

# JPMORGAN Europe Smaller Companies (OEIC)

**OBSR Fund Rating**  
**AA /  Silver**

**obsr** FUND  
RATINGS

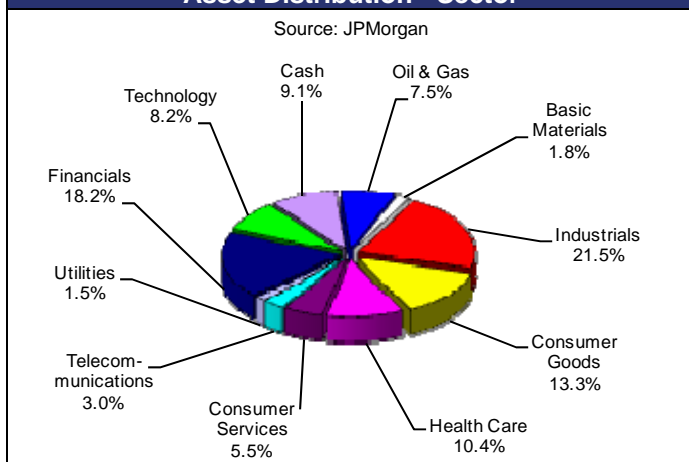
## Key Information

<b>Launch Date</b>	February 1990	
<b>Fund Size</b>	£92.6m	
<b>Type of Shares Available</b>	Accumulation	
<b>Distribution Date</b>	28 February	
<b>Historic Yield</b>	2.99%	
<b>ISA</b>	Yes	
<b>ISA Transfer</b>	Yes	
<b>Standard Fund Management Charges</b>	<b>Initial</b>	5.50%
	<b>Annual</b>	1.50%

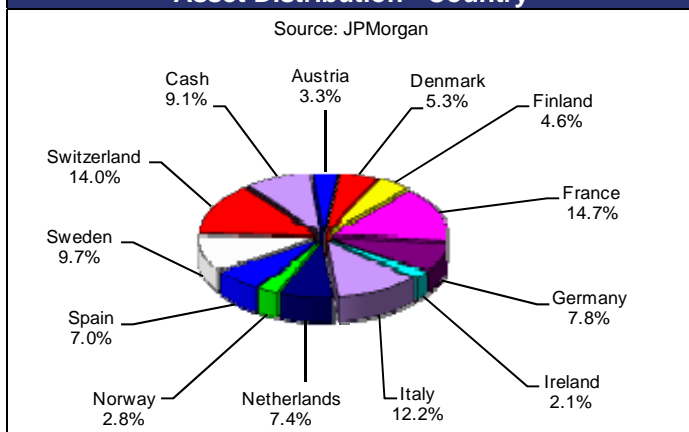
## Classification

<b>Sector</b>	European Smaller Companies
<b>Market Cap / Style</b>	Small Cap / Blend
<b>Benchmark/Index</b>	HSBC Smaller European Companies Ex UK TR
<b>Management/Investment Style</b>	
<b>Fund Managers</b>	Jim Campbell (September 1998) Francesco Conte (September 1998)
Offers investors well-diversified exposure to European smaller companies. The division of the portfolio into two parts (50% value, 50% growth) means it is style neutral; the fund seeks to include the best stocks in each area of the market.	

## Asset Distribution - Sector



## Asset Distribution - Country



## Top Ten Holdings

Company	%
Helvetia Patria	3.3
Elekta	3.2
Galenica	3.1
Barry Callebaut	3.1
Mediolanum	3.1
Neopost	3.0
Andritz	2.9
Delta Lloyd	2.9
MTU Aero Engines	2.6
Elisa	2.2
<b>Concentration (Top 10)</b>	<b>29.4</b>
<b>Total Number of Holdings</b>	<b>94</b>

Source: JPMorgan

## Investment Objective & Methodology

The fund aims to provide long-term capital growth by investing primarily in European smaller companies.

The fund is co-managed by Jim Campbell, Head of the Pan-European Smaller Companies Team, who joined the group from Ivory and Sime in 1995 to manage this fund, and Francesco Conte. Mr Conte is a senior portfolio manager for European smaller companies funds who joined the group from Schroder Securities in 1998; he has co-managed this fund since then.

Whilst bottom-up stock selection underpins the investment process for this fund in a similar way to their other mandates, with the managers seeking to capitalise upon the inefficient valuations that are to be found in this under-researched part of the market, this fund has a more structured framework. The portfolio is divided into two sub-funds, one growth and one value, with each portion of the portfolio accounting for 50% of assets at all times. The rationale behind this is to ensure style neutrality. From a universe of a 1000 stocks, the managers' fundamental research is combined with quantitative screens which produce a list of some 500 stocks, from which the portfolio will invest in around 100-150 names in the value fund and 150-200 names in the growth fund. Some stocks may feature in both sub-funds. The fundamental company analysis conducted by the team act as a "sanity check" and backs up their value and positive news flow screening process. In terms of coverage, the managers split the region by country, with each manager being responsible for certain countries. In the value fund, the managers focus on the cheapest 30% of the index, aiming to pick companies with good growth prospects and thus avoid ones that are value traps. In the growth fund, the managers are looking for the top 30% of companies with the best growth characteristics and therefore they will screen for earnings revisions, price momentum and predicted earnings growth (12 months forward). They typically prefer companies with strong franchises in their respective market place at either the national or international level. They like companies that are able to generate high levels of free cashflows and reinvest their capital effectively, and management that are focused and credible.

The fund will be well-diversified with stocks normally accounting for no more than 1% of total assets. The portfolio will normally have over 200 holdings as the managers prefer to operate a long list of holdings to lessen the concentration of individual stock specific risk. Stock active positions will be equally weighted within countries with sector positions +/-10% versus the benchmark. In addition, this fund, combined with all other continental European mandates, may not own more than 10% of the total free float of a company.

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Data as at 31 December 2011  
Last Updated January 2012