

JPMorgan Investment Funds - Europe Strategic Dividend Fund

JPM C (acc) - USD (hedged)

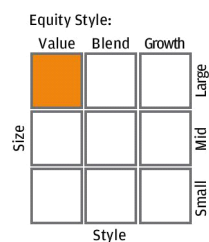
April 2015

Fund overview

Investment objective ^A

To provide long-term returns by investing primarily in high dividend-yielding equity securities of European companies.

Morningstar style box ^B



Fund statistics

Morningstar Category TM	Europe Equity - Currency Hedged
Fund manager(s)	Michael Barakos, Thomas Buckingham
Client portfolio manager(s)	Louise Bonzano, Paul Shutes, Karsten Stroh
Fund launch date	24/02/05
Fund size (as at 30/04/15)	EUR 3931.1m
NAV (as at 30/04/15)	114.33
12M NAV High (as at 15/04/15)	118.35
12M NAV Low (as at 10/03/15)	111.06
Share class launch date ^C	26/02/15

Fund codes

ISIN	LU1195286585
Bloomberg	JPESTCH LX
Reuters	LU1195286585.LUF

Fund highlights

The fund uses a disciplined, bottom-up investment process to select the most attractive high yielding stocks. Research shows that these stocks have outperformed over the long term.

The fund is suited to investors looking for pure exposure to an income style strategy through a diversified portfolio of pan-European stocks.

Quarterly comments

(as at 31/03/15)

Review

European stock markets staged a notable rally in the first quarter.

The fund, which focuses on high dividend-yielding stocks that are fundamentally sound, underperformed its benchmark. At the sector level, positive contributors to relative returns included stock selection and an overweight holding in real estate, as well as stock selection and an underweight position in banks. Negative contributors included stock selection and underweight holdings in the pharmaceuticals and automobiles sectors. The biggest stock-level contributor to relative returns was exposure to Banco Santander, which we bought following its capital raising early in the year. It then made further gains on news that it was set to merge its asset management business with that of Italian bank UniCredit. Overweight exposure to Protector Forsikring also boosted relative returns, as the Norway-based insurance company reported its best year ever in 2014, with both its Swedish and Danish operations in profit. Negative stock-level contributors included not holding Novo Nordisk due to its low dividend yield. The Danish pharmaceutical company was subject to earnings upgrades amid expectations that earnings over the medium- to long-term will be boosted by the appreciation of key currencies—particularly the US dollar—against the krone. Underweight exposure to BASF also detracted, as shares in chemicals firm have shared in the strong year-to-date gains of the broader German equity market. However, an overweight position in BE Semiconductor boosted relative returns. The company, which supplies Apple, was boosted by news that it will provide semiconductor assembly equipment for the new Apple Watch.

Outlook

As long as European corporate fundamentals remain strong and earnings are on the rise, we think that regional equity markets can make further headway over the next year.

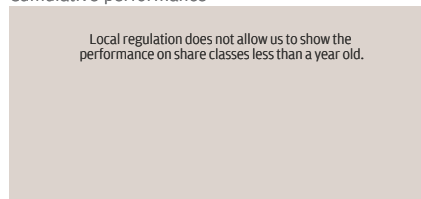
Benchmark

MSCI Europe Index (Total Return Net) hedged to USD

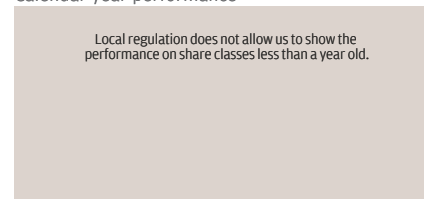
Performance

(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 C (acc) - USD (hedged)	-	-	-	-	-	-

Calendar year performance

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

Annualised performance

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

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Fund facts

Fund charges

Initial charge (max.)	0.00%
Redemption charge (max.)	0.00%
Annual Mgt.	0.65%
Distribution Fee	0.00%
Expenses	0.20%
TER (Total Expense Ratio)	0.85%

Statistical analysis review

(as at 30/04/15)

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

Holdings

10 largest holdings

(as at 30/04/15)

Equity holding	Weight
Roche (Health Care)	2.2%
Royal Dutch Shell (Energy)	2.0%
HSBC (Financials)	1.9%
BP (Energy)	1.7%
Unilever (Consumer Staples)	1.7%
Sanofi (Health Care)	1.6%
Banco Santander (Financials)	1.5%
Vodafone (Telecommunication Services)	1.4%
British American Tobacco (Consumer Staples)	1.3%
AstraZeneca (Health Care)	1.2%

Market capitalisation

(as at 30/04/15)

> 100 bn	14.92%
10 bn <= 100 bn	46.20%
1 bn <= 10 bn	34.74%
< 1 bn	4.15%

Investor suitability

Investor profile

This is a value style equity Sub-Fund designed to give a broad market exposure to European stock markets and to generate long-term returns. The Sub-Fund is diversified across a number of markets and may be suitable for investors who are looking for an income producing core equity investment, or as a stand alone investment aimed at producing long-term capital growth. Investors in this Sub-Fund should also 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.

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 will be concentrated in high-dividend yielding equity securities and as a result, may be more volatile than more broadly diversified funds.

The Sub-Fund may take significant positions at the sector and country allocation level relative to its benchmark.

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.

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 30/04/15)

Sector	Fund	Benchmark	Deviation
Financials	35.7%	22.6%	13.1%
Consumer Discretionary	12.9%	11.4%	1.5%
Industrials	10.4%	11.1%	-0.7%
Utilities	8.3%	3.9%	4.4%
Telecommunication Services	7.4%	4.9%	2.5%
Consumer Staples	6.7%	13.6%	-6.9%
Health Care	5.3%	13.8%	-8.5%
Energy	4.8%	7.7%	-2.9%
Materials	3.4%	7.6%	-4.2%
Information Technology	1.5%	3.4%	-1.9%
Cash	3.6%	0.0%	3.6%
Total	100.0%	100.0%	0.0%

Geographical breakdown

(as at 30/04/15)

Country	Fund	Benchmark	Deviation
United Kingdom	39.0%	31.2%	7.8%
France	13.1%	15.1%	-2.0%
Sweden	8.2%	4.6%	3.6%
Germany	7.0%	14.0%	-7.0%
Spain	6.8%	5.4%	1.4%
Switzerland	4.7%	14.1%	-9.4%
Finland	3.9%	1.2%	2.7%
Italy	3.6%	3.6%	0.0%
Norway	3.6%	1.0%	2.6%
Others	6.5%	9.8%	-3.3%
Cash	3.6%	0.0%	3.6%
Total	100.0%	100.0%	0.0%

Explanatory Notes, Risks and Important Information

Notes

^AAs at 30/06/12 the investment objective was revised. For clarification the revisions made do not constitute any changes in the way the Sub-Fund is managed.

^BThe 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).

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

Benchmark Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

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.

Formerly JPM Europe Equity Income Fund, the Fund name was changed on 12/09/05.

Source: J.P. Morgan

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