

JPMorgan Funds - Aggregate Bond Fund

JPM I (dist) - EUR (hedged)

April 2015

Fund overview

Investment objective ^A

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

Fund statistics

Morningstar Category TM	Global Bond - EUR Hedged
Fund manager(s)	Iain Stealey, Linda Raggi
Client portfolio manager(s)	Nikol C Miller
Fund launch date	09/11/09
Fund size (as at 30/04/15)	USD 2180.4m
NAV (as at 30/04/15)	78.68
12M NAV High (as at 15/04/15)	79.67
12M NAV Low (as at 30/04/14)	75.36
Share class launch date ^B	17/10/13
Average duration	6.7 yrs
Yield to maturity	1.6%
Average maturity	9.3 yrs

Fund codes

ISIN	LU0974147935
Bloomberg	JPMIHEU LX
Reuters	LU0974147935.LUF

Quarterly comments

(as at 31/03/15)

Review

Developments at the European Central Bank (ECB) and the US Federal Reserve (the Fed) continued to hold market attention in the quarter, as markets speculated over the timing of the first rate increase from the Fed, and the ECB kicked off its quantitative easing (QE) programme.

The fund performed in line with its benchmark in the quarter. In duration, our long 23-year Australia bond performed well, particularly in January. We halved our position mid March, in light of housing data strength and expectations that the Reserve Bank of Australia would keep its policy rate steady. Our long Mexico local bond position performed broadly flat over the period. Within peripheral Europe, our overall positioning has added to performance, with our Italy 10-year bond position being the strongest contributor. In March, we switched from our relative periphery positions to high conviction outright duration trades in 10- and 30-year Italy and Spain bonds. We further added to our 30-year Spain and Italy positions at the start of March. In terms of sector positioning, our allocation to high yield continued to add to performance. We increased our allocation to European high yield following the ECB's QE announcement. We benefited from the exposure, which contributed positively every month in the review period. We remain overweight investment grade, which performed well—particularly in February. Our overweight to high quality covered bonds has performed fairly flat over the period.

Outlook

Even with the downward revision to the Fed dot plot between its December and March meetings, there is still a significant difference from what the market is expecting, and this has the potential to stoke volatility towards the middle of the year

Benchmark

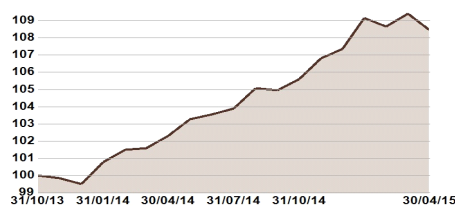
Barclays Global Aggregate Index (Total Return Gross) Hedged to EUR

Performance

(as at 30/04/15)

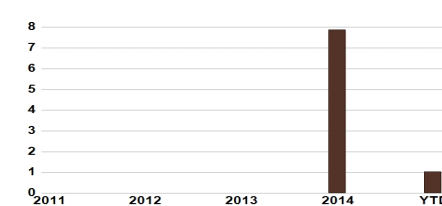
Cumulative performance

■ JPM I (dist) - EUR (hedged)



Calendar year performance

■ JPM I (dist) - EUR (hedged)



Cumulative performance

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
JPM I (dist) - EUR (hedged)	-0.87	-0.64	6.00	-	-	-

Calendar year performance

	2011	2012	2013	2014	YTD
JPM I (dist) - EUR (hedged)	-	-	-	7.87	1.03

Annualised performance

%	1 Y	3 Y	5 Y	Since inception
JPM I (dist) - EUR (hedged)	6.00	-	-	5.94

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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	0.11%
TER (Total Expense Ratio)	0.51%

Statistical analysis

(as at 30/04/15)

review

	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	1.79%	1.65%
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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.

Investor suitability

Investor profile

This is a bond fund which offers exposure primarily to global investment grade debt securities. Therefore the fund may be suitable for investors looking to make an asset allocation into the aggregate bond markets and benefit from potential enhanced risk adjusted returns. As a substantial part of the assets of the fund are hedged into USD, it may be suitable for investors who wish to benefit from these diversification opportunities while limiting foreign exchange risks. Investors in this fund should have at least a three to five year investment horizon.

Key risks

La valeur de votre investissement peut évoluer à la hausse comme à la baisse et il se peut que vous ne récupériez pas votre capital de départ.

Les titres de créance peuvent être soumis à d'importantes fluctuations de cours dictées par l'évolution des taux d'intérêt, ainsi que par la qualité de crédit de leur émetteur. Ces risques sont plus marqués dans le cas de la dette émergente.

En outre, les marchés émergents peuvent être sujets à des risques accrus, liés notamment à des normes moins avancées en matière de conservation d'actifs et de règlement des transactions, à une volatilité plus forte et à une liquidité moindre que les titres des marchés développés.

Les Titres convertibles contingents peuvent être pénalisés si des événements déclencheurs (spécifiés dans les conditions générales de la société émettrice) surviennent. Cela peut se traduire par une conversion des titres en actions à un prix décoté ou par une dépréciation temporaire ou permanente de la valeur du titre, et/ou par l'arrêt ou le report du paiement des coupons.

Les titres adossés à des actifs (ABS) et à des créances hypothécaires (MBS) peuvent s'avérer hautement illiquides et réagir négativement en cas d'évolution défavorable des taux d'intérêt et de défauts de paiement au niveau des actifs sous-jacents.

Les cours des instruments financiers dérivés peuvent être volatils et peuvent entraîner, pour le Compartiment, une perte supérieure au montant investi.

Les fluctuations des taux de change peuvent avoir un impact négatif sur la performance de votre investissement. La couverture du risque de change visant, le cas échéant, à minimiser les effets des mouvements de devises peut ne pas donner les résultats escomptés.

Des informations plus détaillées concernant les risques figurent à l'Annexe IV « Facteurs de risque » du Prospectus.

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Holdings

Bond quality breakdown	(as at 30/04/15)
AAA	36.1%
AA	14.7%
A	15.8%
BBB	20.4%
< BBB	8.1%
Cash	4.9%
Percentage of Corporate Bonds	22.6%
Non Investment Grade	8.1%

10 largest holdings

(as at 30/04/15)

Bond holding	Coupon rate	Maturity date ^c	Weight
UK Treasury (United Kingdom)	2.750%	07/09/24	2.2%
UK Treasury (United Kingdom)	5.000%	07/03/25	2.0%
US Treasury (United States)	1.500%	30/11/19	1.4%
FNMA (United States)	3.000%	01/05/45	1.3%
Government of Canada (Canada)	1.500%	01/06/23	1.3%
Government of France (France)	2.250%	25/10/22	1.2%
US Treasury (United States)	1.000%	15/09/17	1.2%
US Treasury (United States)	0.875%	15/01/18	1.2%
Government of Mexico (Mexico)	10.000%	05/12/24	1.1%
Government of Japan (Japan)	1.900%	20/12/28	1.0%

Sector breakdown

(as at 30/04/15)

Sector	Fund
Government	43.8%
Mortgage (Non-Call)	15.3%
Corporate (Investment Grade)	14.3%
Mortgage (Prepay Sensitive)	10.6%
HY	8.3%
Supranationals	1.6%
Agency	1.1%
ABS	0.1%
Cash	4.9%
Total	100.0%

Country breakdown

(as at 30/04/15)

Country	Fund
United States	47.0%
United Kingdom	10.1%
Japan	9.3%
Italy	5.3%
Canada	4.8%
France	3.7%
Spain	3.4%
Australia	3.0%
Germany	2.4%
Others	11%
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.

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.

On 29/11/13 JPMorgan Investment Funds - Global Bond Fund (EUR), JPMorgan Investment Funds - Global Bond Fund (USD) and JPMorgan Investment Funds - Global Enhanced Bond Fund were merged into this Sub-Fund.

Source: J.P. Morgan

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