Sub-Fund is managed.

[B]For reactivated share classes the performance is shown from the date of reactivation and not the share class launch date.

[C]As at 30/06/05 the benchmark for the Fund was changed from Merrill Lynch High Yield US BB-B hedged into EUR to Merrill Lynch US High Yield BB-B Rated Constrained Index (Total Return Gross). On 04/01/10 the benchmark was changed to BofA Merrill Lynch US High Yield Master II Constrained Index (Total Return Gross).

[D]AAA and AA includes cash and CDX. The Fund holds 7.4% in CDX exposure which is backed by cash as collateral and not reflected in the quality breakout above. Composition by rating of the Fund's CDX exposure is as follows: BB: 23% B: 47% CCC: 18%.

[E]Maturity 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.

With effect from 14 May 2008 the EUR denominated Share Classes will be converted into EUR-hedged Share Classes.

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.

This Share Class seeks to minimise the effect of currency fluctuations between the Reference Currency of the Sub-Fund and the Reference Currency of this Share Class.

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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