

JPMorgan Elect Managed Cash

Overall Morningstar Rating™ –

Morningstar Category™ GBP Money Market - Short Term

April 2014

Investment objective

Preservation of capital with a yield based on short term interest rates by investing in a range of liquidity funds and short dated AAA-rated UK government securities/G7 government securities hedged into sterling.

Company facts

Portfolio manager(s)	Katy Thorneycroft
Board of director(s)	Robert Ottley, Angus Macpherson, Roger Yates, Alan Hodson, James Robinson
Financial year end date	31 August
Company launch date	2004
Listing	LSE
Dividends paid	March, June, September and December
Company Broker(s)	Winterflood Securities

Company statistics

(as at 31/05/14)

Total assets (as at 30/04/14)	GBP 4.6m
Share price	100.5p
Net asset value ^A	100.5p
Discount(-)/Premium	
Current	0.0%
12 month high	0.1%
12 month low	-0.8%
12 month average	-0.3%
Total dividend for last financial year	0.5p
Dividend yield ^B	0.2%
Actual gearing (as at 30/04/14) ^C	-
Potential gearing range	nil

Company fees & expenses

Annual mgt. fee ^D	Nil
Performance fee	No

Company codes

ISIN	GB0034080092
Sedol	3408009
Bloomberg	JPEC LN
Reuters	JPEX.L

Benchmark

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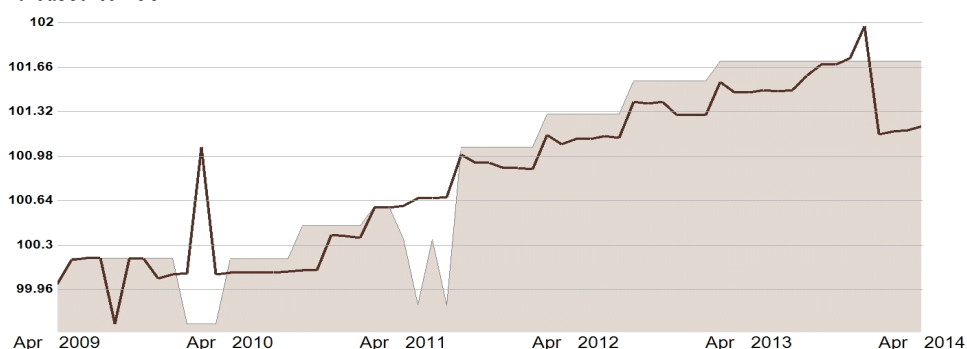
Performance ^E

(as at 30/04/14)

■ JPM Elect Managed Cash

■ Net asset value

% based to 100



Cumulative performance ^E

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
Share Price	0.0	0.0	0.0	1.4	1.7	23.2
Net asset value	0.0	0.1	-0.3	0.6	1.2	23.1

Quarterly Rolling 12M ending March 2014 ^E

%	2013/14	2012/13	2011/12	2010/11	2009/10
Share Price	0.0	0.4	0.7	0.9	-0.3
Net asset value	-0.3	0.4	0.5	0.5	0.1

Top 10 Holdings

(as at 31/05/14)

Holding	Weight
Deutsche Global Liquidity Managed Sterling Fund	17.6%
JPMorgan Sterling Liquidity Fund	17.1%
Institutional Cash Series Heritage Fund	16.6%
Insight Sterling Liquidity Fund	16.6%
SWIP Global Sterling Liquidity Fund	16.6%
Fidelity Institutional Sterling Cash Fund	15.5%

Statistical analysis review

(as at 30/04/14)

	3 years	5 years
Correlation	-	-
Annualised volatility	0.60%	0.85%
Tracking error	0.60%	0.85%
Information ratio	0.34	0.29

Please read the Explanatory Notes, Risks and Important Information at the end of this document.

For further information, please contact:

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Agent Services Line 0800 727 770

Our lines are open Monday to Friday, 9.00am to 5.30pm

www.jpmmorgan.co.uk/investment-trusts

J.P.Morgan
Asset Management

JPMorgan Elect Managed Cash



Katy Thorneycroft, *executive director*, is a portfolio manager in the Asset Management Solutions - Global Multi-Asset Group ("AMS - GMAG"), focusing on fund of funds and investment trust funds. An employee since 1999, Katy was previously a portfolio manager in the convertible bonds team and a member of AMS - GMAG in New York. Prior to this, Katy was a portfolio manager in the European Equity Group in London focusing on small and mid-cap strategies. Katy obtained a MChem from the University of Oxford and is a CFA charterholder.

Sector breakdown

(as at 31/05/14)

Sector	Company
Financials	100.0%
Total	100.0%

Manager's quarterly commentary

(as at 31/12/13)

The final estimate of UK third-quarter GDP was confirmed at 0.8%. Previous quarters were revised up, causing year-on-year (y/y) growth to move upwards from 1.5% to 1.9%. Public sector borrowing figures were higher than expected, at GBP 16.5 billion. Industrial production was in line with expectations, at 3.2%, while manufacturing production was slightly weaker than expected, at 2.7% y/y. Consumer and retail prices were at the lowest level since November 2009, at 2.1% and 2.6%. In the Autumn Statement the Chancellor of the Exchequer announced the latest fiscal forecasts from the Office for Budget Responsibility. GDP forecasts were revised up significantly in the near term, to 1.4% in 2013 and 2.4% in 2014. Growth forecasts further out were revised down marginally, to 2.2% in 2015 and 2.6% in 2016. Public sector net debt was expected to peak at 80% in 2015-2016, a year earlier than last estimated. The headline unemployment rate fell unexpectedly to 7.4% in October as employment surged and the claimant count fell slightly. This prompted some economists to expect the 7% target to be reached in the first quarter of 2014, with the Bank of England starting to raise interest rates in late 2014.

Over the quarter the trust remained broadly diversified across six of the UK's leading AAA-rated sterling liquidity funds, each selected to provide a high level of capital security for shareholders.

Market Outlook

At its December meeting the Monetary Policy Committee (MPC) voted unanimously to keep interest rates on hold at 0.5% and asset purchases at GBP 375 billion. The MPC noted that recent data had been indicative of a "burgeoning recovery" and were concerned that "any further substantial appreciation of sterling would pose additional risks to the balance of demand growth and the recovery."

JPMorgan Elect Managed Cash

Investment trust history and investment policies

The Company was incorporated on 16th September 1999 and launched as an investment trust on 24th November 1999 with assets of £28million. The Company changed its name to JPMorgan Fleming Managed Growth plc on 5th December 2002. The Company's name was changed to JPMorgan Fleming Elect plc on 14th January 2004 following the capital reorganisation and combination of JPMorgan Fleming Managed Growth plc and JPMorgan Fleming Managed Income plc. The Company adopted its present name on 2nd February 2006.

In order to achieve its stated investment policy and manage risks, the Managed Cash portfolio invests no more than 20% of the value of the portfolio in any one liquidity fund or short dated (i.e. with a maturity of less than 2 years) UK government securities or G7 government securities hedged into sterling. All liquidity funds or government securities shall have an AAA credit rating (as measured by Standard & Poor's) or equivalent rating from a recognised credit rating agency.

The Board does not intend to utilise borrowings to increase the funds available for investment. The Board monitors closely the level of indirect gearing through the underlying investments. The underlying portfolio should be invested 95-120%.

Explanatory Notes, Risks and Important Information

Notes

^ACapital only NAV with debt at par, diluted for treasury and/or subscription shares if applicable.

^BDividend yields are based on mid market prices and the estimated dividend(s) payable in respect of the current financial year. This will include declared and prospective dividends. Source Morningstar

^CActual gearing: Represents the excess amount above shareholders' funds of total assets less cash/cash equivalents, expressed as a percentage of shareholders funds. If the amount calculated is negative, this represents a net cash position.

^DManagement fees are paid to managers of the underlying funds.

^ETotal 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)

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See Glossary of terms for explanations.

Based on its return characteristics and the costs incurred in transacting in its shares, an investment in Managed Cash should only be considered by existing holders of Managed Growth and/or Managed Income who wish to switch into Managed Cash on the designated quarterly conversion dates. Accordingly Elect Managed Cash shares are not available for purchase through the J.P. Morgan Investment Account, J.P. Morgan ISA or J.P. Morgan SIPP or on J.P. Morgan WealthManager+.

Important Information

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Non-mainstream pooled Investment products Information (or status)

Shares and debentures (if any) in an Investment Trust are not subject to Financial Conduct Authority's (FCA) restrictions for marketing Nonmainstream Pooled Investment products, therefore Investment Trust products can be marketed to retail investors directly or via Independent Financial Advisers.

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Glossary

Annual volatility: Volatility is one measure used to assess the risk of a portfolio as it helps to describe the likely range of returns achieved by the fund. In statistical terms it is the standard deviation of the return distribution. Greater volatility of monthly Net Asset Value returns means that there is a wider range of likely returns in the future, or greater uncertainty regarding the fund return. Most investors would equate this greater uncertainty with greater risk. Gearing will have an impact on the volatility of an investment trust.

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 and includes investment in liquidity funds & treasury stocks (if held) and drawn revolving credit facilities (if any) with an original maturity of less than 1 year.

Correlation: Correlation describes the way in which Net Asset Value has moved relative to the benchmark. Correlation coefficients range between +1.0 for assets which consistently move in the same direction, and -1.0 for assets which consistently move in the opposite direction. Assets with a correlation of zero are unrelated. Portfolios combining assets with low correlations provide diversification or risk reduction benefits, potentially without decreasing total portfolio return.

Actual gearing: Total portfolio less liquidity stocks, divided by net assets plus income cash and any effects of performance fees and revenue reserve accruals where applicable.

Gearing range: Indication of the maximum and minimum percentage by which the Company may be geared.

Information ratio: This is the difference between the annualised average fund return and the annualised average benchmark return (calculated geometrically) divided by the annualised tracking error. The higher the ratio, the better, as it shows that the risk taken by the fund manager relative to the benchmark has been rewarded. Gearing will have an impact on the information ratio.

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.

Ongoing charges: Management fees and all other operating expenses, excluding interest payments and commissions which are treated as a separate capital item, expressed as a percentage of the average of the opening and closing net assets. This calculation is based on the financial year end data and will be updated annually.

Tracking error: Tracking error measures the standard deviation of relative returns, i.e. the Net Asset Value return less the benchmark return. Tracking error is often used as a measure of risk taken against the fund's benchmark with a larger tracking error indicating that greater risks were taken relative to the benchmark in achieving the return of the fund. Gearing will increase a tracking error.