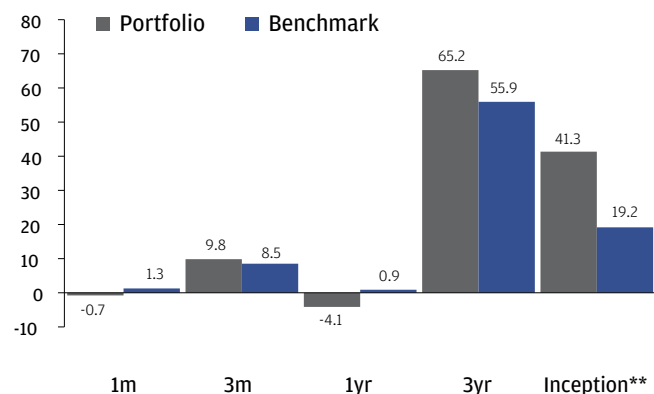


# JPM Global Consumer Trends Fund

All data as at 31 March 2012 unless otherwise indicated

AUM 98.0m (GBP)\*

## Investment performance



Source: J.P. Morgan Asset Management. \*\*Inception date: 07/04/2008

## Performance (%)<sup>1</sup>

	MTD	3m	1yr	3yr	Inception <sup>2</sup>
JPM A - net	-0.66	9.84	-4.14	65.23	41.34
MSCI World Net GBP	1.27	8.52	0.89	55.94	19.17

Return expressed in GBP. <sup>1</sup>Performance returns shown above have been calculated NAV - Share Class A and may be subject to change. Value of assets under management may vary from our official valuation statements or custodial account value. Benchmark shown pertains to current portfolio strategy. <sup>2</sup>Inception date: 07/04/2008. \*JPM Global Consumer Trends Fund assets under management, as at 31 March 2012.

## Market Review

The US faces a huge demographic deficit. The ageing of the baby-boomer generation is putting pressure on government finances at a time when fiscal discipline is right at the top of the political agenda. The only way to lower the unsustainable cost of the healthcare system is through increased participation of private companies in the still mostly state-owned healthcare sector institutions. Hospitals, care homes, treatment centres, but also money made available through state plans such as Medicare (mainly for the elderly and disabled) and Medicaid (mainly for the poor and disadvantaged) are increasingly managed by private, listed companies. 'Managed care' companies can be used to reduce costs by negotiating favourable fees from providers, selecting cost effective providers, and creating financial incentives for providers to practice more efficiently. Essentially patients, in exchange for a subscriber fee (premium), are allowed access to a panel of employed physicians who coordinate their care from start to finish.

A stock that we hold in the portfolio that is likely to benefit from this shift is Unitedhealth Group, the largest managed care provider in the US. Last year the company exceeded USD 100 billion in revenue for the first time, while producing 12% earnings growth. They have maintained business momentum this year with significant contract wins such as the State of Nebraska account and the huge Texas Employment & Retirement Plan. In terms of Medicaid, the CEO recently noted that the business pipeline was the strongest it's ever been, driven by the start-up of operations in Louisiana and Washington and the expansion of existing managed-care operations in Texas, New York and New Jersey. In terms of Medicare, the company will be boosted by recent acquisitions of Medica and Preferred Care in the key market of Florida where competitors had previously been dominant. Above all the company will benefit from the baby-boomers who will now be entering Medicare eligibility at an accelerating rate. The Unitedhealth Group investment case proves that not all structural growth opportunities in the consumer trends theme are sourced from emerging markets.

## Portfolio Review

The JPM Global Consumer Trends Fund was up over the month but underperformed the MSCI World. A number of our emerging market aspiration names significantly detracted from performance, notably PCD Stores and Oriental Watch & Jewellery. This underperformance was offset to a large extent by our direct emerging market gaming stocks such as Giant Interactive Group and Perfect World, which both reported very strong earnings results. Our health & wellness stocks also performed strongly, particularly Abbot Laboratories, which got approval from the US Food and Drug Administration for its new blood glucose level monitoring equipment. In aggregate our emerging market stocks outperformed our developed market stocks.

# JPM Global Consumer Trends Fund

For more information please contact our brokerline **0800 727 770**  
**[www.jpmorganassetmanagement.co.uk](http://www.jpmorganassetmanagement.co.uk)**

**FOR INDEPENDENT FINANCIAL ADVISER USE ONLY - NOT FOR USE BY OR ONWARD DISTRIBUTION TO RETAIL INVESTORS**

Telephone lines are recorded to ensure compliance with our legal and regulatory obligations and internal policies. The opinions expressed are those held by J.P. Morgan Asset Management at the time of going to print and are subject to change. **JPM Global Consumer Trends Fund key risks:** The value of investments and income from them may fall as well as rise and investors may not get back the full amount invested. Investments in emerging markets may involve a higher element of risk due to political and economic instability and underdeveloped markets and systems. Investments in smaller companies may involve a higher degree of risk as markets are usually more sensitive to price movements. Exchange rate changes may cause the value of underlying overseas investments to go down as well as up. This material should not be considered by the recipient as a recommendation relating to the acquisition or disposal of investments. Please be aware that this material has been produced for information purposes only and should not be taken as or construed as a recommendation or advice. This material does not contain sufficient information to support an investment decision and investors should ensure that they obtain all available relevant information before making any investment. The information in this document is based on our understanding of law and regulation and Revenue and Customs practice as at the date of print. Past performance is not a guide to future returns. The value of investments and the income from them may go down as well as up. Further information about investment products (including specific risks) can be obtained free of charge from JPMorgan Asset Management Marketing Limited, 125 London Wall, London EC2Y 5AJ. Registered in England No. 288553. Investors should note that, for non-UK domiciled funds, the Rules of the UK Financial Services Authority and the normal protections provided by the UK regulatory system may not apply. Issued in the UK by JPMorgan Asset Management Marketing Limited which is authorised and regulated by the Financial Services Authority.