

# JPMorgan China Income Fund

October | 2017

Morningstar Overall Ratings™



## Important information

1. The Fund invests at least 70% in (a) equity securities of companies which are based in, listed on any stock exchange of, or operate principally in the PRC and that the Investment Manager expects to pay dividends and (b) Chinese debt securities issued and/or distributed in or outside the PRC.
2. The Fund is therefore exposed to risks related to debt securities, emerging markets, liquidity, PRC tax, equity, valuation, credit, dynamic asset allocation strategy, investment grade bond, below investment grade/unrated investment, "Dim Sum" bond, class currency and currency hedged classes. The Fund has exposure to PRC securities (including PRC exchange traded stock index futures) via a QFII license and/or the Shanghai-Hong Kong Stock Connect. Investors will be subject to the associated QFII, China market, PRC exchange traded stock index futures, PRC brokerage, RMB currency, Shanghai-Hong Kong Stock Connect and diversification risks. RMB is currently not freely convertible and RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and restrictions imposed by the Chinese government. There can be no assurance that RMB will not be subject to devaluation at some point.
3. Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may at its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value per unit.
4. Investors may be subject to substantial losses.
5. Investors should not solely rely on this document to make any investment decision.



## Breaking boundaries to fully capture China's income opportunities!

- Various Income Sources for Competitive Yield
- Flexible Asset Allocation
- Fully Capture Income Potential across Sectors

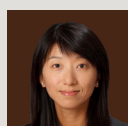
+ Source of Star Rating: © 2017 Morningstar. All Rights Reserved. Data as of end-September 2017; awarded to (acc) - USD Class.

## A China Income Solution from J.P. Morgan's Emerging Markets & Asia Pacific (EMAP) Equities Team and Global Fixed Income, Currency and Commodities (GFICC)

JPMorgan China Income Fund is jointly managed by the EMAP Equities Team and the GFICC team with a focus on the income potential of Chinese equities and bonds. The EMAP Equities Team manages more than US\$97 billion<sup>■</sup> assets based on the group's strong investment and research experience, while GFICC manages US\$458 billion<sup>♦</sup> in fixed income strategies in 11 investment locations globally (as of end-June 2017).

- Includes equities managed in multi-asset products but excludes joint ventures.
- ♦ Includes assets managed on behalf of other J.P. Morgan Asset Management investment teams.

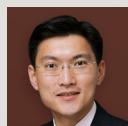
### FUND MANAGERS



**LILIAN LEUNG**  
Emerging Markets and Asia Pacific Equities team



**EMERSON YIP**  
Emerging Markets and Asia Pacific Equities team



**STEPHEN CHANG**  
Global Fixed Income, Currency and Commodities

## WHY JPMORGAN CHINA INCOME FUND?

### 1. Various income sources for competitive yield

The Fund is designed to capture the wide income opportunity set in the China space by investing in onshore equities (CNY), offshore equities (HKD), onshore bonds (CNY), offshore CNH bonds and offshore USD bonds.

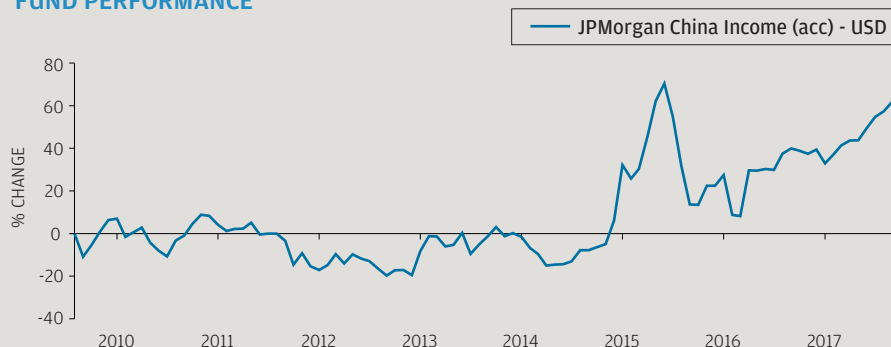
### 2. Flexible asset allocation

Given the flexibility of the Fund in its equity and bond exposure, asset allocation of the Fund is mutually determined by our equity and fixed income teams.

### 3. Fully capture income potential across sectors

Being able to invest in the China onshore and offshore stock markets means a wider catchment in the dividend universe, where the yield dynamics varies from one sector to another. In the fixed income space, the onshore and offshore markets present a diverse range of opportunities for income investing.

## FUND PERFORMANCE<sup>#</sup>



### CUMULATIVE RETURN (%)

	YTD	1 year	3 years	5 years	Since launch
JPMorgan China Income (acc) - USD	+22.3	+17.1	+73.7	+96.4	+62.6

### CALENDAR YEAR RETURN (%)

	2012	2013	2014	2015	2016
JPMorgan China Income (acc) - USD	+10.6	+7.3	+34.2	-3.6	+4.3

<sup>#</sup> Effective 5 September 2016, JPMorgan China Income Fund was restructured. Key changes include fund name, investment objectives, investment universe, benchmark and distribution yield. Performance prior to 5 September 2016 was achieved under circumstances that no longer apply. Please refer to the offering document for details.

Source: J.P. Morgan Asset Management (USD (acc) class return from the first investment day on 31.07.2009 to 29.09.2017, NAV to NAV in USD with income reinvested.)



## HISTORICAL DISTRIBUTIONS

Ex-dividend date (d/m/y)	Distribution per unit / Annualised yield <sup>*□</sup>	
	USD (mth) Class	HKD (mth) Class
31.08.2017	USD 0.0340 3.75%	HKD 0.0343 3.74%
29.09.2017	USD 0.0340 3.74%	HKD 0.0342 3.74%

<sup>\*</sup> Aim at monthly distribution. Dividend rate is not guaranteed. Distributions may be paid from capital. Refer to important information 3

<sup>□</sup> Positive distribution yield does not imply positive return. Annualised yield =  $[(1 + \text{distribution per unit/ex-dividend NAV})^{12}] - 1$ . The annualised dividend yield is calculated based on the monthly dividend distribution with dividend reinvested, and may be higher or lower than the actual annual dividend yield.

## DISTRIBUTION SCHEDULE<sup>△</sup>

Record date	Ex-dividend date	Reinvestment / Payment date
30.10.2017	31.10.2017	08.11.2017
29.11.2017	30.11.2017	08.12.2017

<sup>△</sup> Dividend rate is not guaranteed. Positive distribution yield does not imply positive return.

## Strategic Positioning

Managers of the Fund apply dynamic asset allocation with a view to capturing the best income opportunities across onshore and offshore China equity and bond markets. Currently the Fund is strategically positioned in terms of asset allocation:

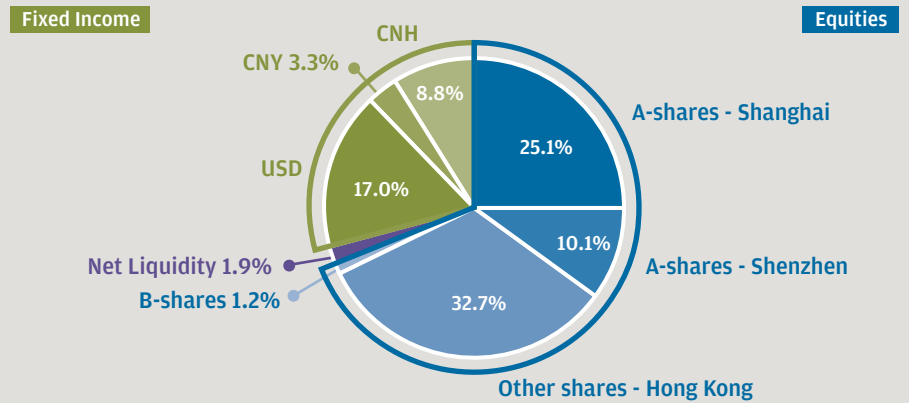
**69.1%**  
in equities

**29.1%**  
in fixed income

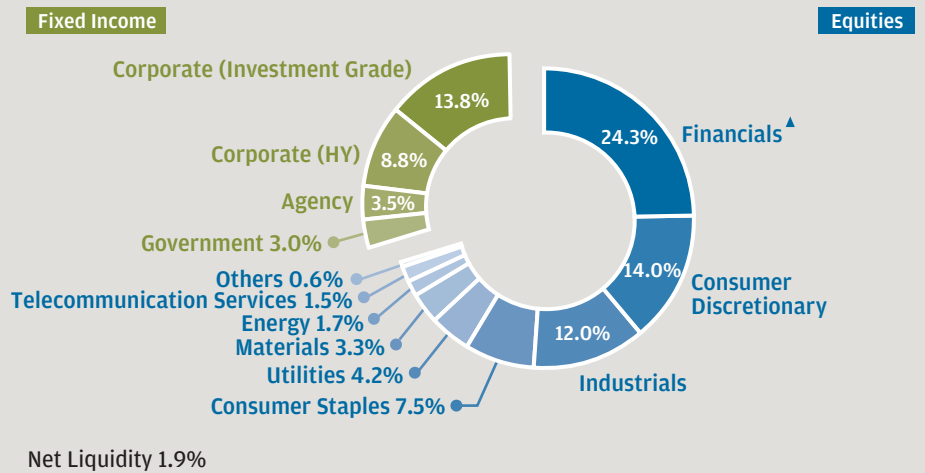
## JPMORGAN CHINA INCOME FUND QUICK FUND FACTS

<b>Fund Managers:</b>	Lilian Leung / Emerson Yip / Stephen Chang
<b>Fund Size:</b>	USD 289.0m
<b>Launch Date:</b>	USD (acc) Class: 22.06.2009 USD (mth) Class: 05.09.2016 HKD (mth) Class: 05.09.2016
<b>Initial Charge:</b>	5.0% of NAV
<b>Redemption Charge:</b>	Currently 0%
<b>Management Fee:</b>	1.75% p.a.
<b>Distribution Frequency:</b> (mth) Class: Expected monthly	
<b>Dealing &amp; Valuation:</b>	Daily

## ASSET CLASS BREAKDOWN



## SECTOR BREAKDOWN



▲ Financials categorically include Banks, Insurance, Diversified Financials and Real Estate.

## TOP TEN HOLDINGS

Holding	%
China Construction Bank Corporation	3.8
Bank of China Limited	3.7
Industrial and Commercial Bank of China Limited	3.2
China Yangtze Power Co., Ltd.	2.9
China Merchants Bank Co., Ltd.	2.7
Inner Mongolia Yili Industrial Group Co., Ltd.	2.2
Ping An Insurance (Group) Company of China, Ltd.	2.1
Baoshan Iron & Steel Co., Ltd.	1.9
GF Securities Co., Ltd.	1.7
Gree Electric Appliances, Inc. of Zhuhai	1.5

Source: J.P. Morgan Asset Management (As of end-August 2017).

**For more information, please call our InvestorLine at 2265 1188.**

Unless stated otherwise, all fund information is sourced from J.P. Morgan Asset Management, as of end-September 2017.

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The "(mth)" classes aim at monthly distribution. Dividend rate is not guaranteed. Distributions may be paid from capital. Refer to important information 3

Investment involves risk. Past performance is not indicative of future performance. Please refer to the offering document(s) for details, including the risk factors before investing. This document has not been reviewed by the SFC. Issued by JPMorgan Funds (Asia) Limited.

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