

# JPMorgan Elect Managed Growth

Overall Morningstar Rating™ (as at 31/08/14) ★★★★★  
Morningstar Category™ Global Large-Cap Blend Equity

August 2014

## Investment objective

Long term capital growth from investing in a range of investment trusts and open-ended funds managed principally by JPMorgan Asset Management.

## Company facts

Portfolio manager(s)	Katy Thorneycroft
	Robert Ottley, Alan Hodson,
Board of director(s)	Angus Macpherson, James Robinson, Roger Yates
Financial year end date	31 August
Company launch date	1999
Listing	London Stock Exchange
Dividends paid	March, June, September and December
Company Broker(s)	Winterflood Securities

## Company statistics

(as at 30/09/14)

Total assets (as at 31/08/14)	GBP 210.9m
Share price	547.5p
Net asset value <sup>A</sup>	559.6p
Discount(-)/Premium	
Current	-2.2%
12 month high	1.1%
12 month low	-3.2%
12 month average	-1.8%
Total dividend for last financial year	7.0p
Dividend yield <sup>B</sup>	1.4%
Actual gearing (as at 31/08/14) <sup>C</sup>	1.3%
Potential gearing range	nil

## Company fees & expenses

Annual mgt. fee	0.3% on JPM Funds, 0.6% on non-JPM funds
Ongoing charges	0.58%
Performance fee	No

## Company codes

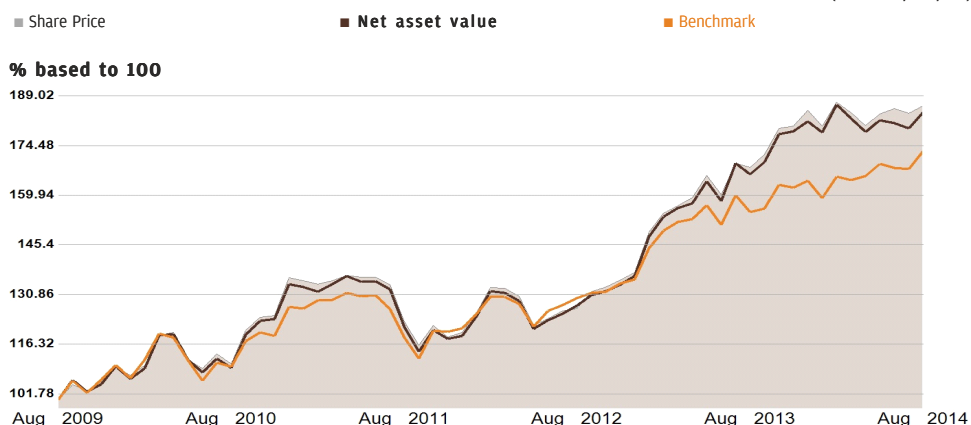
ISIN	GB0008528142
Sedol	0852814
Bloomberg	JPE LN
Reuters	JPE.L

## Benchmark

50% FTSE All-Share Index and 50% FTSE World Index (ex UK) (£)

## Performance <sup>D</sup>

(as at 31/08/14)



## Cumulative performance <sup>D</sup>

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
Share Price	1.2	1.3	10.7	51.6	86.1	187.1
Benchmark	3.1	2.3	11.6	46.4	72.9	139.8
Net asset value	2.7	1.3	10.9	52.0	84.3	188.4

## Quarterly Rolling 12M ending June 2014 <sup>D</sup>

%	2013/14	2012/13	2011/12	2010/11	2009/10
Share Price	15.7	29.3	-8.9	24.4	21.8
Benchmark	11.1	20.0	-3.6	23.7	22.0
Net asset value	14.4	28.4	-8.5	24.7	22.1

## Top 10 Holdings

(as at 31/08/14)

Holding	Sector	Weight
JPMorgan UK Dynamic A	Financials	9.7%
JPMorgan Claverhouse Inv Trust	Financials	9.6%
JPMorgan American Inv Trust	Financials	6.6%
JPMorgan US Select Equity C	Financials	5.9%
The Mercantile Inv Trust	Financials	4.8%
JPMorgan European Inv Trust (Growth)	Financials	4.2%
FTSE 100 (New Style) Index Equity (Future) Sep 14	Future	4.0%
JPMorgan Smaller Companies Inv Trust	Financials	3.7%
S&P500 Emini Equity Index (Future)	Future	3.5%
JPMorgan Japanese Inv Trust	Financials	3.5%

## Statistical analysis review

(as at 31/08/14)

	3 years	5 years
Correlation	0.94	0.95
Annualised volatility	11.41%	13.11%
Tracking error	3.89%	4.31%
Information ratio	0.36	0.33

## Market capitalisation

(as at 31/08/14)

	% of portfolio
> 100 bn	0.00%
10 bn <= 100 bn	0.00%
1 bn <= 10 bn	16.42%
< 1 bn	83.58%

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

For further information, please contact:  
UK-based Investor Services Team 0800 731 111 (or +44 20 7742 9995 if calling from outside the UK)  
Agent Services Line 0800 727 770  
Our lines are open Monday to Friday, 9.00am to 5.30pm  
[www.jpmorgan.co.uk/investment-trusts](http://www.jpmorgan.co.uk/investment-trusts)

**J.P.Morgan**  
Asset Management

# JPMorgan Elect Managed Growth



**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.

## Geographical breakdown

(as at 31/08/14)

Country	Company
UK	45.7%
North America	32.3%
Cont. Europe	9.8%
Japan	5.4%
Other Pacific	3.4%
Other / Emerging	2.1%
Cash & FI	1.3%
Total	100.0%

## Manager's commentary

(as at 31/08/14)

Global equity markets had a positive month in August. North America was the top performing region following a strong corporate earnings season and US economic releases beating expectations. This robust data brought forward expectations of the first interest rate rise. However, the Federal Reserve (the Fed) tried to anchor expectations and reiterated that any rate rise would be gradual.

The trust's net asset value and share price delivered positive returns but underperformed the benchmark. From a regional perspective, our strategies in the US performed well and the trust benefited from good manager selection in the UK, as the JPM Claverhouse Investment Trust outperformed its benchmark. Looking at third party funds, the Biotech Growth Trust performed well, while Blackrock Frontiers and Hansa Trust were the biggest detractors.

## Market Outlook

The narrative for global equity markets is evolving but the fundamental backdrop remains supportive. Global economic growth is proceeding as anticipated, and central banks remain accommodative. However, there are significant regional dispersions and the global recovery does not look like it will be synchronised. In the US and UK, central banks must ensure they communicate any interest rate increases with the same clarity and consistency as the Fed's asset purchase tapering process to avoid destabilising markets. In contrast, in Europe, the macroeconomic and earnings outlook remains less assured and in the advent of weaker inflation data, the European Central Bank may consider quantitative easing as a last resort. In Japan, investors will be looking for signs of a policy change from the Bank of Japan to tackle domestic economic problems.

# JPMorgan Elect Managed Growth

## 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 investment risks, the Managed Growth portfolio is invested in a diversified range of investment trusts and open-ended funds, which themselves invest in the UK and overseas. The number of investments in the portfolio will normally range between 30 and 50

## Explanatory Notes, Risks and Important Information

### Notes

<sup>A</sup>Capital only NAV with debt at par, diluted for treasury and/or subscription shares if applicable.

<sup>B</sup>Dividend 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

<sup>C</sup>Actual 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.

<sup>D</sup>Prior to 15/01/04 the performance record is of the predecessor company J.P. Morgan Fleming Managed Growth plc.

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See Glossary of terms for explanations.

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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.