

# JPM Global Equity Fund

Annual Short Form Report – 31 January 2014

**J.P.Morgan**  
Asset Management

## Important Information

On 1 December 2013 the prospectus was amended in order to comply with regulations introducing a 'protected cell regime'. This wording states that the assets of the sub-funds belong exclusively to that sub-fund and are not available to discharge the liabilities of any other sub-fund or any claim against the Company.

As of 28 April 2014, Schedule 19 Stamp Duty Reserve Tax no longer applies. This was a negligible tax that applied to UK domiciled funds that invested in assets liable to SDRT when investors sold their shares in the funds. This change in legislation was implemented by the HMRC. This is regarded as a positive outcome for Shareholders as the funds affected will potentially now pay marginally less tax. This amendment has also been included in the prospectus dated 1 April 2014.

On 1 April 2014 the Instrument of Incorporation was updated to reflect an improvement in the calculation of the Share Class Allocation Ratio. This new calculation will include the equalisation aspect of share activity within the calculation on the same day making it even more accurate, and should improve the ongoing alignment of the share classes and reduce the possibility of share class divergence as a result of shareholder activity.

## Investment objective and policy

To provide capital growth over the long term by investing throughout the world in any economic sector.

The Fund will primarily invest in shares of companies globally and will have exposure to Emerging Markets. Smaller company investments may be held on an ancillary basis.

Other instruments as permitted in the stated investment and borrowing powers of the Company including, but not limited to, fixed interest securities, cash and cash equivalents may be held on an ancillary basis, as appropriate.

## Risk profile

The value of your investment may fall as well as rise and you may get back less than you originally invested.

The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.

Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.

This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.

The Fund may be concentrated in one or more industry sectors and/or countries and as a result, may be more volatile than more broadly diversified funds.

Movements in currency exchange rates can adversely affect the return of your investment.

Please refer to Part 11 of the Prospectus for details of the general risk factors affecting this Fund in addition to the specific risk factors above.

## Fund review

The Fund underperformed its benchmark in the 12 months to the end of January 2014. Stock selection was notably strong in the information technology, materials and health care sectors, but weaker in the consumer discretionary and industrials sectors. On a regional basis, stock selection was positive in North America and emerging markets, but detracted in Japan and the UK. Our cash weighting throughout the year detracted from performance. At the stock level, top contributors to Fund performance included Baidu, Google and Hewlett Packard. Notable detractors included Yes Bank and China Merchants Bank.

## Fund outlook

Against a background of increasing confidence in the strength of the recovery, we have recently added to our financials, information technology and energy exposure. We have also added to our holdings in emerging markets, which has been one of the weakest regions this year. In addition, we have marginally reduced our cash positions. The portfolio remains tilted towards the more attractive valuations available in UK and Europe, and in aggregate trades at a 10% discount to the market. While the overweight to health care remains the biggest, we have taken some profits in that sector, and now have significant overweight positions in both financials and information technology.

## 12 month performance as at 31 January

	2014	2013	2012	2011	2010
<b>JPM Global Equity A-Class Acc</b>	<b>7.7%</b>	<b>16.2%</b>	<b>-6.1%</b>	<b>14.9%</b>	<b>25.0%</b>
<b>JPM Global Equity B-Class Acc</b>	<b>8.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>JPM Global Equity C-Class Acc</b>	<b>8.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Benchmark Index <sup>a</sup>	8.7%	15.3%	-1.5%	19.3%	22.9%

## Fund statistics

<b>Risk and Reward Profile</b>	<b>6*</b>
<b>Fund size</b>	<b>£163.5m</b>
<b>Benchmark Index<sup>a</sup></b>	<b>MSCI All Country World Index (Net)</b>
<b>Fund charges</b>	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

\* For specific risks, including the risk and reward profile, please refer to the Key Investor information Document (KIID) available on the following website <http://am.jpmorgan.co.uk/investor/prices-and-factsheets/?list=all&tab=Prices>

All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

All performance returns are calculated using the quoted price of the accumulation shares. Performance returns are in Sterling.

Source: J.P. Morgan.

Formerly JPM Global Fund, the Fund name was changed on 01/12/12.

<sup>a</sup> On 01/12/12 the Funds benchmark was changed from MSCI World Index (Net) to MSCI All Country World Index (Net).

Benchmark Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express of implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

## Top ten holdings (excluding Liquidity funds)

	%
Citigroup	3.6
BG Group	3.1
Google 'A'	2.9
Baxter International	2.9
Standard Chartered	2.8
Novartis	2.6
Teva Pharmaceutical Industries ADR	2.5
Sanofi	2.4
Industrial & Commercial Bank of China 'H'	2.3
AXA	2.2

## Geographical breakdown

	%
United States of America	41.2
United Kingdom	15.4
France	9.6
China	7.5
Switzerland	7.0
Germany	2.8
Japan	2.7
Israel	2.5
Liquidity funds	2.5
South Korea	1.9
India	1.6
Netherlands	1.5
Belgium	1.4
Hong Kong	1.3
Indonesia	0.5
Net other assets	0.6

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2009	654.1p	412.5p	7.03p
2010	719.8p	601.4p	4.33p
2011	734.1p	561.1p	5.06p
2012	716.0p	628.8p	4.29p
2013	867.7p	719.6p	4.45p
2014 <sup>a</sup>	872.0p	826.1p	4.55p
<b>A-Class Income Shares</b>			
2009	50.30p	31.72p	0.54p
2010	54.96p	45.92p	0.34p
2011	55.65p	42.54p	0.38p
2012	53.88p	47.32p	0.33p
2013	64.93p	54.15p	0.32p
2014 <sup>a</sup>	65.25p	61.76p	0.34p
<b>B-Class Accumulation Shares<sup>c</sup></b>			
2012	716.5p	672.9p	-
2013	872.0p	720.3p	5.40p
2014 <sup>a</sup>	877.2p	831.2p	8.59p
<b>C-Class Accumulation Shares<sup>d</sup></b>			
2012	103.3p	96.95p	-
2013	125.9p	103.8p	1.02p
2014 <sup>a</sup>	126.7p	120.1p	1.53p
<b>C-Class Income Shares<sup>d</sup></b>			
2012	103.3p	96.95p	-
2013	124.8p	103.8p	0.96p
2014 <sup>a</sup>	125.6p	118.1p	1.48p

<sup>a</sup> To 31 January 2014.

<sup>c</sup> B-Class Accumulation Shares were launched on 29 October 2012.

<sup>d</sup> C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

## Portfolio turnover rate

31.01.13	105.8%
31.01.14	140.4%

The portfolio turnover rate (PTR) reflects the total of security purchases and sales (excluding Liquidity funds), less the total of share issues and cancellations, expressed as a percentage of the average daily net asset values over the period.

## Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.13%	0.06%	0.19%
31.01.14	0.14%	0.08%	0.22%

The percentage figures disclosed above reflect the average broker commissions and transaction taxes suffered during the last 3 years divided by the average assets under management over the same period.

## Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

The percentage figures disclosed above reflect the total stamp duty reserve tax suffered during the year divided by the average assets under management over the same period.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.12	160,567	24,211,529	663.2p	1.67%
31.01.13	163,000	21,142,750	770.9p	1.68%
31.01.14	159,822	19,257,637	829.9p	1.68%
<b>A-Class Income Shares</b>				
31.01.12	695	1,391,386	49.95p	1.68%
31.01.13	1,264	2,190,564	57.69p	1.68%
31.01.14	1,936	3,134,131	61.76p	1.68%
<b>B-Class Accumulation Shares</b>				
31.01.13	43	5,605	772.0p	1.18%
31.01.14	203	24,301	835.1p	1.18%
<b>C-Class Accumulation Shares</b>				
31.01.13	28	25,445	111.3p	0.93%
31.01.14	1,459	1,209,465	120.6p	0.93%
<b>C-Class Income Shares</b>				
31.01.13	1	1,000	110.3p	0.93%
31.01.14	116	98,713	118.1p	0.93%

The net asset value and the net asset value per income share are shown ex-dividend.

Following the adoption of the requirements of UCITS IV in June 2012, Ongoing charges has replaced the Total Expense Ratio ("TER"). The Ongoing charges takes into account the ACD fee, the fixed expenses and any expenses paid to an affiliate in respect of stocklending activities, expressed as a percentage of the average daily net asset values over the period. The main difference between the two calculations is the inclusion of custodian handling charges and stocklending fees in the Ongoing charges figure. The comparative figures have not been restated, and the historic TER is disclosed.

## Other information

These are short form accounts, the full accounts can be obtained using the contact details below.

The Fund is a sub-fund of JPMorgan Fund ICVC. JPMorgan Fund ICVC is an Open-Ended Investment Company ("Company") with variable capital, authorised, under Regulation 12 of the OEIC Regulations, by the Financial Services Authority (now known as the Financial Conduct Authority) on 6 October 1997.

The Company was launched as a UCITS Scheme on 16 November 2001 and acts as an umbrella company comprising 34 sub-funds. Its registration number is IC00005 and its registered address is 60 Victoria Embankment, London EC4Y 0JP.

Authorised Corporate Director: JPMorgan Funds Limited, 3 Lochside View, Edinburgh Park, Edinburgh, EH12 9DH.

(Authorised and regulated by the Financial Conduct Authority)

Depository: National Westminster Bank plc, 135 Bishopsgate, London, EC2M 3UR.

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

Independent Auditors: PricewaterhouseCoopers LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX.

Investment Adviser: JPMorgan Asset Management (UK) Limited, 25 Bank Street, Canary Wharf, London, E14 5JP.

(Authorised and regulated by the Financial Conduct Authority)

Registrar: JPMorgan Asset Management Marketing Limited, 25 Bank Street, Canary Wharf, London, E14 5JP.

(Authorised and regulated by the Financial Conduct Authority)

For up-to-date performance information please contact your J.P. Morgan Asset Management representative. Intermediaries on 0800 727 770. Clients investing direct contact your financial adviser or call 0800 20 40 20.

Telephone lines are open 9.00am to 5.30pm Monday to Friday. Telephone lines are recorded and may be monitored for security and training purposes.

[www.jpmorganassetmanagement.co.uk](http://www.jpmorganassetmanagement.co.uk)

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