

NFO Review
07-Mar-13

JPMorgan India Hybrid Fund - Series 2 - Reg - Growth Debt - Marginal Equity

SCHEME FEATURES

| | |
|-----------------|-------------------------------|
| Launch Date | NA |
| Close Date | 22-Mar-13 |
| Options | Growth/Dividend |
| Fund Manager | Namdev Chougule |
| Benchmark | 10% BSE 200, 90% Crisil ST |
| Min. Investment | 5000 |

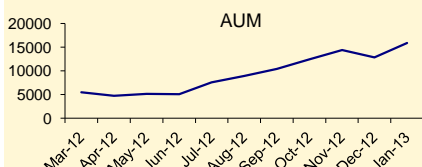
LOAD STRUCTURE

Entry Load is 0%. Exit Load is 0%.

MANDATED ASSET ALLOCATION

Debt and GOI: 65%-95%
Money Market: 0-30%
Equity and Equity related: 5%-35%

AUM GROWTH



HIGHLIGHTS

The scheme is close-ended in nature, the units will be listed on one or more recognized stock exchange(s). The tenure of JPMI Hybrid Fund Series 2 will be 1025 days from the date of allotment of units.

The scheme follows a passive investment strategy for the fixed income component of the scheme. The scheme will not invest in structured obligations, asset backed securities, and debt instruments issued by companies in real estate, textiles and gems & jewellery. The scheme shall invest only in credit rating of AA- and above. The fund intends investing 48%-53% in AAA rated instruments, while 30%-35% will be invested in AA rated instruments.

On the equity front, the investment approach will be one of bottom up stock picking, with a long term view, as a result, the portfolio turnover is not expected to be high for the equity portion.

FUND THEME

The scheme seeks to generate returns and reduce interest rate volatility, through a portfolio of fixed income securities that are maturing on or before the maturity of the scheme along with capital appreciation through equity exposure.

PEDIGREE

J.P. Morgan Asset Management is one of the largest active investment managers in the world on the basis of assets under management. The company is a global investment manager, employing over 800 investment professionals (portfolio managers, analysts, investment team heads etc) who are based in investment centers across Europe, Asia, Japan and the Americas, connected by four investment hubs in London, New York, Tokyo and Hong Kong.

WHY THIS THEME?

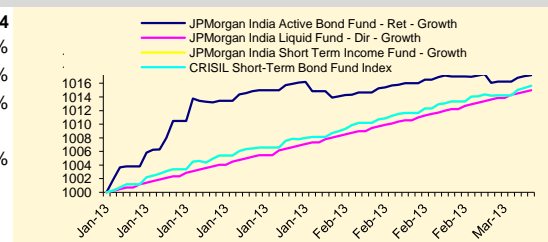
The scheme offers the benefit of passive investment in the debt segment. With the possibility of declining interest rates in the near term, locking investments in the current high yielding debt funds will be beneficial. Furthermore, the equity component will buffer the returns of the fund, offering opportunities for capital appreciation.

The scheme would be appropriate for a moderately conservative investor, looking to buffer his or her portfolio returns, over and above those offered by the fixed income market. Given the mandated equity exposure of the fund, its performance will be more akin to a monthly income plan. Monthly income plans, across the risk spectrum, have delivered anywhere between 5% to 14.5% over the past year.

QUARTILE ANALYSIS OF DEBT SCHEMES OF JPMorgan Mutual Fund

| | Q1 | Q2 | Q3 | Q4 |
|------------------------------------------------|-------|-------|-------|-------|
| JPMorgan India Active Bond Fund - Ret - Growth | 1.99% | 1.97% | 1.96% | 2.08% |
| JPMorgan India Liquid Fund - Dir - Growth | 2.11% | 2.26% | 2.46% | 2.38% |
| JPMorgan India Short Term Income Fund - Growth | 2.33% | 2.40% | 2.35% | 2.20% |
| Crisil Composite Bond Fund Index | 2.10% | 2.63% | 2.21% | 2.13% |

Q-o-Q performance as of 31 December 2012



PERFORMANCE OF SCHEMES WITH SIMILAR OBJECTIVES

| | NAV | Launch Date | YTD | 3 M | 6 M | 1 Yr | 3 Yr | 5 Yr | Till Date |
|------------------------------------------------|---------|-------------|-------|-------|-------|-------|------|------|-----------|
| Axis Hybrid Fund - Series 1 - Growth | 11.66 | 11/08/2011 | -0.89 | -1.37 | 9.53 | 3.71 | N.A | N.A | 10.41 |
| DWS Hybrid FTF - Series 1 - Growth | 10.73 | 06/09/2010 | 0.12 | 0.16 | 3.03 | 6.39 | N.A | N.A | 2.89 |
| JPMorgan India Hybrid Fund - Series 1 - Growth | 11.49 | 21/05/2012 | -0.10 | -0.42 | 8.03 | N.A | N.A | N.A | 14.92 |
| Kotak Hybrid FTP - Series I - Growth | 10.97 | 12/01/2012 | 0.91 | 1.29 | 4.88 | 8.85 | N.A | N.A | 8.53 |
| Indices | | | | | | | | | |
| S&P BSE 200 | 2371.59 | | -2.18 | -1.71 | 10.18 | 11.67 | 3.29 | 3.59 | NA |

RECOMMENDATION

The fund is ideal for a moderately conservative investor, willing to lock in investments for a period of less than 3 years. While the fund will be listed on a stock exchange, insufficient trading volumes would hinder accurate price discovery. Therefore, staying invested for the whole tenure of the fund is advisable.

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