
JPM Europe Dynamic (ex UK) Fund

June 2017

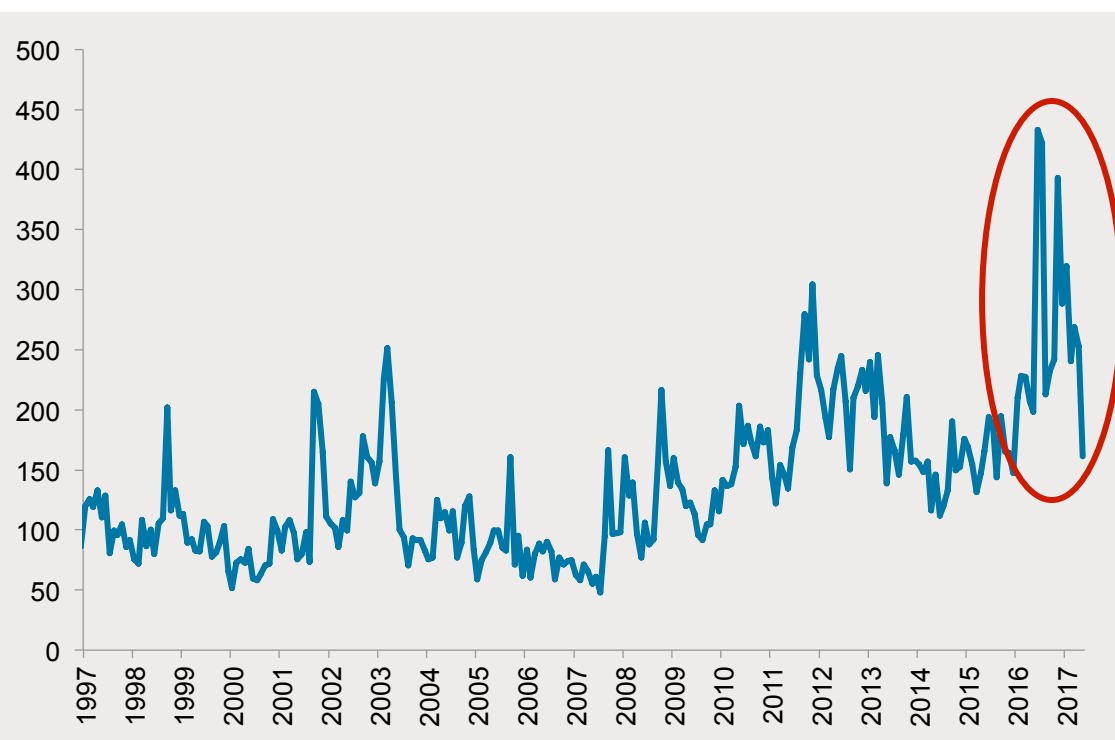
Jon Ingram, Portfolio Manager

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J.P.Morgan
Asset Management

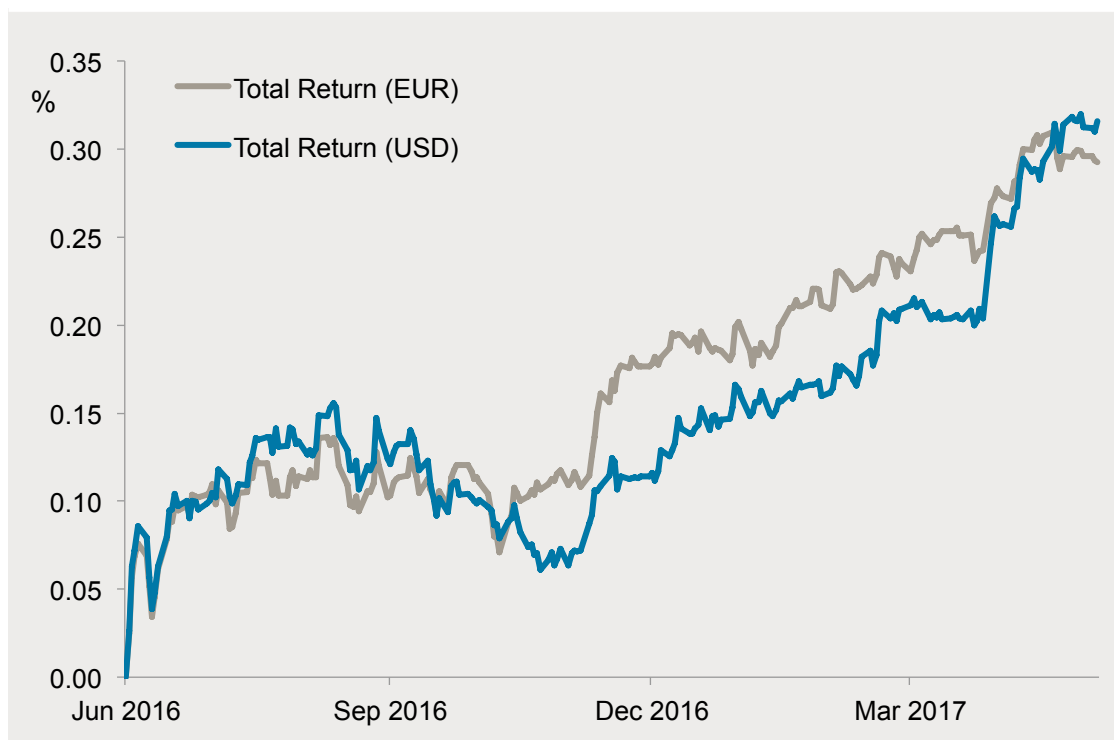
Europe's political timetable is holding investors back?

European policy uncertainty index recently hit multi-decade highs



Source: "Measuring Economic Policy Uncertainty" by Scott R. Baker, Nicholas Bloom and Steven J. Davis at www.PolicyUncertainty.com, J.P. Morgan Asset Management. European policy uncertainty index, 31 December 1996 to 31 May 2017.

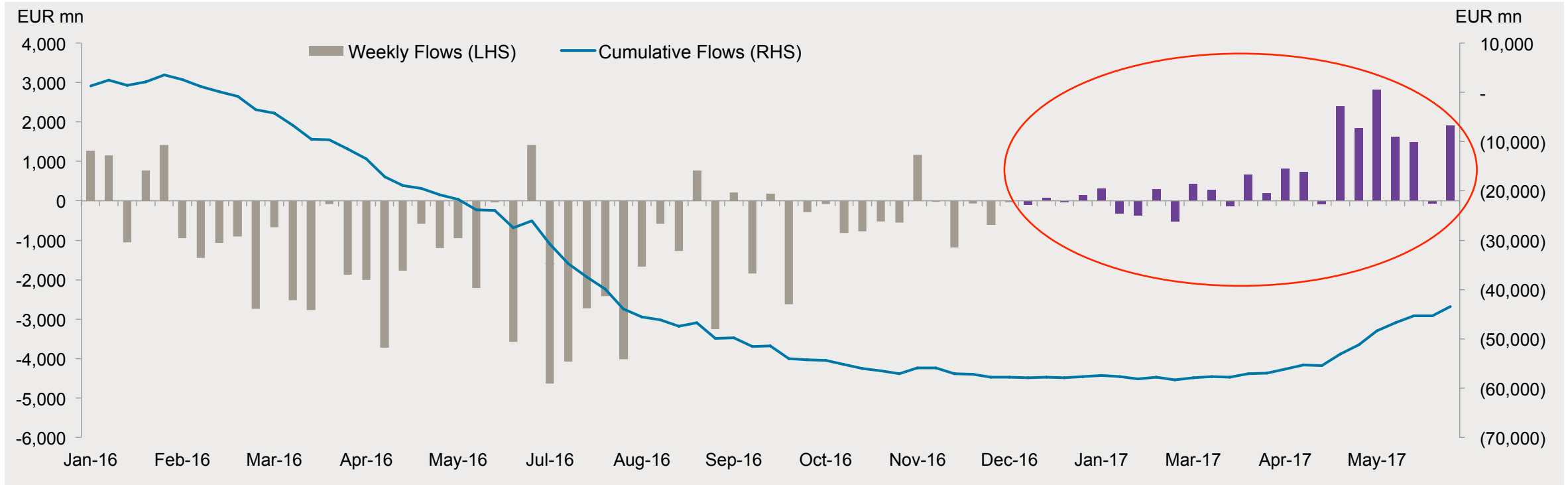
MSCI Europe returns since Brexit



Source: J.P. Morgan Asset Management using data calculated from Bloomberg as of 31 May 2017, returns are total return. Returns from 27 June 2016. Past performance is not necessarily a reliable indicator for current and future performance.

Investors are returning to European Equities

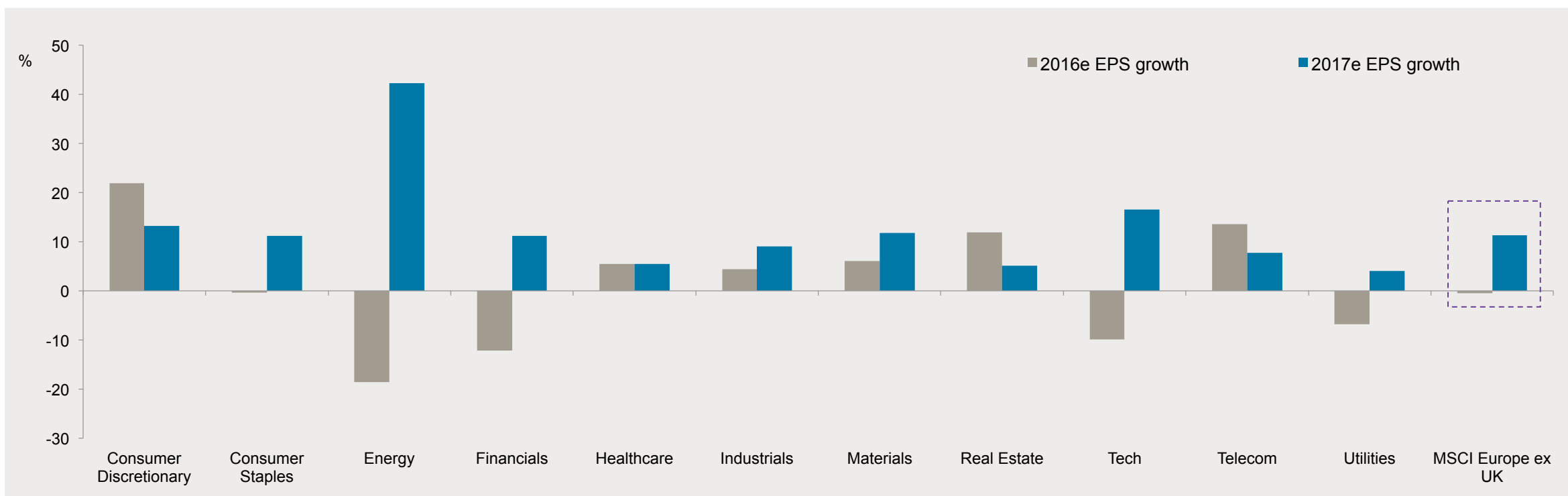
European Equity Flows (EUR mn)



Source: J.P. Morgan Asset Management as at 09 June 2017, using data calculated from Bloomberg.

European EPS growth by sector

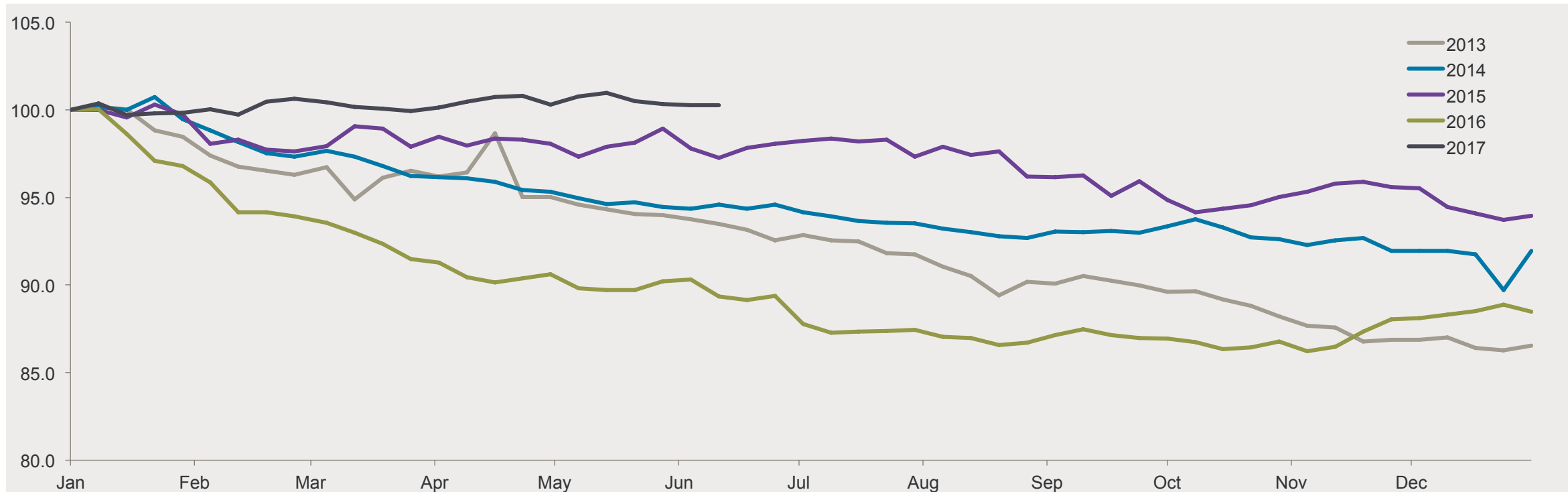
MSCI Europe ex UK EPS growth forecasts for 2016 and 2017



Source: HSBC, IBES estimate, MSCI, Thomson Datastream as of 26 December 2016. Estimated earnings per share (EPS). Forecasts, projections and other forward looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections and other forward statements, actual events, results or performance may differ materially from those reflected or contemplated.

Europe yearly earnings trends

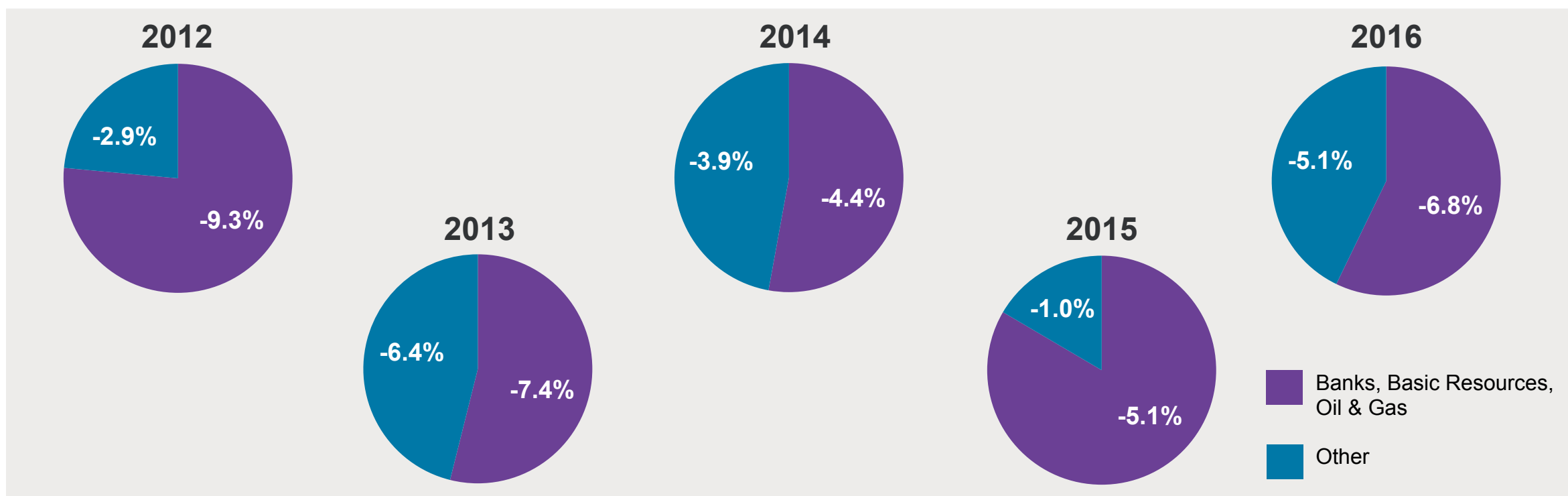
Estimate revisions for European companies 2013-2017 - EPS, rebased to 100 in January



Source: I/B/E/S, DataStream, Goldman Sachs as at 11 June 2017. Chart shows Stoxx Europe 600 consensus growth forecasts. Forecasts, projections and other forward looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections and other forward statements, actual events, results or performance may differ materially from those reflected or contemplated. Past performance is not necessarily a reliable indicator for current and future performance.

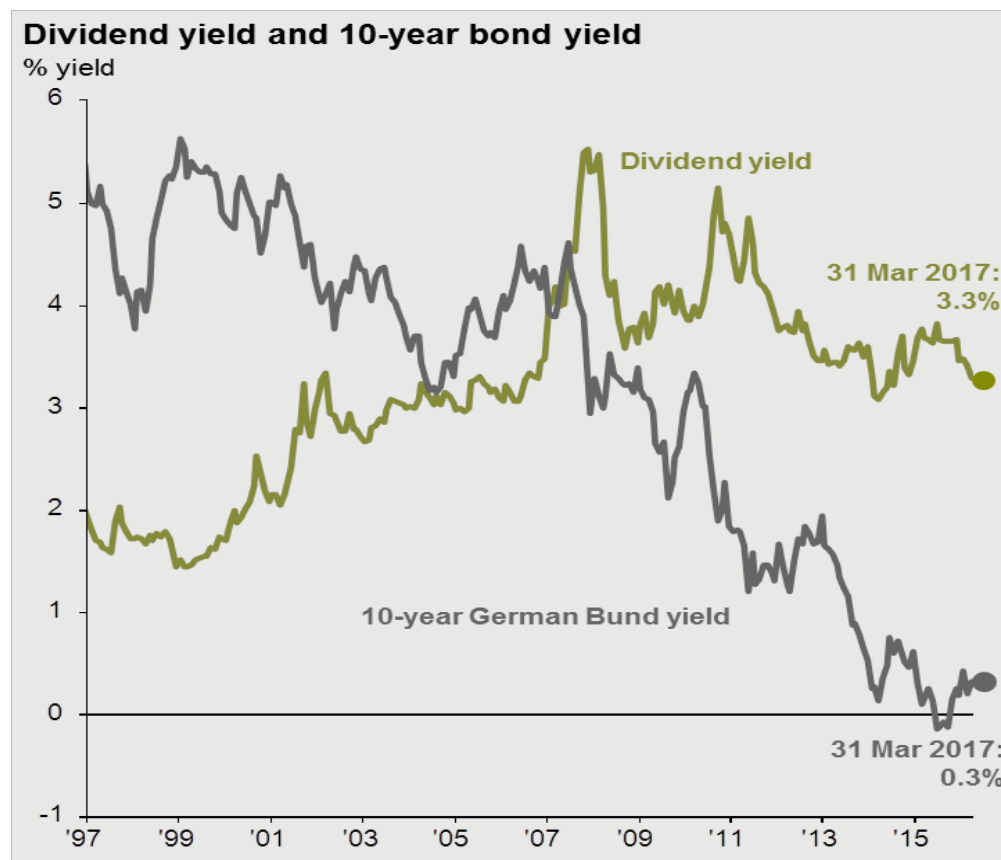
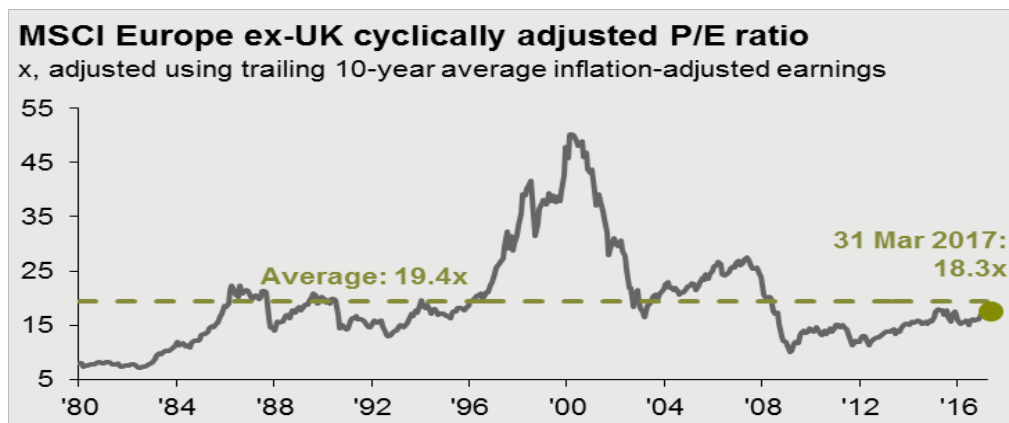
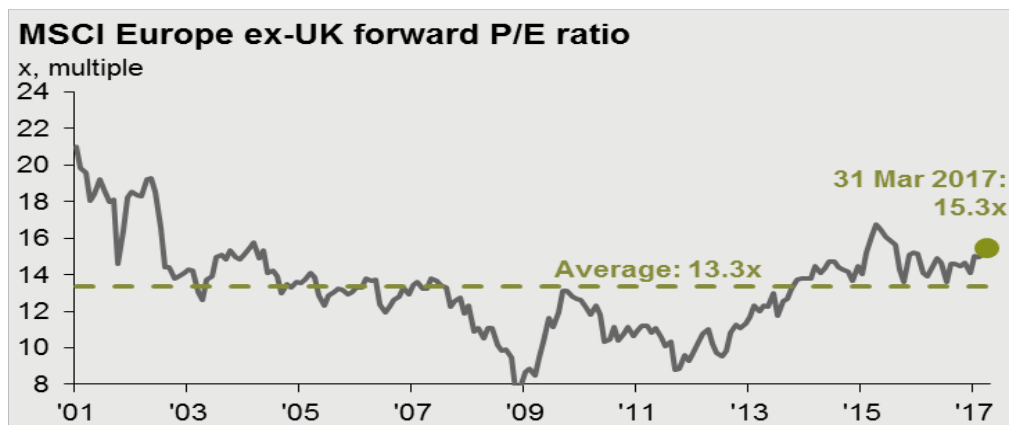
Contributions to overall revisions

Banks, Oil & Gas and Basic Resources have dominated the downward path of earnings in the recent past



Source: I/B/E/S, DataStream, Goldman Sachs as at 03 May 2017. Contribution by sector to the decrease in earnings.

MSCI Europe equity valuations

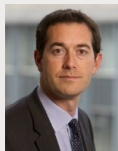


Source: (Top left) MSCI, Thomson Reuters Datastream, J.P. Morgan Asset Management. Forward P/E ratio is a bottom-up calculation based on the most recent price data divided by consensus estimates for earnings in the next 12 months and is provided by FactSet Market Aggregates. (Bottom left) FactSet, MSCI, J.P. Morgan Asset Management. (Right) FactSet, MSCI, Tullett Prebon, J.P. Morgan Asset Management. *Guide to the Markets - UK*. Data as of 31 March 2017.

JPM Europe Dynamic (ex UK) Fund

Fund summary

JPM Europe Dynamic (ex UK) Fund as of 31 May 2017



Jon Ingram
Portfolio Manager
Experience: 17/17



John Baker
Portfolio Manager
Experience: 23/23



Blake Crawford
Portfolio Manager
Experience: 9/9

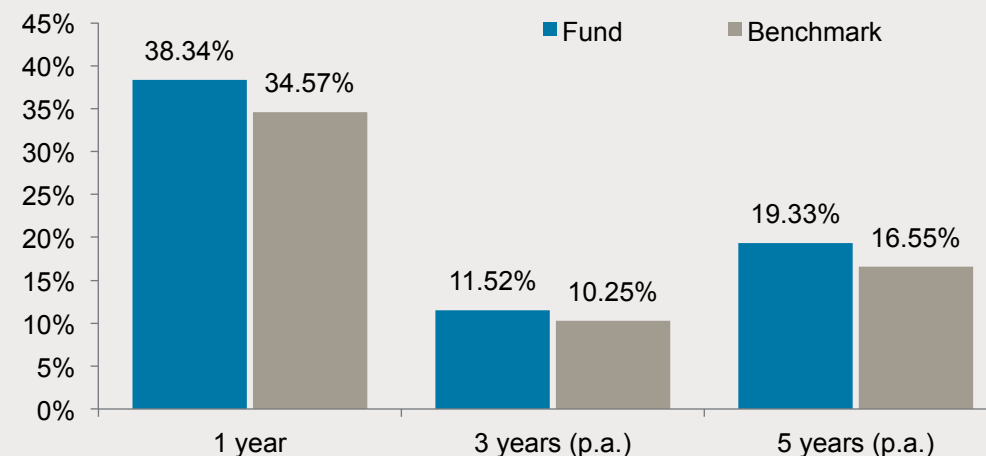
Fund information

Benchmark	FTSE All-World Developed Europe ex UK Index (Net)
Typical tracking error range	5-10%
Market capitalisation	Multi-cap
Typical number of holdings	50+
Fund size	GBP 774 m
Inception date	30 September 2004
Morningstar rating*	★★★★

Source: J.P. Morgan Asset Management. Experience: Industry/Firm. Fund performance is shown based on the NAV of Share Class A- Net Accumulation in GBP with income (gross) reinvested, including actual ongoing charges, excluding any entry and exit fees. Excess return calculated geometrically. Past performance is not necessarily a reliable indicator of current and future performance. *Morningstar peer quartile is for share class A vs. IMA Europe ex-UK universe. Morningstar™ rankings/universe: © Morningstar. All Rights Reserved. The above portfolio characteristics are shown for illustrative purposes only and are subject to change without notice. There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be so, or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

Annualised performance

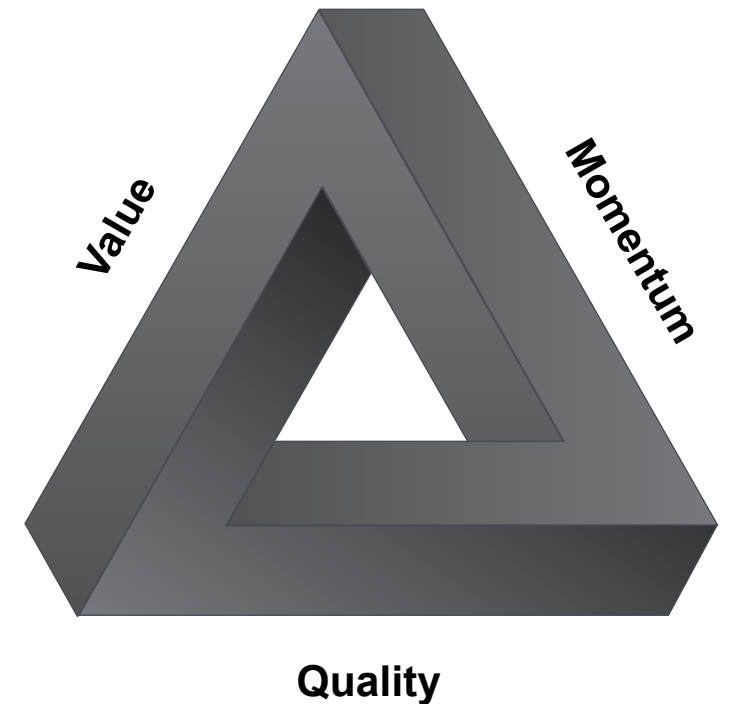
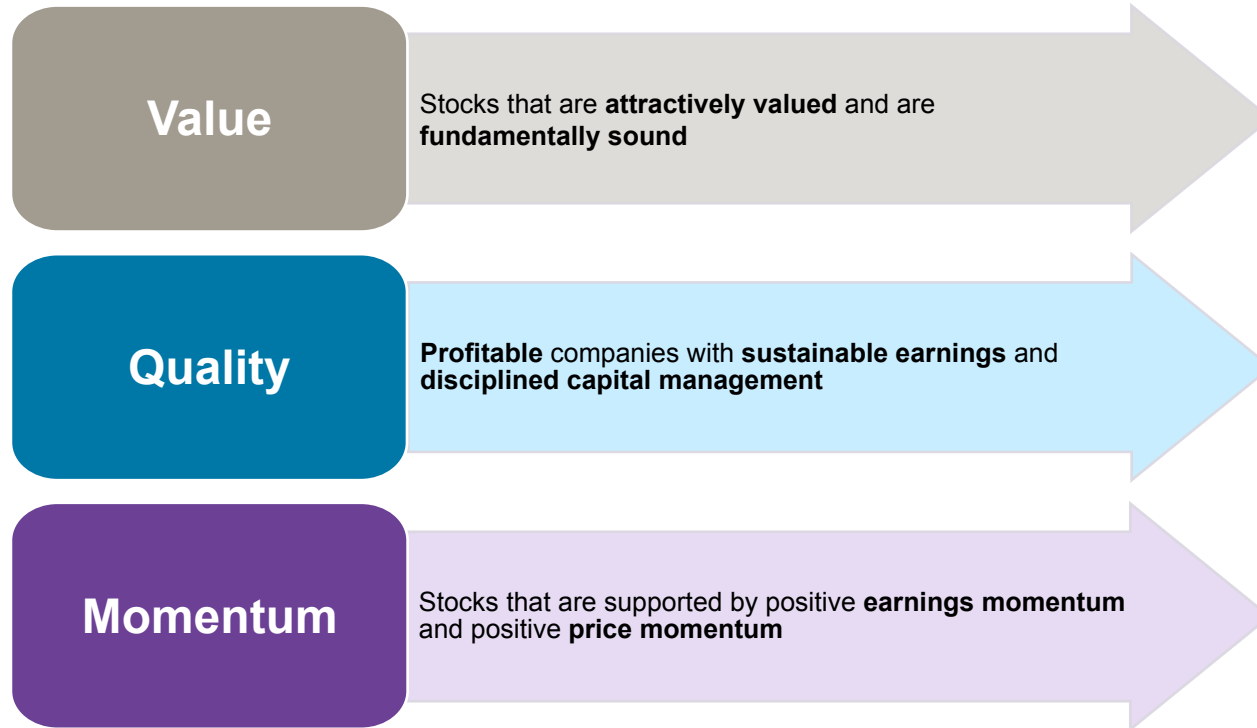
Return versus FTSE All World-Developed Europe ex UK Index (Net)



Excess (%)	2.80	1.15	2.39
Quartile ranking*	1	2	1

Our investment philosophy

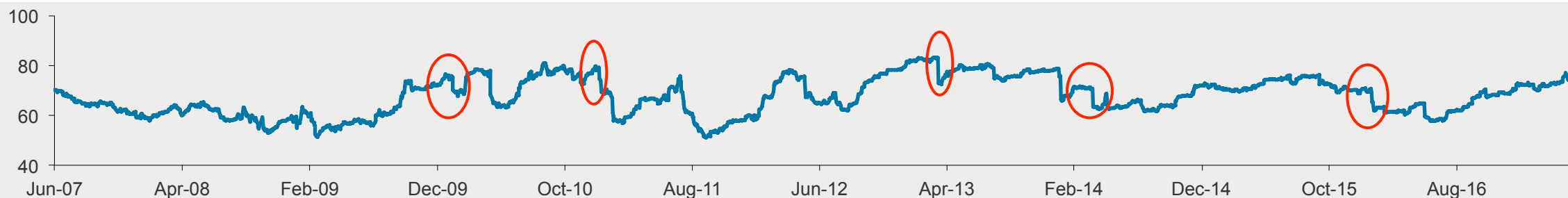
We believe that attractively valued, high quality stocks with positive momentum outperform the market



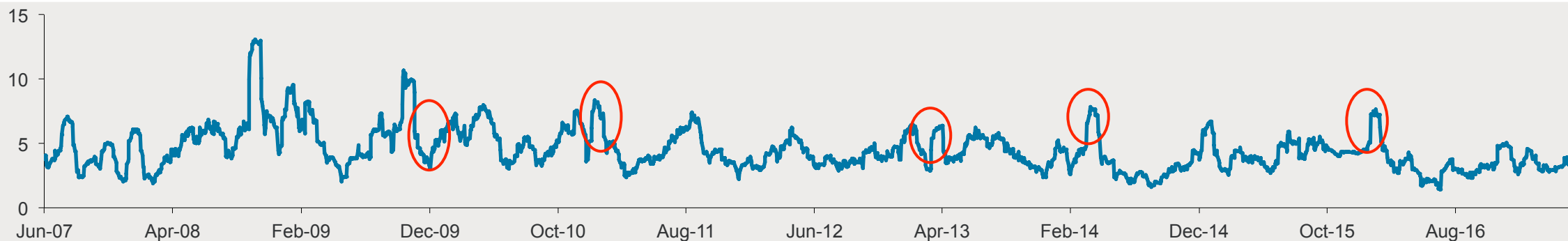
Managing exposure on a long-only fund?

JPM Europe Dynamic (ex UK) Fund as of 31 May 2017

Active share



20 day volatility of the fund



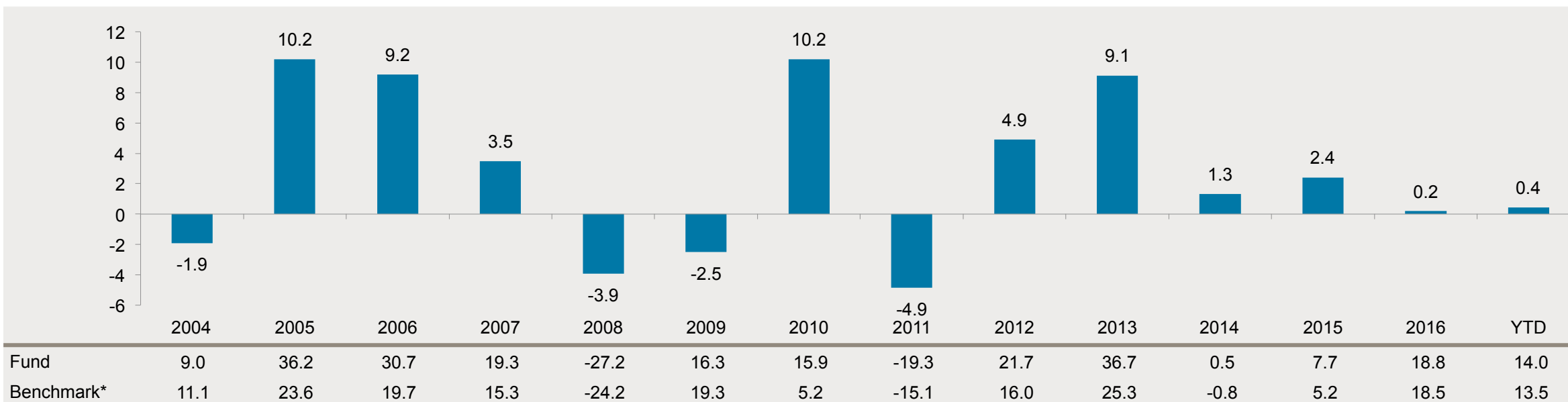
... dynamic scaling of risk protects from market volatility

Source: J.P. Morgan Asset Management. Red circles correspond to periods of heightened fund volatility. The portfolio risk management process includes an effort to monitor and manage risk, but does not imply low risk.

Calendar year performance

JPM Europe Dynamic (ex UK) Fund

Excess return (%)



Only 4 funds out of the 112 in the Morningstar universe have achieved positive excess return net of fees for each of the last 5 calendar years**

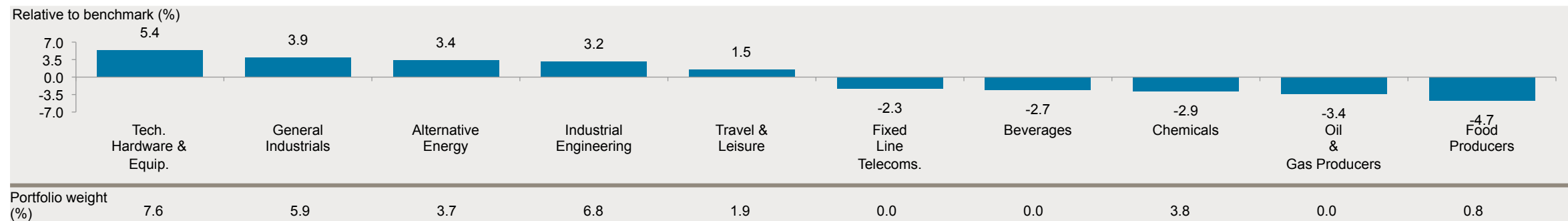
Source: J.P. Morgan Asset Management. Data is as of 31 May 2017. Performance for 2004 is the performance for the year since inception. Inception of the fund was 30 September 2004. Performance of A class shares based on NAV, in GBP including ongoing charges, excluding any entry and exit charges, with any income (gross) reinvested. Excess return calculated geometrically. Past performance is not an indication of current and future performance. * The fund benchmark is FTSE AWD Europe ex UK Index. The benchmark was FTSE Europe ex UK until 30 September 2008 and was changed to FTSE All World Developed Europe ex UK index from 1 October 2008. **Morningstar peer quartile is for share class A vs. IMA Europe ex-UK universe. Morningstar™ rankings/universe: © Morningstar. All Rights Reserved.

Sector and country positions

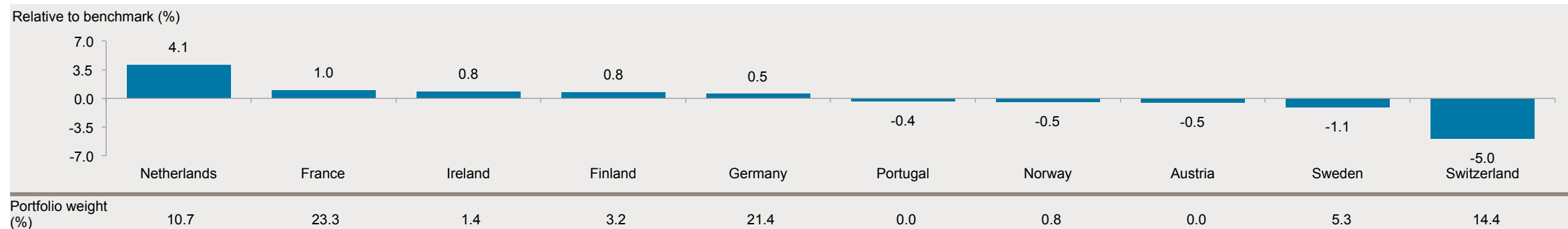
JPM Europe Dynamic (ex UK) Fund as of 31 May 2017

Benchmark FTSE All-World Developed Europe ex UK Index (Net)

Active and absolute sector positions



Active and absolute country positions



Source: Factset. The fund is an actively managed portfolio, holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.

Conclusion

JPM Europe Dynamic (ex UK) Fund as of 31 May 2017

Our expertise

Experienced portfolio managers supported by a team of 52 European equity professionals

- Named managers have an average of 19 years industry experience
- 16 years average experience across the broader team

The portfolio

Common-sense philosophy applied within a rigorous, bottom-up process

- Three complementary styles – Value, Quality, Momentum – used in conjunction to improve risk-adjusted returns
- Disciplined construction to create a portfolio that is cheaper than the market, with good quality and better momentum

The success

Track record of outperformance

- Outperformed by 2.4% p.a. over the last five years
- First quartile over 1 and 5 years

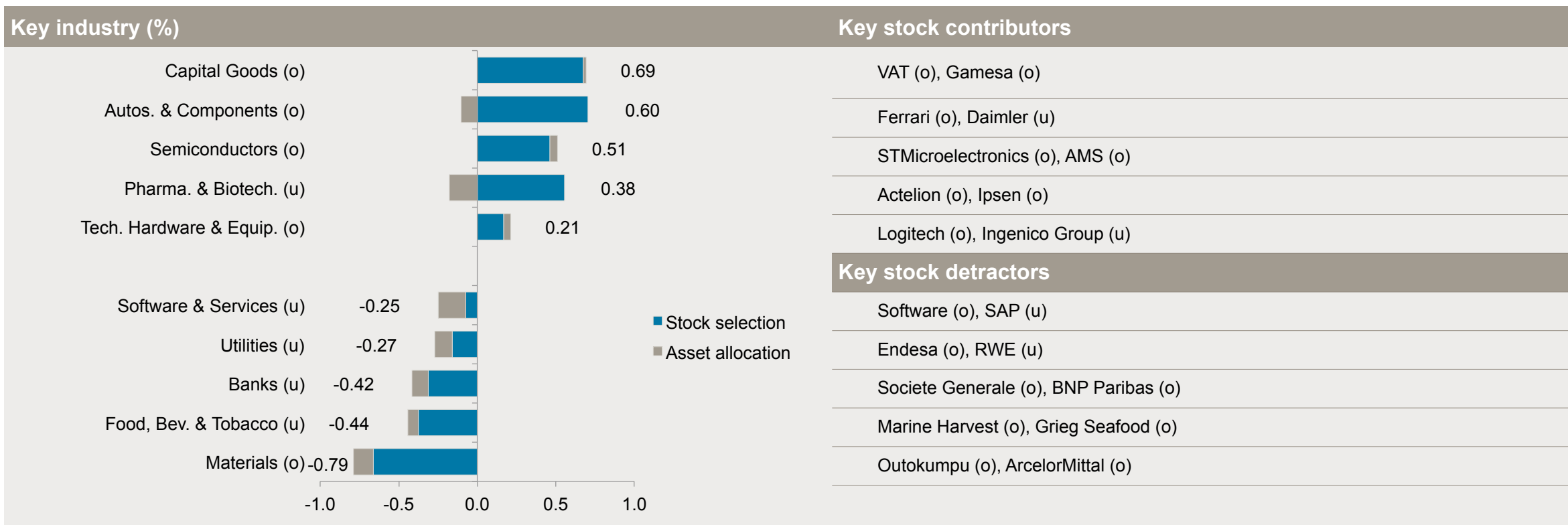
Source: J.P. Morgan Asset Management/Morningstar. Fund performance is shown based on the NAV of the share class A- Net Accumulation in GBP with income (gross) reinvested including actual ongoing charges excluding any entry and exit fees. Morningstar peer quartile is for share class A vs. IMA Europe ex-UK universe. Morningstar™ rankings/universe: © Morningstar. All Rights Reserved. Excess return calculated geometrically. Past performance is not necessarily a reliable indicator of current and future performance.

Appendix

Performance attribution

JPM Europe Dynamic (ex UK) Fund – 5 months to 31 May 2017

Attribution summary	Stock: 0.82
	Sector: -0.87
Benchmark	FTSE All-World Developed Europe ex UK Index (Net)



Source: Factset. (o)= overweight, (u)= underweight, (n)=neutral. The fund is an actively managed portfolio, holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice. Past performance is not necessarily a reliable indicator for current and future performance.

Portfolio positions

JPM Europe Dynamic (ex UK) Fund as of 31 May 2017

Benchmark

FTSE All-World Developed Europe ex UK Index (Net)

Top 10 overweight positions

Stock	Portfolio weight (%)	Benchmark weight (%)	Relative position (%)
Sanofi	4.4	1.7	2.7
Kering	3.0	0.4	2.6
VAT	2.6	0.0	2.6
KBC	2.4	0.3	2.1
Electrolux	2.1	0.1	2.0
Siemens	3.6	1.7	1.9
Amundi	1.9	0.1	1.9
ING	2.8	1.0	1.8
Volvo	2.2	0.4	1.8
Gamesa	1.8	0.1	1.7

Top 10 underweight positions

Stock	Portfolio weight (%)	Benchmark weight (%)	Relative position (%)
Nestle	0.0	4.1	-4.1
Total	0.0	1.8	-1.8
SAP	0.0	1.5	-1.5
Anheuser-Busch InBev	0.0	1.5	-1.5
BASF	0.0	1.4	-1.4
LVMH	0.0	1.2	-1.2
Novo Nordisk	0.0	1.2	-1.2
Daimler	0.0	1.2	-1.2
Roche	2.1	3.1	-1.0
Deutsche Telekom	0.0	1.0	-1.0

Source: Factset. The fund is an actively managed portfolio, holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.

Performance

JPM Europe Dynamic (ex UK) Fund as of 31 May 2017

Market value

JPM Europe Dynamic (ex UK) Fund

GBP 774 m

Annualised performance (%)

	Three months	YTD	One year	Three years	Five years	Ten years	Since inception
JPM Europe Dynamic (ex UK) Fund A – Net Accumulation	10.69	14.02	38.34	11.52	19.33	7.13	12.55
Benchmark*	10.64	13.52	34.57	10.25	16.55	5.30	9.39
Excess return	0.04	0.44	2.80	1.15	2.39	1.74	2.89
Tracking error (%)	-	-	-	5.02	5.13	6.15	5.86
Information ratio	-	-	-	0.23	0.47	0.28	0.49

Calendar year performance (%)

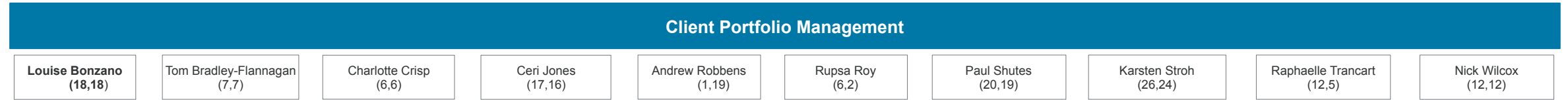
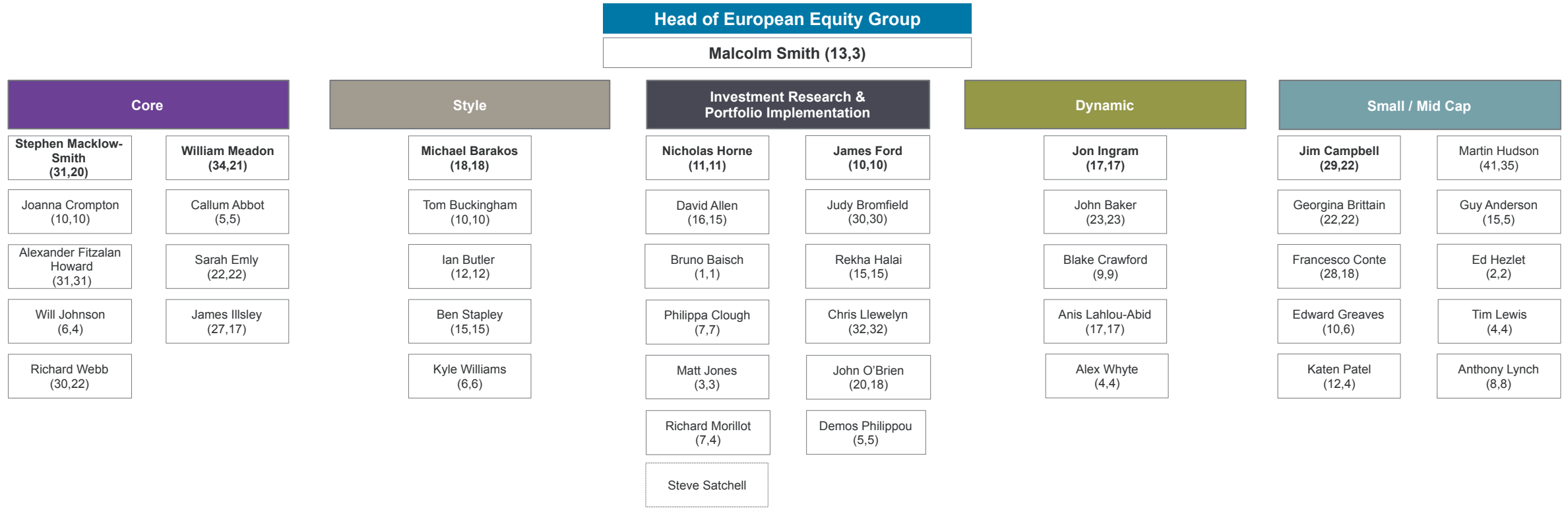
	2011	2012	2013	2014	2015	2016
JPM Europe Dynamic (ex UK) Fund A – Net Accumulation	-19.26	21.67	36.74	0.52	7.69	18.77
FTSE AWD Europe ex UK Index (Net)	-15.14	15.99	25.30	-0.80	5.16	18.53
Excess return	-4.85	4.90	9.13	1.34	2.41	0.20

Source: J.P. Morgan Asset Management. Fund inception date is 30 September 2004. Share class inception date is 30 September 2004.

*The benchmark was FTSE Europe ex UK Index (Net) until 30 September 2008 and FTSE All-World Developed Europe ex UK Index (Net) from 1 October 2008.

Fund performance is shown based on the NAV of the share class A - Net Accumulation in GBP with income (gross) reinvested including actual ongoing charges excluding any entry and exit fees. Excess return calculated geometrically. Past performance is not necessarily a reliable indicator of current and future performance.

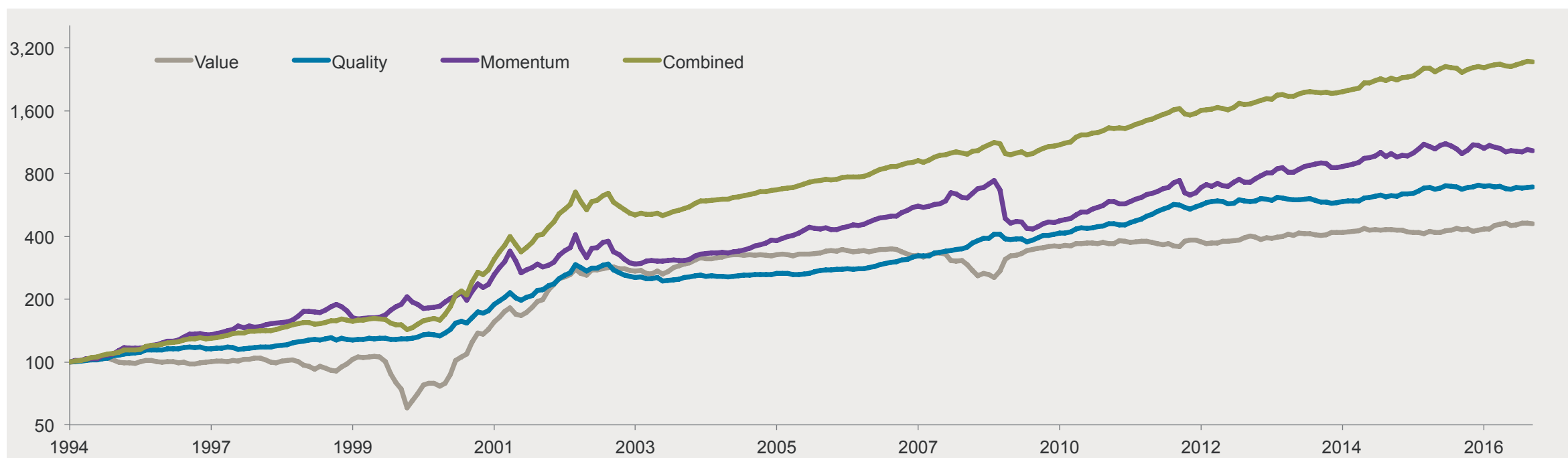
Specialist investment teams with an average of 16 years experience



As of March 2017 (number of years in the industry, number of years with the firm experience). There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be employed by J.P. Morgan Asset Management or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

Why combine Value, Quality & Momentum?

Cumulative returns



... three complementary styles to improve risk adjusted returns

Source: J.P. Morgan Asset Management. Chart shows the cumulative performance (rebased to 100 at Jan 1995 on a log scale) of inter-quintile spreads for each measure. Returns are in EUR and are presented net of transaction costs (transaction costs are assumed to be 40 basis points per unit of turnover). Combined returns are based on top quintile minus bottom quintile ranked by Value, Quality & Momentum. Universe is the S&P Europe BMI Index. Data to 31 May 2017. Past performance is not necessarily a reliable indicator of current and future performance.

Building a style driven portfolio

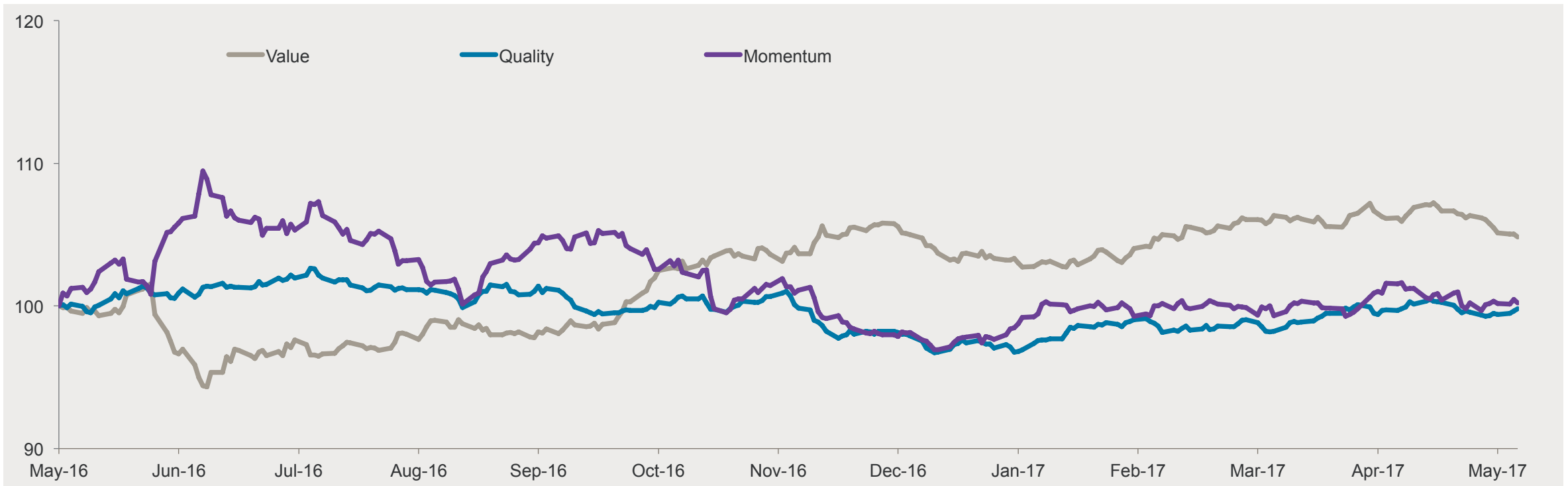


... attractively valued, with high quality and positive momentum

Source: J.P. Morgan Asset Management, FactSet, as of 31 May 2017. Figures reported are weighted medians. Figures shown are Value = 12 month forward price earnings ratio, Quality = Return On Invested Capital, Momentum = 3 month historic earnings per share revisions. The above portfolio characteristics are shown for illustrative purposes only and are subject to change without notice. The benchmark is FTSE All-World Developed Europe ex UK Index (Net)

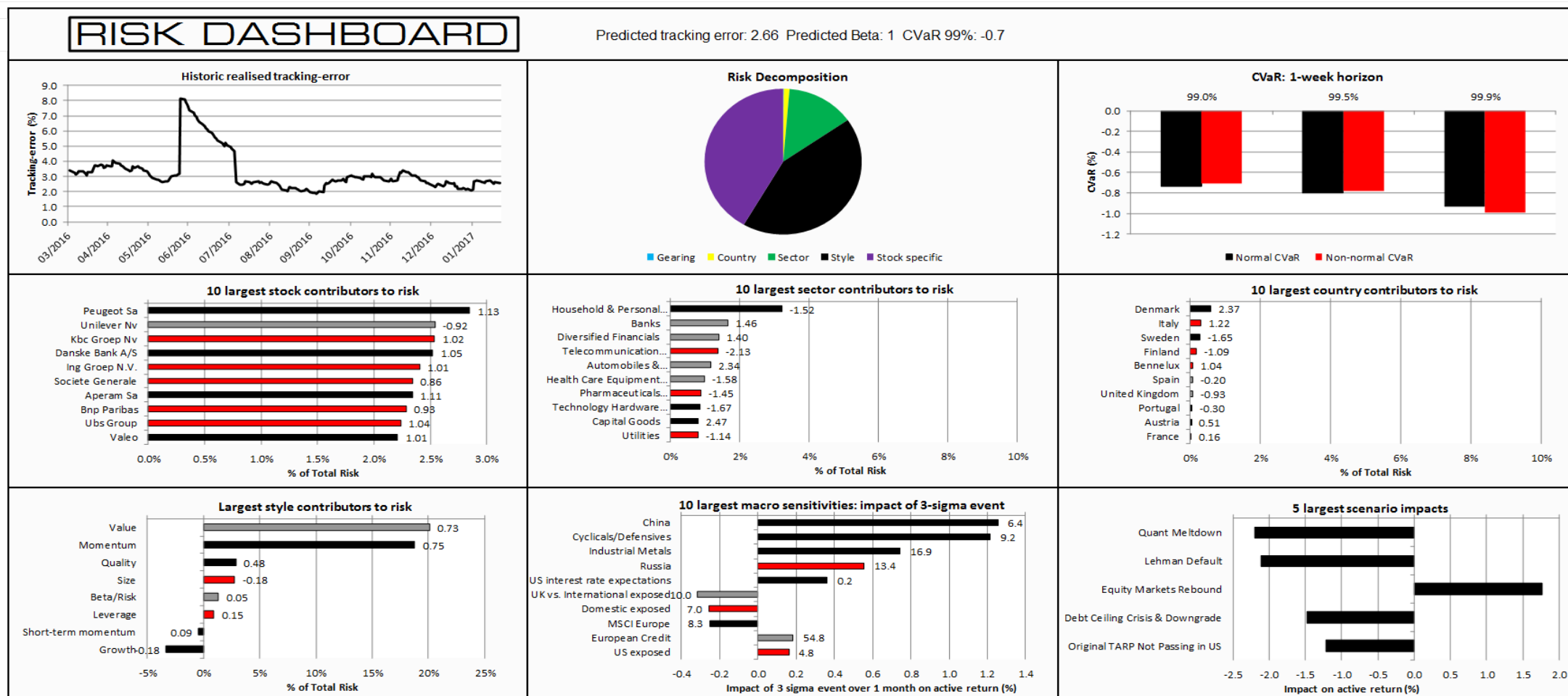
Which styles have driven returns?

Cumulative returns – 12 months to 31 May 2017



Source: J.P. Morgan Asset Management. Chart shows the cumulative performance (rebased to 100) of inter-quintile spreads for each measure. Returns are in EUR and are presented net of transaction costs (transaction costs are assumed to be 40 basis points per unit of turnover). Universe is the S&P Europe BMI Index. Past performance is not necessarily a reliable indicator of current and future performance.

Robust risk control



Investment objective and risk profile

JPM Europe Dynamic (ex UK) Fund

■ Investment objective

- To maximise long-term capital growth by investing primarily in continental European Equities.

■ Risk profile

- 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 and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The Fund may invest in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.
- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- For investors in Share Classes which are not hedged to Sterling, movements in currency exchange rates can adversely affect the return of your investment.
- Investors in GBP Hedged Share Classes should be aware that any currency hedging process may not give a precise hedge. Where currency hedging is undertaken, whilst it may protect an investor in Hedged Shares against a decrease in the value of the currency being hedged, it may also prevent the investor from participating in an increase in the value of that currency.

See the latest Prospectus for further information.

J.P. Morgan Asset Management

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