

# JPMorgan Global Convertibles Income Fund Limited

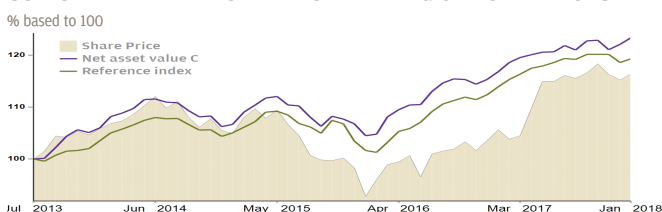
Monthly Update as at 31 January 2018

Overall Morningstar Rating™ (as at 31/01/18) <sup>A</sup> ★★★★★  
Morningstar Category™ Convertible Bond - Global, GBP Hedged

## Management Commentary

Performance was largely driven by rising equity markets, which were supported by strong global growth, gradual monetary policy tightening and the passing of the US tax reform package. Energy names were the largest contributor in sector terms as crude prices rose over the month. In particular, US names Weatherford and Enco were top performers. Carillion was a main detractor over the month. Uncertainty surrounding the future of the British construction company rose following the announcement of an expected covenant breach and material downgrades to its 2017 profit expectations. We expect growth to remain strong given its global breadth and good current momentum, while positive sentiment and easy financial conditions provide a supportive environment to equity and credit markets. The measured withdrawal of monetary stimulus by central banks and concurrent increase in interest rates is likely to be challenging for nonconvertible fixed income. However, we expect strong economic growth to provide a positive operating environment that will help drive further improvements in corporate earnings, which should in turn benefit convertible performance.

## CUMULATIVE PERFORMANCE ENDING JANUARY 2018 <sup>B</sup>



## QUARTERLY ROLLING 12M ENDING DECEMBER 2017 <sup>B</sup>

%	2016/17	2015/16	2014/15	2013/14	2012/13
Share Price	11.3	5.3	-6.9	0.9	-
Net asset value <sup>C D</sup>	5.9	8.0	0.5	1.1	-
Benchmark <sup>E</sup>	5.6	8.6	-0.8	2.3	-

## CUMULATIVE PERFORMANCE AS AT 31 JANUARY 2018 <sup>B</sup>

%	1 M	3 M	1 Y	3 Y	5 Y
Share price	1.0	-1.6	10.2	11.0	-
Net asset value <sup>C D</sup>	1.1	0.4	5.6	15.7	-
Reference index <sup>E</sup>	0.6	-0.7	4.7	13.6	-

**Past performance is not a guide to the future.** J.P.Morgan/Morningstar. Net asset value performance data has been calculated on a NAV to NAV (using the cum income NAV with debt at fair) basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. Please note Benchmark Indices do not include fees or operating expenses and are not available for actual investment.

## PORTFOLIO CHARACTERISTICS

Delta	31.4%
Duration (to put)	2.7
Number of names	92
Available cash	-0.3%

## INVESTMENT OBJECTIVE AND POLICY

The Company aims to deliver dividend income with the potential for long term capital growth, from investing in a globally diversified portfolio of convertible securities.

## KEY FACTS

Portfolio Manager(s)/Start date	Robin Dunmall (2013) Natalia Bucci (2013) Paul Levene (2018)
Dividends Paid	March, June, September and December
Reference index <sup>E</sup>	Bloomberg Barclays Credit Sensitive Convertibles Index (hedged into Sterling)
Company Broker(s)	Winterflood Securities
Gross assets (as at 31/01/18)	GBP 185.7m
Share price (as at 31/01/18)	98.0p
Net asset value (NAV) (as at 31/01/18) <sup>D</sup>	100.9p
Discount(-)/Premium	-2.9%
Total dividend for last financial year (per share)	4.50p
Financial year-end date	30 June
Prospective Dividend Yield <sup>F</sup>	4.7%
Potential gearing range	-5% to 20%
Actual gearing <sup>G</sup>	-3.1%

## COMPANY FEES & EXPENSES

Ongoing charges (comprises): <sup>H</sup>	0.99%
-Annual management fee	0.75% on net assets
-Operating & administrative expenses	0.24%

## BOND QUALITY BREAKDOWN

Investment grade	18.4%
Sub-Investment grade	22.9%
Non Rated	58.7%

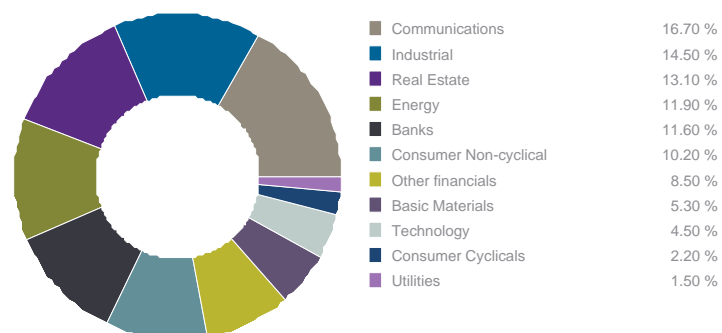
## KEY RISKS

The value of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. Please read the Risk Information, Explanatory Notes, Glossary of Terms and Important Information on the next page.

Any reference to companies/securities mentioned in this document is for information use only and should not be interpreted as investment advice or recommendation on those companies/securities. Any forecasts, figures, opinions, statements of financial market trends or investment techniques and strategies expressed are unless otherwise stated, J.P. Morgan Asset Management's own at the date of this document.

# JPMorgan Global Convertibles Income Fund Limited

## SECTOR BREAKDOWN AS AT 31 JANUARY 2018<sup>1</sup>



The Trust is an actively managed portfolio, holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.

## RISK INFORMATION

- Exchange rate changes may cause the value of underlying overseas investments to go down as well as up.
- This trust may invest in non investment grade bonds which increases the capital risk and have an adverse effect on the performance of funds which invest in them.
- For income funds/shares - Dividend income is not guaranteed and will fluctuate.
- Investing in high yielding stocks may involve higher degree of risk as high yields are not guaranteed and will fluctuate.
- This fund may use derivatives for investment purposes or for efficient portfolio management.
- Convertible bonds are subject to the risks associated with both debt and equity securities, and to risks specific to convertible securities. Investors should be prepared for greater volatility than straight bond investments, with an increased risk of capital loss, but with the potential of higher returns. Their value may change significantly depending on economic and interest rate conditions, the creditworthiness of the issuer, the performance of the underlying equity and general financial market conditions. In addition, issuers of convertible bonds may fail to meet payment obligations and their credit ratings may be downgraded. This is generally known as credit risk. Convertible bonds may also be subject to lower liquidity than the underlying equity securities.
- External factors may cause an entire asset class to decline in value. Prices and values of all shares or all bonds could decline at the same time, or fluctuate in response to the performance of individual companies and general market conditions.
- This trust may utilise gearing (borrowing) which will exaggerate market movements both up and down.
- This trust may also invest in smaller companies which may increase its risk profile.
- The share price may trade at a discount to the Net Asset Value of the company.

## EXPLANATORY NOTES

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<sup>B</sup> Total return - using capital only NAVs with net dividend (if any) reinvested, in sterling, unless otherwise stated. Source: J.P. Morgan/Morningstar ([www.morningstar.co.uk](http://www.morningstar.co.uk))

<sup>C</sup> Due to the currently low net asset value and high gearing of the share class, the NAV performance numbers are extremely volatile and therefore none are disclosed.

<sup>D</sup> Cum income NAV with debt at fair value, diluted for treasury and/or subscription shares if applicable, with any income reinvested.

<sup>E</sup> On 01/07/16 the benchmark changed from the MSCI World Index (Total Return Net) to the Bloomberg Barclays Credit Sensitive Convertibles Index (hedged into Sterling). To improve the comparison of the Company's performance against its new benchmark over the long term, the benchmark data shown tracks the Bloomberg Barclays Credit Sensitive Convertibles Index (hedged into Sterling) as if it applied since the fund's inception.

<sup>F</sup> Source: Morningstar. Prospective dividend yield is indicative and based on mid market prices, and include the declared and net prospective dividends for the current financial year.

<sup>G</sup> Gearing represents the excess amount above shareholders' funds of total investments (excluding liquidity fund holdings) expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is known as a "net cash" position.

<sup>H</sup> Ongoing charges are the management fee and all other operating expenses, excluding interest charges on any borrowing and any performance fee payable expressed as a percentage of the average daily net assets during the year. All figures are for the previous financial year.

<sup>I</sup> Non-Benchmark holdings (where held) are classified in the appropriate sector/region. Cash is net current assets and holdings used as cash substitutes if applicable.

## IMPORTANT INFORMATION

This factsheet is to provide you summary information about the Company and should not be taken as an advice or recommendation to buy or sell its shares. If you are not sure of suitability of our products for your investment needs, please contact a financial adviser. Please ensure reading important product documentation including Key Features and Terms and Conditions, Investor Disclosure Document and Annual Reports and Accounts.

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## COMPANY CODES

ISIN	GG00B96SW597
Sedol	B96SW59
Bloomberg	JGCI LN
Reuters	JGCI.L

## GLOSSARY OF TERMS

**BENCHMARK COMPARISON** - Comparison of the Company's performance is made with the benchmark. The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not follow or track this index and therefore there may be a degree of divergence between its performance and that of the Company.

**CASH** - Net current assets including investment in liquidity funds & treasury stocks (if held) and drawn revolving credit facilities (if any) with an original maturity of less than 1 year.

**DISCOUNT / PREMIUM** - If the share price of an investment company is lower than the net asset value (NAV) per share, the company is said to be trading at a discount. If the share price of an investment company is higher than the net asset value (NAV) per share, the company is said to be trading at a premium. The discount/premium is shown as a percentage of the NAV.

**GEARING** - Gearing represents the excess amount above shareholders' funds of total assets expressed as a percentage of the shareholders' funds. Total assets include total investments and net current assets/liabilities less cash/cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative this is known as a 'net cash' position.

**SECTOR / GEOGRAPHICAL BREAKDOWNS** - These are expressed as a percentage of total portfolio and cash. Investments in liquidity funds will be shown as cash.

**TOP 10 HOLDINGS** - These are expressed as a percentage of total portfolio and cash. Investments in liquidity funds / treasury stocks will not be shown in the top 10 holdings.