



# Perspectivas para el 2017

31 de enero de 2017

# Agenda

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Enero de 2017

- 09.00      **Recepción** (café)
- 09.10      **Bienvenida**  
**Javier Dorado**, director general de J.P.Morgan Asset Management para España y Portugal.
- 09.15      **Guide to the Markets**  
**Manuel Arroyo**, director de estrategia de J.P.Morgan Asset Management para España y Portugal.
- 09.45      **Renta variable europea**  
**Ben Stapley**, gestor de renta variable europea  
JPMorgan Funds – Europe Strategic Value Fund  
JPMorgan Funds – Europe Equity Plus Fund
- 10.15      **Renta variable estadounidense**  
**Christian Preussner**, responsable del equipo de Client Portfolio Management para Europa de renta variable estadounidense.  
JPMorgan Funds – US Value Fund
- 10:45      **Panel de preguntas y respuestas**
- 11:00      **Café**



# ¿Ha corrido demasiado el mercado?

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GTM | Madrid | 31 de enero de 2017

*J.P. Morgan*

Manuel Arroyo  
Global Market Strategist

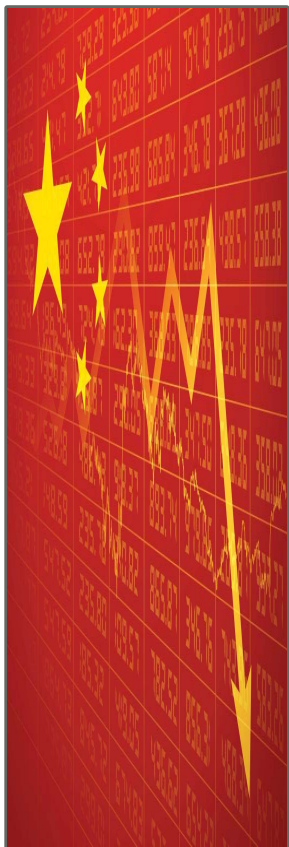
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**J.P.Morgan**  
Asset Management

- 1 ¿Le queda recorrido al mercado alcista?
- 2 ¿Qué tal pinta tiene 2017?
- 3 Implicaciones para la gestión de activos



A pesar de esto...



Fuente: Google Images

## En 2016 los mercados siguieron subiendo

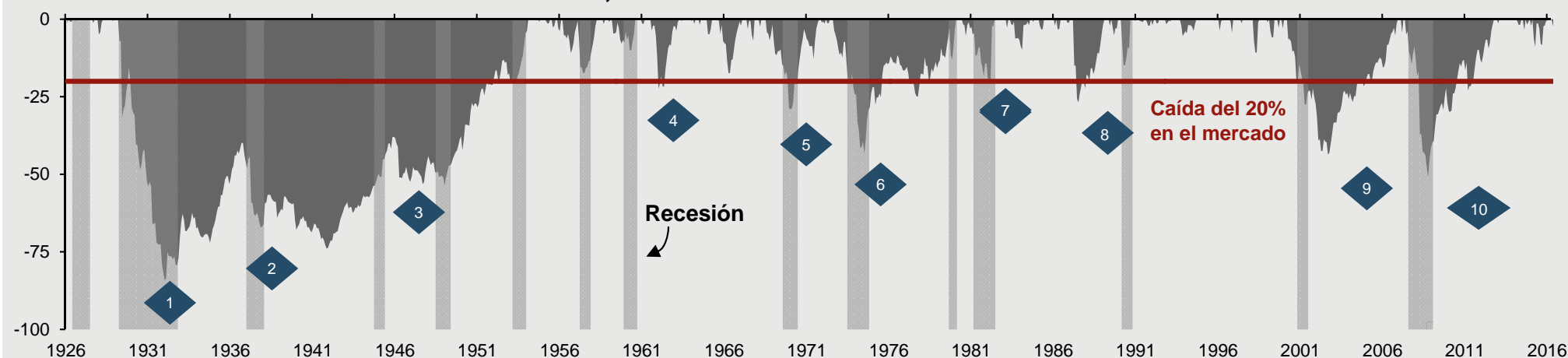
		2016	Post Trump
Renta Variable	EE.UU.	12%	5%
	Emergentes	10%	3%
	Europa	8%	6%
	Japón	0%	18%
Renta Fija	USHY	17%	3%
	EMD	10%	-2%
	EHY	10%	2%
	Gobiernos €	3%	-2%

Fuente: S&P500, Topix, MSCI Europe, MSCI EM, Bloomberg Barclays Euro Agg Government – Treasury, BofA Merrill Lynch US High Yield Constrained, JP Morgan EMBI +, BofA Merrill Lynch Euro Non-financial High Yield Constrained. Rentabilidades en divisa Local. Datos a 20 de enero de 2017. Periodo Post Trump: desde 8 de Noviembre de 20 de Enero de 2017. Rentabilidades pasadas no garantiza rentabilidades futuras.

# El mercado alcista es el 2º mas largo de la historia

48

## Caídas del S&P 500 desde máximos históricos, %



## Características de los mercados bajistas y alcistas en el pasado\*

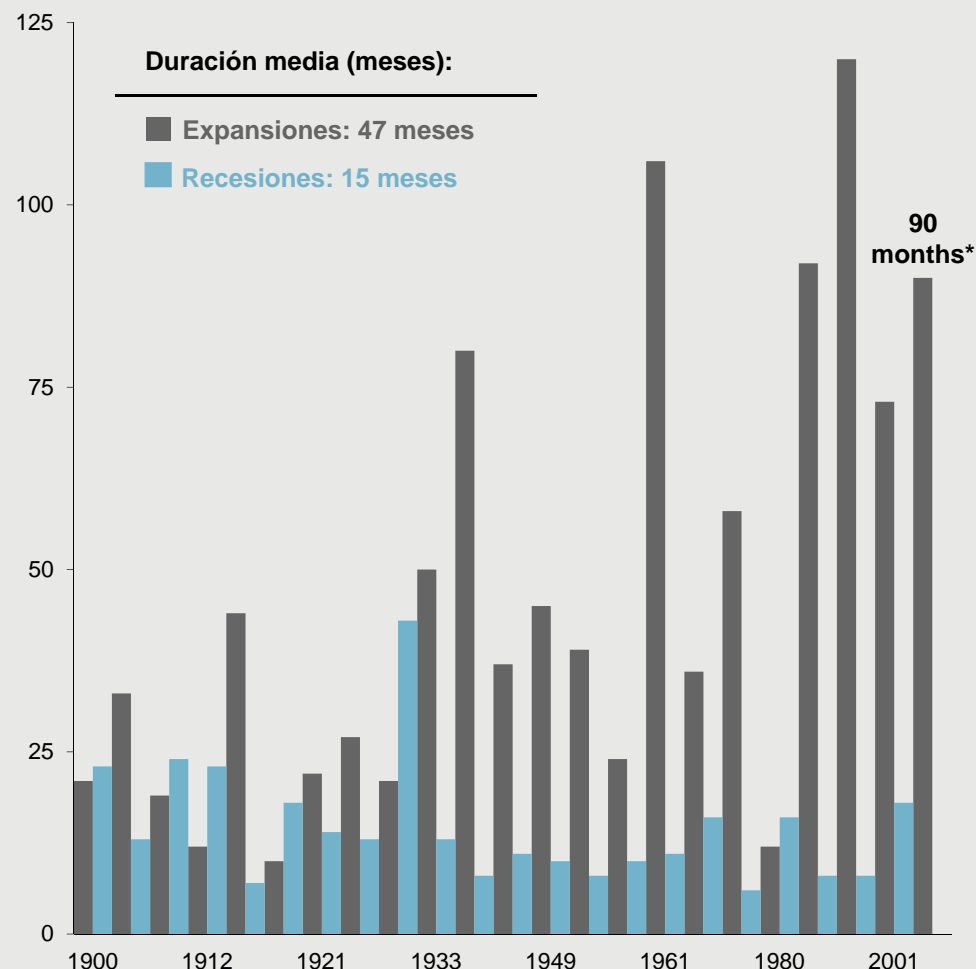
◆	Correcciones del mercado	Mercados bajistas			Entorno macro				Mercados alcistas		
		Mercado máximo	Rentab. periodo bajista	Duración (meses)	Recesión	Pico de materias primas	Ajuste agresivo de la Fed	Valoraciones extremas	Fecha inicio periodo alcista	Rentabilidad del periodo alcista	Duración (meses)
1	Crack de 1929 – apalancamiento excesivo, exuberancia irracional	Sep 1929	-86%	33	◆			◆	Jul 1926	152%	38
2	Ajuste de la Fed de 1937 – ajuste monetario prematuro	Mar 1937	-60	63	◆		◆		Mar 1935	129	24
3	Crack tras la II Guerra Mundial – desmovilización militar, temores de recesión	May 1946	-30	37	◆			◆	Abr 1942	158	50
4	“Flash crash” de 1962 – flash crash, crisis de los misiles en Cuba	Dic 1961	-28	7				◆	Oct 1960	39	14
5	Crack tecnológico de 1970 – sobrecalentamiento económico, agitación pública	Nov 1968	-36	18	◆	◆	◆		Oct 1962	103	74
6	Estandarización – embargo petrolero de la OPEP	Ene 1973	-48	21	◆	◆			May 1970	74	32
7	Ajuste Volcker – campaña contra la inflación	Nov 1980	-27	21	◆	◆	◆		Mar 1978	62	33
8	Crack de 1987 – trading automático, sobrecalentamiento de los mercados	Ago 1987	-34	3				◆	Ago 1982	229	61
9	Burbuja tecnológica – valoraciones extremas, auge/estallido de las “dot com”	Mar 2000	-49	31	◆			◆	Oct 1990	417	115
10	Crisis financiera mundial – apalancamiento/burbuja inmobiliaria, colapso de Lehman Brothers	Oct 2007	-57	17	◆	◆	◆		Oct 2002	101	61
	Ciclo actual	–	–	–					Mar 2009	231	95
	<b>Media</b>	–	<b>- 45%</b>	<b>25</b>					–	<b>154%</b>	<b>54</b>

Fuente: FactSet, NBER, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management. \*Un mercado bajista representa una caída del 20% o superior desde el anterior máximo del mercado aplicando una frecuencia mensual; un mercado alcista representa un incremento del 20% desde un mínimo del mercado. Los periodos de “Recesión” se definen usando los datos del ciclo empresarial de la Oficina Nacional de Investigación Económica de EE. UU. (NBER). El “Pico de materias primas” se define como un importante y rápido movimiento al alza en los precios del petróleo. Los periodos de “Valoraciones extremas” son aquellos en los que los niveles PER del S&P 500 en los últimos 12 meses fueron aproximadamente dos desviaciones estándar por encima de las medias a largo plazo. El “Ajuste agresivo de la Fed” se define como un ajuste monetario de la Reserva Federal inesperado y de una magnitud significativa. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.

# El ciclo expansivo también se acerca a los récords... pero sólo en duración

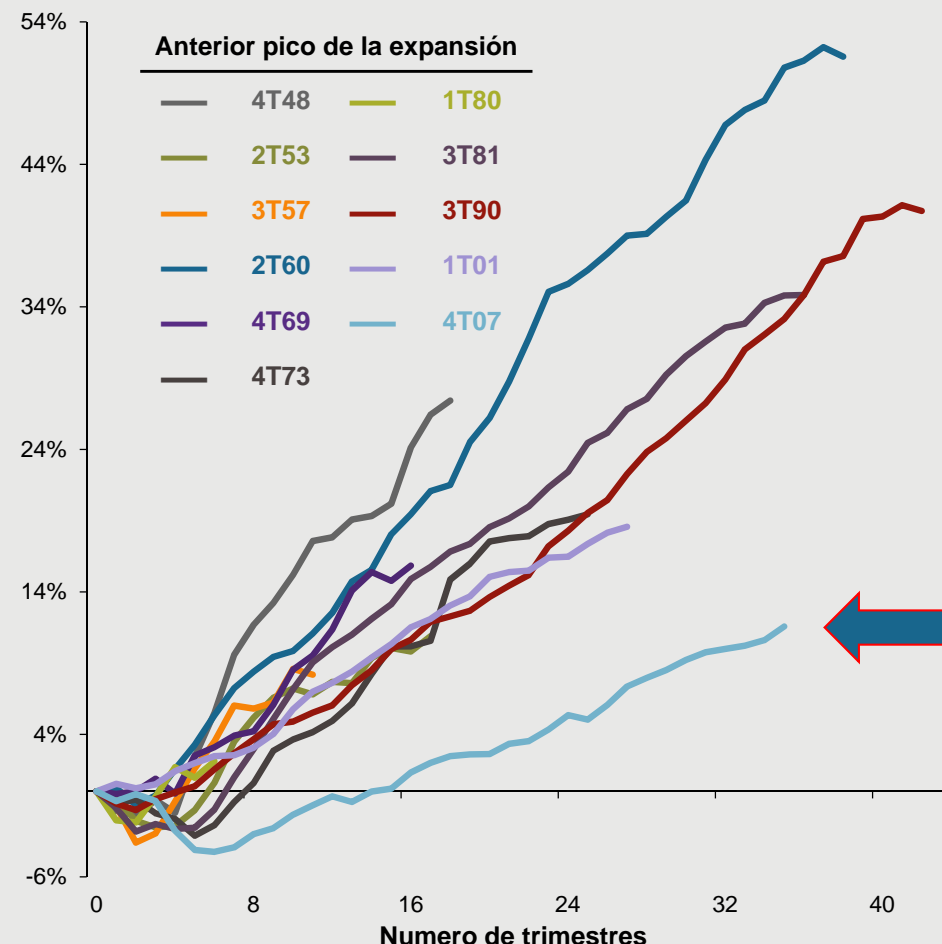
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## Duración de las expansiones y recesiones económicas



## Solidez de las expansiones económicas

Crecimiento del PIB real acumulado desde el pico anterior, porcentaje



Source: BEA, NBER, J.P. Morgan Asset Management. \*Chart assumes current expansion started in July 2009 and continued through December 2016, lasting 90 months so far. Data for length of economic expansions and recessions obtained from the National Bureau of Economic Research (NBER). These data can be found at [www.nber.org/cycles/](http://www.nber.org/cycles/) and reflect information through December 2016.  
Guide to the Markets – U.S. Data are as of December 31, 2016.



- 1 ¿Le queda recorrido al mercado alcista?
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“Un pesimista ve la dificultad en cada oportunidad; un optimista ve la oportunidad en cada dificultad”



## Razones para ser optimistas en 2017

- ① Crecimiento económico
- ② Política monetaria relajada
- ③ Resultados empresariales

# 1. Crecimiento económico: los índices manufactureros se recuperan

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		2015												2016																							
		Ene	Feb	Mar	Abr	May	Jun	Jul	Ago	Sep	Oct	Nov	Dic	Ene	Feb	Mar	Abr	May	Jun	Jul	Ago	Sep	Oct	Nov	Dic												
Mundial		51,6	51,8	51,5	50,8	51,1	50,9	50,8	50,4	50,4	51,1	51,0	50,7	50,9	50,0	50,6	50,2	50,1	50,4	51,0	50,8	51,0	52,0	52,1	52,7												
Desarrollados		52,3	52,6	52,9	52,1	52,4	52,2	52,5	52,3	52,1	52,9	52,6	52,0	52,3	51,0	51,1	50,7	50,5	51,3	51,6	51,3	51,8	53,0	53,2	54,0												
Emergentes		50,8	51,1	50,1	49,5	49,6	49,5	48,8	48,4	48,3	49,0	49,2	49,2	49,3	48,9	50,1	49,6	49,6	49,4	50,4	50,1	50,1	50,9	50,7	51,2												
Zona euro	Zona euro	51,0	51,0	52,2	52,0	52,2	52,5	52,4	52,3	52,0	52,3	52,8	53,2	52,3	51,2	51,6	51,7	51,5	52,8	52,0	51,7	52,6	53,5	53,7	54,9												
	Francia	49,2	47,6	48,8	48,0	49,4	50,7	49,6	48,3	50,6	50,6	50,6	51,4	50,0	50,2	49,6	48,0	48,4	48,3	48,6	48,3	49,7	51,8	51,7	53,5												
	Alemania	50,9	51,1	52,8	52,1	51,1	51,9	51,8	53,3	52,3	52,1	52,9	53,2	52,3	50,5	50,7	51,8	52,1	54,5	53,8	53,6	54,3	55,0	54,3	55,6												
	Italia	49,9	51,9	53,3	53,8	54,8	54,1	55,3	53,8	52,7	54,1	54,9	55,6	53,2	52,2	53,5	53,9	52,4	53,5	51,2	49,8	51,0	50,9	52,2	53,2												
	España	54,7	54,2	54,3	54,2	55,8	54,5	53,6	53,2	51,7	51,3	53,1	53,0	55,4	54,1	53,4	53,5	51,8	52,2	51,0	51,0	52,3	53,3	54,5	55,3												
Desarrollados	Suiza	49,0	48,0	48,1	48,8	47,3	50,2	49,5	50,3	47,0	49,4	49,6	50,4	50,0	51,6	53,2	54,7	55,8	51,6	50,1	51,0	53,2	54,7	56,6	56,0												
	R.U.	52,6	54,0	53,7	52,3	52,1	51,5	52,2	51,7	51,5	54,8	52,6	51,4	52,7	50,7	51,0	49,7	50,5	52,4	48,2	53,4	55,5	54,6	53,6	56,1												
	EE. UU.	53,9	55,1	55,7	54,1	54,0	53,6	53,8	53,0	53,1	54,1	52,8	51,2	52,4	51,3	51,5	50,8	50,7	51,3	52,9	52,0	51,5	53,4	54,1	54,2												
	Japón	52,2	51,6	50,3	49,9	50,9	50,1	51,2	51,7	51,0	52,4	52,6	52,6	52,3	50,1	49,1	48,2	47,7	48,1	49,3	49,5	50,4	51,4	51,3	51,9												
Emergentes	Brasil	50,7	49,6	46,2	46,0	45,9	46,5	47,2	45,8	47,0	44,1	43,8	45,6	47,4	44,5	46,0	42,6	41,6	43,2	46,0	45,7	46,0	46,3	46,2	45,2												
	Rusia	47,6	49,7	48,1	48,9	47,6	48,7	48,3	47,9	49,1	50,2	50,1	48,7	49,8	49,3	48,3	48,0	49,6	51,5	49,5	50,8	51,1	52,4	53,6	53,7												
	India	52,9	51,2	52,1	51,3	52,6	51,3	52,7	52,3	51,2	50,7	50,3	49,1	51,1	51,1	52,4	50,5	50,7	51,7	51,8	52,6	52,1	54,4	52,3	49,6												
	China	49,7	50,7	49,6	48,9	49,2	49,4	47,8	47,3	47,2	48,3	48,6	48,2	48,4	48,0	49,7	49,4	49,2	48,6	50,6	50,0	50,1	51,2	50,9	51,9												
	Corea	51,1	51,1	49,2	48,8	47,8	46,1	47,6	47,9	49,2	49,1	49,1	50,7	49,5	48,7	49,5	50,0	50,1	50,5	50,1	48,6	47,6	48,0	48,0	49,4												
	Taiwán	51,7	52,1	51,0	49,2	49,3	46,3	47,1	46,1	46,9	47,8	49,5	51,7	50,6	49,4	51,1	49,7	48,5	50,5	51,0	51,8	52,2	52,7	54,7	56,2												
		PMI más bajo tomando como referencia el nivel de 50												50												PMI más alto tomando como referencia el nivel de 50											

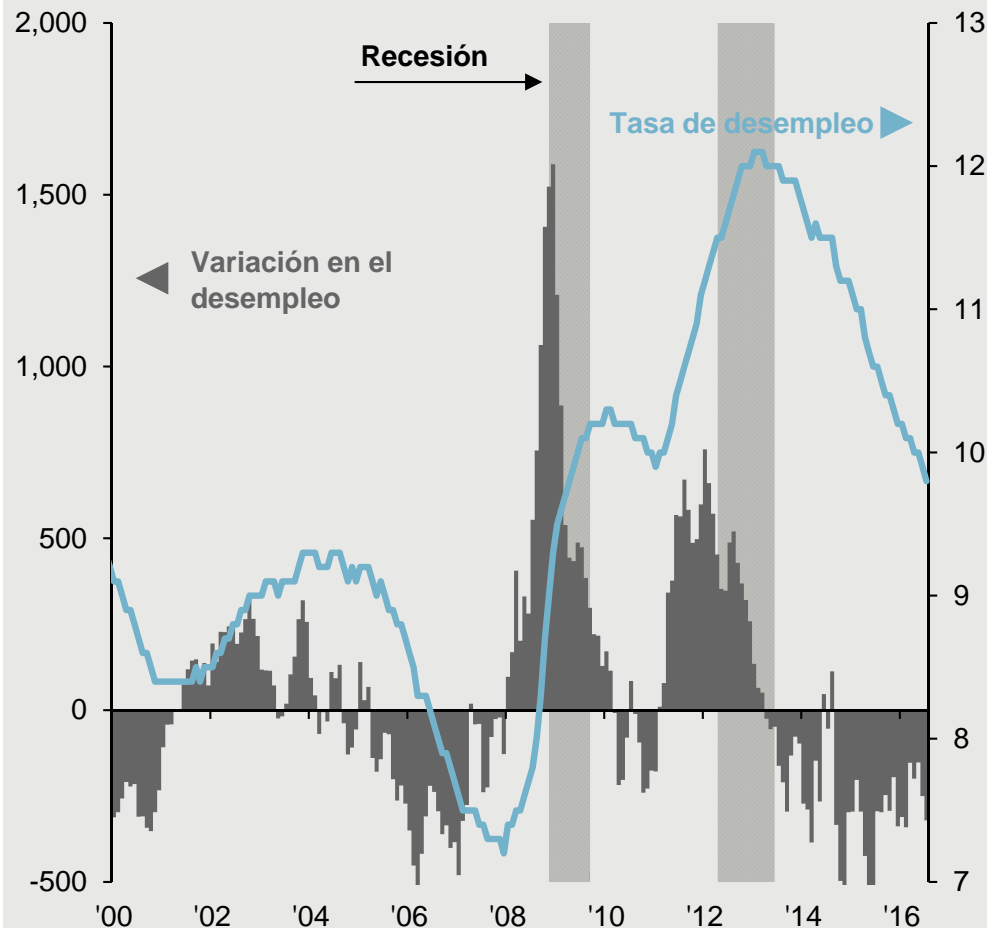
Fuente: FactSet, Markit, J.P. Morgan Asset Management. El índice PMI mundial evalúa la salud económica del sector manufacturero por medio de una encuesta sobre las intenciones de producción y empleo. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.

# 1. Crecimiento económico: Europa sigue mejorando

5

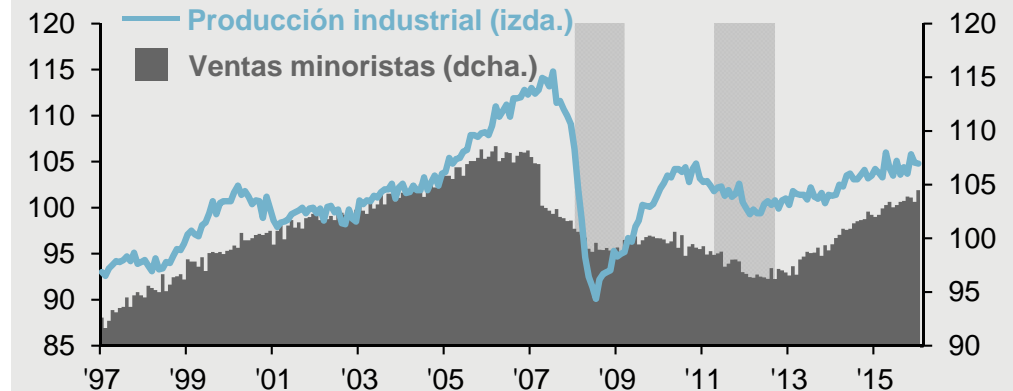
## Variación en el desempleo y la tasa de desempleo

Miles de personas en 3 meses (izda.); tasa porcentual (dcha.)



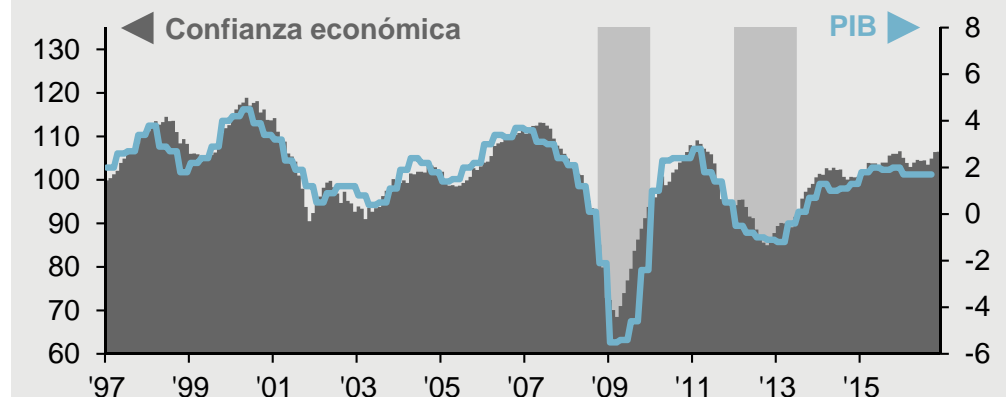
## Ventas minoristas y producción industrial

Nivel del índice



## Confianza económica y PIB

Nivel del índice (izda.), porcentaje de variación interanual (dcha.)



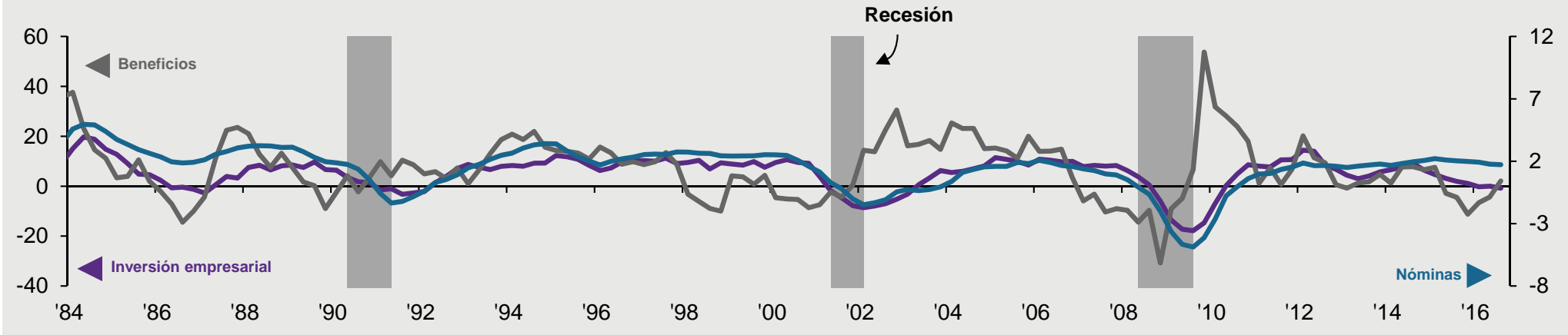
Fuente: (Todos los gráficos) Eurostat, Thomson Reuters Datastream, J.P. Morgan Asset Management. Las columnas gris claro en todos los gráficos indican recesión.  
Guide to the Markets - Europa. Datos a 31 de diciembre de 2016.

# 1. Crecimiento económico: EE.UU. a la cabeza

26

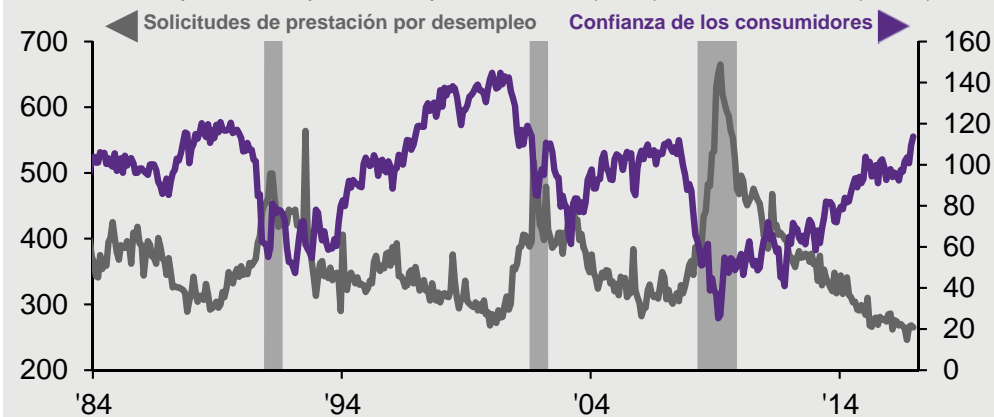
## Crecimiento de los beneficios corporativos, la inversión empresarial y el empleo

% de variación interanual



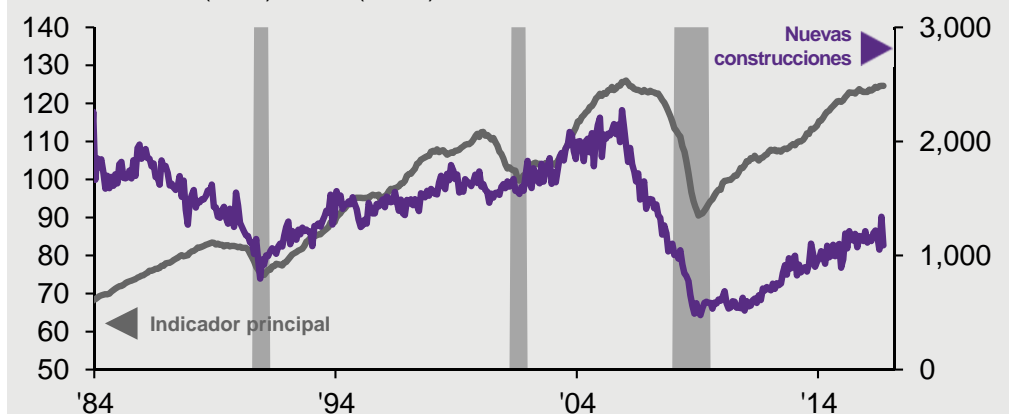
## Solicitudes iniciales de prestación por desempleo vs confianza de los consumidores

Solicitudes de prestación por desempleo en miles (izda.); nivel del índice (dcha.)



## Nuevas construcciones e índice económico principal de la Conference Board

Nivel del índice (izda.); miles (dcha.)



Fuente: (Todos los gráficos) Thomson Reuters Datastream, J.P. Morgan Asset Management. Las columnas gris claro en todos los gráficos indican recesiones determinadas por la Oficina Nacional de Investigación Económica de EE. UU. (NBER). *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.

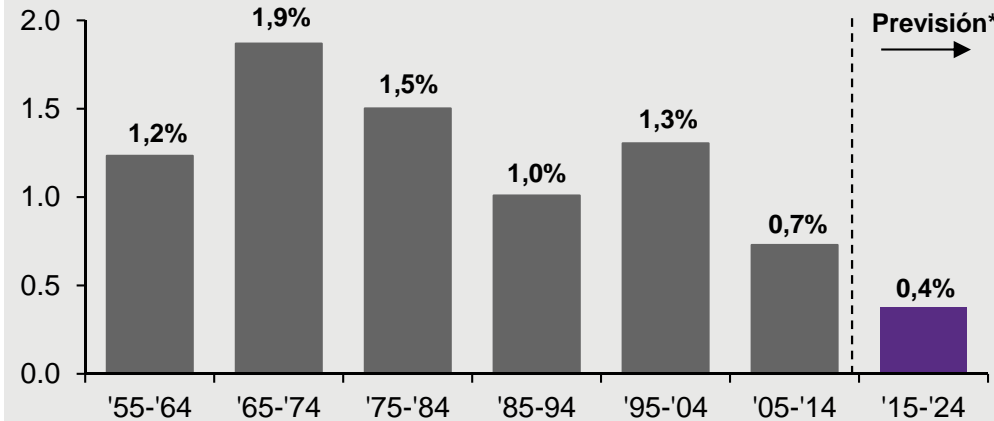


# 1. Crecimiento económico: EE.UU. - motores del crecimiento

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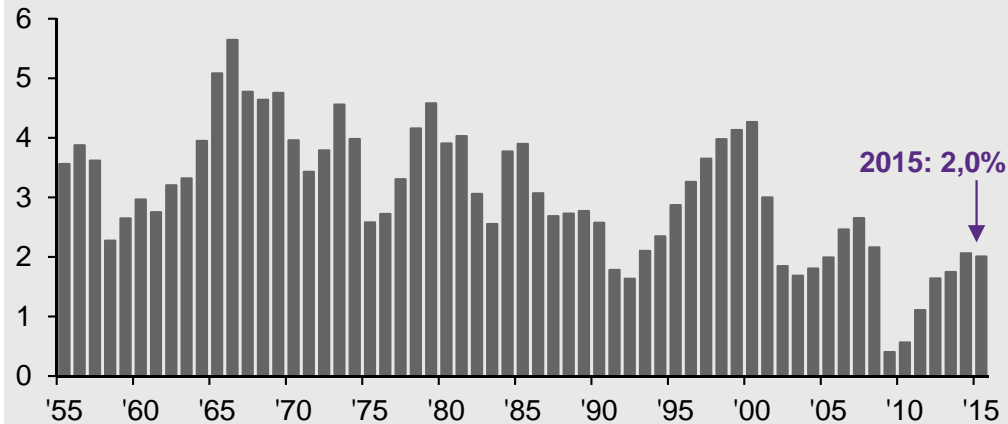
## Crecimiento de la población activa en EE. UU.

% de incremento de la población civil entre 16 y 64 años



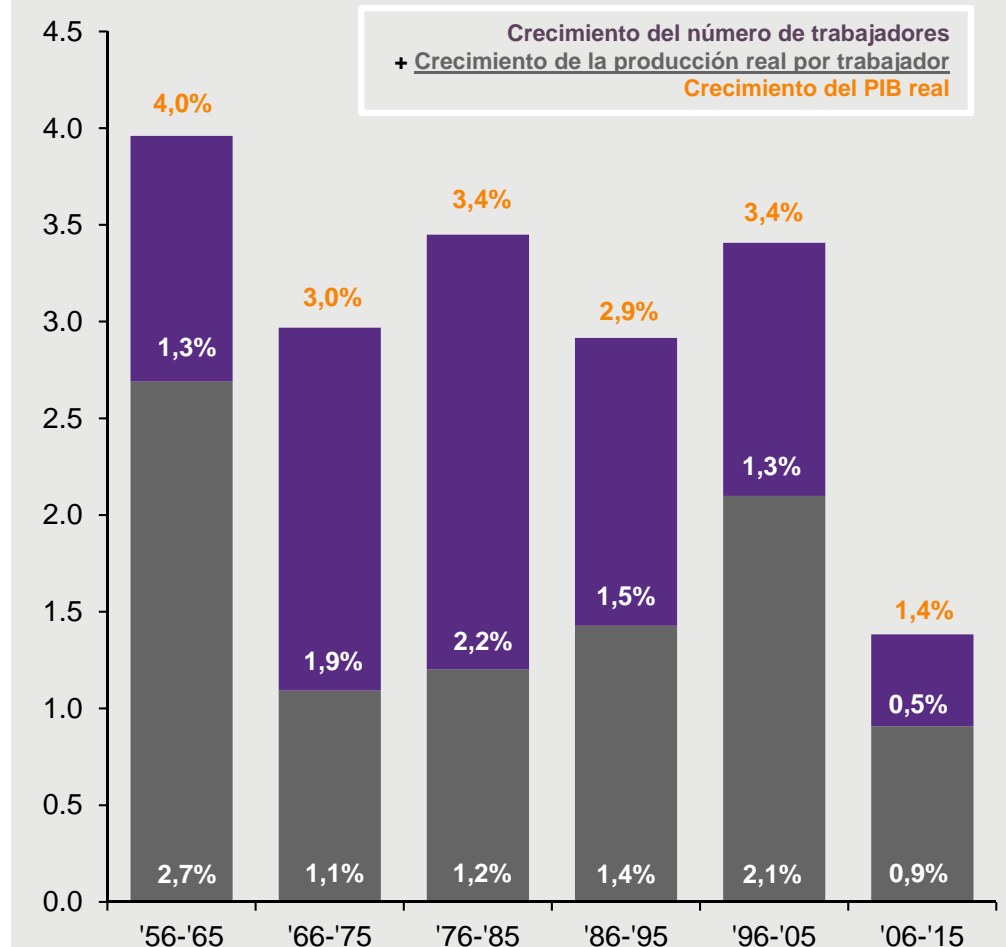
## Crecimiento de la inversión en infraestructuras y equipamiento

Activos fijos no residenciales, variación porcentual interanual



## Motores del crecimiento del PIB en EE. UU.

Variación porcentual media interanual



Fuente: (Superior izda.) Oficina del Censo de EE. UU., Ministerio de Defensa de EE. UU., Ministerio de Justicia de EE. UU., J.P. Morgan Asset Management.

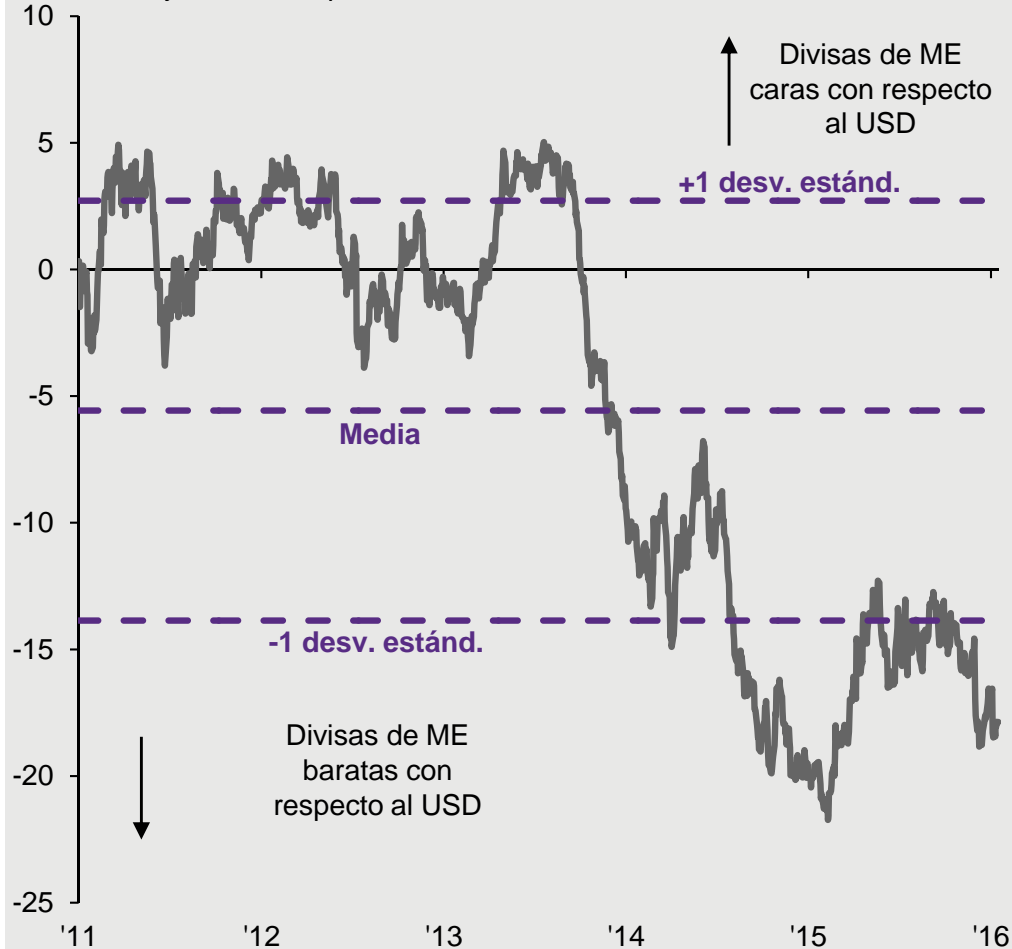
\*Previsión de J.P. Morgan Asset Management (Inferior izda.) Oficina de Análisis Económico de EE. UU., Oficina de Estadísticas Laborales de EE. UU., J.P. Morgan Asset Management. (Dcha.) Oficina de Análisis Económico de EE. UU., Oficina de Estadísticas Laborales de EE. UU., J.P. Morgan Asset Management. Los motores del PIB se calculan como el crecimiento medio anualizado entre el 4T del primer y el último ejercicio. La población activa futura se calcula como el número total estimado de estadounidenses registrados en la Oficina del Censo controlados para su incorporación a filas, el crecimiento de la población institucional y las tendencias demográficas. *Guide to the Markets – Europa*. Datos a 31 de diciembre de 2016.

# 1. Crecimiento económico: incluso los mercados emergentes

35

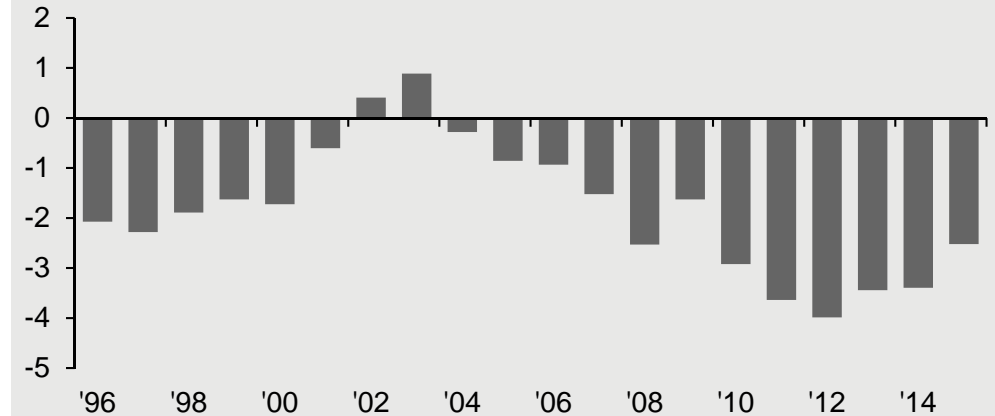
## Divisas de ME frente al USD

% del valor justo con respecto al USD



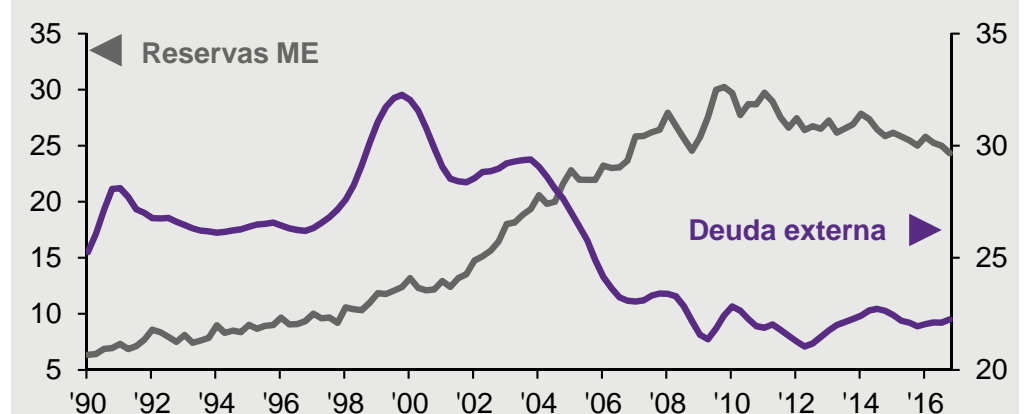
## Balance por cuenta corriente de los "Fragile Five"\*

% del PIB



## Mercados Emergentes: reservas vs deuda externa

% del PIB



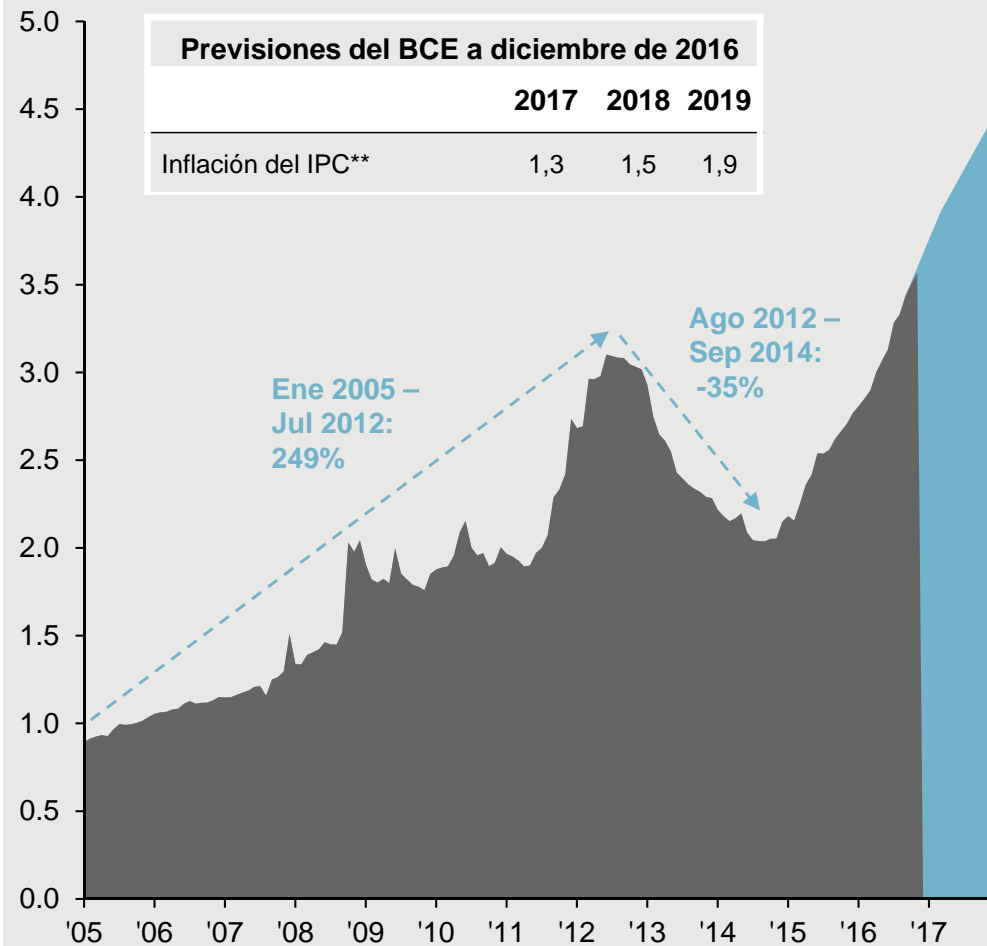
Fuente: (Izda.) J.P. Morgan Asset Management. Datos basados en los tipos de cambio nominales con respecto a los tipos de cambio por paridad del poder adquisitivo (PPA) y ajustados al PIB per cápita. Las divisas de ME utilizadas consisten en una media ponderada de los países incluidos en el JPM GBI-EM Global Diversified Index. (Superior dcha.) Haver Analytics, J.P. Morgan Asset Management. Los "Fragile Five" está compuesto por Brasil, India, Indonesia, Sudáfrica y Turquía. (Inferior dcha.) J.P. Morgan Economic Research, J.P. Morgan Asset Management. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.

## 2. Política monetaria relajada: BCE y Fed

9/24

### Balance del BCE: Activos\*

Billones de EUR



### Previsiones sobre el tipo de interés oficial

% del tipo de interés oficial y expectativas del FOMC y el mercado



Fuente: (Izda.) BCE, FactSet, J.P. Morgan Asset Management. \*Las previsiones del balance no incluyen las Operaciones de Refinanciación a Largo Plazo Dirigidas (TLTRO, por sus siglas en inglés). La futura ampliación en el balance presupone una ampliación mensual de 80.000 millones de euros al mes desde ahora hasta marzo de 2017 y una ampliación mensual de 60.000 millones de euros entre abril y diciembre de 2017. (Superior dcha.) BCE, J.P. Morgan Asset Management. Compras hasta el 23 de diciembre (Inferior dcha.) FactSet, J.P. Morgan Asset Management. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.

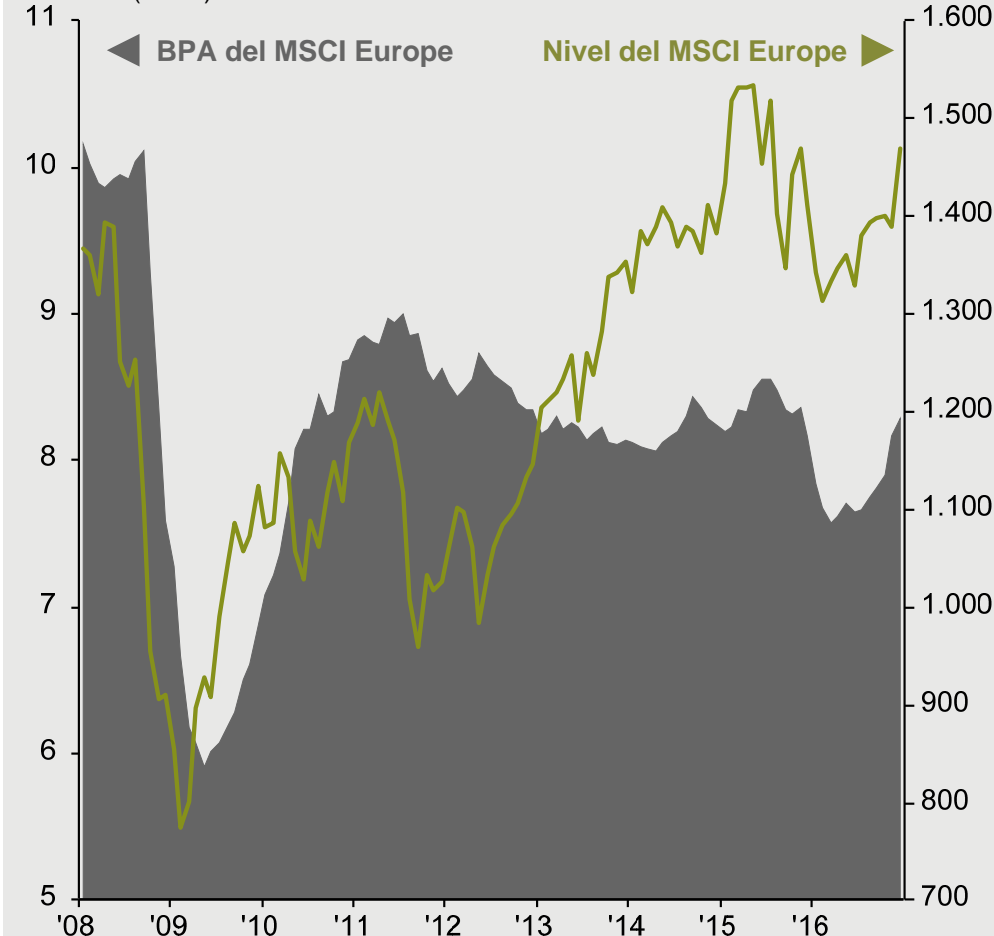
### 3. Resultados empresariales: deberán crecer este ejercicio

39

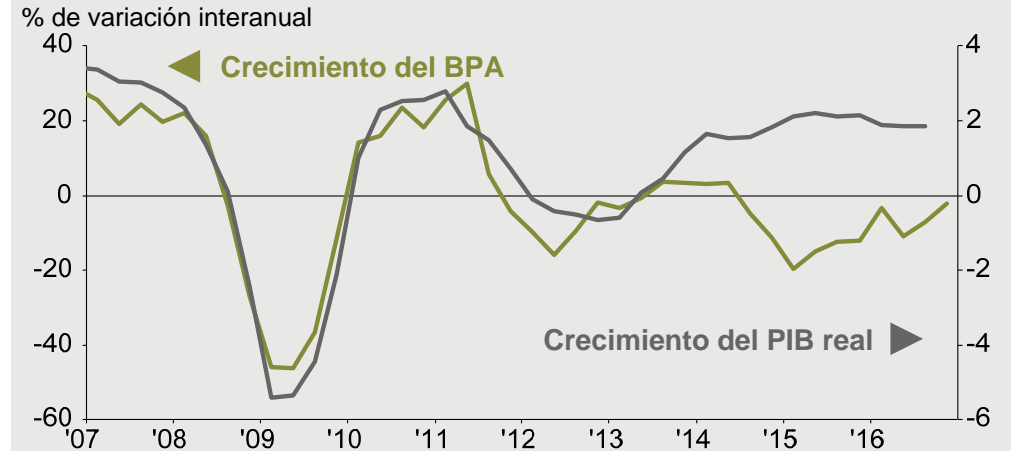
Renta variable

#### Beneficios y rentabilidades del MSCI Europe

Nivel del índice, previsiones de beneficios para los próximos 12 meses (izda.); nivel del índice (dcha.)



#### Crecimiento del PIB real en la UE y del BPA en el MSCI Europe durante los próximos 12 meses



#### Rentabilidad de los bancos del MSCI Europe vs tires del Bund alemán a 10 años



Fuente: (Izda. e inferior dcha.) FactSet, MSCI, J.P. Morgan Asset Management. El BPA es el beneficio por acción. (Superior dcha.) FactSet, Eurostat, MSCI, J.P. Morgan Asset Management. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.

“Un pesimista ve la dificultad en cada oportunidad; un optimista ve la oportunidad en cada dificultad”



## Razones para ser un poco menos optimistas

- ① Trump
- ② Valoraciones
- ③ China
- ④ *“Geopolitics”*

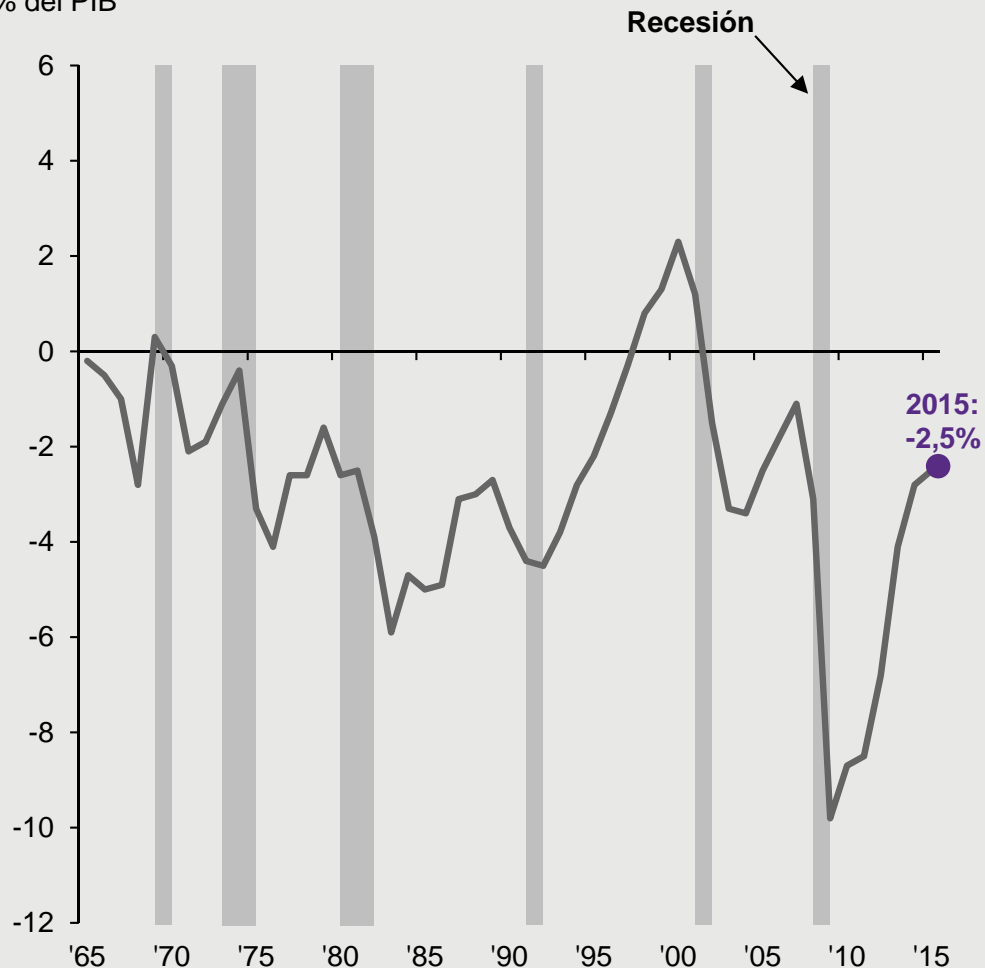


# 1. Trump - ¿altas expectativas para la fase final del ciclo?

29

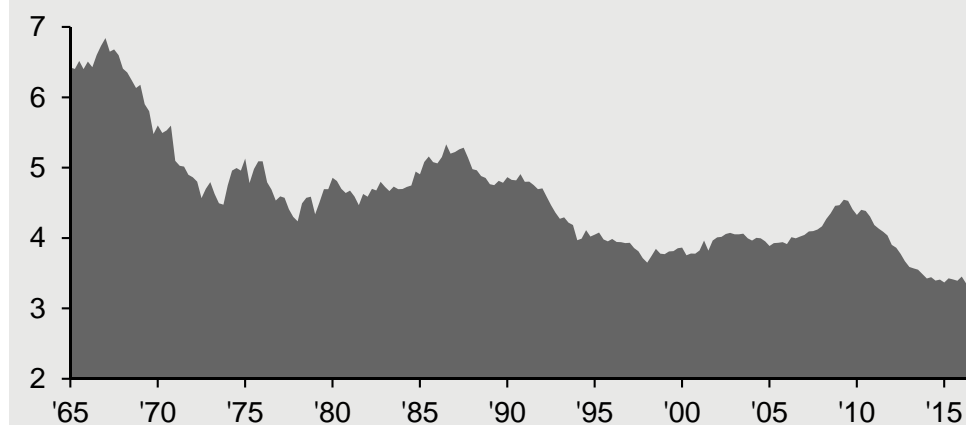
## Superávit/déficit del presupuesto estadounidense

% del PIB



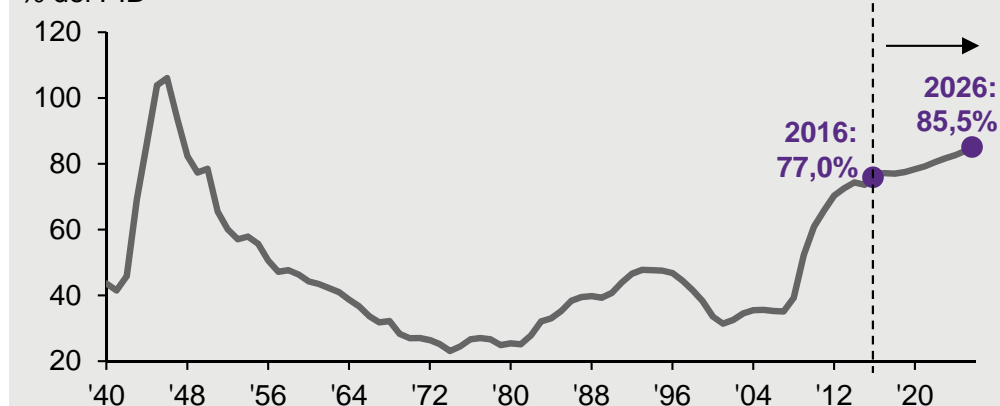
## Inversión pública en EE. UU.

% del PIB



## Deuda neta estadounidense

% del PIB



Fuente: (Izda.) Haver, Oficina de Presupuesto del Congreso de EE. UU., J.P. Morgan Asset Management. Las columnas gris claro en todos los gráficos indican recesiones determinadas por la Oficina Nacional de Investigación Económica de EE. UU. (NBER). (Superior dcha.) Oficina de Análisis Económico de EE. UU., J.P. Morgan Asset Management. (Inferior dcha.) Oficina de Presupuesto del Congreso de EE. UU., J.P. Morgan Asset Management. \*Previsión de la Oficina de Presupuesto del Congreso de EE. UU. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.

## 2. Valoraciones – la renta variable ya no está barata

40/46

Renta variable

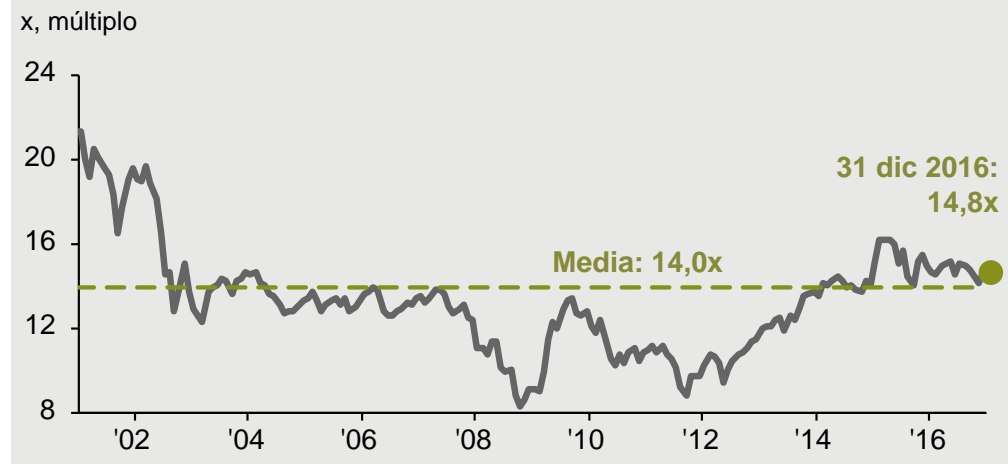
Rentabilidad por dividendo y tir del Tesoro a 10 años



Ratio PER futuro S&P 500



Ratio PER futuro del MSCI Europe



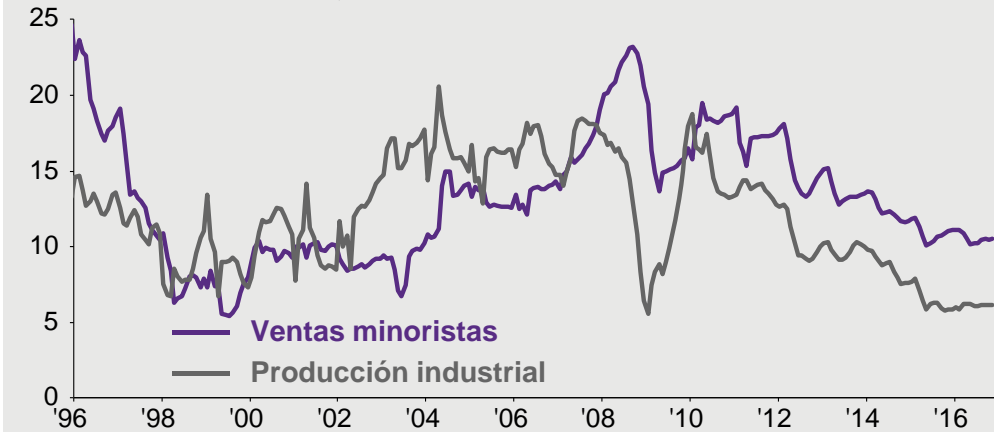
Fuente: (Izda.) FactSet, IBES, Moody's, Standard & Poor's, J.P. Morgan Asset Management. (Superior dcha.) FactSet, Standard & Poor's, J.P. Morgan Asset Management. El ratio precio-beneficio (PER) futuro es un cálculo bottom-up basado en los datos de los precios más recientes divididos por estimaciones consensuadas para las ganancias de los próximos 12 meses y es calculado por FactSet Market Aggregates. (Inferior dcha.) FactSet, J.P. Morgan Asset Management. El ratio precio-beneficio (PER) futuro es un cálculo bottom-up basado en los datos de los precios más recientes divididos por estimaciones consensuadas para las ganancias de los próximos 12 meses y es calculado por FactSet Market Aggregates. (Inferior izda.) FactSet, MSCI, J.P. Morgan Asset Management. Las estimaciones, proyecciones y otras declaraciones futuras se basan en las creencias y expectativas actuales. Son sólo para fines ilustrativos y sirven como una indicación de lo que puede ocurrir. Dadas las incertidumbres inherentes y los riesgos asociados con las estimaciones, proyecciones y otras declaraciones futuras, los eventos reales, los resultados o rentabilidades pueden diferir materialmente de los reflejados o contemplados.

### 3. China - ¿un aterrizaje suave gracias a la inversión pública?

33

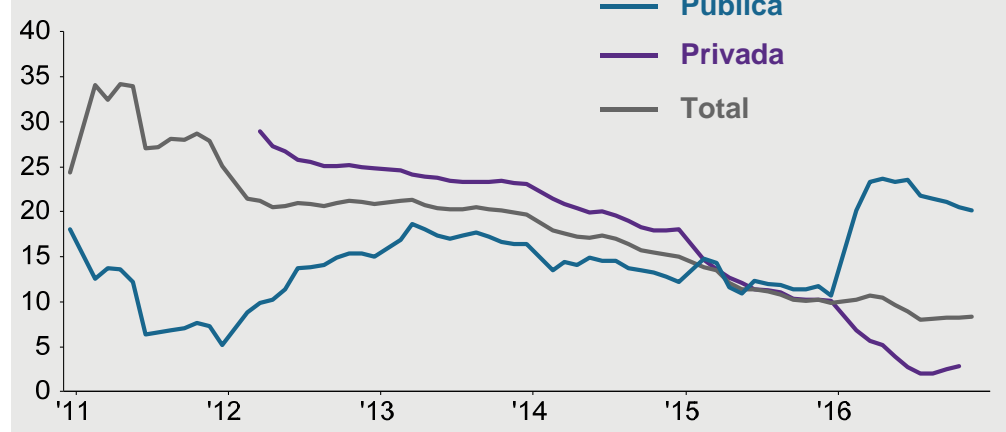
#### Producción industrial y ventas minoristas en China

% de variación interanual, media móvil trimestral



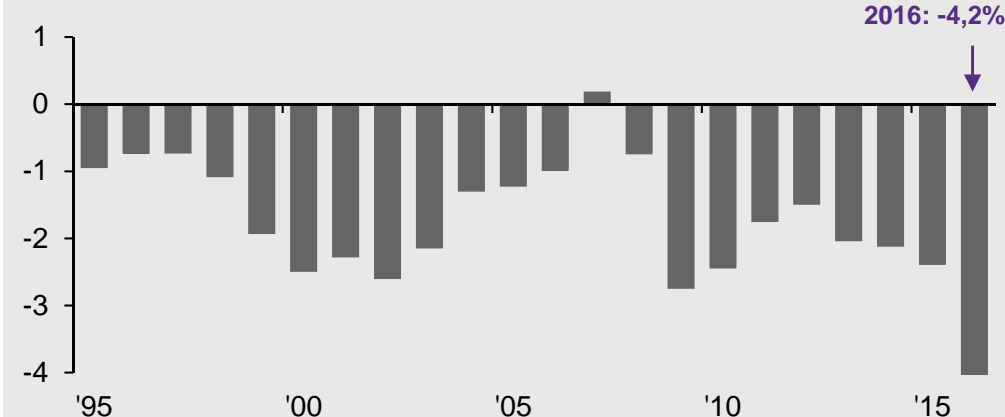
#### Inversión en activos fijos

% de variación interanual



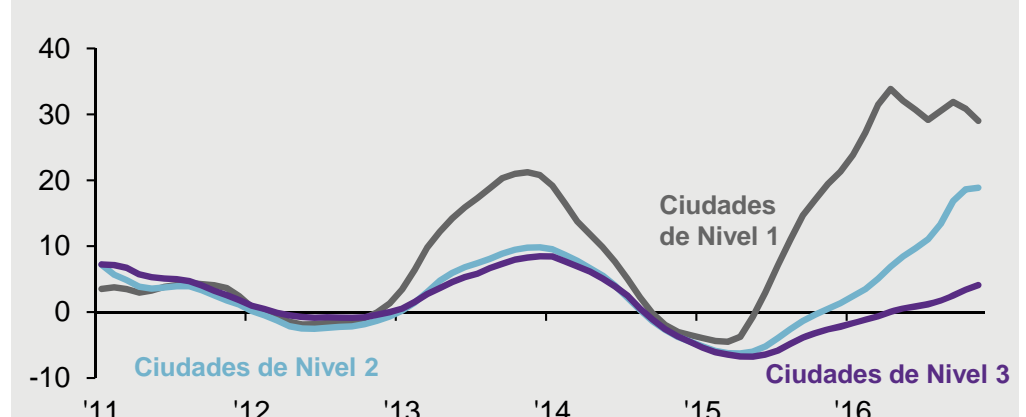
#### Déficit fiscal del gobierno central

% del PIB



#### Precios de la vivienda en China

% de variación interanual



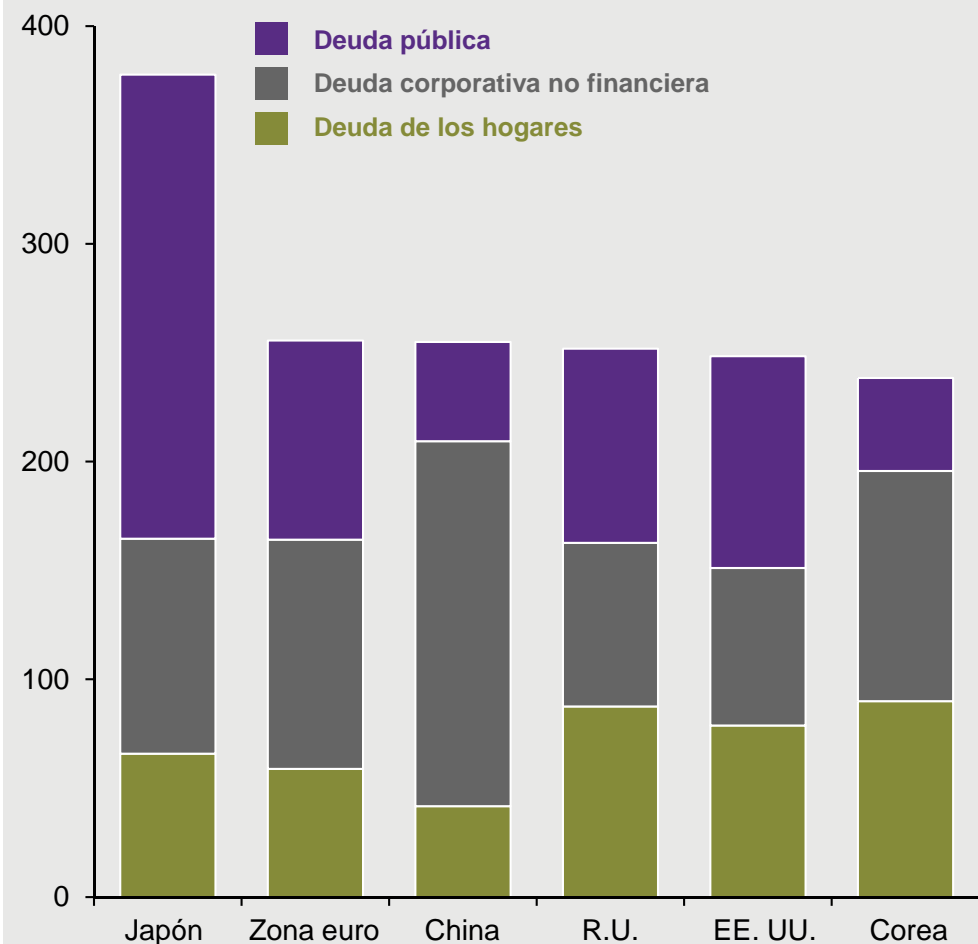
Fuente: (Superior izda.) FactSet, Oficina Nacional de Estadística de China, J.P. Morgan Asset Management. (Superior dcha.) FactSet, Oficina Nacional de Estadística de China, J.P. Morgan Asset Management. (Inferior izda.) CEIC, FactSet, Oficina Nacional de Estadísticas de China, J.P. Morgan Asset Management. (Inferior dcha.) BofA/Merrill Lynch, CEIC, J.P. Morgan Asset Management. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.

### 3. China - ¿un problema de deuda corporativa?

34

#### Deuda pública, de hogares y corporativa no financiera

% del PIB, 2T16



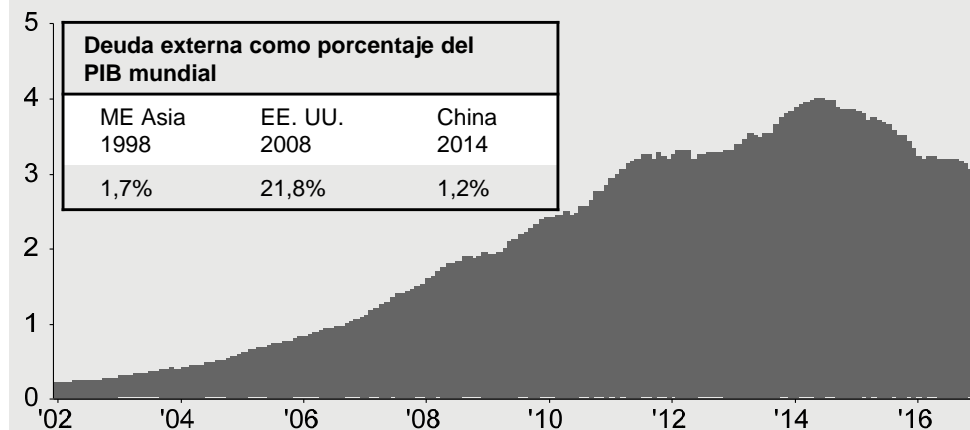
#### Yuan chino

Nivel del índice reajustado (izda.); precio del dólar en RMB (dcha.)



#### Reservas de divisas y deuda externa de China

Billones de USD

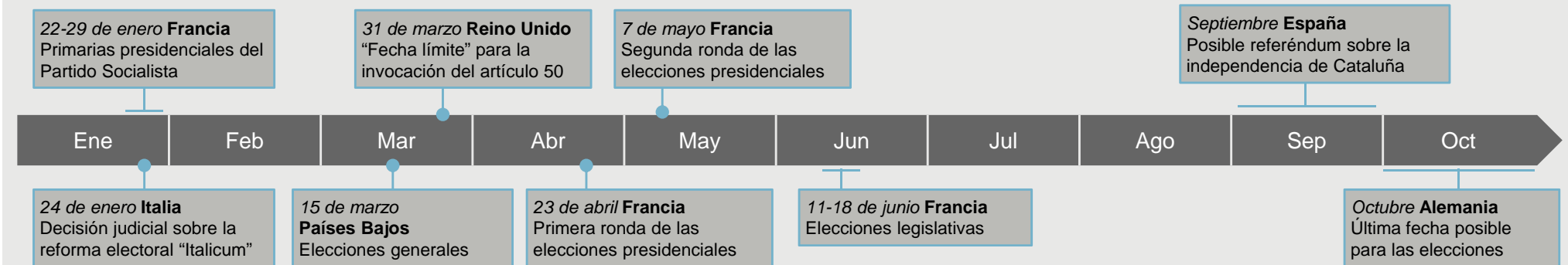


Fuente: (Izda.) Oficina de Industria y Seguridad de EE. UU., J.P. Morgan Asset Management. La deuda de los hogares y la deuda corporativa no financiera se representan a valor de mercado. La deuda pública se representa en términos brutos y a valor nominal salvo en el caso de Corea, donde se representa a valor de mercado debido a limitaciones en los datos. Los cortes en todas las series han sido ajustados por la Oficina de Industria y Seguridad de EE. UU. (Superior dcha.) Oficina de Industria y Seguridad de EE. UU., FactSet, J.P. Morgan Asset Management. (Inferior dcha.) FactSet, Banco Popular de China, J.P. Morgan Asset Management. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.

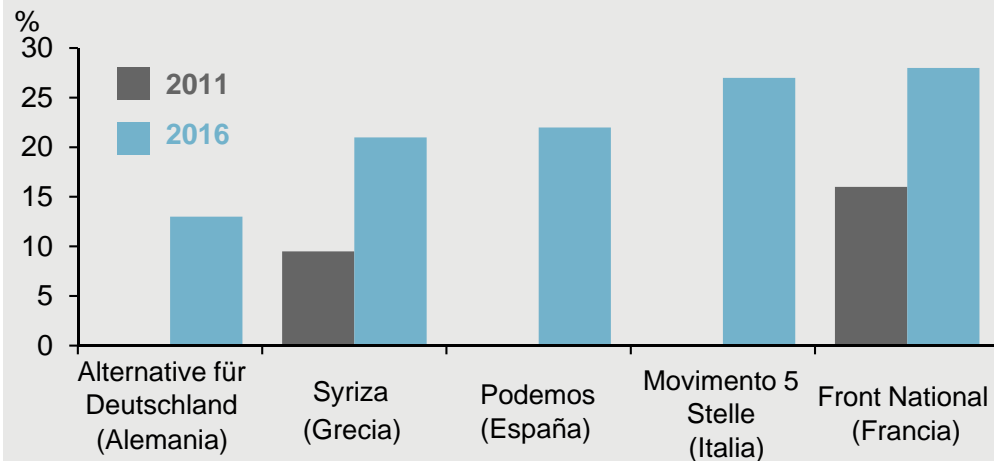
## 4. Geopolitics - ¿giro populista en Europa?

11

### Calendario político europeo en 2017

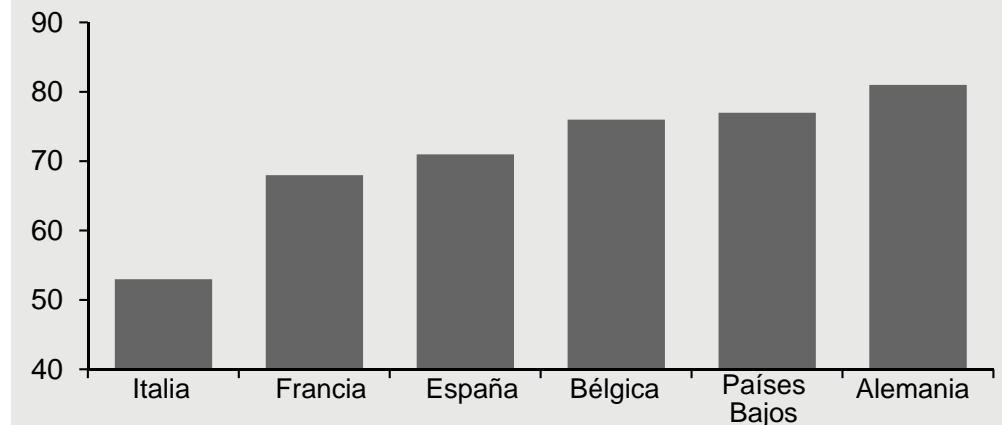


### Apoyo a partidos populistas



### Resultados de la encuesta: ¿está a favor del euro?

% que respondió "sí" a noviembre de 2016

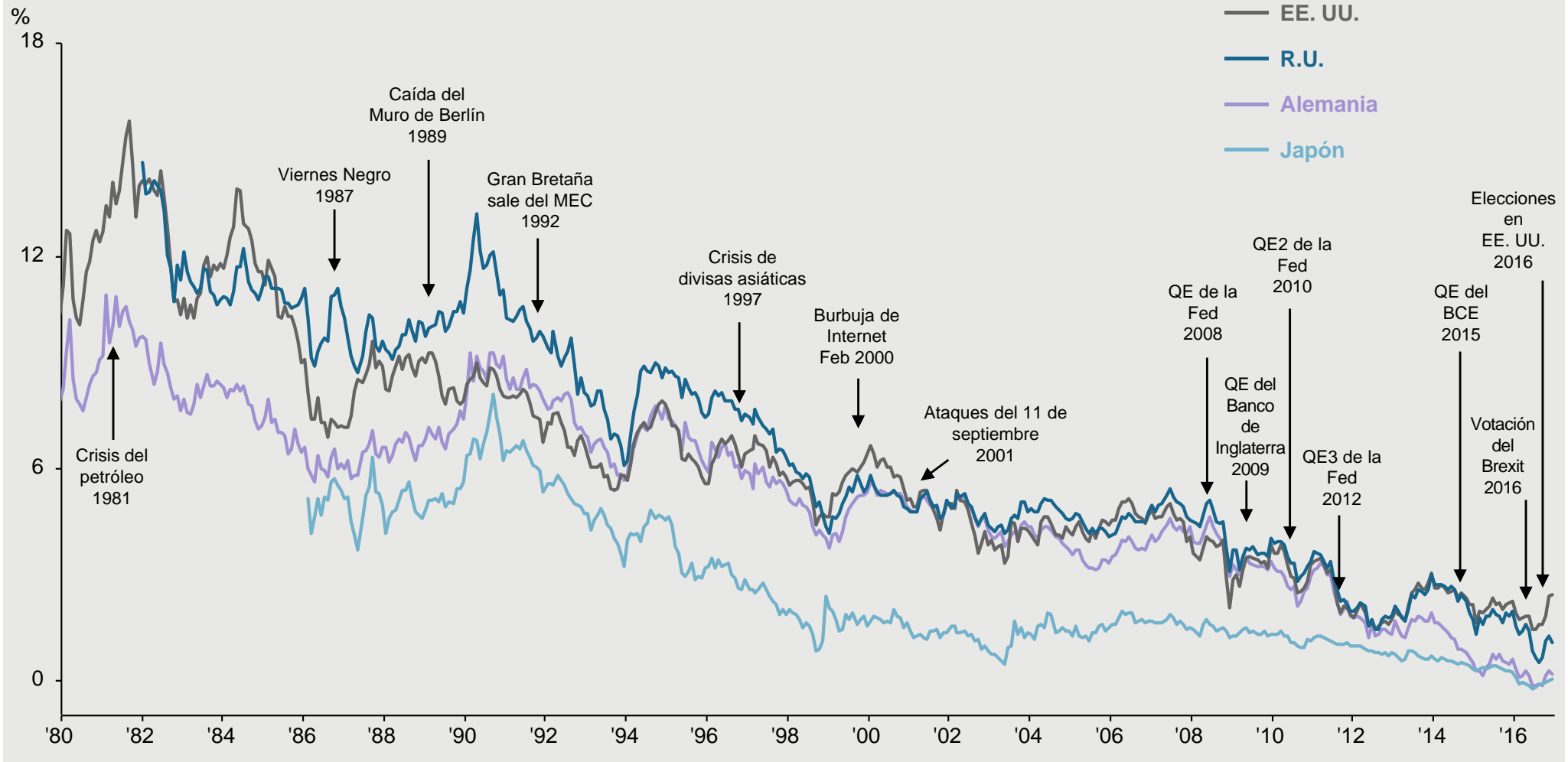


Fuente: (Superior) J.P. Morgan Asset Management. (Inferior izda.) Encuestas nacionales, J.P. Morgan Asset Management. (Inferior dcha.) Comisión Europea, J.P. Morgan Asset Management. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.



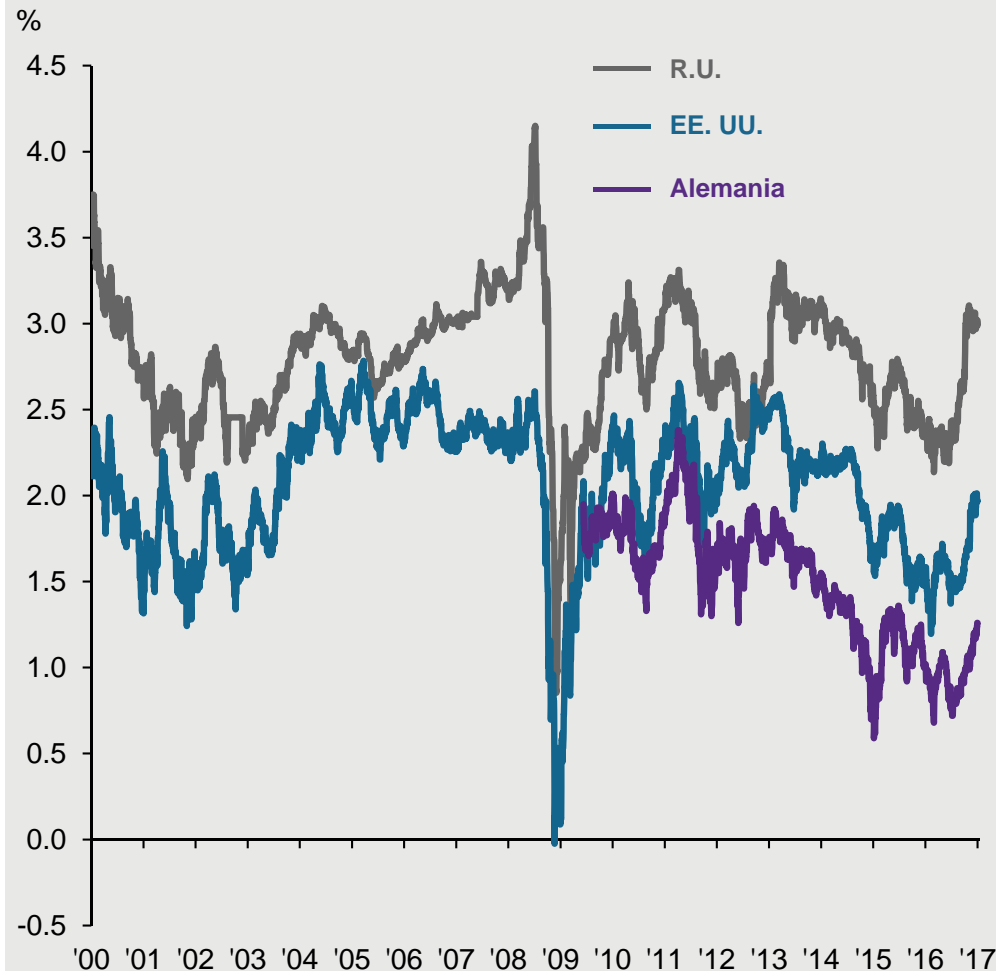
- 1 ¿Le queda recorrido al mercado alcista?
- 2 ¿Qué tal pinta tiene 2017?
- 3 **Implicaciones para la gestión de activos**

## Tir del bono a 10 años

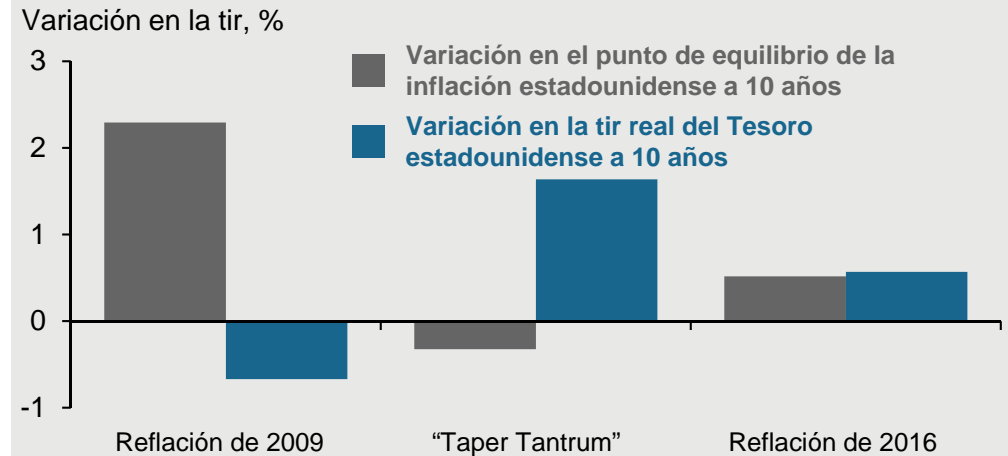


Fuente: FactSet, Tullett Prebon, J.P. Morgan Asset Management. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.

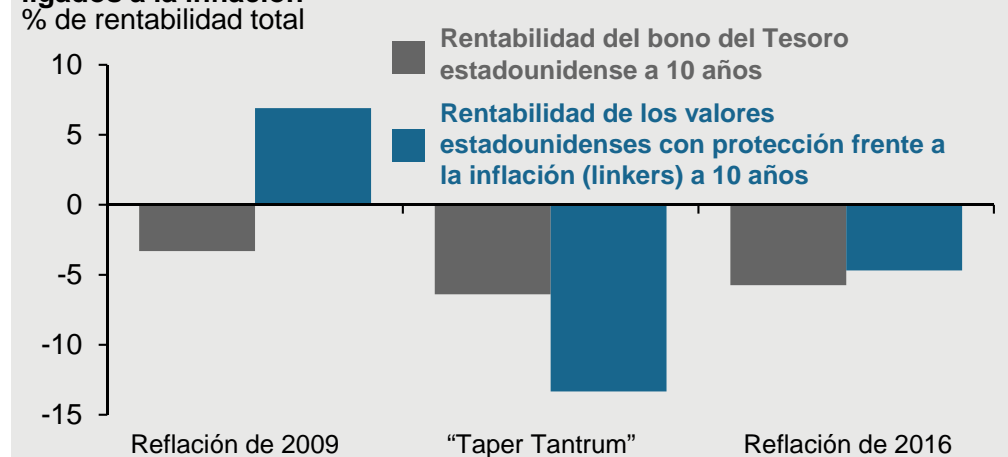
## Punto de equilibrio de la inflación a 10 años



## Desglose de las subidas en la tir del Tesoro estadounidense



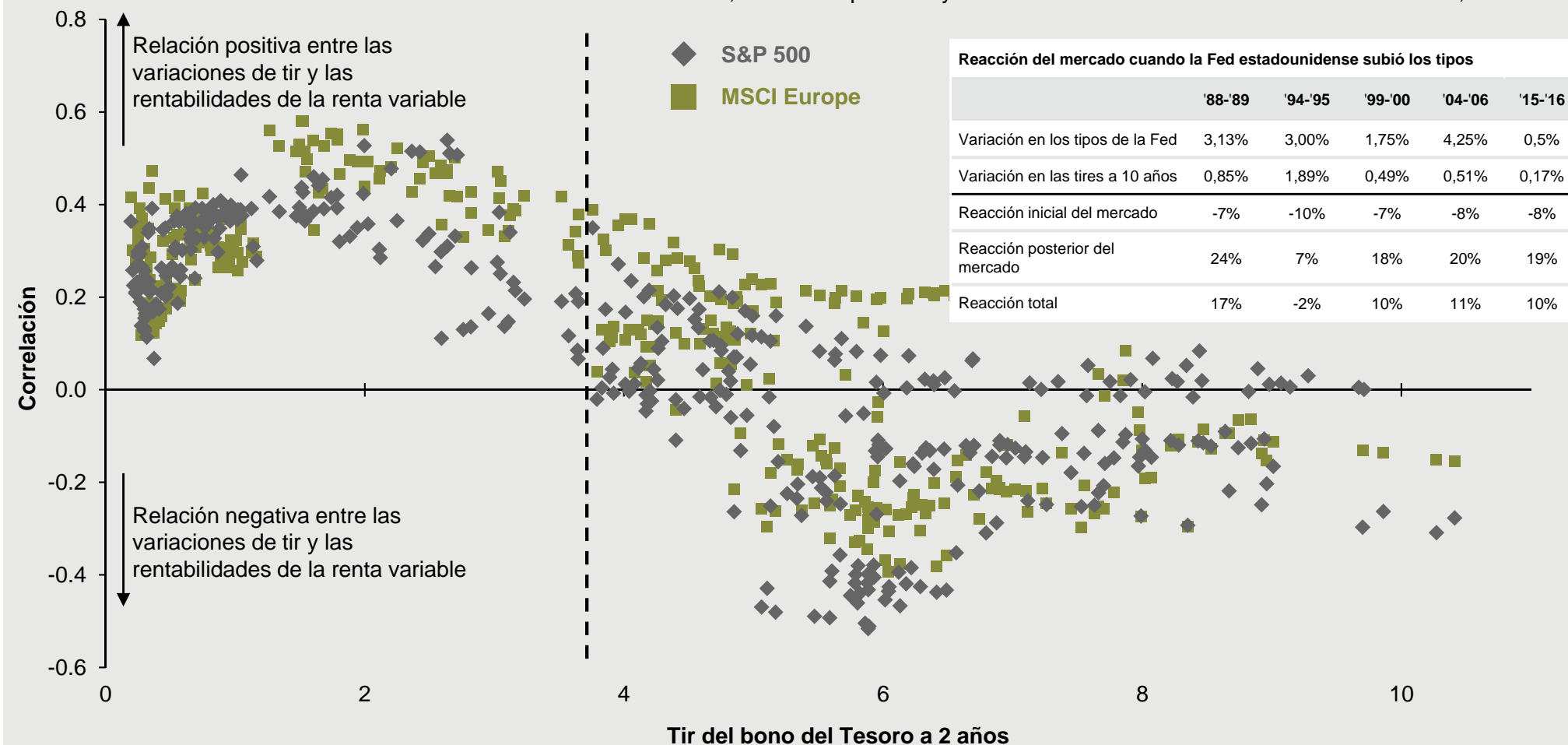
## Rentabilidades de los bonos del Tesoro estadounidense y los bonos ligados a la inflación



Fuente: (Izda.) Bloomberg, J.P. Morgan Asset Management. El breakeven de la inflación es la diferencia entre la tir de la deuda pública nominal y protegida frente a la inflación. (Superior e inferior dcha.) Bloomberg, J.P. Morgan Asset Management. La rentabilidad del bono del Tesoro estadounidense a 10 años es la rentabilidad del Merrill Lynch 10-year U.S. Treasury Futures Total Return Index, y la rentabilidad de los valores estadounidenses con protección frente a la inflación (linkers) a 10 años es la rentabilidad del S&P 10 year US TIPS Total Return Index. "Reflación de 2009" hace referencia al periodo comprendido entre el 1 de enero de 2009 y el 31 de diciembre de 2009; "Taper Tantrum" hace referencia al periodo comprendido entre el 14 de abril de 2013 y el 5 de septiembre de 2013; "Reflación de 2016" hace referencia al periodo comprendido entre el 8 de julio de 2016 y el 31 de diciembre de 2016. Datos a 31 de diciembre de 2016.

## Correlaciones entre rentabilidades semanales de la renta variable y las variaciones de los tipos de interés

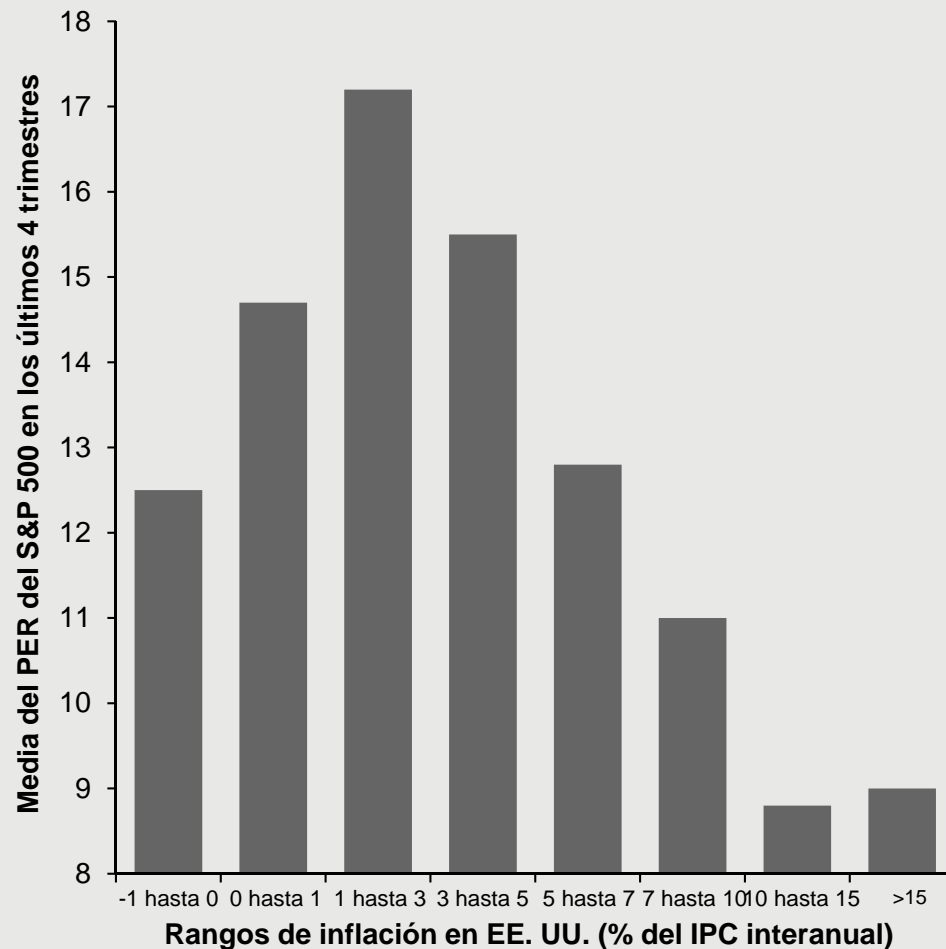
Correlación móvil a 2 años de las rentabilidades semanales del S&P 500, MSCI Europe Index y la tir del bono del Tesoro estadounidense a 2 años, 1983-2016



Fuente: MSCI, Standard & Poor's, Thomson Reuters Datastream, Tesoro estadounidense, J.P. Morgan Asset Management. Las rentabilidades se basan en el índice de precios únicamente y no incluyen los dividendos. Datos para cada una de las subidas de tipos: '88-'89 corresponde al periodo comprendido entre marzo de 1988 y junio de 1989, '94-'95 corresponde al periodo comprendido entre febrero de 1994 y febrero de 1995, '99-'00 corresponde al periodo comprendido entre junio de 1999 y mayo de 2000, '04-'06 corresponde al periodo comprendido entre junio de 2004 y junio de 2006, y '15-'16 corresponde al periodo comprendido entre diciembre de 2015 y diciembre de 2016. Rentabilidades pasadas no garantiza rentabilidades futuras. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.

Ratio PER medio del S&P 500 en diferentes entornos de inflación

1872-2016



Tir de la renta fija de EE. UU. vs rentabilidad de valor/crecimiento\*

Nivel relativo del índice (izda.); % (dcha.)



Tir de la renta fija de EE. UU. vs rentabilidad bancos/productos básicos\*\*

Nivel relativo del índice (izda.); % (dcha.)

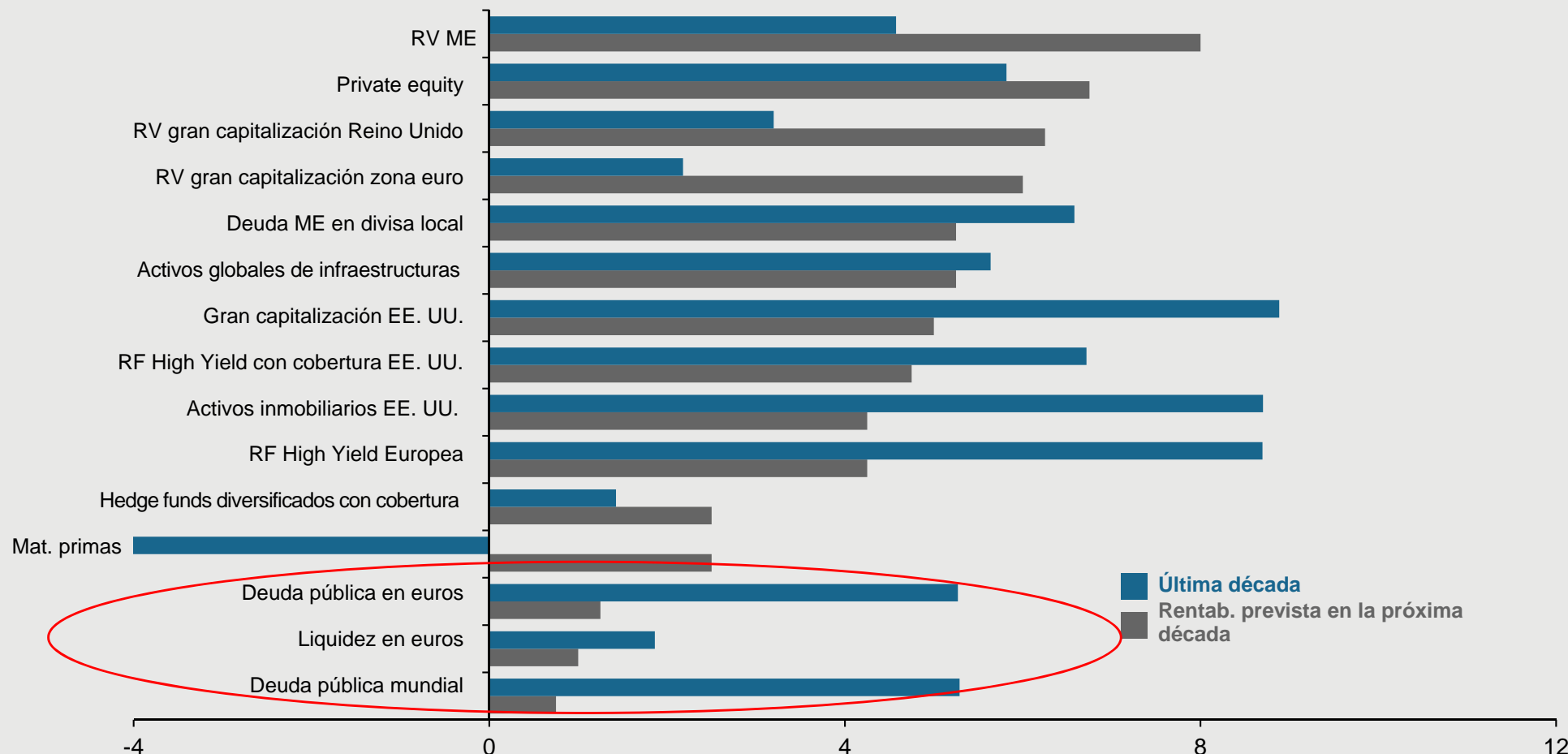


Fuente: (Izda.) Robert Shiller, J.P. Morgan Asset Management. (Superior dcha.) FactSet, Russell, Tullett Prebon, J.P. Morgan Asset Management. (Superior dcha.) FactSet, MSCI, Tullett Prebon, J.P. Morgan Asset Management. \*El índice de valor es el Russell 1000 Value Index. El índice de crecimiento es el Russell 1000 Growth Index. \*\*El MSCI USA Index es el índice utilizado tanto para los bancos como para los productos básicos. *Guide to the Markets - Europa*. Datos a 31 de diciembre de 2016.



## Rentabilidades históricas y previstas

% anual



Fuente: (Izda.) 2017 Long-term capital market assumptions (Presuposiciones sobre los mercados de capitales a largo plazo en 2017), J.P. Morgan Multi-Asset Solutions, J.P. Morgan Asset Management, octubre de 2016. Las rentabilidades se expresan en euros. Rentabilidades pasadas no garantiza rentabilidades futuras. Las estimaciones, proyecciones y otras declaraciones futuras se basan en las creencias y expectativas actuales. Son sólo para fines ilustrativos y sirven como una indicación de lo que puede ocurrir. Dadas las incertidumbres inherentes y los riesgos asociados con las estimaciones, proyecciones y otras declaraciones futuras, los eventos reales, los resultados o rentabilidades pueden diferir materialmente de los reflejados o contemplados.

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# JPMorgan Funds – Europe Strategic Value Fund

# JPMorgan Funds – Europe Equity Plus Fund

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January 2017

## Key takeaways

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### 1) The scene is set for European earnings recovery

- Positive momentum led by cyclicals

### 2) The value trade has further to run

- JPM Europe Strategic Value Fund is a pure value strategy

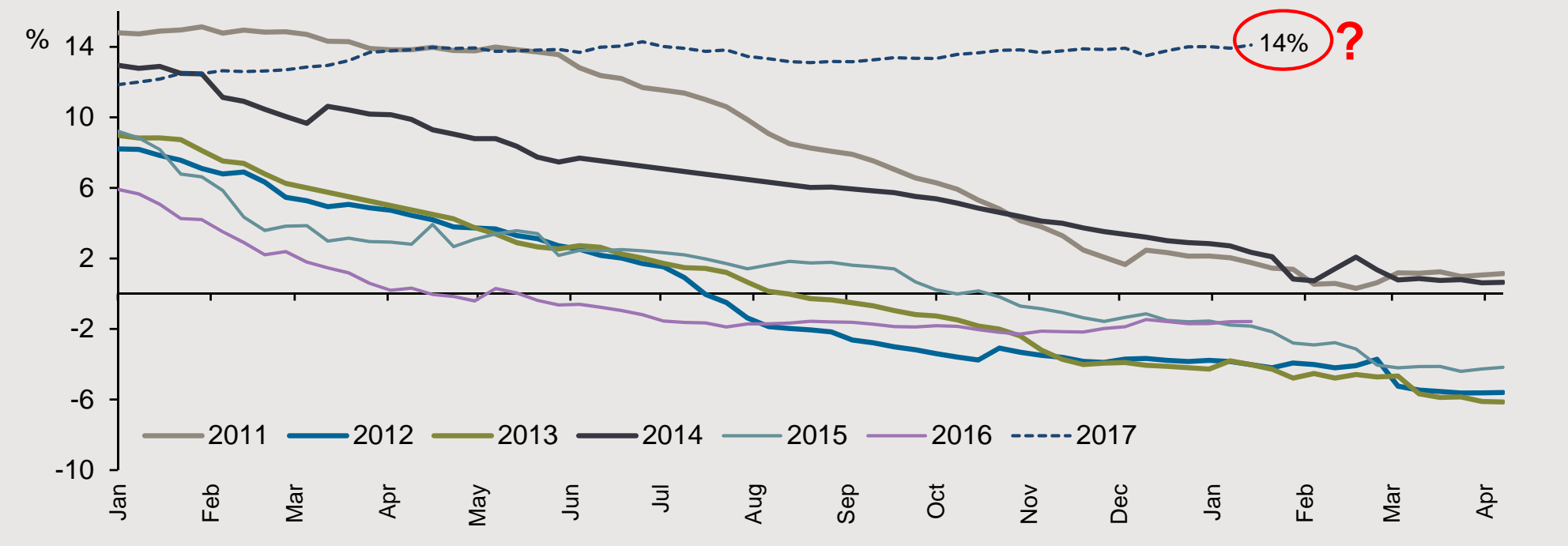
### 3) Value and momentum are starting to overlap

- JPM Europe Equity Plus Fund for access to our best ideas both long and short

# Will 2017 be different for earnings?

## Europe - six years of no earnings growth

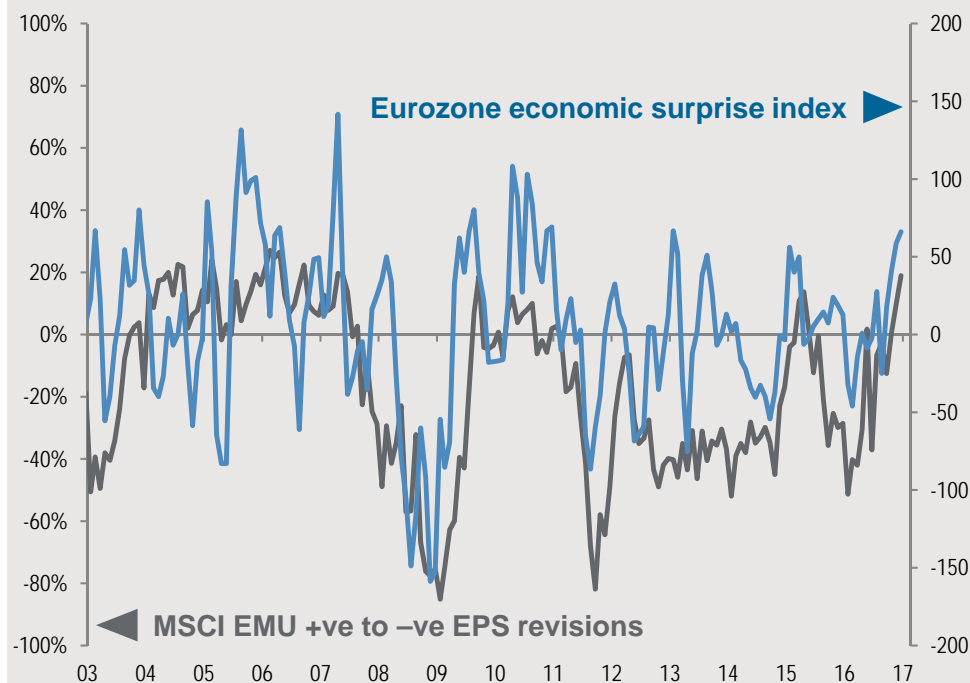
Consensus growth forecasts, Jan to following Apr, 2011-2017



Source: Datastream, UBS as of 16 January 2017. Chart shows MSCI Europe consensus growth forecasts from January to following April 2011-17. 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. .

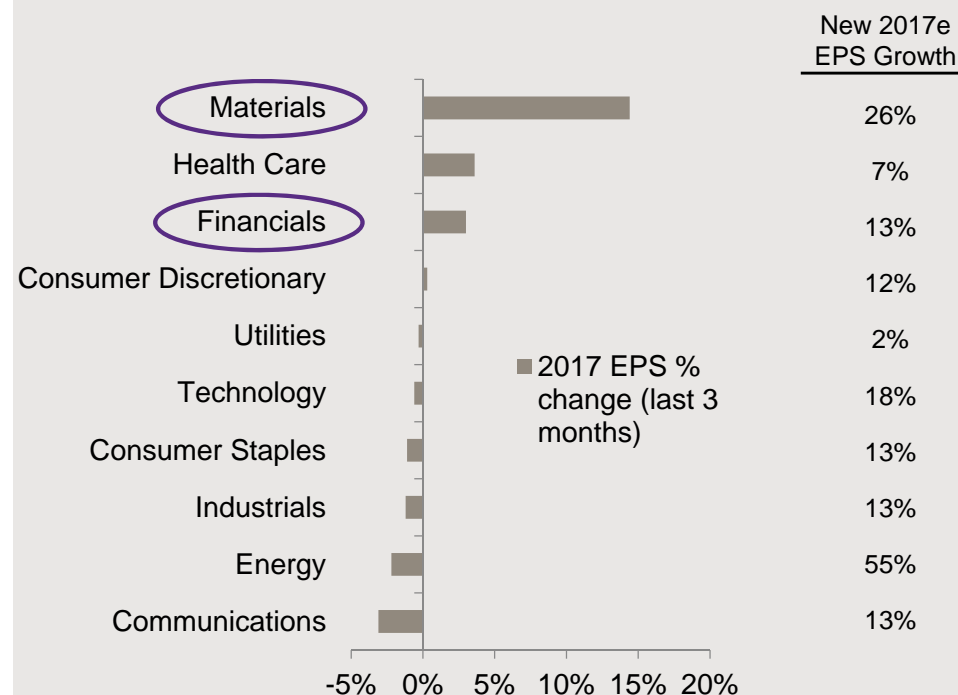
# Positive earnings momentum led by cyclicals

## Economic surprise indicates positive revisions



Source: J.P. Morgan Asset Management, J.P.Morgan Cazenove, IBES, Bloomberg, Citigroup Global Markets Inc. Data as at 19/01/17. The Citi Economic Surprise Indices measure data surprises relative to market expectations. A value above zero indicates that data releases have been stronger than expected.

## Cyclicals lead positive 2017 EPS revisions



Source: Bloomberg, data as at 23/01/17. Universe is STOXX Europe 600 Price Index, 2017 EPS revisions and 2017 expected earnings growth are market-cap weighted

## Key takeaways

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1) The scene is set for European earnings recovery

- Positive momentum led by cyclicals

2) **The value trade has further to run**

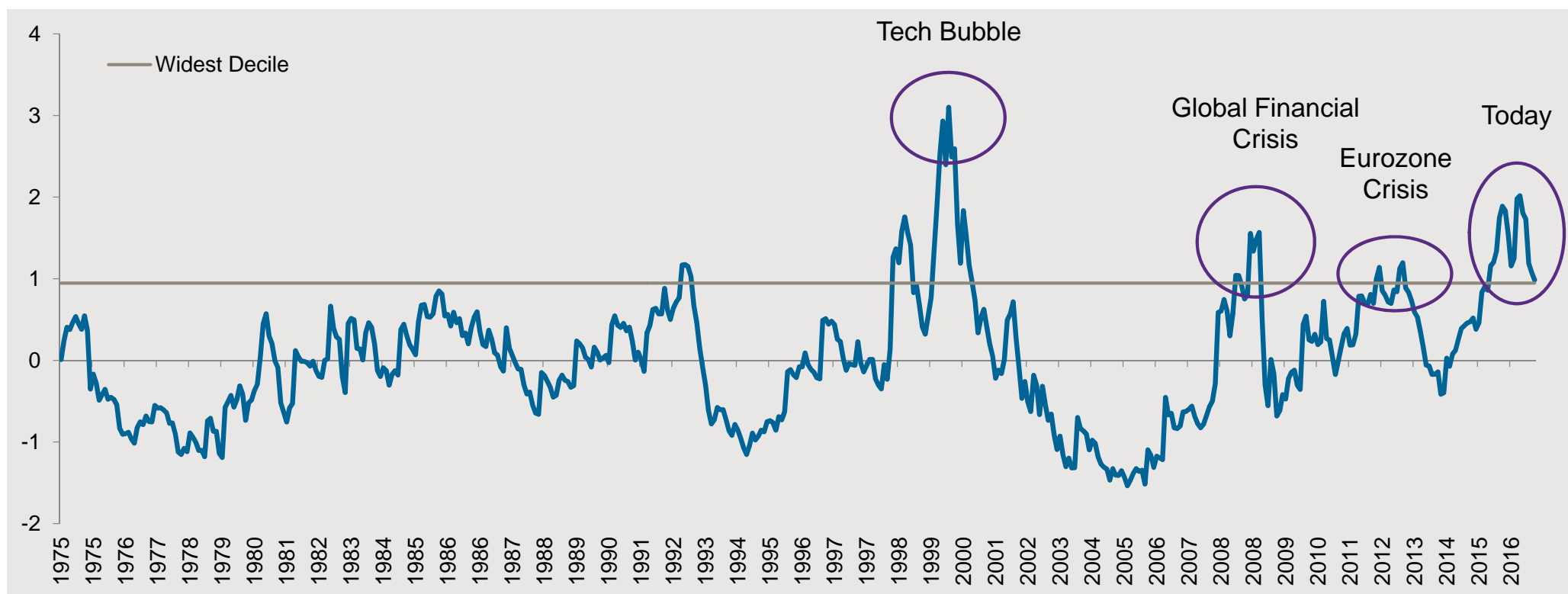
- **JPM Europe Strategic Value Fund is a pure value strategy**

3) Value and momentum are starting to overlap

- JPM Europe Equity Plus Fund for access to our best ideas both long and short

# Relative valuations still signal an opportunity for value in Europe

Relative valuation: MSCI Europe Value vs. Growth (Z-score)

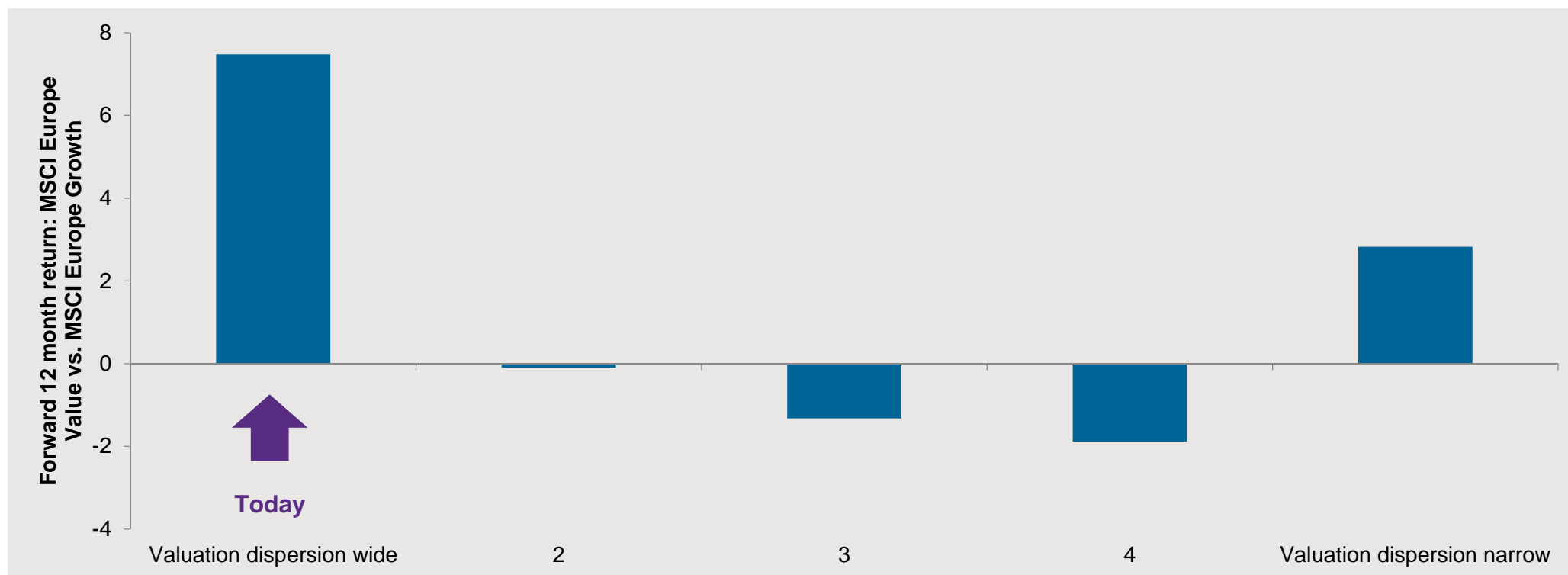


Source: MSCI, J.P. Morgan Asset Management. The relative valuation is based on the P/B and the DY of the Value relative to the Growth index normalized for comparison, 31 December 1974 to 31 December 2016.



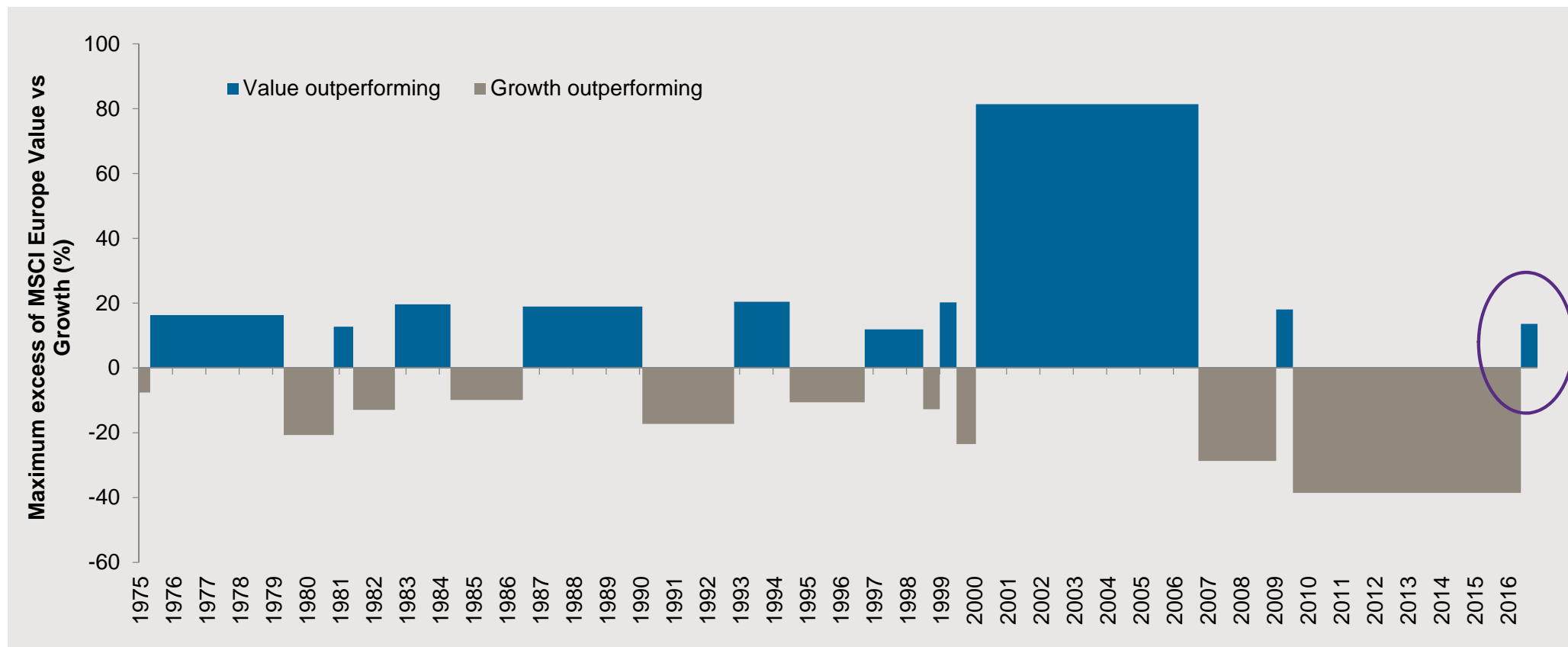
# Wide valuation spreads predict strong performance

## Forward performance of MSCI Europe Value vs. Growth indices conditional on relative valuation



Source: MSCI, J.P. Morgan Asset Management. The chart shows the forward 12-month return of the value index relative to the growth index conditional on the relative valuation from 30 November 1984 to 31 December 2016. The quintiles are based on an expanding window with an initial 10 year period.

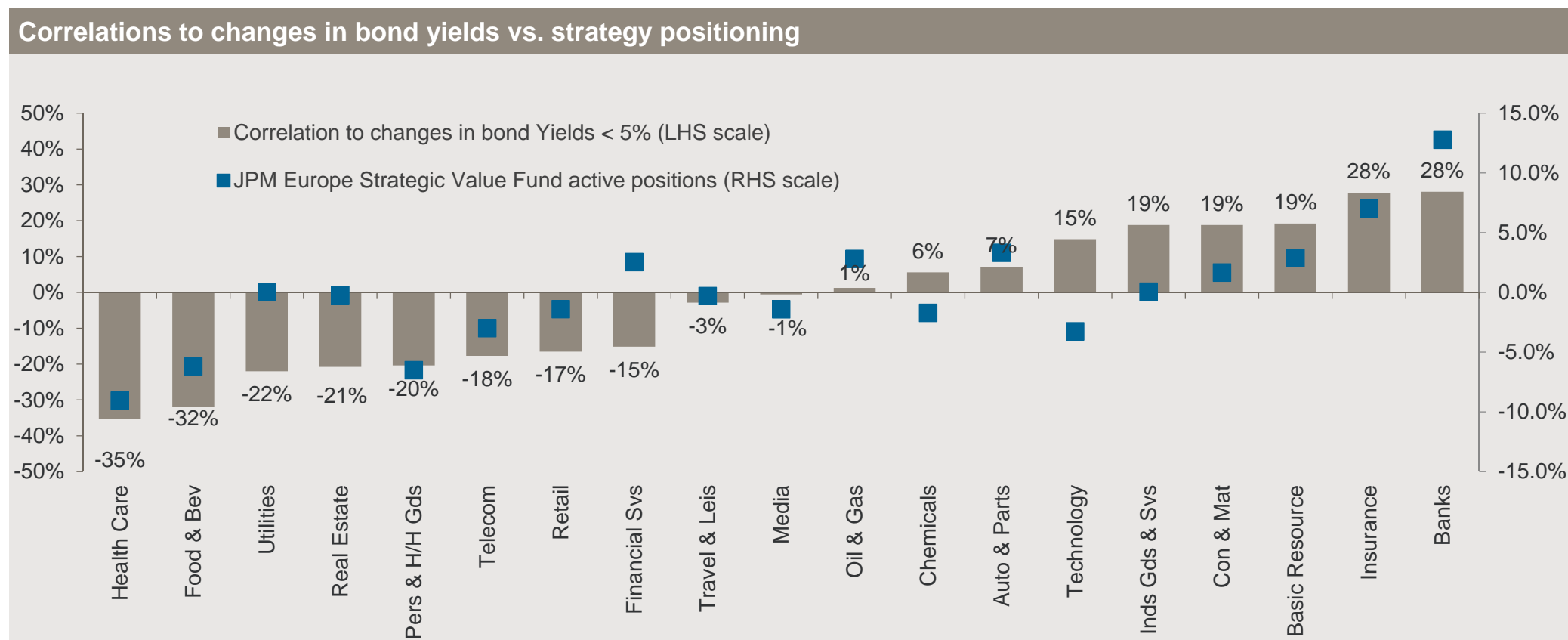
## Recent value outperformance in the context of previous rallies



Source: MSCI, J.P. Morgan Asset Management. Data from 1 January 1975 to 31 December 2016.

# Portfolio positioned to benefit from rising bond yields

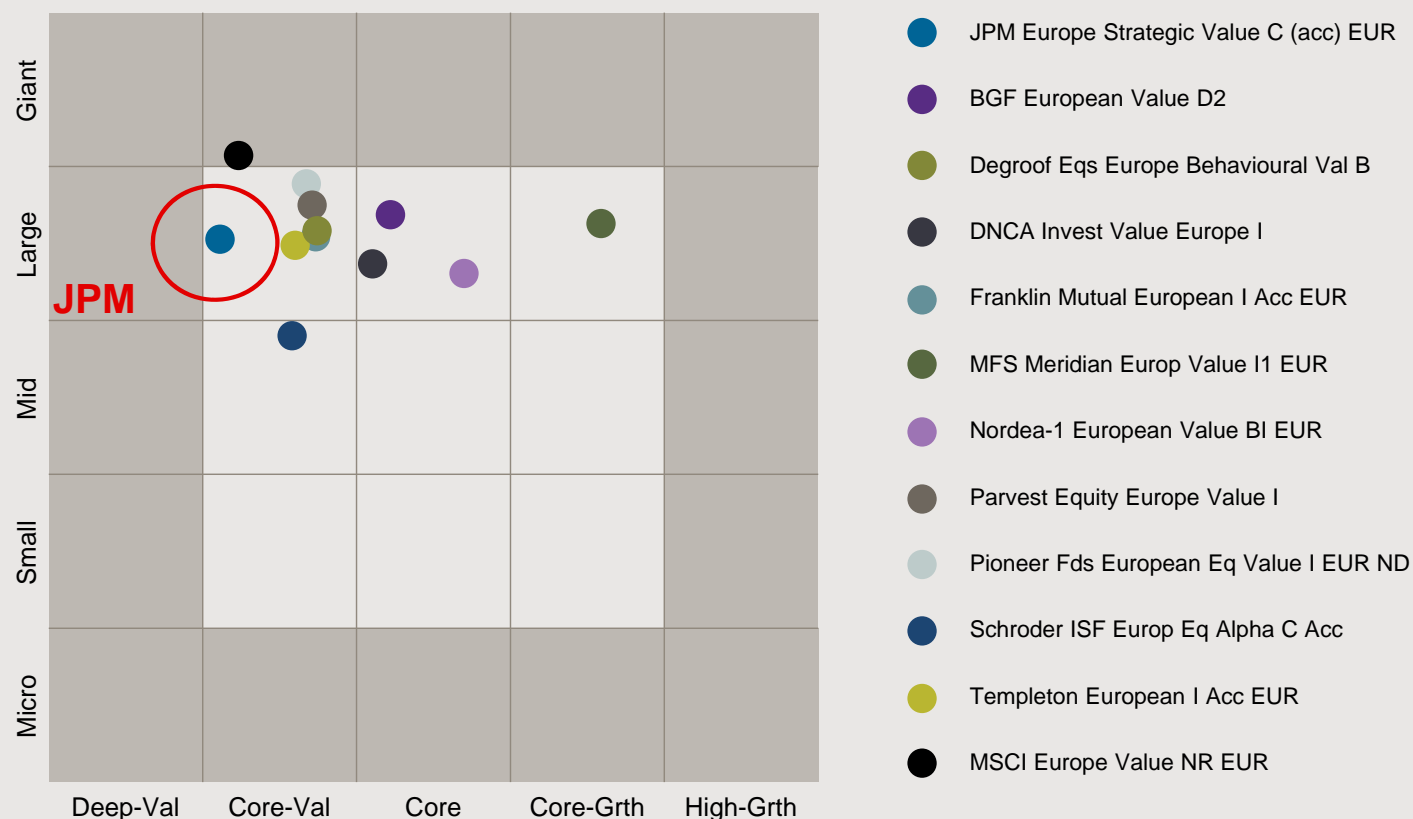
JPMorgan Funds – Europe Strategic Value Fund



Source: UBS Securities LLC / J.P. Morgan Asset Management. Sector correlations to 10 year US Treasury yields when <5% as of December 2015, using data since 1980. JPMorgan Europe Strategic Value fund positioning vs MSCI Europe as of 31 December 2016. 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.

# JPM Europe Strategic Value is one of the purest value funds available

## Holdings-Based Style Map



Source: Morningstar as at 30th November 2016.

# Fund summary

## JPMorgan Funds – Europe Strategic Value Fund as of 31 December 2016



**Michael Barakos**  
Portfolio Manager  
Experience: 17/ 17



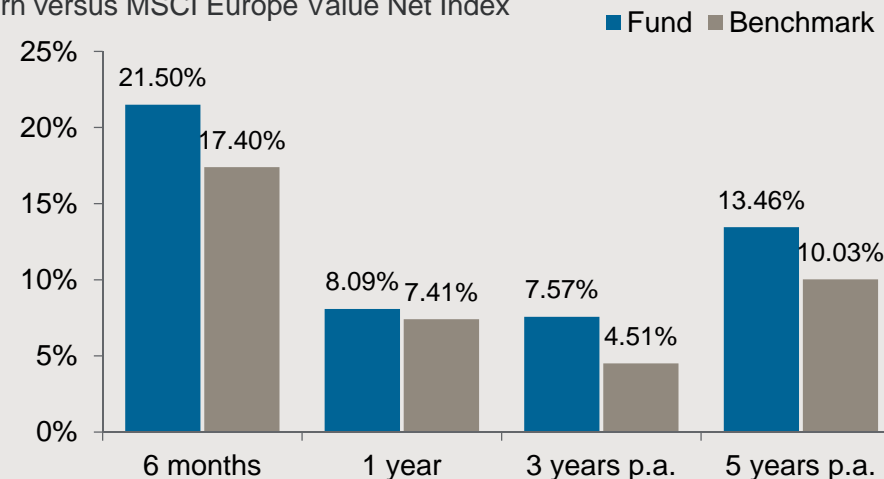
**Ian Butler**  
Portfolio Manager  
Experience: 11/ 11

### Fund information

Benchmark	MSCI Europe Value Net Index
Typical tracking error range	3-8 %
Market capitalisation	Multi-cap
Typical number of holdings	200-400
Fund size	EUR 1.6 bn
Inception date	14 February 2000
Morningstar rating*	★★★★

### Annualised performance

Return versus MSCI Europe Value Net Index



Excess (%)	3.46	0.63	2.93	3.12
Quartile*	1	1	1	1







Source: J.P. Morgan Asset Management. Data is as of 31 December 2016. Performance of C share class based on NAV, in EUR including ongoing charges excluding any entry and exit charges, with any income (net) reinvested. Excess return calculated geometrically. Past performance is not an indication of current and future performance. \*Morningstar peer quartile ranking is for share class A and rating is for share class C vs. the Europe large cap value universe as of 31 December 2016. 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.

## Key takeaways

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- 1) The scene is set for European earnings recovery
  - Positive momentum led by cyclicals
- 2) The value trade has further to run
  - JPM Europe Strategic Value Fund is a pure value strategy
- 3) **Value and momentum are starting to overlap**
  - **JPM Europe Equity Plus Fund for access to our best ideas both long and short**

## Bottom-up long and short opportunities

	VALUE	+	QUALITY	+	MOMENTUM
Stock					
LONG Theme	<ul style="list-style-type: none"> <li>Mark-to-market for spot metals prices stock trades on P/E 10x</li> </ul>		<ul style="list-style-type: none"> <li>Profitable market leader despite declining core business</li> </ul>		<ul style="list-style-type: none"> <li>Leader in fast fashion with local sourcing model</li> </ul>
Stock					
SHORT Theme	<ul style="list-style-type: none"> <li>Consumers moving toward healthier foods</li> <li>P/E FY17e 30x</li> </ul>		<ul style="list-style-type: none"> <li>Stretched balance sheet and low profitability (problem contracts and acquisitions)</li> </ul>		<ul style="list-style-type: none"> <li>Long distance sourcing model, competition from online</li> </ul>

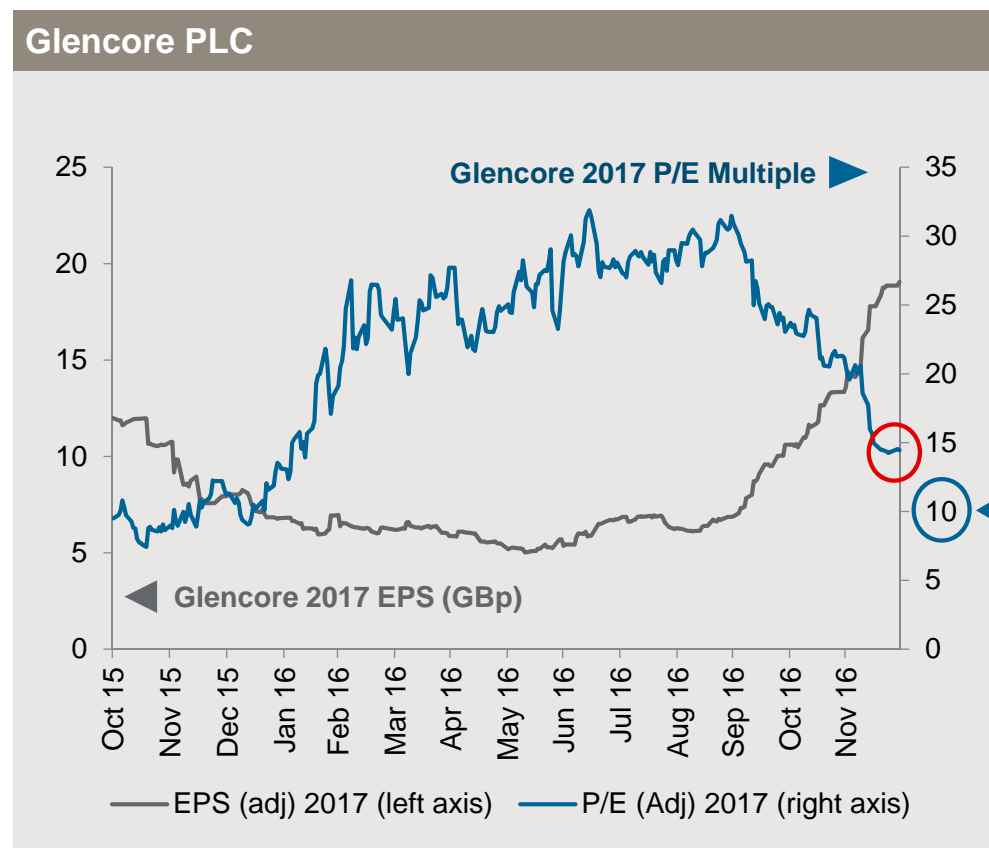
### ... value and momentum starting to overlap

Source: Bloomberg, 19/01/17. Mark-to-market source is UBS as at 16/01/17. The companies above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not hold positions on behalf of its clients in any or all of the aforementioned securities. The use of the above company logo is in no way an endorsement for J.P. Morgan Asset Management investment management services. Past performance is not necessarily a reliable indicator for current and future performance.



## Basic Resources sector

An example of value and momentum



### Glencore PLC in 2016

- Stock price +200%
- Forward EPS consensus +150%
- Forward P/E ~12x (Jan '16) to ~14x (Jan '17)

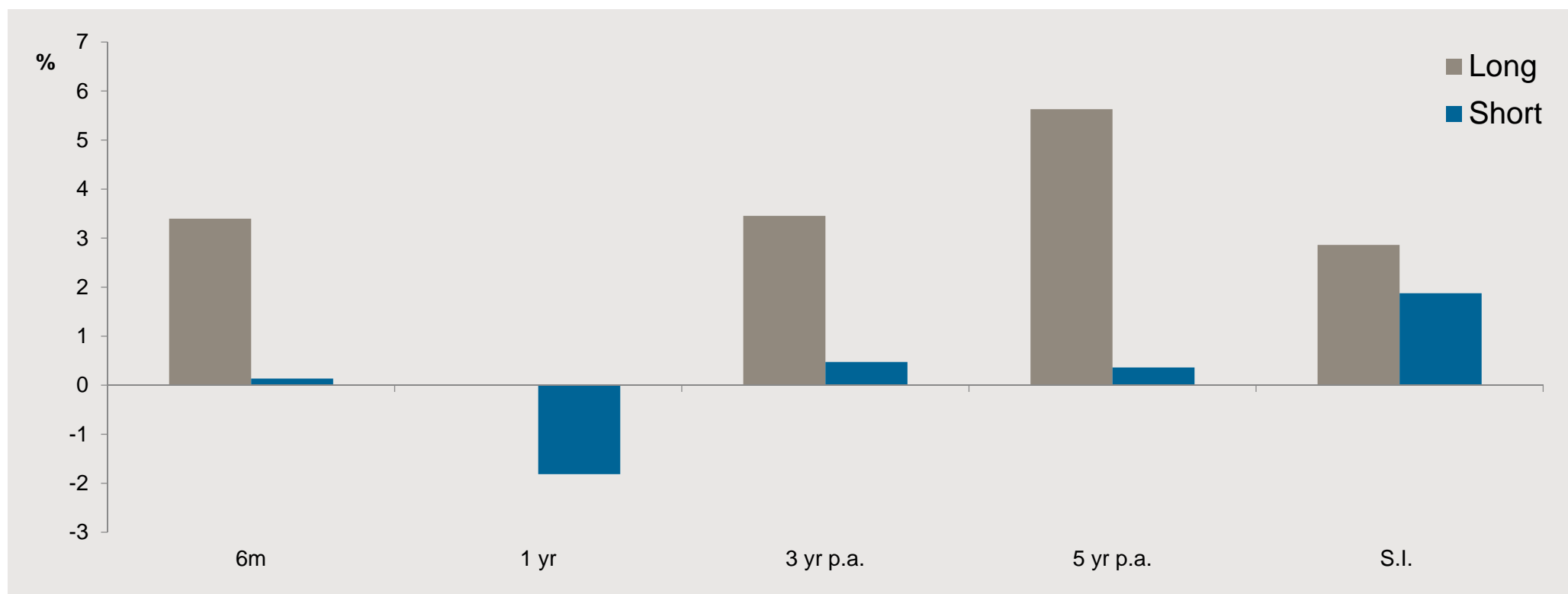
*On mark-to-market metals prices Glencore's P/E multiple would be 10x, cheaper than at the start of 2016*

Source: Bloomberg, 19/01/17. Mark-to-market source is UBS as at 16/01/17. The companies above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not hold positions on behalf of its clients in any or all of the aforementioned securities. The use of the above company logo is in no way an endorsement for J.P. Morgan Asset Management investment management services. Past performance is not necessarily a reliable indicator for current and future performance.

# Generating positive returns from both longs and shorts

JPMorgan Funds – Europe Equity Plus Fund

## Attribution of Performance to 31 December 2016

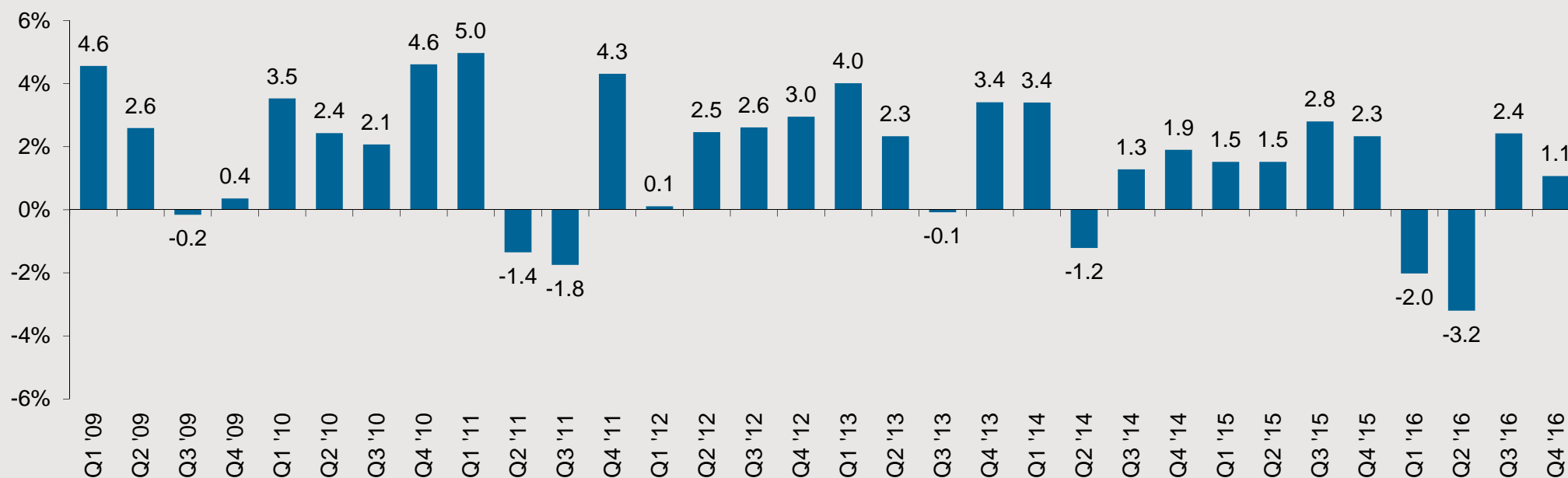


Source: Factset, J.P. Morgan Asset Management. Returns are gross of fees as at 31 December 2016. Inception is 25<sup>th</sup> June 2007. Allocations are made at the manager's discretion and can be changed without notice.

# Consistent performance in different market environments

JPMorgan Funds – Europe Equity Plus Fund

## Quarterly excess returns vs. MSCI Europe Net Index



Source: J.P. Morgan Asset Management. Data to 31 December 2016. Gross of fund management fee returns are calculated net of performance fees from net returns by applying the fund total expense ratio (TER) which includes operating & administrative expenses (O&A). The O&A fees are accrued at the maximum rate, according to what is stated in the fund prospectus. Where the O&A fees incurred are actually lower than the accrual, this would lead to a minor overstatement of gross returns. Net returns are not impacted. Past performance is not necessarily a reliable indicator for current and future performance. Excess return calculated geometrically. All data expressed in EUR and include net reinvested dividends.

# Fund summary

## JPMorgan Funds – Europe Equity Plus Fund as of 31 December 2016



**Michael Barakos**  
Portfolio Manager  
Experience: 17/ 17



**Nicholas Horne**  
Head of Research  
& Portfolio Manager  
Experience: 10/ 10

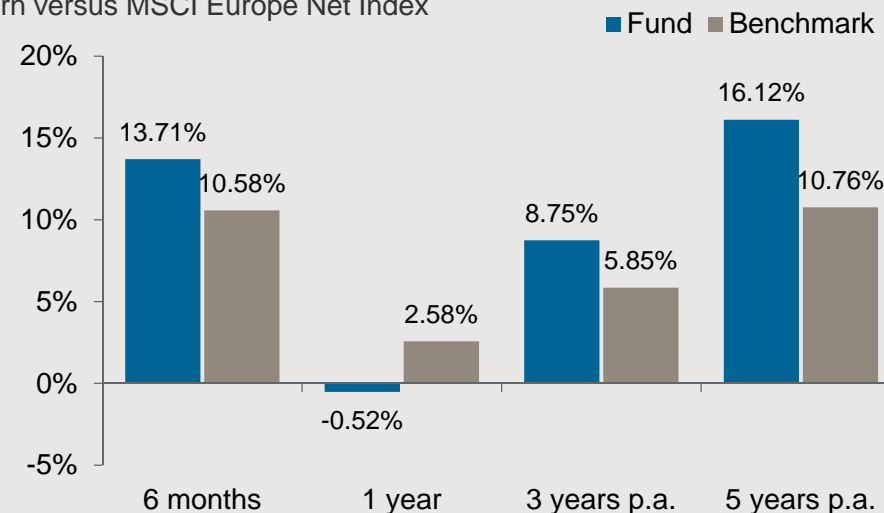
### Fund information

Benchmark	MSCI Europe Net Index
Typical tracking error range	3-6 %
Market capitalisation	Multi-cap
Typical number of holdings	200-400
Fund size	EUR 3.8 bn
Inception date	25 June 2007
Morningstar rating*	★★★★★

Source: J.P. Morgan Asset Management. Experience: Industry/Firm . Data is as of 31 December 2016. Performance of C class shares, data calculated NAV to NAV, in EUR including ongoing charges, excluding any entry and exit charges, with any income (net) reinvested. Excess return calculated geometrically. Past performance is not a guide to current or future performance. \*Morningstar peer quartile ranking is for share class A and rating is for share class C vs. Europe large cap blend equity universe as of 31 December 2016. 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 MSCI Europe Net Index



Excess (%)	2.83	-3.02	2.73	4.84
Quartile*	1	3	1	1

## Key takeaways

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- 1) **The scene is set for European earnings recovery**
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# US Equities after the election

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**Madrid**

**January 2017**

**Christian Preussner**, Managing Director  
Client Portfolio Manager  
[christian.preussner@jpmorgan.com](mailto:christian.preussner@jpmorgan.com)

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## A new area begins: President Trump

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# Trump has a broad agenda but what are his priorities?

1.



**Tax reform**

2.



**Deregulation**

3.



**Infrastructure**

4.



**Trade**

5.



**Healthcare**

6.



**Immigration**



Source: J.P. Morgan Asset Management. As of 31 December 2016.

# United States: Fiscal and economic policies

OECD corporate income tax rate by country



MARKET INSIGHTS

GTM – Asia | Page 24

Effective tax rate and cash overseas\*\*

Sector	Effective Tax Rate	Cash Overseas (USD billions)	Overseas Cash as % of Market Cap
Utilities	38%	3	0.4%
Materials	31%	21	3.9%
Con. Stap.	30%	67	3.3%
Telecom	28%	1	0.3%
Con. Disc.	27%	73	3.0%
Industrials	25%	65	3.2%
Energy	22%	41	3.0%
Health Care	22%	161	6.0%
Technology	20%	641	15.7%
Real Estate	5%	2	0.4%
<b>S&amp;P 500 Non-financials</b>	<b>26%</b>	<b>1,075</b>	<b>5.5%</b>

Source: (Top) OECD, J.P. Morgan Asset Management. (Bottom) Bank of America Merrill Lynch, J.P. Morgan Asset Management.

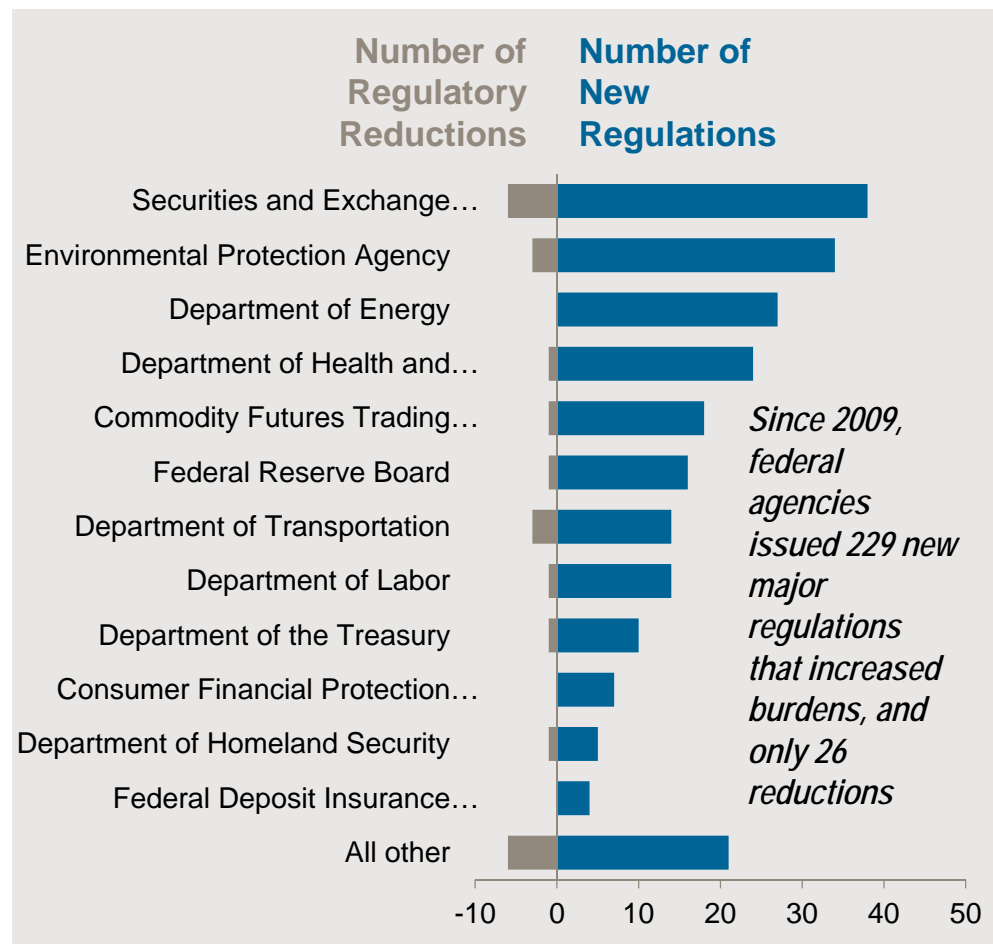
\*Average based on OECD's 35 countries in simple average terms.

\*\*Cash overseas and effective tax rate estimates provided by Bank of America Merrill Lynch. Effective tax rate based on last 12 months.

Guide to the Markets – Asia 1Q 2017.

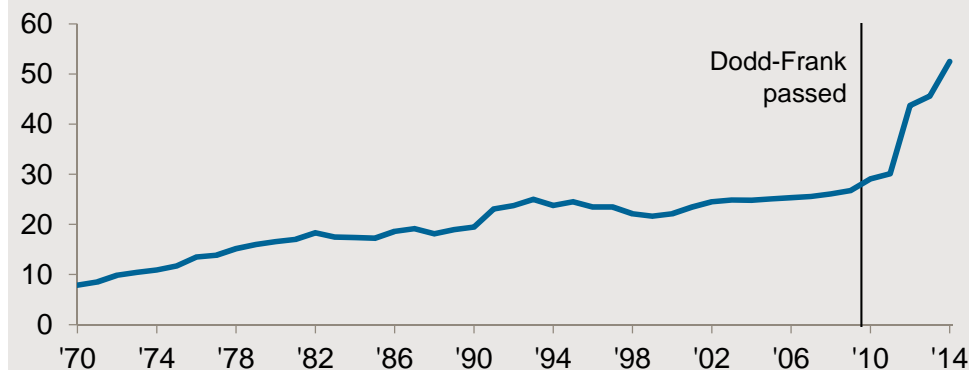
Data reflect most recently available as of 31/12/16.

# Regulatory footprint by agency



## Regulatory restrictions on banks

Thousands of restrictions in CFR<sup>1</sup> Title 12



Source: Heritage Foundation; Heritage Foundation calculations based on data provided by individual agencies. Published on 23 May 2016. For illustrative purposes only.

Picture: Previewcf.turbosquid.com. Chart (lower right): Mercatus Center at George Mason University. December 2014. <sup>1</sup>Code of Federal Regulations.

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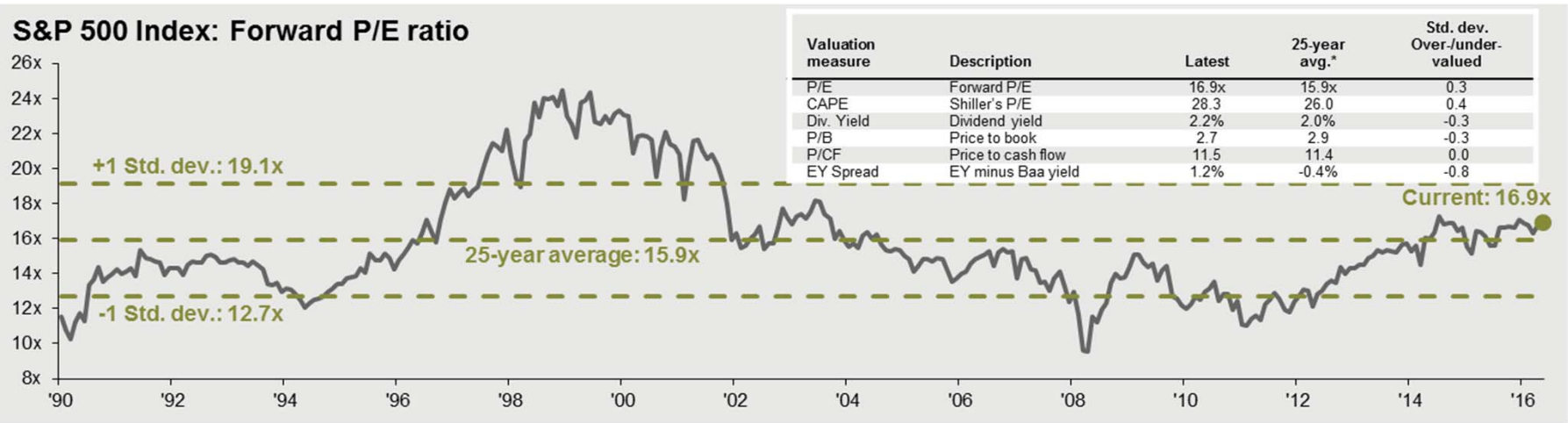
# US Equity Market Implications 2017

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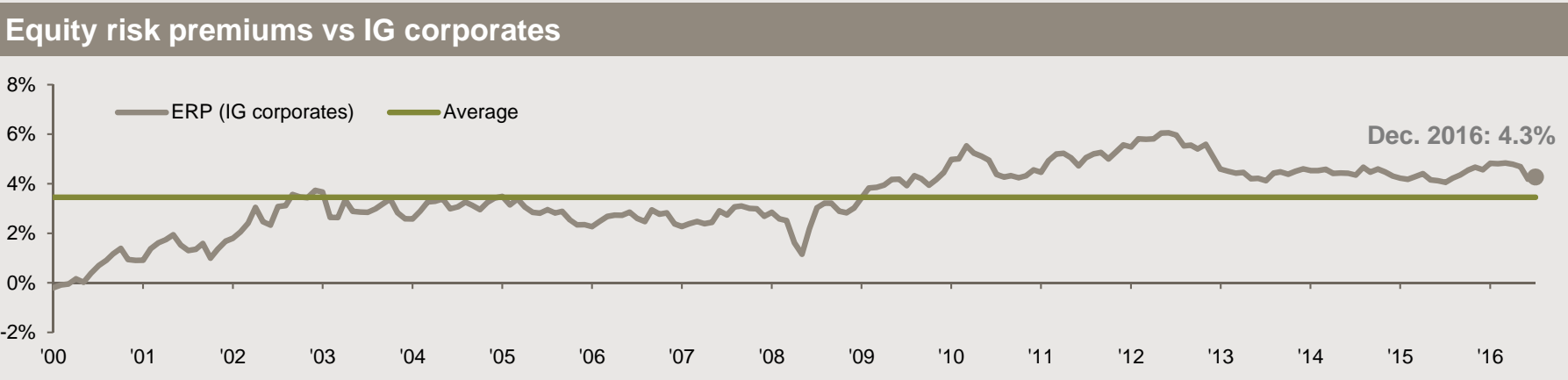
# Theme 1: Valuations

## Page on P/E



MARKET INSIGHTS

GTM – U.S. | Page 5  
(Top chart)



Source: J.P. Morgan Asset Management (Top) Standard & Poor's, FactSet, Robert Shiller Data, FRB. Price to earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the next 12-month consensus dividend divided by most recent price. Price to book ratio is the price divided by book value per share. Price to cash flow is price divided by NTM cash flow. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Moody's Baa seasoned corporate bond yield. Std. dev. over-/ under-valued is calculated using the average and standard deviation over 25 years for each measure. \*P/CF is a 20-year average due to cash flow data availability Guide to the Markets – U.S. Data are as of 12/31/16. (Bottom) Bloomberg; as of 12/31/16. Equity risk premium is equal to J.P. Morgan Asset Management Dividend Discount Rate on S&P 500 stocks, less current yield to maturity on IG corporate bonds. A DDR is the discount rate that equates the present value of the estimated stream of future dividends to the current market price. The J.P. Morgan S&P 500 DDR is a bottom-up, sector-neutral and equal-weighted average of DDRs on large-capitalization stocks as estimated by J.P. Morgan Asset Management equity research analysts. A DDR does not represent a stock's expected actual return in any given time period. Past performance does not guarantee future results.

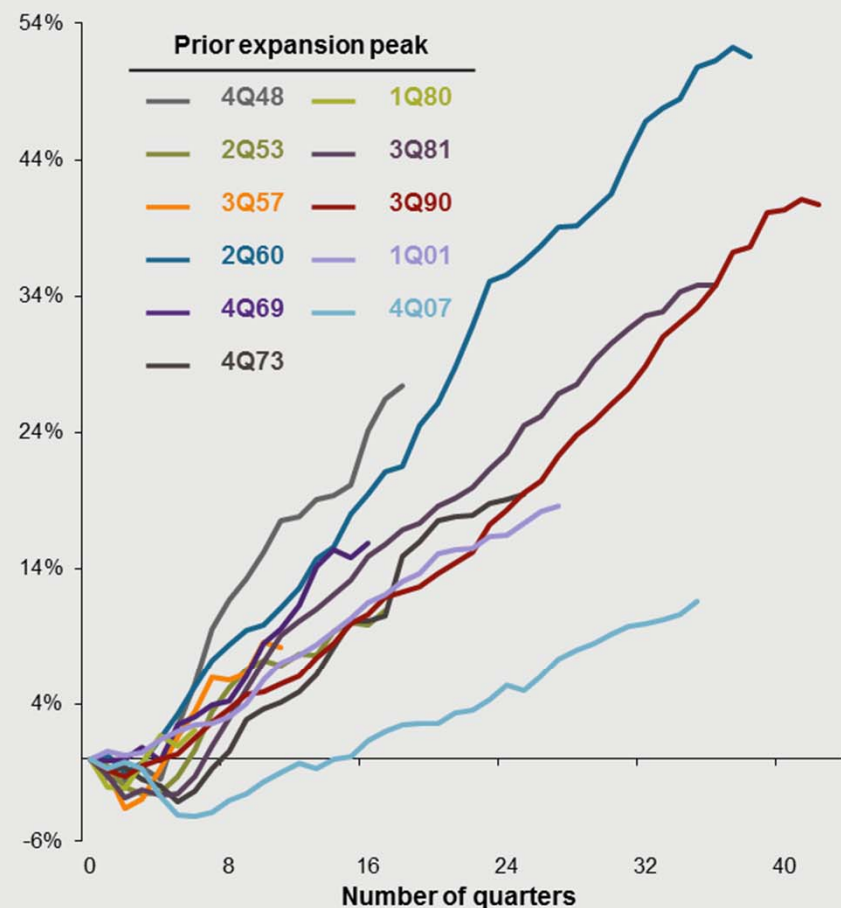


## Theme 2: Economic cycle

### One of the longest cycles in history?

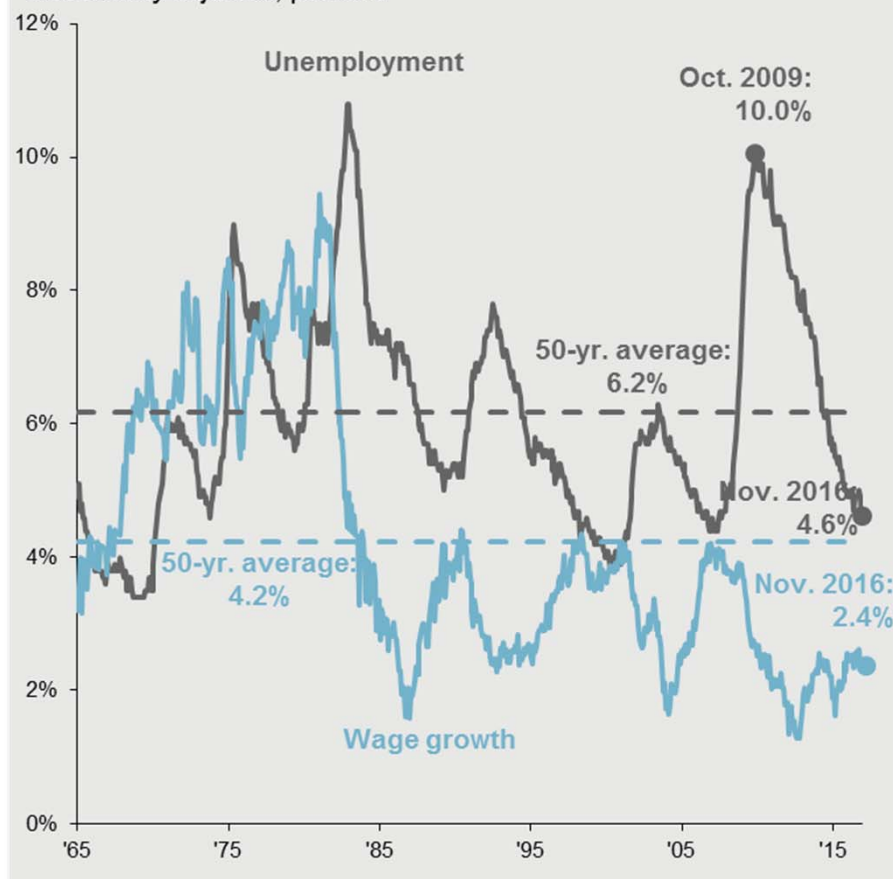
#### Strength of economic expansions

Cumulative real GDP growth since prior peak, percent



#### Civilian unemployment rate and year-over-year growth in wages of production and non-supervisory workers

Seasonally adjusted, percent



Source: (Left) BEA, NBER, J.P. Morgan Asset Management. \*Chart assumes current expansion started in July 2009 and continued through December 2016, lasting 90 months so far. Data for length of economic expansions and recessions obtained from the National Bureau of Economic Research (NBER). These data can be found at [www.nber.org/cycles/](http://www.nber.org/cycles/) and reflect information through December 2016. (Right) BLS, FactSet, J.P. Morgan Asset Management. *Guide to the Markets—U.S.* Data are as of December 31, 2016.

MARKET INSIGHTS

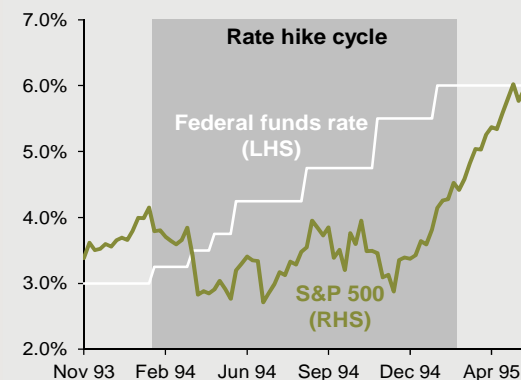
GTM – U.S. |  
LHS Page 19  
RHS Page 26

# Theme 3: A year of higher interest rates? Historical impacts of rate increases on the equity market

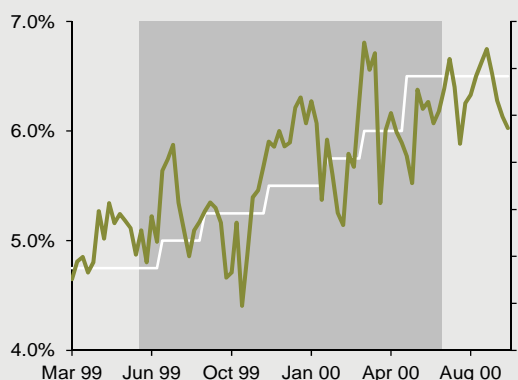
## Returns and yield changes during rate hiking cycles

S&P 500 price index and 10-year U.S. Treasury yield over the last three rate hiking cycles

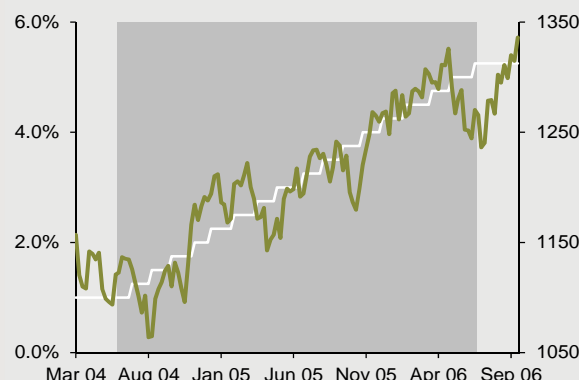
February 1994 – March 1995



June 1999 – June 2000



June 2004 – July 2006



MARKET INSIGHTS

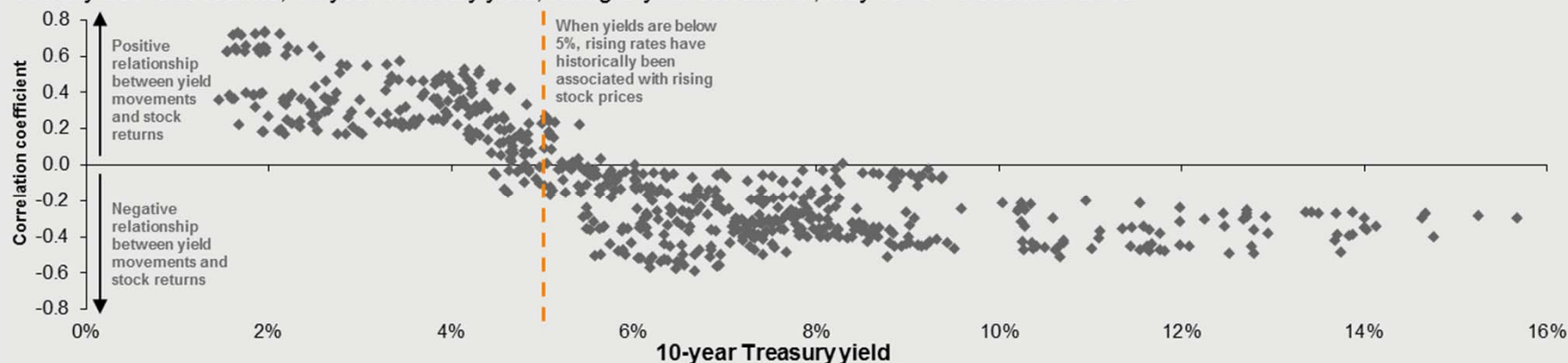
GTM – U.S. |

Top charts Page 60

Bottom chart Page 17

## Correlations between weekly stock returns and interest rate movements

Weekly S&P 500 returns, 10-year Treasury yield, rolling 2-year correlation, May 1963 – December 2016



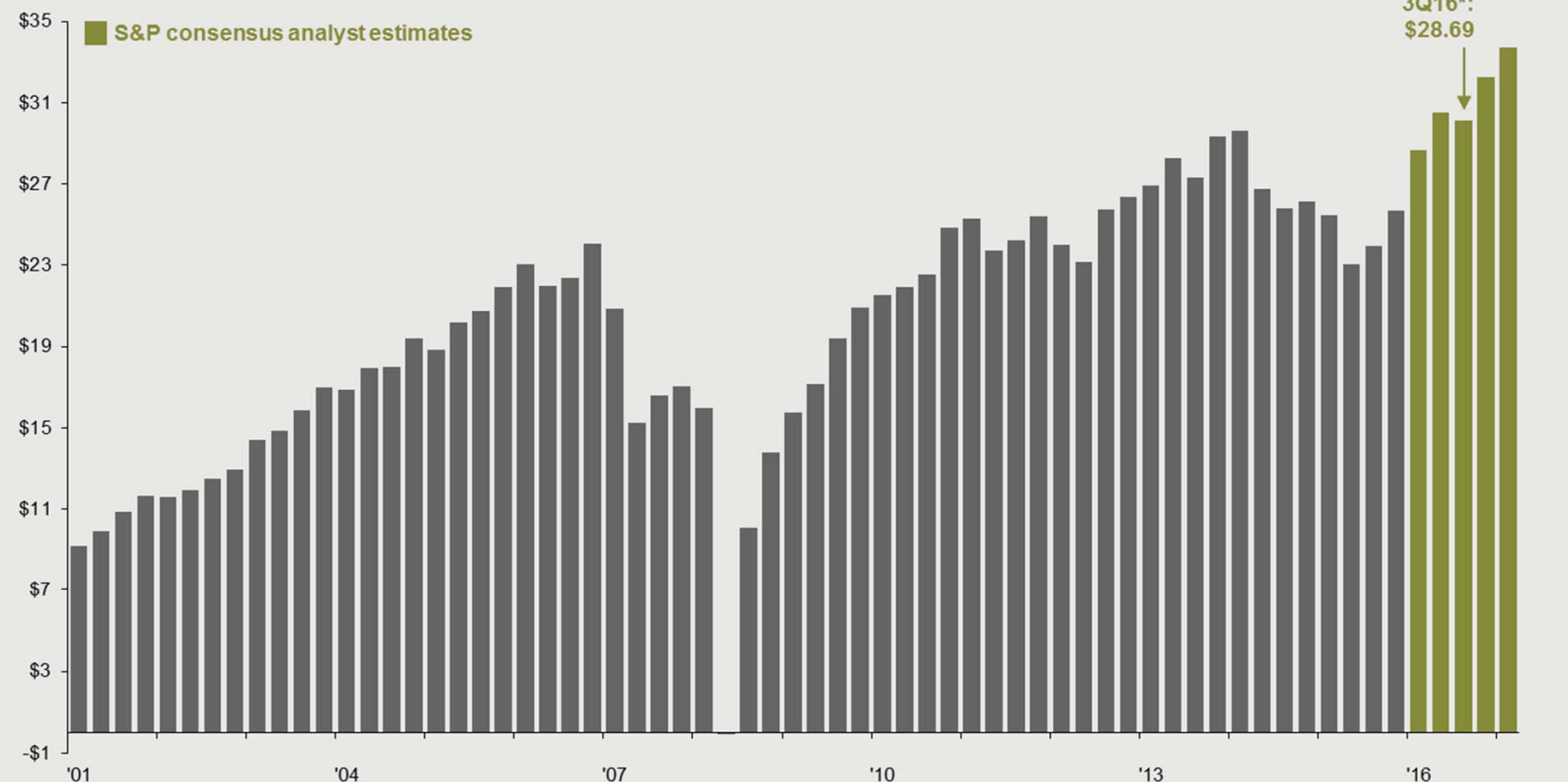
Source: (Top charts) FactSet, Standard & Poor's, J.P. Morgan Asset Management. *Guide to the Markets – U.S.* Data are as of November 30, 2015. (Bottom chart) FactSet, Standard & Poor's, FRB, J.P. Morgan Asset Management. Returns are based on price index only and do not include dividends. Markers represent monthly 2-year correlations only. *Guide to the Markets – U.S.* Data are as of December 31, 2016. Past performance is not necessarily a reliable indicator for current and future performance.

## Theme 4: Earnings, earnings, earnings

### Historical impacts of rate increases on the equity market

#### S&P 500 earnings per share

Index quarterly operating earnings



MARKET INSIGHTS

GTM – U.S. | Page 7

Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management. EPS levels are based on operating earnings per share. Earnings estimates are Standard & Poor's consensus analyst expectations. Past performance is not indicative of future returns. Currencies in the Trade Weighted U.S. Dollar Major Currencies Index are: British pound, euro, Swedish krona, Australian dollar, Canadian dollar, Japanese yen and Swiss franc. \*3Q16 earnings are calculated using actual earnings for 98.6% of S&P 500 market cap and earnings estimates for the remaining companies. *Guide to the Markets – U.S.* Data are as of December 31, 2016.



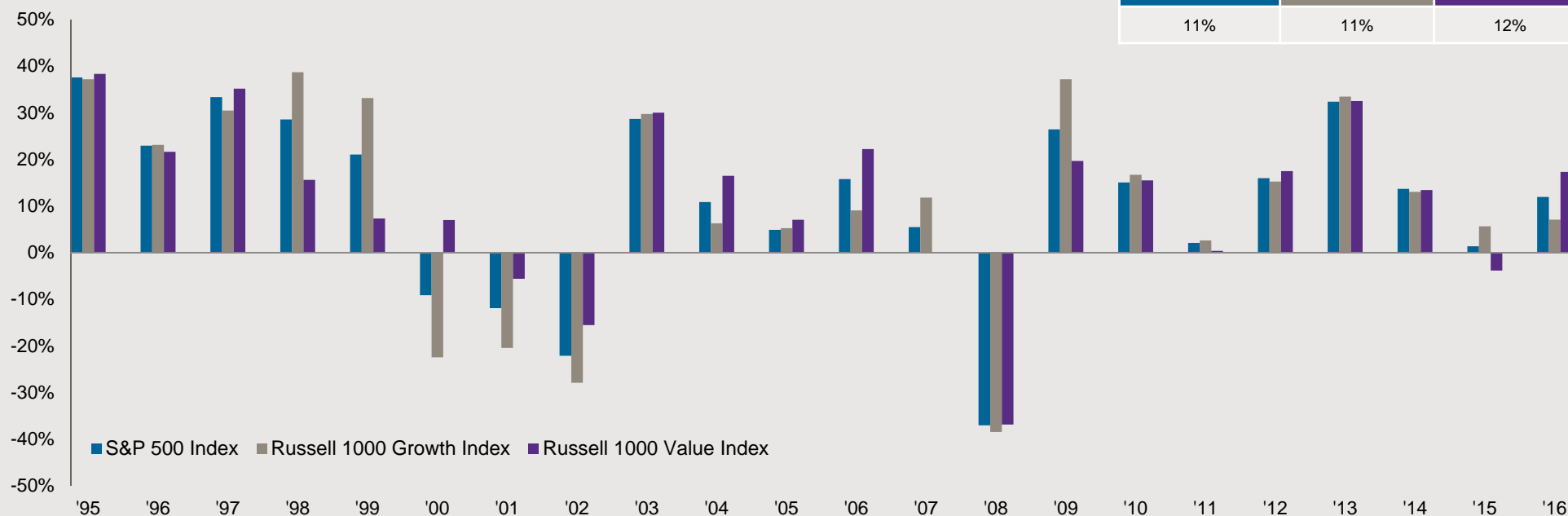
# Investing in US Equities in 2017



# Investment Styles

As at 31 December 2016

## Style: Value (Russell 1000 Value) vs. Growth (Russell 1000 Growth)

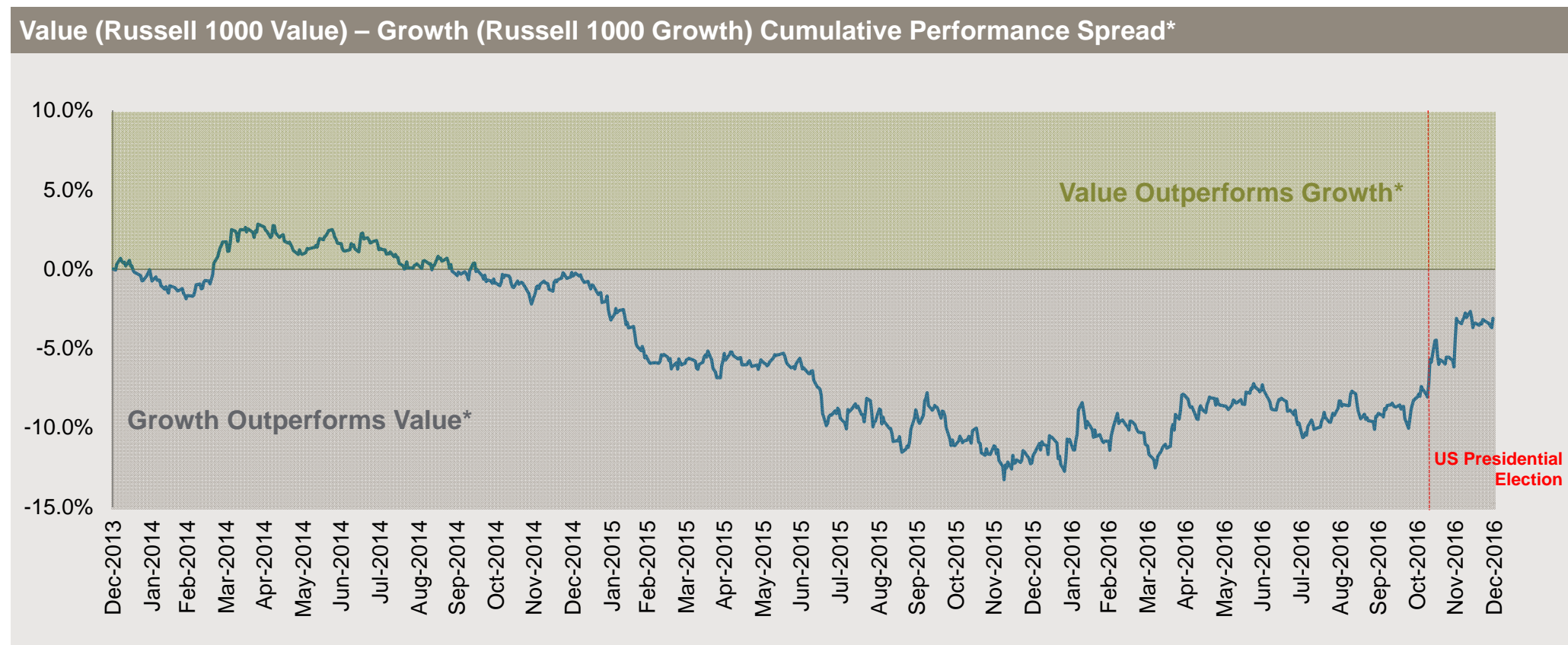


Source: Russell Investment Group, Standard & Poor's, J.P. Morgan Asset Management.

Note: Based on total returns since 1995. All calculations are total return, including dividends reinvested for the stated period. Past performance is not an indication of current and future performance.

# Investment Styles

As at 31 December 2016

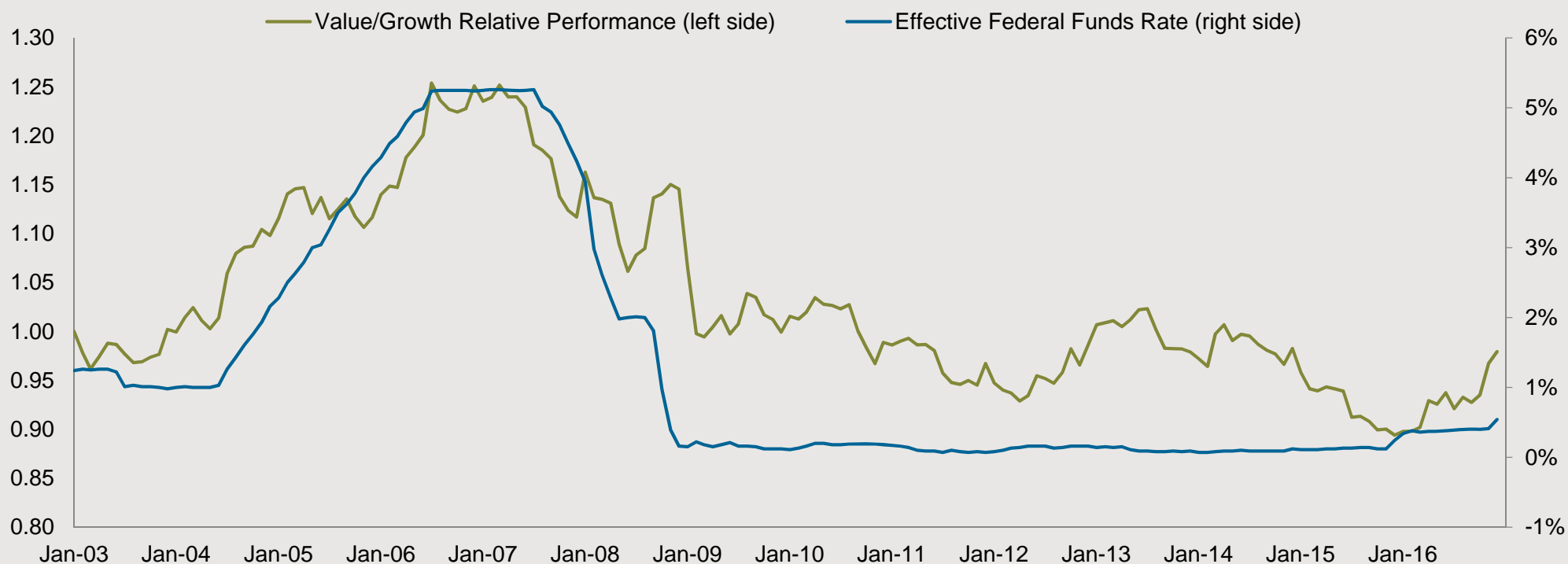


Source: Bloomberg, J.P. Morgan Asset Management. As at 31 December 2016. \*Based on the return spread between the Russell 1000 Value Price Index and the Russell 1000 Growth Price Index on a cumulative basis since 31/12/2013. Past performance is not an indicator of current and future performance.

# Investment Styles

As at 31 December 2016

In a rising interest rate environment, value style should outperform growth style

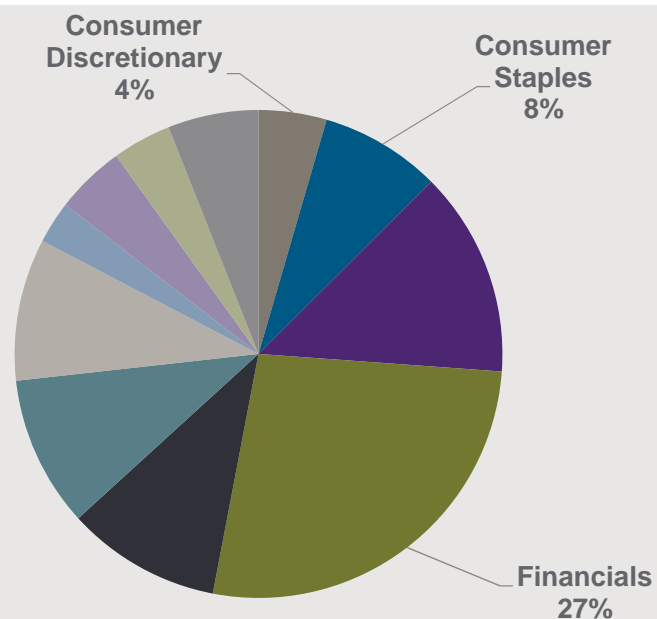


Source: Federal Reserve Bank of New York, Russell Investments, J.P. Morgan Asset Management. As at 31 December 2016. \*Based on the return Russell 1000 Value Price Index divided by the Russell 1000 Growth Price Index. Past performance is not an indicator of current and future performance.

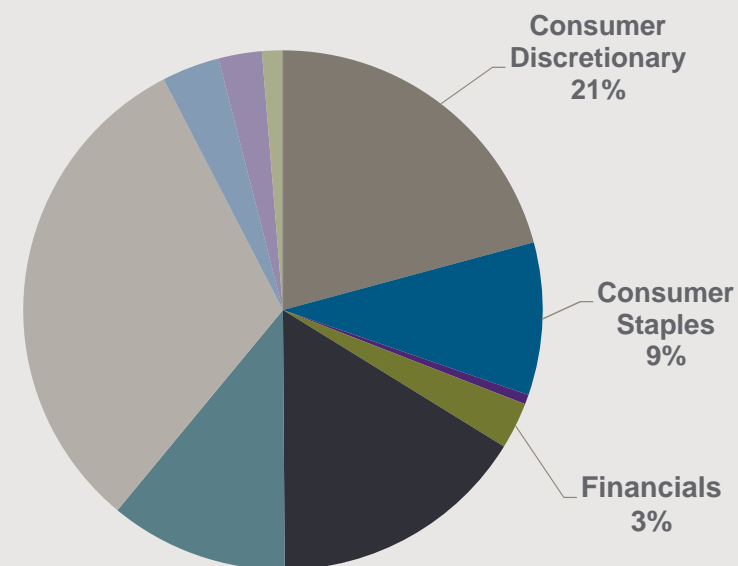
# Investment Styles: Sector Breakdown

As at 31 December 2016

Russell 1000 Value Index



Russell 1000 Growth Index

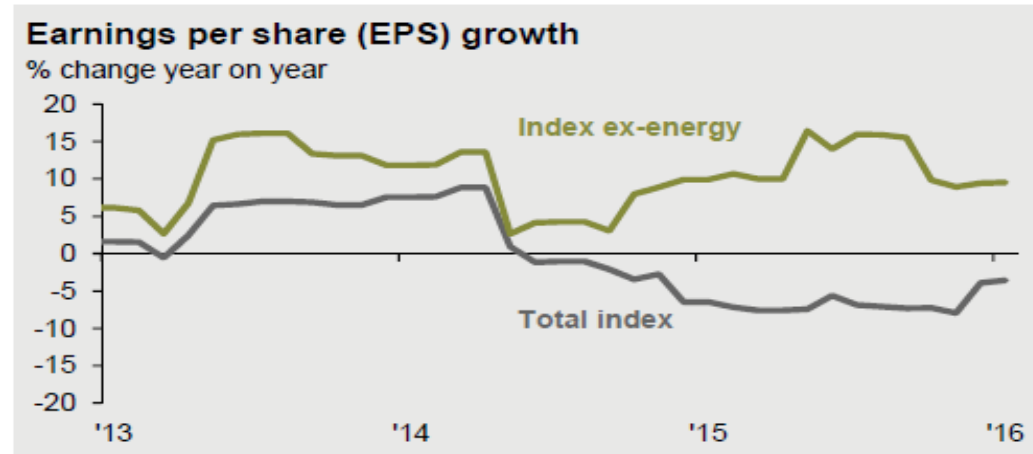
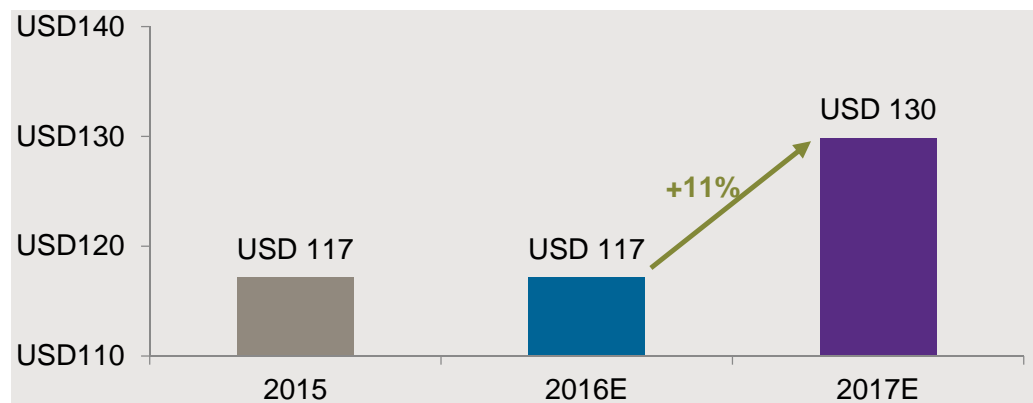


Source: Wilshire

# We see solid earnings growth in most sectors in 2016 and 2017

## S&P 500 Earnings Picture

### J.P. Morgan Asset Management estimates for S&P 500 Earnings



Earnings Growth <sup>1</sup>	2016E	2017E
Consumer Discretionary	15%	13%
Consumer Staples	6%	9%
Energy	-74%	197%
Financials	1%	11%
Health Care	11%	8%
Industrials	0%	4%
Information Technology	-7%	10%
Materials	-6%	19%
Telecommunication Services	3%	3%
Utilities	7%	-1%
<b>S&amp;P 500</b>	<b>0%</b>	<b>11%</b>
<b>S&amp;P 500 ex-Energy</b>	<b>3%</b>	<b>9%</b>

Source: (Top left, right) J.P. Morgan Asset Management. (Bottom left GTM-Europe, page 45) MSCI, Thomson Reuters Datastream, J.P. Morgan Asset Management. Estimates as of December 31, 2016. <sup>1</sup>Shows year-over-year earnings growth using earnings estimates as of December 31, 2016 for the S&P 500 Index. Opinions, estimates, forecasts, projections and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. There can be no guarantee they will be met. Past performance is not a guarantee of future results.

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# JPMorgan Funds – US Value Fund

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January 2017

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Client Portfolio Manager  
[christian.preussner@jpmorgan.com](mailto:christian.preussner@jpmorgan.com)

**Fiona Harris**, Executive Director  
Client Portfolio Manager  
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**Nadine Brandt**, Vice President  
Client Portfolio Manager  
[nadine.brandt@jpmorgan.com](mailto:nadine.brandt@jpmorgan.com)



# Investment Philosophy



**Jonathan Simon**  
Portfolio Manager

*"We believe that companies which possess the ability to consistently generate free cash flow and effectively allocate capital to generate growth in value per share will, over the long term, outperform stock market averages"*

## Quality Business

### We focus on quality first:

- durable business model
- consistent earnings
- high return on invested capital

## Quality Management

### Management is key:

- good stewards of capital
- long term strategic plan
- track record of success

## Valuation

### Valuation is critical:

- Price/earnings
- Price/book value
- Free cashflow yield



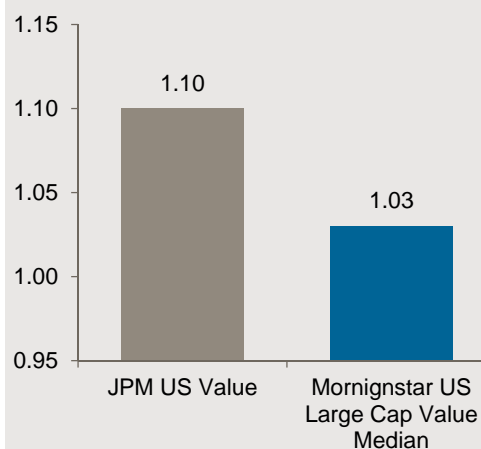
# Fund summary

## JPMorgan Funds - US Value Fund As at 31 December 2016

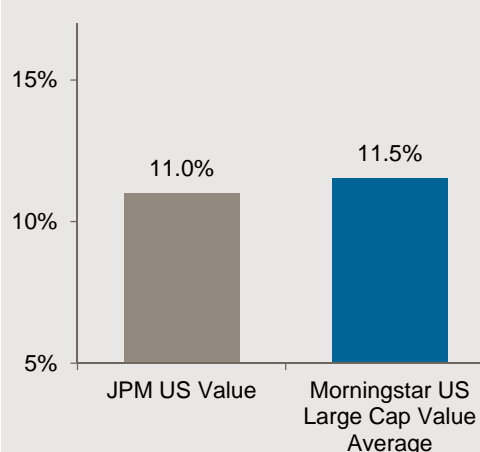


**Jonathan Simon**  
**Portfolio Manager**  
Experience: 36/36

### Sharpe Ratio\*



### Standard Deviation\*



Source: Factset, J.P. Morgan Asset Management, Morningstar. Years of experience: Industry/Firm.

<sup>1</sup> Including negatives \*Data based on the 5 years trailing period as at 31 December 2016. All performance details relate to A-acc USD unless otherwise stated. © 2016 Morningstar. All Rights Reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. . Past performance is not necessarily a reliable indicator for current and future performance. 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.

### Fund Information

Inception Date	20 October 2000
Benchmark	Russell 1000 Value Index
Market capitalisation	Large Cap
Fund size	GBP 2,854m
Target number of holdings	70 - 100
ISIN	LU0129463179
Bloomberg Ticker	JPMUSVC LX

### Key Characteristics

	Fund	Index
Weighted Average Market Cap	USD 99.0b	USD 119.7b
Price / Earnings, 12-mth fwd <sup>1</sup>	15.7x	15.5x
Return on Equity, 12-mth trailing	12.4%	9.5%
EPS Growth, 12-mth fwd	10.5%	8.4%
Predicted Beta	0.95	-
Predicted Tracking Error	2.18	-
Holdings	103	689

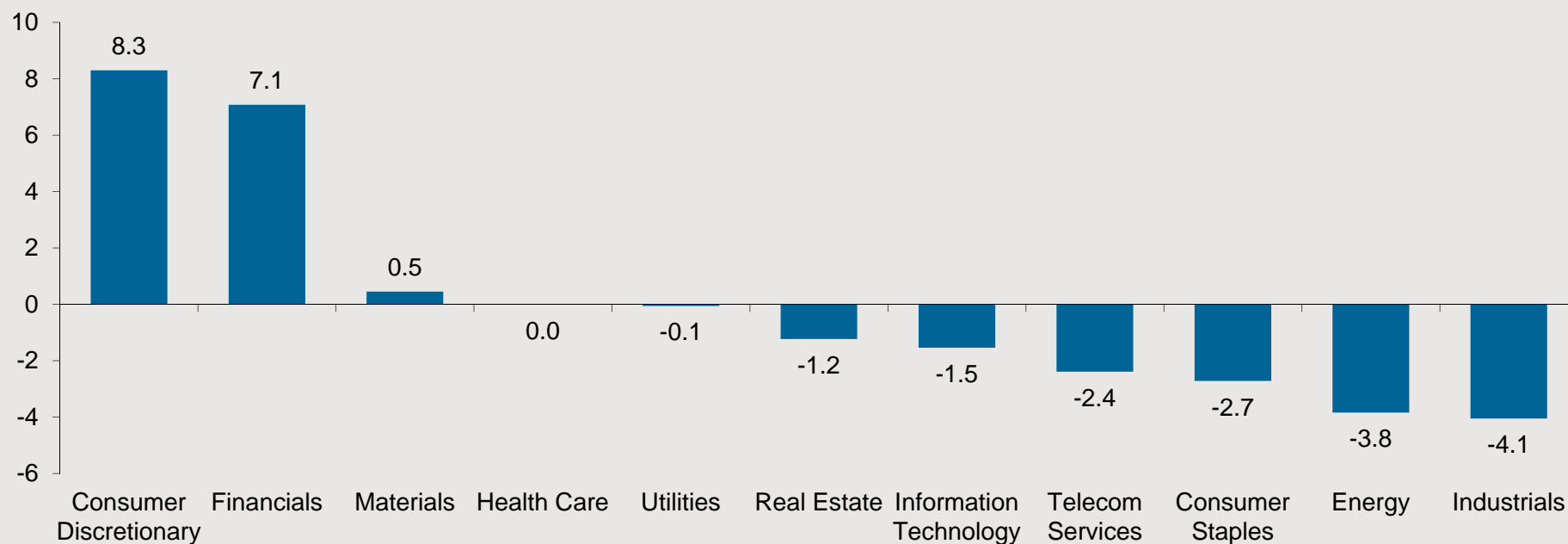
# Sector breakdown

JPMorgan Funds - US Value Fund  
As at 31 December 2016

Benchmark Russell 1000 Value Index

## Active and absolute sector positions

Relative to benchmark (%)



Portfolio weight (%)	12.8	33.9	3.3	10.2	6.0	3.4	7.9	1.5	5.3	9.8	6.0
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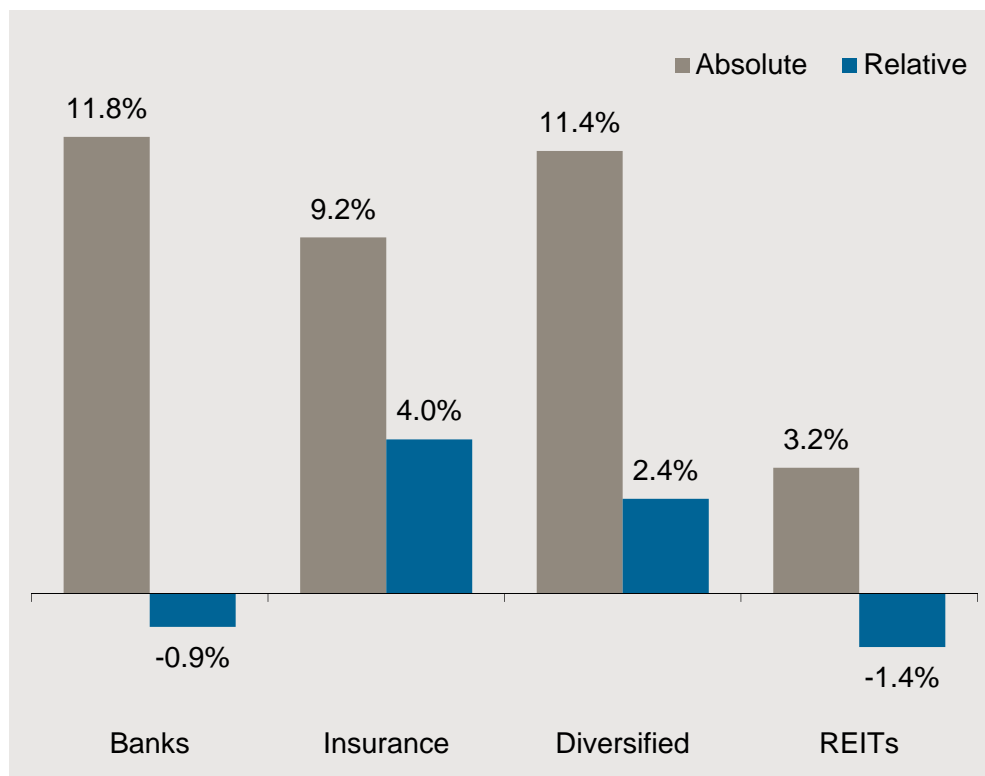
Source: Wilshire.

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.

# Financials should benefit from a rising interest rate environment

JPMorgan Funds - US Value Fund  
As at 31 December 2016

## Financial Services - absolute and relative<sup>1</sup> weights



## Traditional Retail / Commercial Banking



## Diversified Financials / Asset Managers / Trust Banks



Bank of America



## Undervalued Insurers

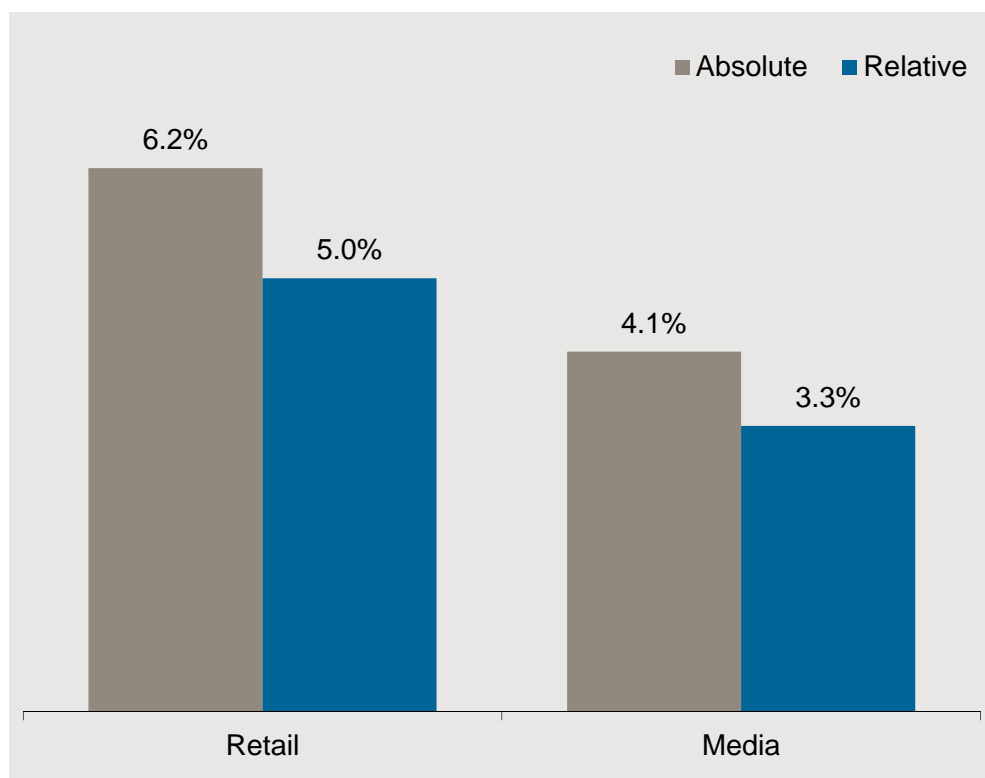


Source: J.P. Morgan Asset Management, Wilshire. <sup>1</sup>Reflects relative position to the Russell 1000 Value Index. As of 31 December 2016. The Fund is an actively managed portfolio; holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice. The companies/securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. The use of company logos is in no way an endorsement for J.P. Morgan Asset Management investment management services.

# Our portfolio should benefit from a stronger consumer

JPMorgan Funds - US Value Fund  
As at 31 December 2016

## Retail & Media - absolute and relative<sup>1</sup> weights



Invested in companies with a focus on return on capital, strong free cash flow, and brand loyalty

**HANES**  
*Brands Inc*

**TimeWarner**

Retailers with leadership positions and strong capital allocation

**BED BATH &  
BEYOND®**



**AutoZone®**

Source: J.P. Morgan Asset Management, Wilshire. <sup>1</sup> Reflects relative position to the Russell 1000 Value Index. As of 31 December 2016. 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. The companies/securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. The use of company logos is in no way an endorsement for J.P. Morgan Asset Management investment management services.

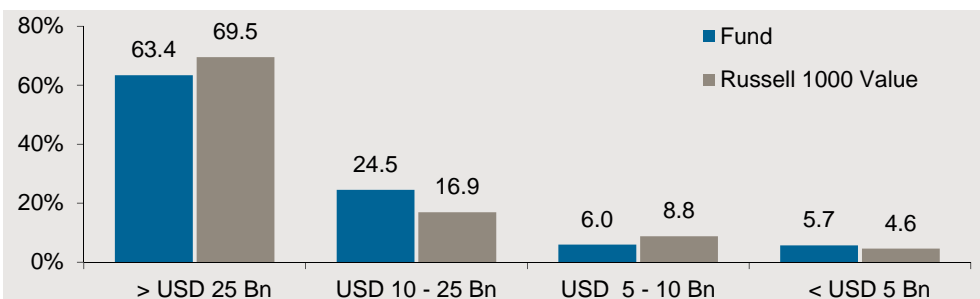
# Portfolio characteristics

JPMorgan Funds - US Value Fund  
As at 31 December 2016

Benchmark Russell 1000 Value Index

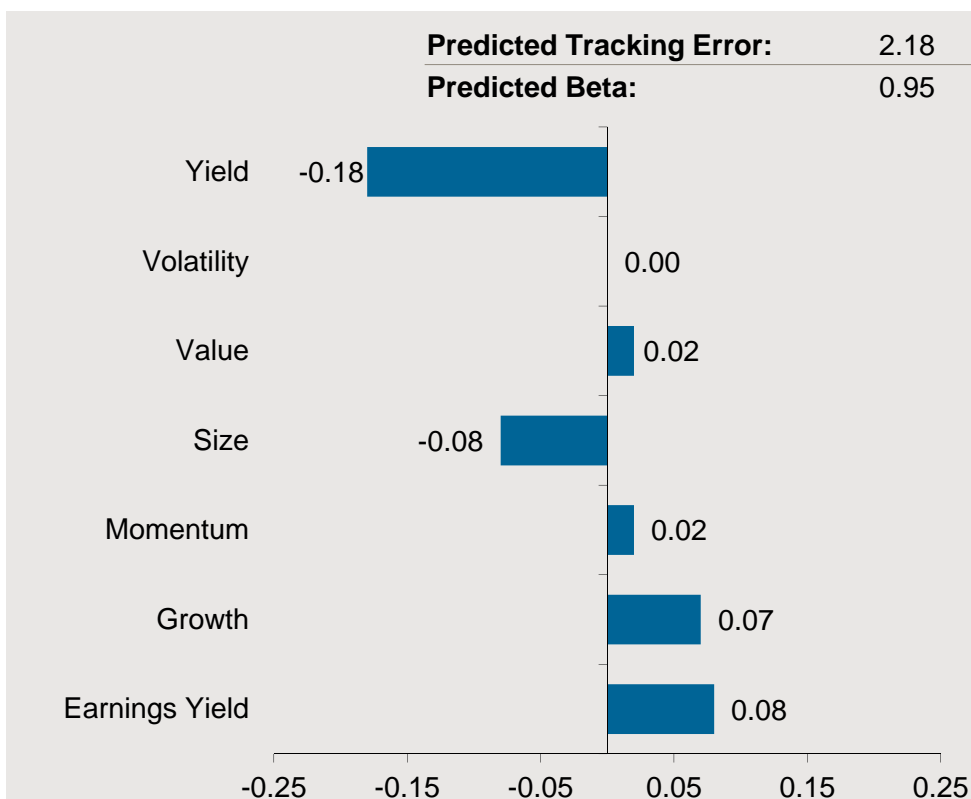
Portfolio	Fund	Index*
Weighted Average Market Cap	USD 99.0b	USD 119.7b
Price / Earnings, 12-mth fwd <sup>1</sup>	15.7x	15.5x
EPS growth, 12-mth fwd	10.5%	8.4%
Return on Equity, trailing 12-mth	12.4%	9.5%
Dividend Yield	2.2%	2.5%
Number of holdings	103	689
Turnover, 12-mth trailing	16.3%	
Beta, trailing 3 year <sup>2</sup>	0.97	
Tracking Error, trailing 3 year <sup>2</sup>	2.12	

## Market capitalisation



Source: Factset, J.P. Morgan Asset Management. \*Russell 1000 Value Index. <sup>1</sup> Including negatives. <sup>2</sup> Fund risk data is based on the index valuation point and are not based on the NAV valuation point. These returns are based on market prices recorded on the last business day of each month end at close of business (COB) pricing for the relevant market and are gross of fees. Due to the time difference between the Fund NAV calculation and the US market, we believe the index valuation point returns offer a better comparison between Fund and Benchmark returns. 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.

## BARRA tilts relative to benchmark



# Performance

JPMorgan Funds - US Value Fund  
For the periods ended 31 December 2016

Market value

Fund

USD 2,854m

## Annualised performance (%)

	Three Months	One Year	Three Years	Five Years	Ten Years	Since Inception <sup>1</sup>
JPM US Value - C (acc) USD (%)	9.13	15.18	7.40	13.36	5.96	7.91
Value Index <sup>2</sup> (%)	6.47	16.44	7.80	13.96	4.91	7.13
<b>Excess Return</b>	<b>+2.66</b>	<b>-1.26</b>	<b>-0.40</b>	<b>-0.60</b>	<b>+1.05</b>	<b>+0.78</b>

## Calendar year performance (%)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
JPM US Value - C (acc) USD (%)	15.18	-6.05	14.49	32.05	14.42	3.64	14.21	22.12	-36.36	3.63	19.92	7.27
Value Index <sup>2</sup> (%)	16.44	-4.53	12.68	31.61	16.60	-0.33	14.72	18.60	-37.46	-0.95	21.28	6.33
<b>Excess Return</b>	<b>-1.26</b>	<b>-1.52</b>	<b>+1.81</b>	<b>+0.44</b>	<b>-2.18</b>	<b>+3.97</b>	<b>-0.51</b>	<b>+3.52</b>	<b>+1.10</b>	<b>+4.58</b>	<b>-1.36</b>	<b>+0.94</b>

Source: J.P. Morgan Asset Management; Frank Russell; Standard & Poor's.

Fund performance is shown based on the NAV of the share class C in USD with income (gross) reinvested including actual ongoing charges excluding any entry and exit fees. Past performance is not necessarily a reliable indicator for current and future performance

<sup>1</sup>Share class inception date is September 1, 2004. Fund inception date is October 20, 2000. <sup>2</sup>The Benchmark of the JPMorgan Funds - US Value Fund was changed effective 01/01/06 from the S&P/BARRA 500 Value Index to the Russell 1000 Value Index via chain linking the two indices. All Index related data is net of 30% withholding tax.

# J.P. Morgan Asset Management: Riesgos y declaraciones

El programa Market Insights proporciona datos completos y comentarios sobre los mercados mundiales sin hacer referencia a productos concretos. Ideado como una herramienta para ayudar a los clientes a entender los mercados y respaldar el proceso de toma de decisiones, el programa analiza las repercusiones de los datos económicos actuales y las cambiantes condiciones de los mercados.

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Preparado por: Stephanie Flanders, Tilmann Galler, Vincent Juvyns, Dr. David Stubbs, Maria Paola Toschi, Michael Bell, Alexander Dryden, Nandini Ramakrishnan.

ID de actividad: 4d03c02a800327ef

ID de publicación: 0903c02a816d0028

Salvo que se indique otra cosa, todos los datos son a viernes, 30 de septiembre de 2016 o los disponibles más recientes.

Guide to the Markets - Europa

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JP-LITTLEBOOK

**J.P.Morgan**  
Asset Management

# Investment objective and risk profile

---

JPMorgan Funds – Europe Strategic Value Fund

## ■ Investment objective

- To provide long-term capital growth by investing primarily in a value style biased portfolio of European companies.

## ■ 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 securities may go down as well as up in response to the performance of individual companies and general market conditions.
- The Sub-Fund may have greater volatility compared to broader market indices as a result of the Sub-Fund's focus on value securities.
- 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.



# Investment objective and risk profile

---

JPMorgan Funds – Europe Equity Plus Fund\*

## ■ 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.

## ■ Risk profile

- 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.

\* Prior to 1 January 2013, the fund was called JPMorgan Funds – Europe 130/30 Fund.

# J.P. Morgan Asset Management

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