

# JPMorgan Investment Funds - Europe Select Equity Fund

JPM I (dist) - EUR

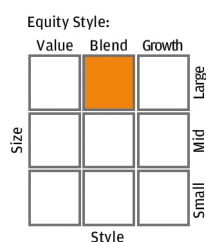
April 2015

## Fund overview

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

To achieve a return in excess of the European equity markets by investing primarily in European companies.

### Morningstar style box <sup>B</sup>



## Fund statistics

Morningstar Category <sup>TM</sup>	Europe Large-Cap Blend Equity
Fund manager(s)	Demetris Georghiou, Ido Eisenberg, Francesco Sedati
Client portfolio manager(s)	Louise Bonzano, Paul Shutes
Fund launch date	21/07/97
Fund size (as at 30/04/15)	EUR 1476.5m
NAV (as at 30/04/15)	131.48
12M NAV High (as at 15/04/15)	137.33
12M NAV Low (as at 16/10/14)	102.14
Share class launch date <sup>C</sup>	11/10/13

## Fund codes

ISIN	LU0973649402
Bloomberg	JPMESIE LX
Reuters	LU0973649402.LUF

## Fund highlights

The fund is managed using a disciplined, stock-specific process, based on investment ideas generated by our team of highly experienced career analysts. Our analysts identify stocks with attractive intrinsic valuations, quality fundamentals, and positive price catalysts. These stocks are then combined in a diversified and risk-controlled portfolio. This is a core fund for investors who are looking for diversified exposure to pan-European stock markets.

## Quarterly comments

(as at 31/03/15)

### Review

European stock markets staged a notable rally in the first quarter.

The fund, which invests in stocks with attractive intrinsic value, backed with quality and supported by a catalyst, outperformed its benchmark. In the portfolio, the biggest positive contribution to relative returns came from stock selection in the general industry sector, while stock selection in consumer non-durable detracted. At the stock level, an overweight position in Airbus was the biggest positive contributor to relative returns, as the plane maker reported a 59% rise in full-year profits for 2014 on a 5% jump in sales. The portfolio was further lifted by its overweight position in Renault, the French car maker, whose shares were underpinned by the group's new designs and better build quality, which continue to enjoy strong customer acceptance and are helping to lift net pricing. The biggest stock level detractor from relative returns was an underweight position in brewer Anheuser - Busch InBev, which reported a rise in fourth-quarter profits as revenues beat expectations on higher sales of premium beers. The portfolio was also hit by an overweight position in UK medical equipment company Smith & Nephew, which dropped as hopes for a takeover approach from US rival Stryker waned. However, relative returns were boosted by an overweight position in Henkel, the German maker of personal care products. Henkel's share price was supported by signs of further improvement in margins, asset turnover and working capital, while earnings per share continues to increase significantly.

### Outlook

As long as European corporate fundamentals remain strong and earnings are on the rise, we think that regional equity markets can make further headway over the next year.

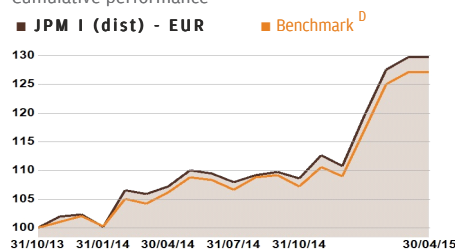
## Benchmark <sup>D</sup>

MSCI Europe Index (Total Return Net)

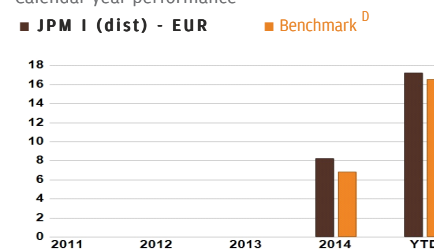
## Performance

(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) - EUR	0.08	8.63	21.10	-	-	-
Benchmark <sup>D</sup>	0.01	8.71	19.75	-	-	-

## Calendar year performance

	2011	2012	2013	2014	YTD
JPM I (dist) - EUR	-	-	-	8.26	17.21
Benchmark <sup>D</sup>	-	-	-	6.84	16.56

## Annualised performance

%	1 Y	3 Y	5 Y	Since inception
JPM I (dist) - EUR	21.10	-	-	20.94
Benchmark <sup>D</sup>	19.75	-	-	19.35

# JPMorgan Investment Funds - Europe Select Equity Fund

## Fund facts

### Fund charges

Initial charge (max.)	0.00%
Redemption charge (max.)	0.00%
Annual Mgt.	0.65%
Distribution Fee	0.00%
Expenses	0.16%
TER (Total Expense Ratio)	0.81%

### Statistical analysis review

(as at 30/04/15)

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

## Holdings

### 10 largest holdings

(as at 30/04/15)

Equity holding	Weight
Nestle (Consumer Non Durable)	3.5%
Roche (Healthcare)	2.8%
Royal Dutch Shell (Oil)	2.7%
British American Tobacco (Consumer Non Durable)	2.4%
Novartis (Healthcare)	2.1%
Bayer (Healthcare)	1.9%
Henkel (Consumer Non Durable)	1.9%
UBS (Banks)	1.8%
BP (Oil)	1.7%
Sanofi (Healthcare)	1.6%

### Market capitalisation

(as at 30/04/15)

> 100 bn	24.70%
10 bn <= 100 bn	63.37%
1 bn <= 10 bn	11.93%
< 1 bn	0.00%

## Investor suitability

### Investor profile

This is a core equity Sub-Fund designed to give broad market exposure to European stock markets. Because the Sub-Fund is diversified across a number of markets, it may be suitable for investors who are looking for a core equity investment to sit at the heart of their portfolio, or as a stand alone investment aimed at producing long-term capital growth. Investors in this Sub-Fund should also have at least a 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 equity securities may go down as well as up in response to the performance of individual companies and general market conditions.

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>D</sup>	Deviation
Banks	14.2%	14.9%	-0.7%
Healthcare	13.4%	13.9%	-0.5%
Consumer Non Durable	12.7%	12.6%	0.1%
Insurance	6.9%	6.0%	0.9%
Telecommunications	6.4%	5.6%	0.8%
Oil	6.1%	7.5%	-1.4%
Utilities	4.8%	4.1%	0.7%
Retail	4.7%	5.0%	-0.3%
General Industry	4.6%	6.3%	-1.7%
Others	21.7%	24.1%	-2.4%
Cash	4.5%	0.0%	4.5%
Total	100.0%	100.0%	0.0%

## Geographical breakdown

(as at 30/04/15)

Country	Fund	Benchmark <sup>D</sup>	Deviation
United Kingdom	30.2%	31.2%	-1.0%
France	15.9%	15.1%	0.8%
Germany	14.7%	14.0%	0.7%
Switzerland	12.3%	14.1%	-1.8%
Italy	4.5%	3.6%	0.9%
Spain	3.6%	5.4%	-1.8%
Netherlands	3.5%	4.2%	-0.7%
Sweden	2.5%	4.6%	-2.1%
Denmark	2.1%	2.6%	-0.5%
Others	6.2%	5.2%	1%
Cash	4.5%	0.0%	4.5%
Total	100.0%	100.0%	0.0%

# JPMorgan Investment Funds - Europe Select Equity Fund

## 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>The Morningstar Style Box <sup>TM</sup> 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).

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

<sup>D</sup>Prior to 01/05/01 the benchmark was the MSCI Europe ex Spain Net Index.

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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.

On 12/06/09 JPM Europe Select Mega Cap Fund was merged into this Fund.

Source: J.P. Morgan

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