JPMorgan Funds - Europe Equity Absolute Alpha Fund

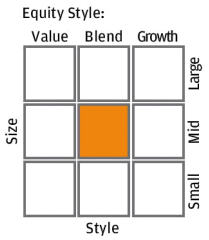
JPM C (perf) (dist) - USD (hedged) April 2015

Fund overview

Investment objective

To achieve a total return through long and short investments in European companies while maintaining low market exposure, by investing in such companies directly or through the use of financial derivative instruments.

Morningstar style box ® [A]



Fund statistics

Morningstar Category™	Alt - Long/Short Equity - Europe
Fund manager(s)	David Allen, Nicholas Horne, Michael Barakos
Client portfolio manager(s)	Louise Bonzano, Paul Shutes, Karsten Stroh, Nicholas Wilcox, Malcolm Smith
Fund launch date	19/12/13
Fund size (as at 30/04/15)	EUR 1013.3m
NAV (as at 30/04/15)	146.38
12M NAV High (as at 16/03/15)	151.78
12M NAV Low (as at 11/09/14)	132.99
Share class launch date [B]	13/08/14

Fund codes

ISIN	LU1092523874
Bloomberg	JPEECHU LX
Reuters	LU1092523874.LUF

Fund highlights

The fund seeks to deliver consistent alpha while removing much of the market risk of long only investing, targeting a beta of -0.3 to 0.3.The European equity team responsible for the fund has a strong record of managing long/short strategies for over a decade. The fund captures the team's long and short investment opportunities with daily liquidity and pricing, and the enhanced transparency of a UCITS vehicle.

Quarterly comments (as at 31/12/14)

Review

The fourth quarter saw continued volatility in European equity markets.

The fund delivered a positive return in the fourth quarter. The long side of the portfolio contributed positively to performance. Key contributors included animal nutrition company Nutreco, following a bid from SHV Holdings at a 42% premium, and Italian packaging machinery company IMA, following outstanding third-quarter results, with year-on-year EBITDA growth at 33%. Detractors included Norwegian insurance group Storebrand owing to the impact of Solvency 2 and lower interest rates, and Technicolor, which suffered as the market rotated away from higher risk names. The short side of the portfolio detracted from performance over the quarter. Key positive contributors included OW Bunker, which delisted as the firm became insolvent following fraud in the company's Singapore unit, and UK outsourcing group Serco, which fell 36% after announcing GBP1.5bn in impairments. Detractors on the short side included media group Schibsted following the announcement of a joint venture to expand into emerging markets, and Bwin.Party, on the back of bid speculation. In line with our long-term experience, the long and short sides of the portfolio delivered similar amounts of alpha over the year as a whole.

Outlook

We are finding a large number of interesting opportunities on both the long and the short side of the portfolio. Following heightened volatility in the market, we have lowered our gross exposure further. We maintain a low beta of 0.05, consistent with our goal of delivering alpha and not beta.

Benchmark

ICE 1 Month USD LIBOR

Performance (as at 30/04/15)

Cumulative performance

Local regulation does not allow us to show the performance on share classes less than a year old.

Calendar year performance

Local regulation does not allow us to show the performance on share classes less than a year old.

Cumulative performance

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
JPM C (perf) (dist) - USD (hedged)	-	-	-	-	-	-

Calendar year performance

	2011	2012	2013	2014	YTD
JPM C (perf) (dist) - USD (hedged)	-	-	-	-	-

Annualised performance

%	1 Y	3 Y	5 Y	Since inception
JPM C (perf) (dist) - USD (hedged)	-	-	-	-

J.P.Morgan Asset Management

JPMorgan Funds - Europe Equity Absolute Alpha Fund

Fund facts

Fund charges

Initial charge (max.)	0.00%
Redemption charge (max.)	0.00%
Annual Mgt.	0.75%
Distribution Fee	0.00%
Expenses	0.20%
TER (Total Expense Ratio)	0.95%
Performance fee	15.00%

Performance fee is 15% when the fund return exceeds the benchmark return. Please refer to the Fund's Prospectus for conditions on the application of the performance fees.

Investor suitability

Investor profile

The Sub-Fund may be suitable for investors looking for returns with low net exposure to the European equity market. Investors should have 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.

As the Sub-Fund seeks to maintain low exposure to the European equity market, the Sub-Fund may not benefit from a rise in the market.

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 Sub-Fund may invest in securities of smaller companies which may be less liquid, more volatile and tend to carry greater financial risk than securities of larger companies.

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.

Holdings

Overall Market Exposure, as a % of AUM	(as at 30/04/15)
Short	-78.5%
Long	79.7%
Net	1.3%

Regional exposure

(as at 30/04/15)

	Long	Short	Net	Gross
United Kingdom	19.2%	-24.7%	-5.4%	43.9%
Germany	12.8%	-10.8%	2.0%	23.5%
France	9.7%	-11.5%	-1.8%	21.1%
Sweden	6.5%	-4.6%	1.9%	11.1%
Switzerland	5.6%	-4.0%	1.5%	9.6%
Italy	4.6%	-4.5%	0.1%	9.0%
Belgium	4.1%	-2.6%	1.5%	6.7%
Finland	3.4%	-0.4%	3.0%	3.7%
Denmark	3.1%	-1.0%	2.2%	4.1%
Netherlands	3.1%	-5.0%	-1.8%	8.1%
Spain	2.3%	-4.0%	-1.8%	6.3%
Norway	2.2%	-3.8%	-1.6%	6.0%
Portugal	1.3%	0.0%	1.3%	1.3%
Ireland	1.2%	-0.7%	0.5%	1.8%
Austria	0.8%	-1.1%	-0.3%	1.9%
Total	79.7%	-78.5%	1.3%	158.2%

Sector exposure

(as at 30/04/15)

	Long	Short	Net	Gross
Consumer Discretionary	19.2%	-11.6%	7.6%	30.8%
Industrials	18.3%	-18.7%	-0.4%	37.0%
Financials	13.3%	-8.5%	4.7%	21.8%
Materials	9.1%	-9.9%	-0.8%	18.9%
Information Technology	8.4%	-4.9%	3.6%	13.3%
Consumer Staples	4.6%	-7.2%	-2.6%	11.8%
Health Care	2.4%	-5.5%	-3.1%	7.9%
Energy	1.6%	-4.0%	-2.5%	5.6%
Telecommunication Services	1.5%	-4.8%	-3.3%	6.3%
Utilities	1.4%	-3.4%	-2.0%	4.8%
Total	79.7%	-78.5%	1.3%	158.2%

Explanatory Notes, Risks and Important Information

Notes

[A]The Morningstar Style Box ™ 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).

[B]For 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 to 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'.

On 28/04/15 JPMorgan Investment Funds - Highbridge Statistical Market Neutral Fund was merged into this Sub-Fund

Source: J.P. Morgan

Important Information

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