

# JPMorgan Funds - Income Opportunity Plus Fund

JPM I (perf) (acc) - EUR (hedged)

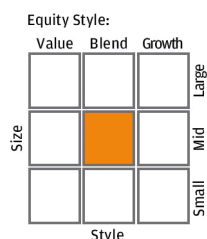
April 2015

## Fund overview

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

To achieve a return in excess of the benchmark by exploiting a wide range of investment opportunities in, amongst others, the fixed income and currency markets, using financial derivative instruments where appropriate.

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



## Fund statistics

Morningstar Category <sup>TM</sup>	Other Bond
Fund manager(s)	William Eigen
Client portfolio manager(s)	Jonathan Sachs
Fund launch date	05/10/11
Fund size (as at 30/04/15)	USD 435.1m
NAV (as at 30/04/15)	73.80
12M NAV High (as at 18/06/14)	73.92
12M NAV Low (as at 17/12/14)	72.07
Share class launch date <sup>C</sup>	16/01/14

## Fund codes

ISIN	LU0683738677
Bloomberg	JPIOIHA LX
Reuters	LU0683738677.LUF

## Fund highlights

The JPMorgan Investment Funds - Income Opportunity Plus Fund extends the boundaries of our proven multi-strategy fixed income process, providing investors with a higher volatility product that has the potential to produce higher absolute returns across the market cycle.

The fund is more concentrated than our core Income Opportunity Fund, taking larger positions in our best conviction areas across cash/short duration, duration/rates, corporate credit and sovereigns/emerging markets debt, depending on the market backdrop. The fund can also make more liberal use of opportunities in non-traditional income-oriented assets such as preferred stock, convertibles, high dividend equities and closed-ended funds.

The fund can maintain short exposure to duration/rates, corporate credit and sovereigns/emerging markets debt, to benefit from falling as well as rising markets.

The fund's manager, Bill Eigen, has a proven track record of seeking out the most attractive opportunities in global bond markets and generating positive absolute returns in a wide range of complex environments.

## Quarterly comments

(as at 31/03/15)

### Review

In the first quarter of 2015, global volatility created pockets of opportunity and the fund used its cash balance to add to risk in less correlated areas of the market. Duration ended the quarter at 1.37, up significantly from the previous period due to an increase in credit exposure and a reduction of risk in macro strategies.

Exposure to high yield in our "Beta" sleeve was the strongest source of return for the first quarter. The fund used liquidity to add exposure to high yield throughout the quarter at attractive spread levels. Our credit relative value book in our "Alpha" sleeve also delivered positive returns, as a long/short strategy in energy took advantage of pricing inefficiencies across both traditional and synthetic markets as oil prices remained volatile. Our macro relative value book was the biggest detractor from returns, as a flattener designed to benefit from speculation around an increase in the Fed Funds rate suffered as the belly of the curve outperformed the long end of the curve.

### Outlook

The compensation for assuming global interest rate risk remains close to all-time lows, and the threat of higher rates is elevated with a solid US economy and the potential for Fed action regarding short-term rates before year end. In an environment where valuations continue to be stretched, we remain focused on capital preservation and maintain ample liquidity to capitalise on future opportunities.

## Benchmark

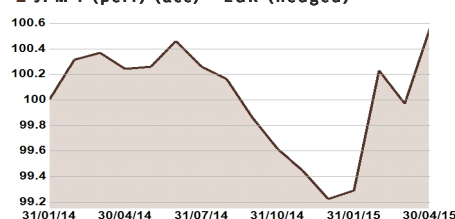
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## Performance

(as at 30/04/15)

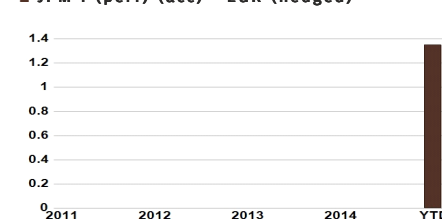
### Cumulative performance

#### JPM I (perf) (acc) - EUR (hedged)



### Calendar year performance

#### JPM I (perf) (acc) - EUR (hedged)



## Cumulative performance

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
JPM I (perf) (acc) - EUR (hedged)	0.59	1.28	0.31	-	-	-

## Calendar year performance

	2011	2012	2013	2014	YTD
JPM I (perf) (acc) - EUR (hedged)	-	-	-	-	1.35

## Annualised performance

%	1 Y	3 Y	5 Y	Since inception
JPM I (perf) (acc) - EUR (hedged)	0.31	-	-	0.45

# JPMorgan Funds - Income Opportunity Plus Fund

## Fund facts

### Fund charges

Initial charge (max.)	0.00%
Redemption charge (max.)	0.00%
Annual Mgt.	0.55%
Distribution Fee	0.00%
Expenses	0.11%
TER (Total Expense Ratio)	0.66%
Performance fee	20.00%

Performance fee is 20% when the fund return exceeds the benchmark return. Please refer to the Fund's Prospectus for conditions on the application of the performance fees.

### Statistical analysis

(as at 30/04/15)

#### review

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

## Investor suitability

### Investor profile

This is a Sub-Fund for investors looking for an absolute return that, aims to exceed the return of a cash benchmark in diverse market environments over time from a combination of capital appreciation and income while reducing the likelihood of capital losses on a medium term basis through a flexible, diversified multi-strategy approach. Investors should have an investment horizon of at least three to five years.

### 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 currencies may be subject to volatile price movements. 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.

Contingent Convertible Securities are likely to be adversely impacted should specific trigger events occur (as specified in the contract terms of the issuing company). This may be as a result of the security converting to equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.

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

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

Convertible bonds are subject to the risks associated with both debt and equity securities, and to risks specific to convertible securities. Their value may change significantly depending on economic and interest rate conditions, the creditworthiness of the issuer, the performance of the underlying equity and general financial market conditions. In addition, issuers of convertible bonds may fail to meet payment obligations and their credit ratings may be downgraded. Convertible bonds may also be subject to lower liquidity than the underlying equities.

The Sub-Fund may be concentrated in a limited number of countries or sectors and as a result, may be more volatile than more broadly diversified funds.

The value of equity securities may go down as well as up in response to the performance of individual companies and general market conditions.

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 in such 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.

Further information about risks can be found in "Appendix IV - Risk Factors".

## Holdings

### Bond quality breakdown

(as at

30/04/15)

AAA	1.7%
AA	0.9%
A	0.2%
BBB	1.4%
< BBB	62.1%
Non Rated	5.5%
Cash	28.2%
Percentage of Corporate Bonds	56.3%
Non Investment Grade	67.6%
Average duration	1.8 yrs
Yield to maturity	3.2%
Average maturity	4.9 yrs

### Sector breakdown

(as at 30/04/15)

Sector	Fund
Corporate High Yield	45.0%
Credit Relative Value	9.0%
Non-Agency MBS	6.6%
CMBS/ABS	1.9%
Alternative Credit	1.5%
Agency MBS	1.2%
EMD/Sovereign	0.9%
Corporate Investment Grade	0.9%
Other	4.8%
Cash	28.2%
Total	100.0%

### 10 largest holdings

(as at 30/04/15)

Bond holding	Coupon rate	Maturity date <sup>D</sup>	Weight
Credit Suisse (United States)	0.000%	12/05/15	2.4%
BPCE (United States)	0.340%	31/07/15	1.9%
Mizuho Financial (United States)	0.240%	04/05/15	1.9%
National Australia Bank (United States)	0.271%	27/08/15	1.9%
BNP Paribas (France)	0.484%	06/01/16	1.9%
BB&T (United States)	0.120%	04/05/15	1.9%
Intercontinental Exchange (United States)	0.000%	05/05/15	1.9%
Regency Assets (United Kingdom)	0.000%	15/05/15	1.9%
Global Securitization Services (United States)	0.000%	21/05/15	1.9%
Chiba Bank (United States)	0.200%	29/05/15	1.9%

### Geographical breakdown

(as at 30/04/15)

Country	Fund
United States	80.3%
Canada	5.1%
Luxembourg	2.7%
United Kingdom	2.5%
France	2.2%
Cayman Islands	1.9%
Bermuda	1.5%
Japan	1.2%
Belgium	0.9%
Others	1.7%
Total	100.0%

# JPMorgan Funds - Income Opportunity Plus Fund

## Explanatory Notes, Risks and Important Information

### Notes

<sup>A</sup>As 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.

<sup>B</sup>The Morningstar Style Box <sup>™</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>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.

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.

As from 24/11/14 the share class has been renamed adding the suffix 'perf'.

Source: J.P. Morgan

### Important Information

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