

# Emerging Markets Corporate Bond Fund

**Class: JPM Emerging Markets Corporate Bond D (acc) - EUR (hedged)**

**Synthetic risk and reward indicator** Based on share class volatility for the past 5 years. See Key Investor Information Document (KIID) for details.

1	2	3	4	5	6	7
Lower risk/ potential reward Not risk-free					Higher risk/ potential reward	

## Fund overview

<b>ISIN</b>	<b>Sedol</b>	<b>Bloomberg</b>	<b>Reuters</b>
LU0512128355	B50XJT5	JPEDA EH LX	LU0512128355.LUF

**Investment objective:** To achieve a return in excess of corporate bond markets of emerging market countries by investing primarily in emerging market corporate debt securities, using financial derivative instruments where appropriate.

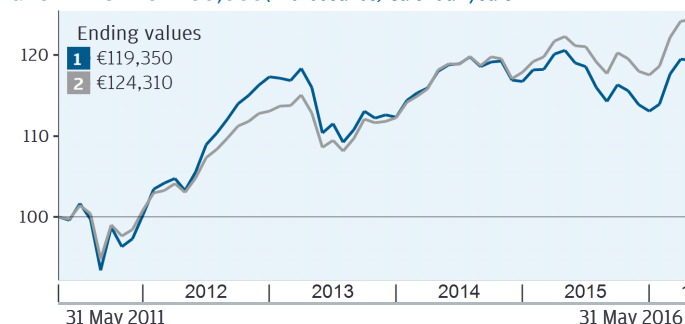
**Investor profile:** As this bond Sub-Fund invests primarily in emerging market corporate bonds, it is most suited to investors willing to take extra risks in search of higher future returns. Investors in the Sub-Fund will therefore likely use it to complement an existing core bond portfolio invested in lower risk government or agency bonds, in order to gain greater diversification through exposure to the higher return potential of emerging market corporate bonds. Due to the higher volatility of emerging market debt securities, investors should have at least a three to five year investment horizon.

<b>Fund manager(s)</b>	<b>Share class</b>	<b>Domicile</b>
Pierre-Yves Bareau	currency EUR	Luxembourg
Scott McKee	<b>Fund assets</b>	<b>Entry/exit charges</b>
<b>Client portfolio manager(s)</b>	USD 1943.7m	Entry charge (max) 3.00%
Zsolt Papp	<b>NAV</b> EUR 100.17	Exit charge (max) 0.50%
<b>Fund reference</b>	<b>Fund launch</b>	<b>Ongoing charge</b> 1.80%
currency USD	14 Jul 2010	
	<b>Class launch</b>	
	27 Aug 2010	

## Performance

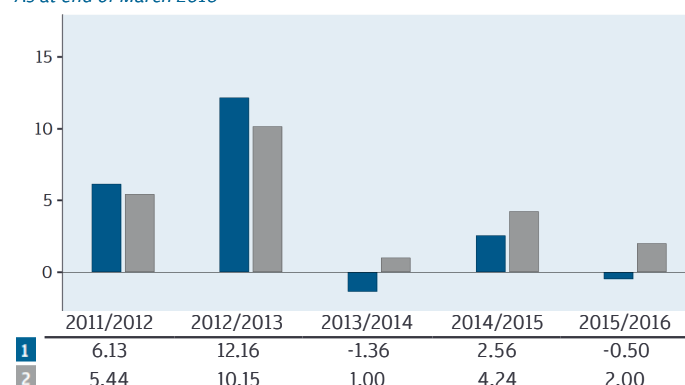
- 1** Class: JPM Emerging Markets Corporate Bond D (acc) - EUR (hedged)  
**2** Benchmark: J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (Total Return Gross) Hedged to EUR

### GROWTH OF EUR 100,000 (in thousands) Calendar years



### QUARTERLY ROLLING 12-MONTH PERFORMANCE (%)

As at end of March 2016



### RETURN (%)

	1 month	3 months	1 year	ANNUALISED		
				3 years	5 years	Launch
<b>1</b>	-0.10	4.78	-0.99	0.96	3.60	4.30
<b>2</b>	0.12	4.78	1.65	3.27	4.45	4.78

### PORTFOLIO ANALYSIS

Measurement	3 years	5 years
Correlation	0.98	0.98
Alpha	-2.24	-0.81
Beta	1.11	1.18
Annualised volatility	5.23	6.58
Sharpe ratio	0.20	0.53
Tracking error	1.10	1.61
Information ratio	-2.03	-0.46

### PERFORMANCE DISCLOSURES

*Past performance is not a guide to current and future performance. The value of your investments and any income from them may fall as well as rise and you may not get back the full amount you invested.*

Source: J.P. Morgan Asset Management. Share class performance is shown based on the NAV (net asset value) of the share class with income (gross) reinvested including actual ongoing charges excluding any entry and exit fees. Indices do not include fees or operating expenses and you cannot invest in them.

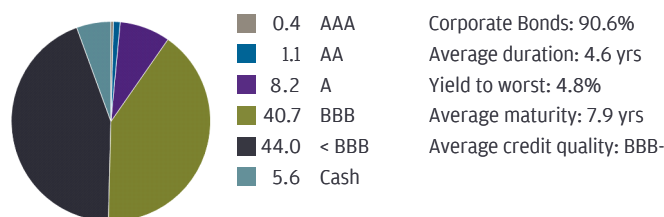
See the material risks, general disclosures and definitions on page 2.

## Holdings *As at 30 April 2016*

### TOP 10

	Coupon rate	Maturity date	% of assets
Petroleo Brasileiro (Brazil)	5.375	27/01/21	1.5
AES Corporation (Chile)	4.875	25/05/29	1.3
Grupo Mexico (Mexico)	5.500	06/12/32	1.0
NPO Luch (Russian Federation)	6.125	07/02/22	1.0
Alfa (Russian Federation)	7.750	28/04/21	1.0
Alfa (Mexico)	6.875	25/03/44	0.9
Gemfair Investments Ltd (China)	8.375	10/02/22	0.9
Credicorp (Peru)	6.125	24/04/27	0.9
BBVA (Mexico)	6.750	30/09/22	0.8
Mexichem (Mexico)	5.875	17/09/44	0.8

### BOND QUALITY BREAKDOWN (%)



Corporate Bonds: 90.6%  
Average duration: 4.6 yrs  
Yield to worst: 4.8%  
Average maturity: 7.9 yrs  
Average credit quality: BBB-

### VALUE AT RISK (VaR)

	Fund	Benchmark
VaR	1.80%	1.80%

VaR is a means of measuring the potential loss to a Sub-Fund due to market risk and is expressed as the maximum potential loss at a 99% confidence level over a one month time horizon. The holding period for the purpose of calculating global exposure is one month.

### REGIONS (%)

		Compared to benchmark
Mexico	9.9	+4.2
China	9.8	+1.1
Brazil	7.0	+0.6
United Arab Emirates	6.8	+2.1
Russia	6.2	+0.5
India	5.4	+0.2
Turkey	5.3	+0.7
Chile	4.7	+0.4
Peru	4.3	+0.8
Colombia	3.4	-0.9
Hong Kong	3.2	-2.3
Korea (Republic of)	2.9	-2.0
Singapore	2.5	-1.6
Indonesia	2.3	+0.9
Argentina	1.8	0.0
Philippines	1.7	-0.8
Panama	1.6	+1.1
Oman	1.4	+1.1
Israel	1.1	-3.0
Malaysia	1.1	-0.1
Guatemala	1.1	+0.5
Others	16.5	-3.5

## Key risks

The value of debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. These risks are typically increased for emerging market and below investment grade debt securities.

In addition, emerging markets may be subject to increased risks, including less developed custody and settlement practices, higher volatility and lower liquidity than non emerging market securities.

The Sub-Fund may be concentrated in a limited number of emerging market corporate issuers and as a result, may be more volatile than more

broadly diversified funds.

Contingent Convertible Securities are likely to be adversely impacted should specific trigger events occur (as specified in the contract terms of the issuing company). This may be as a result of the security converting to equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred. The Sub-Fund uses financial derivative instruments for investment purposes. The value of financial derivative instruments can be volatile and may result in gains or losses in excess of the amount required initially to establish a position in the derivative. The Management Company is required to disclose in Appendix III of the

Prospectus the sum of the gross notional exposure of the financial derivative instruments used (including those used for hedging or efficient portfolio management) as the expected level of leverage. However, this figure does not take into account whether the instrument increases or decreases investment risk and so may not be representative of the overall level of investment risk in the Sub-Fund.

Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging used to minimise the effect of currency fluctuations may not always be successful. Investors may have exposure to currencies other than the currency of their Share Class.

## GENERAL DISCLOSURES

Before investing, obtain and review the current prospectus, Key Investor Information Document (KIID) and any applicable local offering document. These documents, as well as the annual and semi-annual reports and the articles of incorporation, are available free from your financial adviser, your J.P. Morgan Asset Management regional contact, the fund's issuer (see below) or at [www.jpmmam.lu](http://www.jpmmam.lu).

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Maturity Date refers to the maturity/reset date of the security. For those securities whose reference coupon rate is adjusted at least every 397 days, the date of the next coupon rate adjustment is shown.

## INFORMATION SOURCES

Fund information, including performance calculations and other data, is provided by J.P. Morgan Asset Management (the marketing name for the asset management businesses of JPMorgan Chase & Co and its affiliates worldwide). All data is as at the document date unless indicated otherwise.

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## REGIONAL CONTACT

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## ISSUER

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## DEFINITIONS

**Correlation** measures the relationship between the movement of the fund and its benchmark. A correlation of 1.00 indicates that the fund perfectly matched its benchmark.

**Alpha** a measure of excess return generated by a manager compared to the benchmark. An alpha of 1.00 indicates that a fund has outperformed its benchmark by 1%.

**Beta** a measure of a fund's sensitivity to market movements (as represented by the fund's benchmark). A beta of 1.10 suggests the fund could perform 10% better than the benchmark in up markets and 10% worse in down markets, assuming all other factors remain constant.

**Annualised volatility** an absolute measure of volatility and measures the extent to which returns vary up and down over a given period. High

volatility means that the returns have been more variable over time. The measure is expressed as an annualised value.

**Sharpe ratio** measures the performance of an investment adjusting for the amount of risk taken (compared a risk-free investment). The higher the Sharpe ratio the better the returns compared to the

risk taken.

**Tracking error** measures how much a fund's returns deviate from those of the benchmark. The lower the number the closer the fund's historic performance has followed its benchmark.

**Information ratio (IR)** measures if a manager is

outperforming or underperforming the benchmark and accounts for the risk taken to achieve the returns. A manager who outperforms a benchmark by 2% p.a. will have a higher IR than a manager with the same outperformance but who takes more risk.