

JPMorgan Funds - Income Fund

JPM B (div) - EUR (hedged)

April 2015

Fund overview

Investment objective

To provide income by investing primarily in a portfolio of debt securities.

Fund statistics

Morningstar Category™	Other Bond
Fund manager(s)	Matthew Pallai, Andrew Norelli
Client portfolio manager(s)	Richard Oswald
Fund launch date	02/06/14
Fund size (as at 30/04/15)	USD 26.3m
NAV (as at 30/04/15)	73.24
12M NAV High (as at 29/08/14)	74.46
12M NAV Low (as at 16/12/14)	71.41
Share class launch date ^A	16/06/14
Average duration	4.1 yrs
Yield to maturity	5.3%
Average maturity	7.4 yrs

Fund codes

ISIN	LU1041600344
Bloomberg	JPINBHD LX
Reuters	LU1041600344.LUF

Fund highlights

The fund seeks to achieve its objective of providing income by investing opportunistically across multiple debt markets and sectors believed to have high potential to produce attractive risk-adjusted income.

Diversification is achieved through the dynamic global allocation of assets, and an unconstrained approach allows the fund to invest in only the most compelling return opportunities.

The fund is managed by our Global Fixed Income, Currency & Commodity Group, and portfolio managers leverage our globally-integrated investment approach that draws on the expertise of our 200 plus investors to source the best income-generating ideas.

Quarterly comments

(as at 31/03/15)

Review

Global growth dynamics shifted in the quarter. Economic momentum in the eurozone started to build, while US data was weaker than expected. Government bond yields in Europe and the US fell and nearly USD 2 trillion of debt across the globe is trading at negative yields.

The fund continued to pay out consistent distributions over the period. Interest rate-sensitive assets continued to perform well, as US Treasury rates have fallen and a multitude of central banks continue to ease. Our US Treasury positions contributed positively, as did our more interest rate-sensitive positions in longer-dated investment grade credit and municipal debt. We gradually reduced our headline duration exposure by approximately 1.5 years, as interest rate valuations looked less attractive. Our securitised market allocation contributed strongly to both total return and income generation. The performance of our emerging market allocation was flat, as economic data remained lukewarm and divergent in emerging markets. The sector should benefit from strong technical support, as investors continue to search for attractive yield in the face of global easing and the possibility of a delayed Federal Reserve rate rise. Our US and European high yield allocations contributed strongly, as the sector benefited from increased demand in the face of low global yields. At the end of 2014, we started to rotate some of our more interest rate-sensitive assets into high yield credit, which we believed offered value. This sector rotation benefited performance in the first quarter as the high yield segment rebounded.

Outlook

We continue to like high yield, both in the US and Europe, as corporate balance sheets look strong, defaults are low and credit spreads are pricing in a multiple of where default rates should be. European financials look attractive.

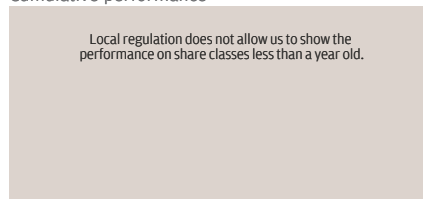
Benchmark

Barclays US Aggregate Bond Index (Total Return Gross) Hedged to EUR

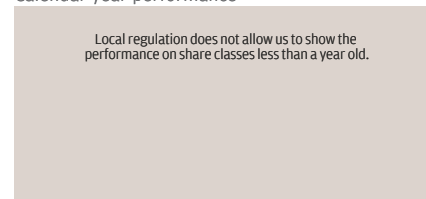
Performance

(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 B (div) - EUR (hedged)	-	-	-	-	-	-
Benchmark	-	-	-	-	-	-

Calendar year performance

	2011	2012	2013	2014	YTD
JPM B (div) - EUR (hedged)	-	-	-	-	-
Benchmark	-	-	-	-	-

Annualised performance

%	1 Y	3 Y	5 Y	Since inception
JPM B (div) - EUR (hedged)	-	-	-	-
Benchmark	-	-	-	-

Dividend

(as at 05/02/15)

Record Date	Payment Date	Dividend Amount	Qtrly Dividend Yield
31/07/14	21/08/14	0.56	0.76%
31/10/14	20/11/14	1.02	1.40%
30/01/15	23/02/15	1.10	1.53%

To view historical dividend data, please use the fund's historical NAV and dividend search tool on our website.

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Fund facts

Fund charges

Initial charge (max.)	0.00%
Redemption charge (max.)	0.00%
Annual Mgt.	0.50%
Distribution Fee	0.00%
Expenses	0.15%
TER (Total Expense Ratio)	0.65%

Statistical analysis review

(as at 30/04/15)

	3 years	5 years
Annualised volatility	-	-

Investor suitability

Investor profile

This Sub-Fund may be suitable for investors looking for a source of income with the potential for capital growth, through exposure to a range of debt securities, globally. Investors in this Sub-Fund should have at least a three to 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.

Dividends to investors may vary and are not guaranteed.

Because the Sub-Fund is flexible and opportunistic, it may be subject to periods of high volatility.

The value of debt securities may change significantly depending on economic and interest rate conditions as well as the creditworthiness 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.

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 relating to the underlying asset are not met.

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.

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, sectors or issuers and as a result, may be more volatile than more broadly diversified funds.

Investments in REITs and companies engaged in the business of real estate may be subject to increased liquidity risk and price volatility due to changes in economic conditions and interest rates.

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.

Holdings

Bond quality breakdown (as at 30/04/15)

AAA	11.4%
AA	0.7%
A	3.5%
BBB	21.8%
< BBB	60.6%
Non Rated	0.0%
Cash	2.0%

Geographical breakdown

(as at 30/04/15)

Region	Fund
North America	75.8%
Developed Europe	12.0%
Latin America	6.2%
Asia	2.4%
Emerging Europe	2.3%
Other	1.3%
Total	100.0%

Sector breakdown

(as at 30/04/15)

Sector	Fund
HY Corporate	34.5%
IG Corporate	14.0%
Agency MBS	10.5%
EM Sovereigns & Quasi Sovereign	10.3%
ABS	9.0%
CMBS	7.8%
Non-agency MBS	6.8%
Municipals	3.4%
Cash & Equivalent	1.4%
Treasuries	1.2%
EM Corporates	0.8%
EM Local Currency	0.3%
Total	100.0%

Currency breakdown

(as at 30/04/15)

Currency	Fund
USD	99.7%
BRL	0.3%
Total	100.0%

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Explanatory Notes, Risks and Important Information

Notes

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

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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