

JPMorgan Funds - Managed Reserves Fund

JPM I (dist) - USD

April 2015

Fund overview

Investment objective ^A

To achieve a return in excess of US money markets by investing primarily in USD denominated short-term debt securities.

Fund statistics

	USD Diversified
Morningstar Category™	Bond - Short Term
Fund manager(s)	David Martucci
Client portfolio manager(s)	Jason Straker
Fund launch date	10/06/10
Fund size (as at 30/04/15)	USD 4472.0m
NAV (as at 30/04/15)	9968.80
12M NAV High (as at 18/08/14)	10043.92
12M NAV Low (as at 19/09/14)	9947.08
Share class launch date ^B	16/10/13
Average duration	0.4 yrs
Yield to maturity	0.62%
Average maturity	0.7 yrs

Fund codes

ISIN	LU0973528440
Bloomberg	JPMBIUD LX
Reuters	LU0973528440.LUF

Fund highlights

JPMorgan Funds - Managed Reserves Fund has been designed to help short-term bond investors limit interest rate risk while offering an attractive level of return.

The fund has a broad geographic spread and invests in a diversified portfolio of high credit quality, short-term bonds that have a maturity of less than three years and a weighted average duration of less than one year.

The fund is actively managed with no benchmark constraints, allowing it to benefit from dynamic sector allocation to help preserve capital and boost returns.

Quarterly comments

(as at 31/03/15)

Review

Economic data released in the first quarter disappointed. Several exogenous factors partly explained the relative weakness, such as frigid temperatures and heavy snowstorms in the northeast and midwest and the shutdown of major West Coast ports. The Federal Open Market Committee met twice in the quarter, eliminating its forward rate guidance altogether at its March meeting as it removed the word "patient" from its statement on monetary policy, while leaving intact the language on "data dependency" as a determinant for future fed funds rates.

We saw a relatively elevated level of volatility in front end rates in the period and maintained our defensive stance in the fund. We expect this to persist as we approach the first rate rise later this year and will focus the majority of fixed rate purchases in maturities within one year. Credit spreads remained rather flat in the two- to three-year part of the curve, and we continue to see value in 18- to 24-month maturities for floating rate notes. In Europe, banks face ratings action in the near future due to the agencies removing the rating uplift from previously-implied government support. We will look to take advantage of selective European banks as well as undervalued energy-related credits. Fixed-rate consumer asset-backed securities continued to be attractive, and we maintained our allocation to the sector.

Outlook

The Federal Reserve is clearly looking for signs of a move back towards 2% inflation, in particular wage inflation, and has essentially pushed back the market's expectation for an initial tightening from June to September.

Benchmark

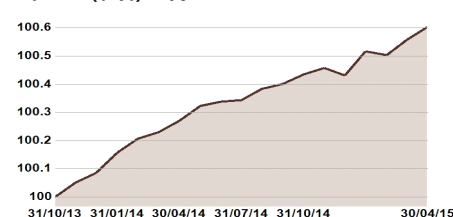
BofA Merrill Lynch US 3-Month Treasury Bill Index (Total Return Gross)

Performance

(as at 30/04/15)

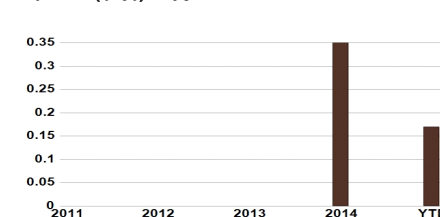
Cumulative performance

■ JPM I (dist) - USD



Calendar year performance

■ JPM I (dist) - USD



Cumulative performance

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
JPM I (dist) - USD	0.04	0.09	0.33	-	-	-

Calendar year performance

	2011	2012	2013	2014	YTD
JPM I (dist) - USD	-	-	-	0.35	0.17

Annualised performance

%	1 Y	3 Y	5 Y	Since inception
JPM I (dist) - USD	0.33	-	-	0.42

JPMorgan Funds - Managed Reserves Fund

Fund facts

Fund charges

Initial charge (max.)	0.00%
Redemption charge (max.)	0.00%
Annual Mgt.	0.20%
Distribution Fee	0.00%
Expenses	0.06%
TER (Total Expense Ratio)	0.26%

Statistical analysis review

(as at 30/04/15)

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

Holdings

Bond quality breakdown

(as at 30/04/15)

AAA	33.6%
AA	14.8%
A	34.9%
BBB	7.3%
< BBB	0.0%
Cash	9.4%
Percentage of Corporate Bonds	53.0%

Investor suitability

Investor profile

This fund invests primarily in debt securities, including asset-backed securities, with the objective of achieving returns in excess of those achieved by holding a portfolio of US money market instruments over a comparable period. Therefore the Sub-Fund may be suitable for investors looking for potentially higher returns than a money market fund, but who are prepared to incur a higher level of risk in order to achieve this. Investors in the fund should have an investment horizon of at least one year and hence the fund should not be treated as a replacement for a money market fund.

Key risks

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

Investments held in the Sub-Fund may have higher risks than that of a money market fund.

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.

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

Asset-backed securities may be highly illiquid, subject to adverse changes to interest rates and to the risk that the payment obligations relating to the underlying asset are not met.

The counterparty of repurchase agreements may fail to meet its obligations which could result in losses to 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.

10 largest holdings

(as at 30/04/15)

Bond holding	Coupon rate	Maturity date ^c	Weight
Rabobank (Netherlands)	0.541%	23/11/16	1.1%
US Treasury (United States)	0.500%	30/06/16	1.1%
US Treasury (United States)	0.250%	29/02/16	1.0%
Bank of China (Hong Kong)	0.000%	08/09/15	1.0%
DNB (Norway)	0.000%	23/02/16	1.0%
Mitsubishi UFJ Financial (Japan)	1.000%	26/02/16	1.0%
UBS (Switzerland)	0.769%	26/09/16	0.9%
Citibank (United States)	0.315%	17/12/18	0.9%
Lloyds Banking (United Kingdom)	4.875%	21/01/16	0.9%
Credit Agricole (France)	0.660%	03/03/16	0.8%

Sector breakdown

(as at 30/04/15)

Sector	Fund
Corporate	53.0%
ABS	18.5%
Money Market Instruments	15.0%
Government	2.1%
Agency	1.4%
Non-Corporate Credit	0.6%
Cash	9.4%
Total	100.0%

Geographical breakdown

(as at 30/04/15)

Country	Fund
United States	58.8%
Luxembourg	8.8%
Canada	4.9%
United Kingdom	4.7%
Netherlands	4.4%
France	4.1%
Japan	2.7%
Australia	2.1%
Germany	1.8%
Others	7.7%
Total	100.0%

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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.

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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