

JPMorgan Funds - Europe Equity Plus Fund

JPM D (acc) - EUR

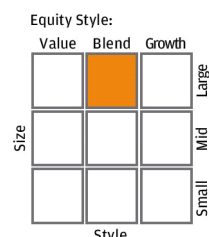
August 2014

Fund overview

Investment objective

To provide long term capital growth, through exposure to European companies by direct investments in securities of such companies and through the use of financial derivative instruments.

Morningstar style box ^{® A}



Fund statistics

Overall Morningstar Rating[™]
(as at 31/08/14)



Morningstar Category [™]	Europe Large-Cap Blend Equity
Fund manager(s)	Michael Barakos, Nicholas Horne
Client portfolio manager(s)	Louise Bonzano, Paul Shutes, Karsten Stroh
Fund launch date	25/06/07
NAV (as at 31/08/14)	12.36
12M NAV High (as at 04/07/14)	12.69
12M NAV Low (as at 29/08/13)	10.26
Fund size (as at 31/08/14)	EUR 3252.6m
Share class launch date ^B	25/06/07

Fund codes

ISIN	LU0289214628
Bloomberg	JPMEAD LX
Reuters	LU0289214628.LUF

Fund highlights

Enhanced access to Europe's investment potential - the opportunity to boost longterm returns from both long and short positions in European equities while limiting volatility.

Extended market exposure - short positions capitalise on stocks we believe will fall in value, with proceeds used to fund extra long positions.

Low correlation of excess returns - ideal for investors looking to diversify their European equity allocation and potentially boost their performance.

Quarterly comments

(as at 30/06/14)

Review

European equity markets advanced to new 12-month highs in the second quarter.

The fund, which takes long positions in attractively valued, high quality stocks with positive momentum, while taking short positions in stocks that are expensive, low quality and have weak momentum, underperformed its benchmark. The biggest positive contribution to relative returns was made by stock selection in the pharmaceuticals sector, while stock selection in media also added to relative performance. Detractors from relative returns included stock selection in insurance and materials. The biggest stock level contributor to relative returns was overweight exposure to Shire, as shares in the drugmaker rose sharply as it was subject to a takeover bid for the third time from US rival AbbVie. Short exposure to Mediaset also added to relative performance, as the Italian broadcaster posted a net loss for the first quarter. Negative contributors to relative returns included overweight exposure to Unipol, with shares taking a hit as it became known that the insurance group was the subject of an investigation into allegations of market manipulation. An overweight position in steel giant ArcelorMittal also held back relative performance, as share price performance was lacklustre in an environment of falling iron ore prices. However, an overweight position in Actelion boosted relative returns. Shares in the pharmaceutical company rose sharply following the announcement that an experimental heart-and-lung drug had met its targets.

Outlook

Valuations for current-year earnings in Europe are no longer outright attractive, but a confirmation of a return to earnings growth would alleviate investor concerns.

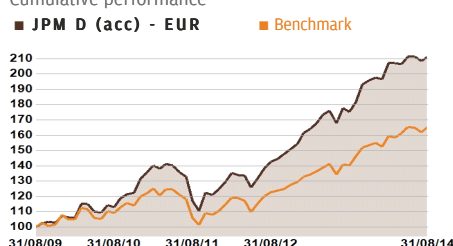
Benchmark

MSCI Europe Index (Total Return Net)

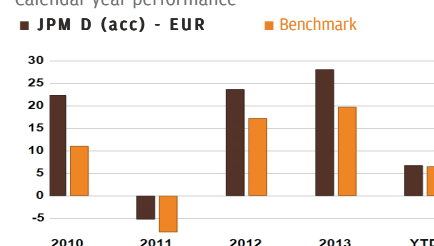
Performance

(as at 31/08/14)

Cumulative performance



Calendar year performance



Cumulative performance

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
JPM D (acc) - EUR	1.31	0.00	20.47	80.44	111.28	-
Benchmark	2.01	-0.01	17.97	55.92	65.34	-

Calendar year performance

	2010	2011	2012	2013	YTD
JPM D (acc) - EUR	22.42	-5.19	23.70	28.13	6.83
Benchmark	11.10	-8.08	17.29	19.82	6.62

Annualised performance

%	1 Y	3 Y	5 Y	Since inception
JPM D (acc) - EUR	20.47	21.74	16.14	2.99
Benchmark	17.97	15.96	10.58	0.89

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Fund facts

Fund charges

Initial charge (max.)	5.00%
Redemption charge (max.)	0.50%
Annual Mgt.	2.50%
Expenses	0.40%
TER (Total Expense Ratio)	2.90%
Performance fee	10.00%

Performance fee is 10% when the fund return exceeds the benchmark return. Please refer to the Fund's Prospectus for conditions on the application of the performance fees.

Statistical analysis review

(as at 31/08/14)

	3 years	5 years
Correlation	0.96	0.95
Alpha	4.99	5.03
Beta	1.09	1.04
Annualised volatility	11.45	12.74
Sharpe ratio	1.76	1.21
Tracking error	3.48	3.98
Information ratio	1.46	1.28

Value at Risk (VaR)

(as at 31/08/14)

	Fund	Benchmark
VaR	7.15%	6.85%

Value at Risk (VaR) provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The VaR approach is measured at a 99% confidence level and based on a time horizon of one month. The holding period relating to the financial derivative instruments, for the purpose of calculating global exposure, is one month.

Investor suitability

Investor profile

This is an actively managed Sub-Fund designed to give broad market exposure to European securities markets. The Sub-Fund is well diversified across a number of European markets. Financial derivative instruments will be used to have exposure to covered long and short positions on such securities.

The Sub-Fund may be suitable for investors who are looking for an equity investment with scope for additional returns. Investors should have 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.

There is no guarantee that the use of long and short positions will succeed in enhancing investment returns.

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 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.

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Holdings

10 largest holdings (as at 31/07/14)

Equity holding	Weight
Royal Dutch Shell (Energy)	3.6%
HSBC (Financials)	2.9%
BP (Energy)	2.3%
Novartis (Health Care)	2.3%
British American Tobacco (Consumer Staples)	1.9%
Nestle (Consumer Staples)	1.7%
Daimler (Consumer Discretionary)	1.6%
Lloyds Banking (Financials)	1.6%
Allianz (Financials)	1.6%
BT Group (Telecommunication Services)	1.4%

Overall Market Exposure, as a % of AUM (as at 31/08/14)

Short	-17.3%
Long	117.3%
Net	100.0%

Market capitalisation (as at 31/08/14)

% of portfolio	
> 100 bn	20.81%
10 bn <= 100 bn	52.75%
1 bn <= 10 bn	24.94%
< 1 bn	1.50%

Regional breakdown

(as at 31/08/14)

	Long	Short	Net	Benchmark
United Kingdom	35.4%	-6.3%	29.1%	32.6%
Germany	14.6%	-2.3%	12.3%	13.3%
France	13.8%	-3.0%	10.7%	14.9%
Switzerland	11.7%	-1.5%	10.1%	13.7%
Sweden	6.1%	-0.7%	5.4%	4.5%
Spain	4.2%	-0.7%	3.4%	5.4%
Italy	4.1%	-0.8%	3.3%	3.7%
Netherlands	3.4%	-0.1%	3.3%	3.9%
Denmark	3.2%	-0.4%	2.8%	2.2%
Others	8.2%	-1.3%	6.9%	5.6%
Cash	12.7%	0.0%	12.7%	0.0%
Total	117.3%	-17.3%	100.0%	100.0%

Sector breakdown

(as at 31/08/14)

	Long	Short	Net	Benchmark
Financials	28.1%	-3.1%	24.9%	22.5%
Consumer Discretionary	15.6%	-2.4%	13.2%	9.9%
Industrials	13.5%	-4.5%	9.0%	11.1%
Health Care	10.7%	0.0%	10.7%	13.2%
Energy	9.7%	-1.4%	8.3%	9.5%
Consumer Staples	9.3%	-1.7%	7.5%	13.3%
Materials	6.8%	-1.5%	5.3%	8.0%
Telecommunication Services	4.7%	0.0%	4.7%	4.9%
Utilities	3.3%	-0.5%	2.8%	4.3%
Information Technology	2.9%	-2.1%	0.8%	3.3%
Cash	12.7%	0.0%	12.7%	0.0%
Total	117.3%	-17.3%	100.0%	100.0%

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Explanatory Notes, Risks and Important Information

Notes

^AThe 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).

^BFor 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 to NAV with gross income reinvested.

FX Adjusted returns have been calculated by JPMAM. Blended benchmarks have been calculated by JPMAM.

Please note that the performance for the D share class is calculated when capital becomes available, which may not necessarily coincide with the launch date.

Formerly JPM Europe 130/30 Fund, the Fund name was changed on 01/01/13.

Source: J.P. Morgan

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