

JPM Global Equity Income Fund

Annual Short Form Report – 31 January 2014

J.P.Morgan
Asset Management

Important Information

On 1 November 2013 the following changes took place to this Fund:

- The benchmark for the JPM Global Equity Income Fund was amended from the 'MSCI World Index (Net)' to the 'MSCI All Country World Index (Net)'.
- The benchmark for the hedged share classes was amended from the 'MSCI World Index (Net) hedged to GBP', to the 'MSCI All Country World Index (Net) hedged to GBP'.

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 a portfolio designed to achieve high and rising income by investing globally, primarily in Equities, in any economic sector whilst participating in long term capital growth.

The Fund 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.

As the portfolio of the Fund is primarily focused on generating income, it may bear little resemblance to the composition of its Benchmark.

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

For investors in Share Classes which are not hedged to Sterling movements in currency exchange rates can adversely affect the return of your investment.

Investors in GBP Hedged Share Classes should be aware that any currency hedging process may not give a precise hedge. Where currency hedging is undertaken, whilst it may protect an investor in Hedged Shares against a decrease in the value of the currency being hedged, it may also prevent an investor from participating in an increase in the value of that currency. Please refer to Part 1: Section 1.3 of the Prospectus for more information on Hedged Share Classes.

This Fund charges the annual fee of the Authorised Corporate Director (ACD) against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth. It may also have tax implications for certain investors.

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

Global equities rose in the 12 months to the end of January 2014 on the back of a pickup in global economic growth.

The Fund aims to provide our clients with a high and rising income stream. Over the 12-month period the Fund has grown its income stream by over 20%, significantly outperforming global equity markets, while delivering strong capital growth as well, although the Fund underperformed its hedged benchmark over the review period on a total return basis. A number of companies in the portfolio have recently raised their dividends, including Swiss Re, Wells Fargo, Japan Tobacco, Schneider Electric, Hutchison Whampoa and Time Warner. These dividend increases highlight that companies are generating strong levels of profitability and returning excess cash to shareholders. With many investors seeking to add risk to portfolios while maintaining a focus on income, dividend investing therefore continues to look attractive. Compared to bond alternatives, defensive dividend growth stocks offer compelling growth opportunities. The dividend yield of the portfolio is 4.0% vs. the benchmark, which is yielding 2.6%, and we continue to forecast strong dividend growth over the next few years.

Fund outlook

Growth in the developed world is gathering momentum, and for the first sustained period of time since the 2008-9 financial crisis, a significant majority of countries are benefiting from expansion in manufacturing activity.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Global Equity Income					
A-Class Acc (GBP Hedged)	13.0%	15.1%	-5.3%	15.0%	20.3%
JPM Global Equity Income					
C-Class Inc (GBP Hedged)	13.5%	16.2%	-4.5%	15.9%	21.2%
Hedged Benchmark Index ^A	17.5%	16.5%	-3.6%	16.1%	27.5%
JPM Global Equity Income					
A-Class Acc	6.7%	14.2%	-	-	-
JPM Global Equity Income					
B-Class Acc	7.0%	-	-	-	-
JPM Global Equity Income					
C-Class Acc	7.3%	-	-	-	-
JPM Global Equity Income					
X-Class Acc	8.4%	-	-	-	-
Benchmark Index	10.8%	15.4%	-	-	-

Fund statistics

Risk and Reward Profile	6*
Fund size	£85.4m
Hedged Benchmark Index ^A	MSCI All Country World Index Hedged into GBP (Net)
Benchmark Index	MSCI All Country World Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%
X-Class	On application ^B

Top ten holdings (excluding Liquidity funds) %

Vodafone Group	2.9
Royal Dutch Shell 'A'	2.9
Swiss Re	2.6
ConocoPhillips	2.4
ENI	2.3
Johnson & Johnson	2.3
Seven & I	2.3
Microsoft	2.1
Time Warner	2.0
Unibail-Rodamco	2.0

Geographical breakdown %

United States of America	36.4
United Kingdom	10.9
Japan	7.6
France	7.1
Switzerland	6.0
Germany	4.5
Australia	4.3
Sweden	3.9
Netherlands	2.9
Hong Kong	2.7
Italy	2.3
Belgium	2.0
Canada	1.9
Denmark	1.5
Finland	1.0
Norway	0.8
China	0.7
Taiwan	0.7
South Korea	0.4
Portugal	0.3
Forward currency contracts GBP Hedged share classes	0.6
Liquidity funds	0.2
Forward currency contracts fund level	(0.2)
Net other assets	1.5

The forward currency contracts are entered into at fund level, and additional forward currency contracts are entered into by the A-Class Accumulation GBP Hedged shares, A-Class Income GBP Hedged shares, C-Class Accumulation GBP Hedged shares and the C-Class Income GBP Hedged shares.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares^C			
2011	50.00p	50.00p	-
2012	54.51p	48.96p	1.74p
2013	65.79p	54.19p	2.37p
2014 ^D	64.38p	61.34p	0.41p
A-Class Accumulation GBP Hedged Shares^E			
2009	44.13p	29.50p	1.59p
2010	48.64p	40.78p	1.55p
2011	50.06p	40.47p	1.84p
2012	50.77p	44.83p	1.83p
2013	61.92p	50.93p	2.18p
2014 ^D	62.00p	59.55p	0.39p
A-Class Income Shares^C			
2011	50.00p	50.00p	-
2012	53.38p	48.37p	1.72p
2013	62.41p	52.44p	2.26p
2014 ^D	59.97p	57.13p	0.39p
A-Class Income GBP Hedged Shares^E			
2009	39.41p	27.34p	1.46p
2010	41.94p	35.87p	1.36p
2011	42.89p	33.89p	1.57p
2012	40.59p	36.57p	1.49p
2013	47.70p	40.70p	1.71p
2014 ^D	47.76p	45.85p	0.31p

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 and income shares. Performance returns are in Sterling.

Source: J.P. Morgan.

On 16/12/11 the Fund switched to currency hedging at share class level and existing share classes were renamed GBP Hedged Shares.

^A On 01/05/09 the benchmark for the Fund was changed from MSCI World Index (Net) to MSCI World Index Hedged into GBP (Net). On 01/11/13 the benchmark for the Fund was changed from MSCI World Index hedged into GBP (Net) to MSCI All Country World Index (Net) hedged to GBP.

^B As agreed from time to time between the ACD and the relevant JPMorgan Chase & Co. entity.

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.

Highest/lowest share price and distribution record (continued)

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
B-Class Accumulation Shares^f			
2012	100.0p	52.01p	0.44p
2013	65.98p	54.26p	2.36p
2014 ^d	64.69p	61.65p	0.42p
B-Class Income Shares^f			
2012	52.43p	50.32p	0.43p
2013	62.58p	52.49p	2.28p
2014 ^d	60.26p	57.42p	0.40p
C-Class Accumulation Shares^g			
2012	102.1p	97.48p	0.85p
2013	123.8p	101.7p	4.41p
2014 ^d	121.7p	115.9p	0.78p
C-Class Accumulation GBP Hedged Shares^h			
2012	102.3p	96.43p	0.85p
2013	125.6p	102.7p	4.37p
2014 ^d	125.8p	120.8p	0.81p
C-Class Income Shares^e			
2012	102.1p	96.65p	0.85p
2013	120.4p	100.9p	4.28p
2014 ^d	116.1p	110.7p	0.74p
C-Class Income GBP Hedged Shares^e			
2009	92.05p	63.42p	3.42p
2010	98.66p	83.99p	3.29p
2011	101.2p	80.18p	3.73p
2012	96.93p	87.03p	3.60p
2013	114.5p	97.27p	4.10p
2014 ^d	114.7p	110.2p	0.73p
X-Class Accumulation Sharesⁱ			
2009	88.78p	58.74p	3.18p
2010	99.42p	82.57p	3.28p
2011 ^j	102.8p	83.68p	2.97p
2012	-	-	-
2013	114.7p	99.19p	3.59p
2014 ^d	113.5p	108.2p	0.84p
X-Class Income Shares			
2009	81.91p	56.16p	2.99p
2010	88.42p	74.93p	2.99p
2011 ^j	90.88p	72.23p	2.61p

^c A-Class Accumulation Shares and A-Class Income Shares were launched on 30 December 2011.

^d To 31 January 2014.

^e A-Class Accumulation Shares, A-Class Income Shares and C-Class Income Shares changed name to GBP Hedged shares on 16 December 2011.

^f B-Class Accumulation Shares and B-Class Income Shares were launched on 29 October 2012.

^g C-Class Accumulation Shares and C-Class Income Shares were launched on 1 October 2012.

^h C-Class Accumulation GBP Hedged Shares were launched on 20 August 2012.

ⁱ X-Class Accumulation Shares were launched on 28 January 2013.

^j X-Class Accumulation Shares and X-Class Income Shares were closed on 12 October 2011.

Portfolio turnover rate

31.01.13	72.0%
31.01.14	171.8%

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	0.09%	0.03%	0.12%
31.01.14	0.11%	0.04%	0.15%

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	0.01%
31.01.14	0.02%

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
A-Class Accumulation Shares				
31.01.12	3	5,000	50.41p	1.68%
31.01.13	2,013	3,496,835	57.56p	1.68%
31.01.14	5,940	9,675,103	61.40p	1.68%
A-Class Accumulation GBP Hedged Shares				
31.01.12	83,943	183,385,494	45.77p	1.68%
31.01.13	80,963	153,661,995	52.69p	1.68%
31.01.14	43,654	73,335,082	59.53p	1.68%
A-Class Income Shares				
31.01.12	3	5,000	50.40p	1.68%
31.01.13	2,090	3,778,988	55.30p	1.68%
31.01.14	5,486	9,658,347	56.80p	1.68%
A-Class Income GBP Hedged Shares				
31.01.12	18,068	47,820,860	37.78p	1.67%
31.01.13	19,368	46,330,554	41.80p	1.68%
31.01.14	17,163	37,698,157	45.53p	1.68%
B-Class Accumulation Shares				
31.01.13	3	5,000	57.64p	1.18%
31.01.14	18	29,706	61.71p	1.18%
B-Class Income Shares				
31.01.13	3	5,000	55.37p	1.18%
31.01.14	13	22,985	57.08p	1.18%
C-Class Accumulation Shares				
31.01.13	1	1,000	108.1p	0.93%
31.01.14	99	84,826	116.06p	0.93%
C-Class Accumulation GBP Hedged Shares				
31.01.13	452	425,575	106.3p	0.93%
31.01.14	2,030	1,681,632	120.74p	0.93%
C-Class Income Shares				
31.01.13	1	1,000	106.4p	0.93%
31.01.14	248	225,670	110.03p	0.93%
C-Class Income GBP Hedged Shares				
31.01.12	2,982	3,327,317	89.63p	0.87%
31.01.13	1,353	1,353,563	99.98p	0.93%
31.01.14	10,779	9,850,774	109.42p	0.93%
X-Class Accumulation Shares				
31.01.13	1	1,000	99.88p	0.06%
31.01.14	1	1,000	108.32p	0.06%

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.

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

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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

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