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Lower Risk Higher Risk

# JPMorgan Funds - Flexible Credit Fund

Class: JPM Flexible Credit A (div) - EUR (hedged)

## Fund overview

<b>ISIN</b> LU0748141073	<b>Bloomberg</b> JPGCAHI LX	<b>Reuters</b> LU0748141073.LUF
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**Investment objective:** To achieve a total return by exploiting investment opportunities in credit markets, globally, and using derivatives where appropriate.

### Investment approach

- Uses a globally integrated research driven investment process that focuses on analysing fundamental, quantitative and technical factors across countries, sectors and issuers.
- Flexibly invests across a broad range of credit markets globally, such as investment grade, high yield and emerging markets debt, with a focus on generating the majority of returns from credit sector allocation and security selection while actively managing interest rate exposure as a complement to credit returns.
- Downside risk management through dynamic asset allocation, hedging and diversification across sectors.

<b>Portfolio manager(s)</b> Lisa Coleman Andreas Michalitsianos Usman Naeem Alexander Sammarco	<b>Fund reference currency</b> USD <b>Share class currency</b> EUR <b>Fund assets</b> USD 465.0m <b>NAV</b> EUR 57.76 <b>Fund launch</b> 20 Jan 2010	<b>Class launch</b> 23 May 2012 <b>Domicile</b> Luxembourg <b>Entry/exit charges</b> Entry charge (max) 3.00% Exit charge (max) 0.50% <b>Ongoing charge</b> 1.02%
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## ESG information

### ESG approach - Integrated

ESG Integration is the systematic inclusion of financially material ESG factors, alongside other relevant factors, in investment analysis and investment decisions with the goals of managing risk and improving long-term returns. ESG integration does not by itself change this product's investment objective, exclude specific types of companies or constrain its investable universe. This product is not designed for investors who are looking for a product that meets specific ESG goals or wish to screen out particular types of companies or investments, other than those required by any applicable law such as companies involved in the manufacture, production or supply of cluster munitions.

## Fund ratings As at 30 June 2024

**Overall Morningstar Rating™** ★★★★★

**Morningstar Category™** Global Flexible Bond - EUR Hedged

## Performance

- 1 **Class:** JPM Flexible Credit A (div) - EUR (hedged)
- 2 **Benchmark:** Bloomberg Multiverse Corporate Index (Total Return Gross) Hedged to EUR

### Growth of EUR 100,000 Calendar years



### Calendar Year Performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	5.50	-1.72	5.10	3.91	-5.46	7.75	5.73	1.00	-10.23	6.44
2	5.76	-1.23	6.19	4.05	-3.89	9.50	6.48	-0.97	-15.79	7.06

### Return (%)

	Cumulative				Annualised		
	1 month	3 months	1 year	YTD	3 years	5 years	10 years
1	0.66	0.58	6.80	1.61	-1.03	1.01	1.32
2	0.59	-0.06	4.84	-0.09	-3.53	-0.59	0.92

### 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.**

### ESG

For more information on our approach to sustainable investing at J.P. Morgan Asset Management please visit <https://am.jpmorgan.com/lu/esg>

### Dividend History

Amount	Record Date	Payment Date	Quarterly yield	Annualised yield
€0.6400	10 May 2023	23 May 2023	1.12 %	4.57 %
€0.6300	07 Aug 2023	21 Aug 2023	1.12 %	4.54 %
€0.6400	07 Nov 2023	20 Nov 2023	1.16 %	4.72 %
€0.6900	07 Feb 2024	21 Feb 2024	1.20 %	4.89 %
€0.7200	07 May 2024	23 May 2024	1.26 %	5.12 %

### Portfolio analysis

Measurement	3 years	5 years
Correlation	0.92	0.93
Alpha (%)	2.60	1.62
Beta	0.74	0.84
Annualised volatility (%)	6.08	6.81
Sharpe ratio	-0.39	0.08
Tracking error (%)	3.11	2.77
Information ratio	0.79	0.56

### Holdings *As at 31 May 2024*

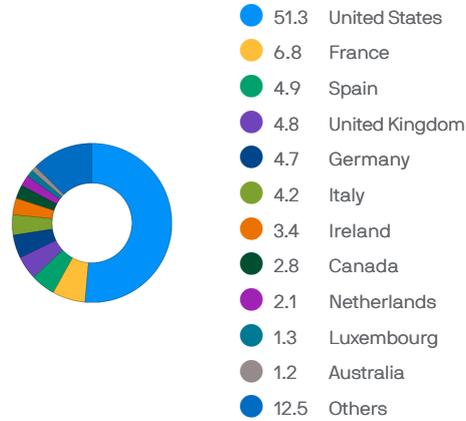
TOP 10	Coupon rate	Maturity date	% of assets
Citigroup (United States)	5.827	13/02/2035	0.5
AXA (France)	5.500	11/07/2043	0.5
AIB (Ireland)	2.875	30/05/2031	0.5
Fortis (United States)	2.950	14/05/2030	0.5
Danske Bank (Denmark)	4.750	21/06/2030	0.5
Bohai Leasing (Ireland)	2.528	18/11/2027	0.4
Banco De Sabadell (Spain)	5.500	08/09/2029	0.4
Allianz (Germany)	4.252	05/07/2052	0.4
Bank of Ireland (Ireland)	7.500	30/06/2074	0.4
Intesa Sanpaolo (Italy)	7.750	30/06/2074	0.4

### Bond quality breakdown (%) *As at 31 May 2024*

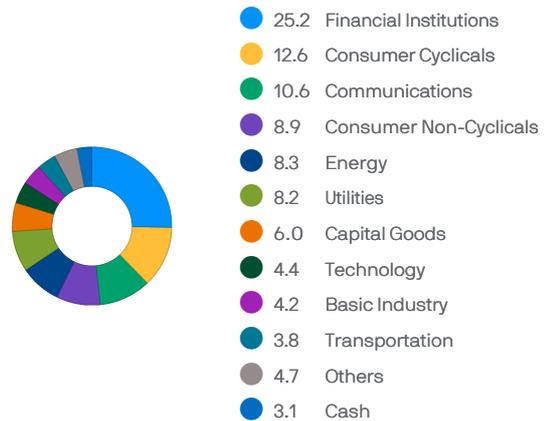
AAA: 0.02%	Corporate Bonds: 93.52%
AA: 0.42%	Average duration: 3.79 yrs
A: 5.54%	Yield to worst (USD): 6.88%
BBB: 33.32%	Average maturity: 4.95 yrs
< BBB: 54.07%	
Non Rated: 3.55%	
Cash: 3.08%	

Value at Risk (Var)	Fund
VaR	2.74%

### Regions (%) *As at 31 May 2024*



### Sectors (%) *As at 31 May 2024*



## Key risks

The Sub-Fund is subject to **Investment risks** and **Other associated risks** from the techniques and securities it uses to seek to achieve its objective.

The table on the right explains how these risks relate to each other and the **Outcomes to the Shareholder** that could affect an investment in the Sub-Fund.

Investors should also read [Risk Descriptions](#) in the Prospectus for a full description of each risk.

### Investment risks *Risks from the Sub-Fund's techniques and securities*

Techniques	Securities	
Concentration	Contingent	- Below investment grade debt
Derivatives	convertible bonds	- Distressed debt
Hedging	Convertible securities	- Unrated debt
Short positions	Debt securities	Equities
	- Government debt	Emerging markets
	- Investment grade debt	MBS/ABS

### Other associated risks *Further risks the Sub-Fund is exposed to from its use of the techniques and securities above*

Credit Liquidity	Currency Market	Interest rate
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### Outcomes to the Shareholder *Potential impact of the risks above*

<b>Loss</b> Shareholders could lose some or all of their money.	<b>Volatility</b> Shares of the Sub-Fund will fluctuate in value.	<b>Failure to meet the Sub-Fund's objective.</b>
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## General Disclosures

Before investing, obtain and review the current prospectus, Key Information Document (KID) and any applicable local offering document. These documents, as well as the sustainability-related disclosures, the annual and semi-annual reports and the articles of incorporation, are available in English free from your financial adviser, your J.P. Morgan Asset Management regional contact, the fund's issuer (see below) or at [www.jpnam.lu](http://www.jpnam.lu). A summary of investor rights is available in English at <https://am.jpmorgan.com/lu/investor-rights>. J.P. Morgan Asset Management may decide to terminate the arrangements made for the marketing of its collective investment undertakings.

This material should not be considered as advice or an investment recommendation. Fund holdings and performance are likely to have changed since the report date.

To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our EMEA Privacy Policy [www.jpmorgan.com/emea-privacy-policy](http://www.jpmorgan.com/emea-privacy-policy)

For additional information on the sub-fund's target market please refer to the Prospectus.

**Risk Indicator** - The risk indicator assumes you keep the product for 5 year(s). The risk of the product may be significantly higher if held for less than the recommended holding period.

Current ongoing charge comprises annual management fee and operating & administrative expenses. Excludes transaction costs and may differ from ongoing costs as per KID which are an estimate based on the actual costs incurred over the past year.

## Performance information

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.

The return of your investment may change as a result of currency fluctuations if your investment is made in a currency other than that used in the past performance calculation.

Indices do not include fees or operating expenses and you cannot invest in them.

The benchmark is for comparative purposes only unless specifically referenced in the Sub-Funds' Investment Objective and Policy.

Dividend income shown is gross of any applicable tax.

Prior to 26/10/15 the benchmark was 67% Barclays Global Aggregate Corporate Index (Total Return Gross) Hedged to USD / 33% BofA Merrill Lynch US High Yield Master II Constrained Index (Total Return Gross).

## Holdings information

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.

The yield displayed is in the base currency of the Sub-Fund. Actual share class yields may differ from the displayed yield due to currency effects.

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. The holding period for the purpose of calculating global exposure is one month.

## 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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## Issuer

JPMorgan Asset Management (Europe) S.à r.l., 6, route de Trèves, L-2633 Senningerberg, Luxembourg. B27900, corporate capital EUR 10.000.000.

## Definitions

**NAV** Net Asset Value of a fund's assets less its liabilities per Share.

**Overall Morningstar Rating™** assessment of a fund's past performance, based on both return and risk and shows how similar investments compare with their competitors. Investment decisions should not be based on a high rating alone.

**Correlation** measures the strength and direction of the relationship between movements in fund and benchmark returns. A correlation of 1.00 indicates that fund and benchmark returns move in lockstep in the same direction.

**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** measures 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. Usually the higher betas represent riskier investments.

**Annualised volatility (%)** measures the extent to which returns vary up and down over a given period.

**Sharpe ratio** 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** 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.