

**SHINING A LIGHT ON THE.....
JPM Europe Dynamic ex UK Fund**

AT A GLANCE

Investment Objective	
The fund seeks to maximise long-term capital growth by investing primarily in continental European Equities, which are those issued by companies that are incorporated under the laws of, and have their registered office in, continental Europe, or that derive the predominant part of their economic activity from continental Europe, even if listed elsewhere. The Fund may invest in smaller companies. This Equity based Fund invests in those stocks which the Investment Adviser believes will outperform, irrespective of their Benchmark weighting.	

Inception Date	30/09/2004
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F0GBR055SK

Management	
Manager Name	Start Date
John Baker	28 February 2005
Jon Ingram	31 March 2007
Blake Crawford	12 August 2013

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	47.28%
Large	31.17%
Medium	20.51%
Small	0.00%
Micro	1.05%

Top 10 Holdings		
Total number of holdings	68	
Assets in Top 10 Holdings	30.82%	
Name	Sector	% of Assets
JPM Euro Liquidity X (flex dist.)	-	4.67%
Sanofi SA	Healthcare	3.60%
Unilever NV DR	Consumer Defensive	3.21%
adidas AG	Consumer Cyclical	3.00%
Engie SA	Utilities	2.87%
Allianz SE	Financial Services	2.86%
ING Groep NV	Financial Services	2.79%
Nestle SA	Consumer Defensive	2.70%
Euro Stoxx 50 Sept17	-	2.64%
Vinci SA	Industrials	2.47%

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Volatility Measurements	
3-Yr Std Dev (volatility)	10.57%
3-Yr Mean Return (average)	15.02%

FUND PERFORMANCE

Performance from 1 January 2012 to 31 August 2017:

	2012	2013	2014	2015	2016	2017
JPM Europe Dynamic Fund	21.88%	36.89%	0.64%	7.79%	18.77%	16.72%
iShares MSCI Europe ex UK ETF	14.00%	21.74%	-2.02%	1.99%	16.48%	14.52%

Performance over 12 months, 3 years, 5 years and since manager inception and since management changes:

	1 year	3 years	5 years	Since launch
JPM Europe Dynamic Fund	25.34%	49.91%	131.94%	363.04%
iShares MSCI Europe ex UK ETF	21.63%	34.80%	78.33%	-

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

There a number of good European funds available to investors. In terms of performance this would certainly fall into anyone's radar as a potential option. When meeting the manager there is little that you can criticise about the fund, but equally there is no specific unique selling point.

In this meeting, we met Blake Crawford who is one of the fund managers. He explained that Europe had suffered towards the end of 2016 and early 2017 from fear, especially over the Dutch and French Elections. At the same time, the economic data was and continues to be positive. With manufacturing data and earnings growth strong and no downgrades coming through. Valuations are not cheap but certainly not stretched, especially when you consider growth coming through.

As the fear over the elections passed, investors started to focus on the data and flows have gradually started to improve. The only potential concern they see is with the Italian elections.

Their investment style is an unconstrained approach with a multi cap bias, although looking at the make-up of the fund there is a skew to large caps. They are looking for companies that are attractively valued, high quality and with positive momentum.

The fund is placed more towards the technology and Biotechnology & Pharma sector; this has helped performance by not having any exposure to oil and gas producers. Its main economies are France, Switzerland, Germany and the Netherlands.

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The types of companies they like include Engie, which is a restructured French utility company; Electrolux which is an innovative consumer-focused company, and Stmicro which makes semiconductors for smartphones and autos.

In summary, there is not much that you can pick holes in with the fund; it has a good track record with a stable management team. However, it is fishing in the same pond as many other European funds with a focus on larger companies, and it is a large fund with 68 holdings. There could be a question raised regarding conviction of holdings, especially as two of them (in the top ten) are not actually companies. For any investor, it will come down to performance, brand and management.

The source of information in this note has been provided by JP Morgan and is correct as at September 2017. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.