

JPMorgan Funds - US Smaller Companies Fund

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

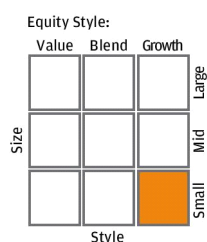
May 2015

Fund overview

Investment objective ^A

To provide long-term capital growth by investing primarily in small and micro capitalisation US companies.

Morningstar style box ^B



Fund statistics

Morningstar Category TM

Fund manager(s)	Don San Jose, Dan Percella
Client portfolio manager(s)	Christian Preussner, Fiona Harris
Fund launch date	16/11/88
Fund size (as at 31/05/15)	USD 554.9m
NAV (as at 31/05/15)	82.99
12M NAV High (as at 19/05/15)	84.45
12M NAV Low (as at 15/10/14)	69.61
Share class launch date ^C	05/06/14

Fund codes

ISIN	LU1048318189
Bloomberg	JPUSIHD LX
Reuters	LU1048318189.LUF

Fund highlights

Fund manager Glenn Gawronski, employs a fundamental bottom-up approach that focuses on high quality predictable and durable businesses at a discount to intrinsic value.

Glenn utilises a dedicated analyst team with the same investment approach which enabled him to achieve top decile one year, three year and five year returns in his small cap core strategies and fund sold to investors in the US.

The fund seeks to benefit from strong stock selection in an inefficient market, with strong performance resulting directly from stock selection.

Quarterly comments

(as at 31/03/15)

Review

US equity markets were a virtual seesaw in the first quarter. While the S&P 500 Index reached an all-time high on 2 March, it experienced three mini dips of greater than 3%. Investor concerns were largely focused on reduced earnings estimates caused by the massive decline in oil prices and the continued strength of the US dollar.

The fund outperformed its benchmark. Stock selection in the consumer discretionary and materials & processing sectors proved beneficial. In contrast, our underweight in the healthcare sector and stock selection in consumer staples proved lacklustre. Overweight positions in Freescale Semiconductor in the technology sector and Advent Software in the financial services sector were among the main positive contributors for the quarter. Freescale Semiconductor reported strong fourth-quarter earnings. Advent Software was acquired by SS&C Technologies. In contrast, overweight positions in Career Education in the consumer discretionary sector and Rovi in the technology sector were the largest detractors. Career Education's CEO, Scott Steffey, resigned in February, while Rovi was impacted by speculation around the Netflix case concerning five patents.

Outlook

Despite the volatility we have seen so far this year, our outlook for both the US economy and equity markets remains constructive. We believe markets will be more volatile than they have been in the past few years given that equities are now fairly valued. However, given that the bottom-line benefits of lower energy prices have not been considered and the European economy continues to improve, estimates may rise as the year progresses.

Benchmark ^D

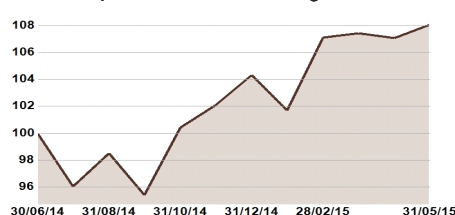
Russell 2000 Index (Total Return Net of 30% withholding tax) Hedged to EUR

Performance

(as at 31/05/15)

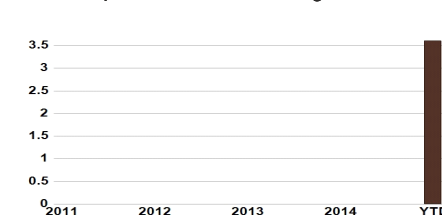
Cumulative performance

■ 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)	0.95	0.90	-	-	-	-

Calendar year performance

	2011	2012	2013	2014	YTD
JPM I (perf) (acc) - EUR (hedged)	-	-	-	-	3.60

Annualised performance

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

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Fund facts

Fund charges

Initial charge (max.)	0.00%
Redemption charge (max.)	0.00%
Annual Mgt.	0.75%
Distribution Fee	0.00%
Expenses	0.16%
TER (Total Expense Ratio)	0.91%
Performance fee	10.00%

Performance fee is 10% 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

review ^E (as at 31/05/15)

	3 years	5 years
Correlation ^E	-	-
Alpha ^E	-	-
Beta ^E	-	-
Annualised volatility	-	-
Sharpe ratio	-	-

Holdings

10 largest holdings

(as at 30/04/15)

Equity holding	Weight
Waste Connections (Producer Durables)	2.9%
Jarden (Consumer Discretionary)	2.8%
Brinker International (Consumer Discretionary)	2.0%
Toro (Producer Durables)	1.9%
Spectrum Brands (Consumer Staples)	1.9%
Pool Corporation (Consumer Discretionary)	1.9%
Douglas Dynamics (Producer Durables)	1.8%
Patrick Industries (Materials & Processing)	1.8%
Silgan (Materials & Processing)	1.7%
Aptargroup (Materials & Processing)	1.7%

Market capitalisation

(as at 30/04/15)

> 100 bn	0.00%
10 bn <= 100 bn	1.84%
1 bn <= 10 bn	82.97%
< 1 bn	15.19%

Investor suitability

Investor profile

This is an equity Sub-Fund designed to give exposure to small and micro capitalisation companies in the US. As these companies can be less liquid and carry a higher risk of financial distress than larger, blue chip companies, investors in this Sub-Fund should be comfortable with its potential to be more volatile than core, large-cap biased equity sub-funds. Also, because the Sub-Fund is invested in equities, and because of the individual economic, currency and political risks associated with single country investing, the Sub-Fund may be suitable for investors with 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.

There is no guarantee that the use of long and short positions will succeed in limiting the Sub-Fund's volatility.

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 single market in which the Sub-Fund invests may be subject to particular political and economic risks, and as a result, the Sub-Fund may be more volatile than more broadly diversified funds.

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.

The possible loss from taking a short position on a security may be unlimited as there is no restriction on the price to which a security may rise. The short selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.

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 31/05/15)

Sector	Fund	Benchmark ^D	Deviation
Financial Services	24.6%	24.6%	0.0%
Consumer Discretionary	21.7%	14.4%	7.3%
Producer Durables	15.7%	12.8%	2.9%
Materials & Processing	9.9%	6.5%	3.4%
Technology	9.8%	15.0%	-5.2%
Health Care	8.5%	16.3%	-7.8%
Energy	3.4%	3.2%	0.2%
Consumer Staples	3.3%	2.8%	0.5%
Utilities	3.1%	4.4%	-1.3%
Total	100.0%	100.0%	0.0%

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Explanatory Notes, Risks and Important Information

Notes

^AOn 01/10/09 the investment objective of the Fund was changed.

^BThe Morningstar Style Box TM 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).

^CFor reactivated share classes the performance is shown from the date of reactivation and not the share class launch date.

^DOn 31/01/98 the benchmark for the Fund was changed from Russell 2000 to Russell 2000 Net. On 04/07/07 the benchmark changed to Russell Micro Cap Index (Total Return Net). On 01/10/09 the benchmark changed to Russell 2000 Index (Total Return Net of 30% withholding tax).

^EThe time difference between Fund NAV calculation and the US market can distort this figure.

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.

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

Formerly JPM US Small and Micro Cap Fund, the Fund name was changed on 16/08/11.

Source: J.P. Morgan

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