

# JPMorgan Funds - Global Natural Resources Fund

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**J.P.Morgan**  
Asset Management

All performance data relates to the:  
JPM A (acc) - EUR Share class

Overall Morningstar Rating™ (30/09/09)

★★

## Investment objective<sup>A</sup>

To provide long-term capital growth by investing primarily in natural resources companies, many of which are in the early stages of exploration.

### Fund statistics

<b>Fund manager(s)</b>	Ian Henderson Stuart Connell
<b>Client portfolio manager(s)</b>	Nicole Vettise
<b>Fund launch date</b>	21/12/04
<b>Fund size (as at 30/09/09)</b>	EUR 1,247.7m

### Fund highlights

- Investors have been turning their attention towards commodity producers due to a combination of strong Chinese GDP growth, a favourable supply/demand equations and value considerations.
- The portfolio offers exposure to gold and other mining, and oil and gas investments at an early stage of development, and also seeks to capture gains from the commodity cycles.
- The Fund may appeal particularly to investors willing to accept higher risk and wishing to diversify their portfolios towards natural resources.

### 10 largest holdings

(as at 30/09/09)

Equity holding	Weight
Rio Tinto (Base Metal And Diversified)	4.1%
Freeport-Mcmoran Copper (Base Metal And Diversified)	2.6%
Peter Hambro Mining (Gold And Precious Metals)	2.3%
Vedanta Resources (Base Metal And Diversified)	1.9%
First Quantum Minerals (Base Metal And Diversified)	1.8%
Xstrata (Base Metal And Diversified)	1.7%
BHP Billiton (Base Metal And Diversified)	1.7%
CNOOC (Energy)	1.7%
Pacific Rubiales Energy (Energy)	1.5%
Petrobras (Energy)	1.5%

### Fund charges

JPM A (acc) - EUR

<b>Initial charge</b>	5.00%
<b>Redemption charge</b>	0.50%
<b>Annual Mgt.</b>	1.50%
<b>Expenses</b>	0.40%

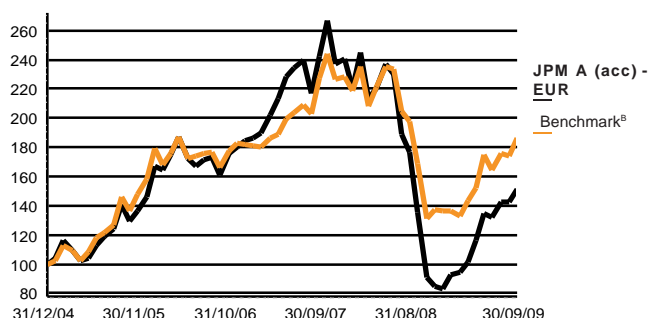
TER (Total Expense Ratio) = Annual Mgt. Fee + Expenses.

### Benchmark<sup>B</sup>

HSBC Gold, Mining & Energy Index (Total Return Net)

### Cumulative performance

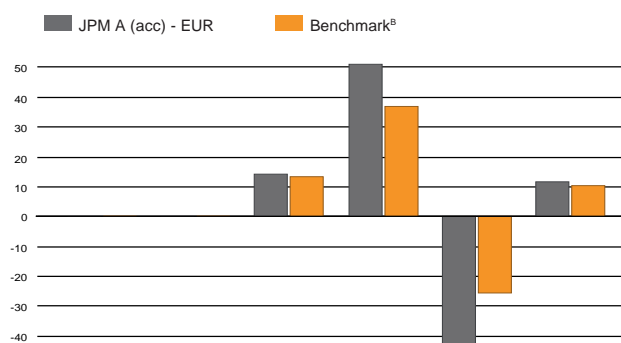
(as at 30/09/09)



%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
<b>JPM A (acc)</b>	6.02	14.17	11.73	-5.90	-	-
Benchmark <sup>B</sup>	7.06	13.02	10.33	11.97	-	-

### Rolling 12m performance

(as at 30/09)



%	2004/05	2005/06	2006/07	2007/08	2008/09
<b>JPM A (acc)</b>	-	14.35	51.06	-44.24	11.73
Benchmark <sup>B</sup>	-	13.53	36.71	-25.76	10.33

### Annualised performance

(as at 30/09/09)

%	3 Y	5 Y	10 Y	Since inception
<b>JPM A (acc)</b>	-2.01	-	-	9.09
Benchmark <sup>B</sup>	3.84	-	-	13.70

Please read the disclaimer at the end of this document

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

All performance details are NAV - NAV with gross income reinvested.

The Morningstar Rating™ is for the above Share Class in the Europe OE Sector Equity Industrial Materials category, other classes may have different ratings.

Source: J.P. Morgan

## JPMorgan Funds - Global Natural Resources Fund

JPM A (acc)-EUR	
<b>Fund codes</b>	
<b>Bloomberg</b>	FLEGNRE LX
<b>ISIN</b>	LU0208853274
<b>Reuters</b>	LU0208853274.LUF
<b>Sedol</b>	B05BPK2
<b>Fund price</b>	
<b>Share class launch date</b>	21/12/04
<b>NAV price</b>	15.15 (30/09/09)
<b>12M NAV High</b>	15.97 (17/09/09)
<b>12M NAV Low</b>	7.04 (20/11/08)

Sector breakdown (as at 30/09/09)	
<b>Sector</b>	<b>Fund</b>
<b>Base Metal And Diversified</b>	34.1 %
<b>Gold And Precious Metals</b>	33.8 %
<b>Energy</b>	25.5 %
<b>Diamonds And Other</b>	2.1 %
<b>Soft Commodities</b>	1.7 %
<b>Cash</b>	2.8 %
<b>Total</b>	100.0 %

Geographical breakdown (as at 30/09/09)	
<b>Country</b>	<b>Fund</b>
<b>Canada</b>	30.1 %
<b>United Kingdom</b>	20.3 %
<b>Australia</b>	20.2 %
<b>United States</b>	7.0 %
<b>China</b>	4.9 %
<b>South Africa</b>	2.1 %
<b>Congo</b>	1.8 %
<b>Brazil</b>	1.5 %
<b>Peru</b>	1.4 %
<b>Hong Kong</b>	1.3 %
<b>Ireland</b>	1.1 %
<b>Russia</b>	1.0 %
<b>Malaysia</b>	0.8 %
<b>Indonesia</b>	0.8 %
<b>Norway</b>	0.6 %
<b>Kazakhstan</b>	0.6 %
<b>Colombia</b>	0.5 %
<b>Luxembourg</b>	0.4 %
<b>Netherlands</b>	0.3 %
<b>Cayman Islands</b>	0.2 %
<b>Other</b>	0.3 %
<b>Cash</b>	2.8 %
<b>Total</b>	100.0 %

Statistical analysis review (as at 30/09/09)		
	3 years	5 years
<b>Correlation</b>	0.92	-
<b>Alpha</b>	-5.63	-
<b>Beta</b>	1.29	-
<b>Annualised volatility</b>	36.25	-
<b>Sharpe ratio</b>	0.05	-
<b>Tracking error</b>	16.02	-
<b>Information ratio</b>	-0.13	-

Quarterly Comments (as at 30/09/2009)	
<b>Review</b>	

A broadening out of positive economic data to include the developed world helped to maintain a healthy recovery in the natural resources sector. Base metals prices continued to rise, reflecting evidence that industrial activity in the developed world is picking up. The oil price was little moved over the quarter, following its strong rise earlier in the year. As would be expected in this environment, the gold price did not rise as strongly; however, it held steady above the USD 1,000 mark.

The fund recorded a strong performance in the quarter, outperforming the broader commodity sector as represented by the comparator. All three sub-sectors contributed positively to performance during the quarter, with base metals the relative outperformer among the three key sub-sectors.

#### Outlook

The pace and extent of the base metals rally has been significant and there is a risk therefore that the sector could endure some short term volatility. Valuations in the sector are not as attractive as previously, but we expect real consumption to come through in the second half of 2009, helping to boost earnings. We see any pullback as a buying opportunity as we believe prices will not remain at this level given the longer term investment thesis. From an asset allocation point of view, a balanced approach is the most desired at this point as base metals and energy benefit from optimism about the economic outlook while gold acts as a hedge should the environment deteriorate in the short term.

This material should not be relied on as including sufficient information to support an investment decision.

<sup>A</sup> As at 18/12/08 the investment objective was amended to clarify certain aspects of the Sub-Fund.

<sup>B</sup> On 01/03/07 a customised index was introduced in order to facilitate a comparison between the Fund's performance and that of the broader Natural Resources sector. Please note that the Fund should not be expected to look or perform similar to the index.

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