JPMorgan Funds - Japan Equity Fund

JPMorgan I (acc) - USD

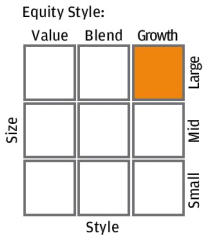
April 2015

Fund overview

Investment objective [A]

To provide long-term capital growth by investing primarily in Japanese companies.

Morningstar style box ® [B]



Fund statistics

Morningstar Category™	Japan Large-Cap Equity
Fund manager(s)	Robert Lloyd, Aisa Ogoshi
Client portfolio manager(s)	Pacific Regional Group
Fund launch date	16/11/88
Fund size (as at 30/04/15)	JPY 100890.0m
NAV (as at 30/04/15)	125.67
12M NAV High (as at 09/04/15)	130.76
12M NAV Low (as at 17/10/14)	98.94
Share class launch date [C]	27/06/06

Fund codes

ISIN	LU0248056110
Bloomberg	JPJEIAC LX
Reuters	LU0248056110.LUF

Fund highlights

JPMF Japan Equity Fund is a core product designed for investors looking for pure, broad market exposure only to the Japanese stock market. The Fund aims to invest in quality Japanese companies which are generating above-average growth per share and whose share price is at an attractive valuation.

J.P. Morgan Asset Management's Japan Portfolio Group (JPG) have been managing money in Japan since 1969 and are responsible for managing a wide range of Japanese mandates.

The process is an active style of portfolio management which focuses primarily on stock selection conducted by experienced specialists located within Japan. It offers the greatest opportunities to add value to portfolios by providing significant outperformance in a disciplined manner.

Quarterly comments (as at 31/03/15)

Review

The stock market performed strongly from the end of January. Volatility in the government bond market rose from the beginning of the quarter, while the Japanese yen has been trading within a relatively tight range against the US dollar.

The fund outperformed the benchmark. Stock selection was the main driver of outperformance, while sector allocation was also a positive contributor. At the sector level, overweighting the services and retail trade sectors and underweighting transportation equipment, iron and steel, electric power and gas and banks, added value.

The strongest contributions at the stock level were picks within the services and real estate sectors. Two of the best-performing positions were Japan Airport Terminal and Oriental Land, both of which have been big beneficiaries of the surge in tourist numbers in Japan. Picks within the electric appliance sector were major contributors, with Keyence and Mabuchi Motor the best-performing positions. Mabuchi Motor performed strongly after benefitting from the increasing penetration of electronics in cars and also improved its shareholder return policy.

At the stock level, picks within the pharmaceutical sector detracted from performance. The worst-performing position was an overweight in Fuji Heavy, the maker of Subaru cars, which fell after reporting lacklustre results.

Outlook

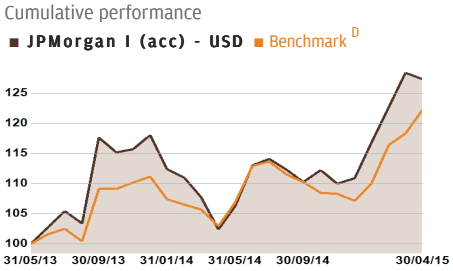
The book value of the Japanese market continues to trade at a discount to global levels, while the earnings growth outlook remains very attractive. Meanwhile, the Bank of Japan is expected to continue with existing levels of quantitative easing at least for the first half of the year.

Benchmark [D]

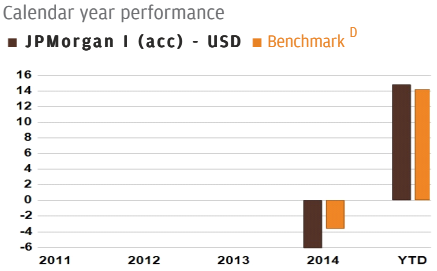
TOPIX (Total Return Net)

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
JPMorgan I (acc) - USD	-0.83	9.05	24.28	-	-	-
Benchmark [D]	3.44	11.24	18.81	-	-	-

Calendar year performance

	2011	2012	2013	2014	YTD
JPMorgan I (acc) - USD	-	-	-	-6.10	14.84
Benchmark [D]	-	-	-	-3.63	14.16

Annualised performance

%	1 Y	3 Y	5 Y	Since inception
JPMorgan I (acc) - USD	24.28	-	-	12.61
Benchmark [D]	18.81	-	-	7.55

J.P.Morgan Asset Management

JPMorgan Funds - Japan 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	-	-

Investor suitability

Investor profile

This is an equity fund designed to give investors broad market exposure to the Japanese stock market. Therefore, the fund may be suitable for investors looking to add a single country holding to an existing diversified portfolio, or for investors looking for a standalone core equity investment aimed at producing long-term capital growth. Because the fund is invested in equities, and because of the individual economic, currency and political risks associated with single country investing, the 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.
Because the Sub-Fund is aggressively managed, volatility may be high as the Sub-Fund may take larger position sizes, may have high turnover of holdings and at times may have a significant exposure to certain areas of 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 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 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.

Holdings

10 largest holdings

(as at 30/04/15)

Equity holding	Weight
Keyence (Electric Appliances)	5.0%
Fanuc (Electric Appliances)	3.0%
Rakuten (Services)	2.9%
KDDI (Information & Communication)	2.8%
Mabuchi Motor (Electric Appliances)	2.7%
SMC (Machinery)	2.7%
Murata Manufacturing (Electric Appliances)	2.6%
Asahi Intecc (Precision Instruments)	2.6%
Don Quijote (Retail Trade)	2.6%
Casio Computer (Electric Appliances)	2.5%

Sector breakdown

(as at 30/04/15)

Sector	Fund	Benchmark [D]	Deviation
Electric Appliances	23.3%	13.2%	10.1%
Services	16.7%	3.3%	13.4%
Retail Trade	10.7%	4.3%	6.4%
Information & Communication	5.3%	6.8%	-1.5%
Machinery	5.1%	4.9%	0.2%
Chemicals	4.6%	5.9%	-1.3%
Transportation Equipment	3.9%	11.5%	-7.6%
Precision Instruments	3.8%	1.4%	2.4%
Pharmaceutical	3.6%	4.8%	-1.2%
Real Estate	3.1%	3.0%	0.1%
Other Financing Business	2.3%	1.3%	1.0%
Foods	2.2%	4.1%	-1.9%
Rubber Products	2.1%	0.9%	1.2%
Wholesale Trade	2.0%	4.1%	-2.1%
Metal Products	2.0%	0.6%	1.4%
Construction	1.9%	2.6%	-0.7%
Banks	1.6%	9.5%	-7.9%
Other Products	1.6%	1.5%	0.1%
Securities & Commodity Futures	0.9%	1.4%	-0.5%
Land Transportation	0.0%	4.0%	-4.0%
Insurance	0.0%	2.6%	-2.6%
Electric Power & Gas	0.0%	2.0%	-2.0%
Iron & Steel	0.0%	1.5%	-1.5%
Non-Ferrous Metals	0.0%	0.9%	-0.9%
Glass & Ceramics	0.0%	0.9%	-0.9%
Textiles & Apparels	0.0%	0.7%	-0.7%
Air Transportation	0.0%	0.6%	-0.6%
Oil & Coal Products	0.0%	0.5%	-0.5%
Mining	0.0%	0.4%	-0.4%
Marine Transportation	0.0%	0.3%	-0.3%
Pulp & Paper	0.0%	0.2%	-0.2%
Warehousing & Harbour Transport Serv.	0.0%	0.2%	-0.2%
Fishery, Agriculture & Forestry	0.0%	0.1%	-0.1%
Cash	3.3%	0.0%	3.3%
Total	100.0%	100.0%	0.0%

Explanatory Notes, Risks and Important Information

Notes

[A]As at 01/09/06 the investment objective of the Fund was changed to harmonise the wording across the Fund range.

[B]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).

[C]For reactivated share classes the performance is shown from the date of reactivation and not the share class launch date.

[D]On 01/10/02 the benchmark for this Fund was changed from a gross dividends reinvested basis to net dividends reinvested as this better reflects the tax status of the Fund.

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 JPMorgan Fund - JF Japan Equity Fund, the Sub-Fund name was changed on 04/02/13. The Share Class names were also changed from JF Japan Equity to JPMorgan Japan Equity.

As at 02/12/13 the base currency of the Sub-Fund was changed from US Dollars (USD) to Japanese Yen (JPY).

Source: J.P. Morgan

Important Information

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