

# JPMorgan Funds - Asia Pacific Strategic Equity Fund

JPM I (acc) - USD

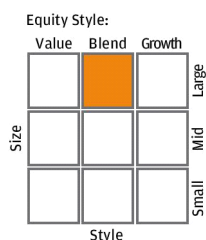
April 2015

## Fund overview

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

To provide long-term capital growth by investing primarily in companies in the Asia Pacific Basin (excluding Japan).

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



## Fund statistics

Morningstar Category™	Asia-Pacific ex-Japan Equity
Fund manager(s)	Mark Davids, Geoff Hoare
Client portfolio manager(s)	Pacific Regional Group
Fund launch date	09/09/09
Fund size (as at 30/04/15)	USD 463.3m
Share class launch date <sup>C</sup>	14/04/15

## Fund codes

ISIN	LU0441855128
Bloomberg	JPAPSEI LX
Reuters	LU0441855128.LUF

## Fund highlights

The JPM Asia Pacific Strategic Equity Fund aims to provide long-term capital growth by investing primarily in companies in the Asia Pacific Basin (excluding Japan). The fund uses a transparent and proven bottom-up investment process to identify individual stocks with strong value and growth characteristics. The portfolio is highly diversified, typically holding more than 150 stocks spread across a variety of sectors and countries. The team managing the fund has over 10 years' industry experience and draws on the extensive local knowledge of the Pacific Regional Group, which comprises 78 investment professionals located in seven offices throughout Asia.

## Quarterly comments

(as at 31/03/15)

### Review

Asian stock markets continued to accelerate in the first quarter of 2015, led by Japan and China, although ASEAN markets lagged.

In the first quarter, the fund outperformed its benchmark. All of the alpha came from stock selection, with the impact of country and sector allocation being neutral. In terms of style, the quarter was dominated by momentum and earnings sentiment factors. Quality was neutral, and value underperformed. The best stock selection came from India and Korea, with China detracting the most (although Hong Kong was positive).

The top individual stock contributors were Lupin and Sun pharmaceutical (Indian pharmaceuticals), Amorepacific Corp (Korean cosmetics) and Hyundai Development (Korean real estate). Amorepacific continued to do well on the back of Chinese demand for its cosmetics, and Hyundai Development rallied on signs that mortgage demand was improving in parts of Seoul and that it was successfully selling a number of older units at a faster rate than the market expected.

On the negative side, the largest detractor was not owning Hanergy Thin Film Power Group. This is a new addition to our index, and has performed extraordinarily well despite concerns over aggressive accounting and share price manipulation. Otherwise, our position in Luk Fook Holdings performed poorly on the back of very weak retail sales in Hong Kong during and after Chinese New Year.

### Outlook

Economic growth is decelerating almost everywhere in Asia, and we expect earnings forecasts to be gently reduced throughout 2015.

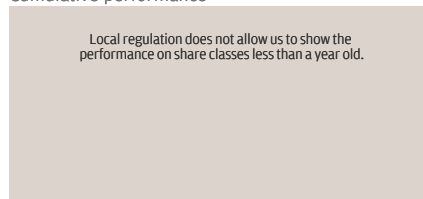
## Benchmark

MSCI All Country Asia Pacific ex Japan Index (Total Return Net)

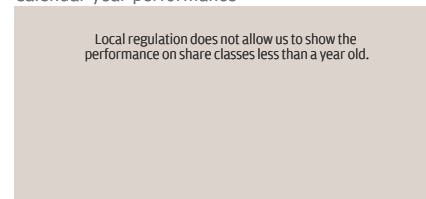
## Performance

(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 I (acc) - USD	-	-	-	-	-	-

## Calendar year performance

	2011	2012	2013	2014	YTD
JPM I (acc) - USD	-	-	-	-	-

## Annualised performance

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

# JPMorgan Funds - Asia Pacific Strategic Equity Fund

## Fund facts

### Fund charges

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

### 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 31/03/15)

Equity holding	Weight
Samsung Electronics (Information Technology)	4.5%
Taiwan Semiconductor (Information Technology)	3.1%
Tencent (Information Technology)	3.0%
Commonwealth Bank Australia (Financials)	2.8%
AIA (Financials)	2.5%
Westpac Banking (Financials)	2.5%
China Mobile (Telecommunication Services)	2.4%
BHP Billiton (Materials)	1.9%
China Construction Bank (Financials)	1.8%
Industrial & Commercial Bank of China (Financials)	1.6%

### Market capitalisation

(as at 30/04/15)

> 100 bn	26.20%
10 bn <= 100 bn	45.43%
1 bn <= 10 bn	27.49%
< 1 bn	0.88%

## Investor suitability

### Investor profile

This Sub-Fund is designed for investors looking for broad market exposure across the Asia Pacific Basin excluding Japan. Because the Sub-Fund is diversified across a number of markets, it may be suitable for investors who are looking for a standalone Asia Pacific Basin ex-Japan regional equity investment aimed at producing long-term capital growth. Because the Sub-Fund is invested in equities, and because of the individual economic, currency and political risks associated in the Asia Pacific Basin ex-Japan region, 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.

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

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 securities may also be subject to higher volatility and lower liquidity than non emerging market securities.

The Sub-Fund may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect program which is subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.

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 Sub-Fund's investments will be concentrated in the Asia Pacific Basin and, as a result, may be more volatile than more broadly diversified global funds.

Movements in currency exchange rates can adversely affect the return of your investment.

### Sector breakdown

(as at 30/04/15)

Sector	Fund	Benchmark	Deviation
Financials	41.6%	38.4%	3.2%
Information Technology	20.3%	16.8%	3.5%
Materials	6.6%	7.2%	-0.6%
Industrials	5.8%	8.2%	-2.4%
Consumer Discretionary	5.3%	6.6%	-1.3%
Utilities	4.4%	3.7%	0.7%
Telecommunication Services	4.1%	5.8%	-1.7%
Health Care	3.9%	2.7%	1.2%
Energy	3.8%	5.0%	-1.2%
Consumer Staples	1.9%	5.6%	-3.7%
Cash	2.3%	0.0%	2.3%
Total	100.0%	100.0%	0.0%

### Geographical breakdown

(as at 30/04/15)

Country	Fund	Benchmark	Deviation
China	27.7%	23.3%	4.4%
Australia	19.6%	21.5%	-1.9%
Korea	14.1%	13.9%	0.2%
Hong Kong	10.0%	9.9%	0.1%
Taiwan	9.5%	11.7%	-2.2%
India	6.7%	6.1%	0.6%
Philippines	2.4%	1.2%	1.2%
Singapore	2.3%	4.5%	-2.2%
Indonesia	2.1%	2.2%	-0.1%
Thailand	1.9%	2.1%	-0.2%
New Zealand	0.8%	0.4%	0.4%
Malaysia	0.6%	3.2%	-2.6%
Cash	2.3%	0.0%	2.3%
Total	100.0%	100.0%	0.0%

# JPMorgan Funds - Asia Pacific Strategic Equity Fund

## Explanatory Notes, Risks and Important Information

### Notes

<sup>A</sup>The term "Pacific Basin" refers to an area including Australia, Hong Kong, New Zealand, Singapore, China, Indonesia, Korea, Malaysia, the Philippines, Taiwan, Thailand and the Indian sub-continent, excluding the United States of America, Central and South America.

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

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.

On 13/09/13 JPMorgan Funds - Asia Pacific ex-Japan Equity Fund was merged into this Sub-Fund.

Formerly JPM Asia Pacific ex-Japan Behavioural Finance Equity Fund, the Fund name was changed on 13/09/13.

Source: J.P. Morgan

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