

# JPM Global Property Securities 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<sup>A</sup>

To provide long-term capital growth by investing primarily in Real Estate Investment Trusts (REITs) and in Equity and Equity-Linked Securities of other real estate companies that, at the time of investment, are significant owners, developers or financiers of real estate or that provide real estate related services.

The Fund will invest in smaller companies and may invest in Emerging Markets 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.

The Fund will aim to hedge non-Sterling exposures back to Sterling.

## 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.

Investments in companies engaged in the business of real estate may be more difficult to sell and may experience increased price volatility due to changes in economic conditions and interest rates.

The Fund invests in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.

The Fund will be concentrated in real estate companies and may be concentrated in one or more countries. As a result, the Fund may be more volatile than more broadly diversified funds.

Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

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 global REIT index moved up in the 12-month period, as support continued to build for real estate exposure.

The Fund underperformed the REIT benchmark for the 12-month period. On a relative basis, overall investment performance in the US, China, Singapore and Sweden detracted the most. In terms of stock selection, the US and Japan were the biggest detractors. An underweight position in Sumitomo Realty & Development and an overweight position in Capitaland were the largest detractors from relative performance. In contrast, stock selection in the UK and Canada contributed the most to relative performance. In terms of individual names, Mitsui Fudosan and Nippon Prologis added value.

## Fund outlook

In terms of our outlook, the US Federal Reserve confirmed that base rates (short end) would stay low for a long time, even if employment were to hit 6.5%. We expect that the US, European and UK central banks will operate in a similarly accommodative fashion. While this is supportive, we believe the key to market and REIT performance moving forward will be the trajectory of global growth in 2014. Finally, we continue to assert that an allocation to global real estate securities offers investors an interesting opportunity to earn a dividend that is still attractive vs. core bonds, to enjoy capital appreciation and to hedge against two possible economic scenarios by performing acceptably in either a higher-growth or low-growth environment.

## 12 month performance as at 31 January

	2014	2013	2012	2011	2010
<b>JPM Global Property Securities</b>					
A-Class Acc	0.4%	23.8%	-2.2%	21.9%	31.1%
<b>JPM Global Property Securities</b>					
B-Class Acc	0.7%	-	-	-	-
<b>JPM Global Property Securities</b>					
C-Class Acc	1.0%	-	-	-	-
<b>JPM Global Property Securities</b>					
I-Class Acc	1.2%	24.5%	-1.4%	23.0%	32.1%
<b>JPM Global Property Securities</b>					
X-Class Acc	1.7%	24.9%	-1.4%	23.9%	32.8%
Benchmark Index <sup>B</sup>	3.8%	23.8%	-1.9%	23.1%	37.8%

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.

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.

<sup>A</sup> On 02/08/10 the investment objective and policy of the Fund was changed.

<sup>B</sup> On 01/04/10 the benchmark for the Fund was changed from GPR 250 (Total Return Net) Hedged to GBP to FTSE EPRA/NAREIT Developed Index (Net) hedged to GBP.

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## Fund statistics

Risk and Reward Profile		6*
Fund size	£33.5m	
Benchmark Index <sup>a</sup>	FTSE EPRA/NAREIT Developed Index (Net) hedged to GBP	
Fund charges		
A-Class	Initial 3.00%, Annual 1.50%	
B-Class	Initial Nil, Annual 1.00%	
C-Class	Initial Nil, Annual 0.75%	
I-Class	Initial Nil, Annual 0.75%	
X-Class	On application <sup>c</sup>	

## Top ten holdings

	%
Mitsui Fudosan	5.5
Simon Property Group	5.1
Unibail-Rodamco	4.1
Prologis	3.8
Ventas	3.7
Boston Properties	3.2
Host Hotels & Resorts	3.1
Mitsubishi Estate	2.9
British Land	2.7
Vornado Realty Trust	2.7

## Geographical breakdown

	%
United States of America	47.9
Japan	15.6
United Kingdom	9.1
Australia	6.3
France	5.0
Hong Kong	4.6
Singapore	3.6
Canada	2.8
Germany	1.8
Netherlands	0.9
Finland	0.5
Belgium	0.4
Austria	0.1
Italy	0.1
Norway	0.1
Forward currency contracts	0.2
Net other assets	1.0

## 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	33.83p	18.47p	1.02p
2010	40.09p	31.61p	0.79p
2011	41.97p	32.22p	0.41p
2012	46.17p	36.23p	0.60p
2013	54.22p	45.80p	0.49p
2014 <sup>o</sup>	49.38p	47.80p	0.14p
<b>A-Class Income Shares</b>			
2009	31.41p	17.46p	0.98p
2010	36.36p	29.00p	0.73p
2011	38.03p	28.91p	0.40p
2012	40.86p	32.56p	0.57p
2013	47.79p	40.37p	0.44p
2014 <sup>o</sup>	43.26p	41.87p	0.12p
<b>B-Class Accumulation Shares<sup>e</sup></b>			
2012	46.20p	42.94p	-
2013	54.33p	45.90p	0.61p
2014 <sup>o</sup>	49.57p	47.99p	0.21p
<b>C-Class Accumulation Shares<sup>f</sup></b>			
2012	107.7p	99.46p	-
2013	126.8p	107.1p	1.73p
2014 <sup>o</sup>	115.9p	112.2p	0.66p
<b>C-Class Income Shares<sup>f</sup></b>			
2012	107.6p	99.46p	-
2013	125.8p	106.3p	1.73p
2014 <sup>o</sup>	114.0p	110.4p	0.65p
<b>I-Class Accumulation Shares</b>			
2009	69.38p	37.64p	2.51p
2010	82.88p	64.91p	2.22p
2011	87.32p	67.17p	1.51p
2012	97.04p	75.66p	1.68p
2013	114.3p	96.63p	1.87p
2014 <sup>o</sup>	104.5p	101.2p	0.54p
<b>I-Class Income Shares</b>			
2009	62.94p	34.88p	2.36p
2010	72.81p	57.92p	2.02p
2011	76.21p	57.85p	1.41p
2012	81.90p	65.17p	1.46p
2013	95.74p	80.92p	1.45p
2014 <sup>o</sup>	86.70p	83.93p	0.47p
<b>X-Class Accumulation Shares</b>			
2009	66.92p	36.14p	2.72p
2010	80.41p	62.65p	2.57p
2011	84.63p	65.18p	1.66p
2012	94.54p	73.51p	1.92p
2013	111.5p	94.32p	2.18p
2014 <sup>o</sup>	102.5p	99.21p	0.94p

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

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

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

\* 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>

<sup>c</sup> As agreed from time to time between the ACD and the relevant JPMorgan Chase & Co. entity.

## Portfolio turnover rate

31.01.13	130.6%
31.01.14	131.2%

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	0.19%	0.04%	0.23%
31.01.14	0.17%	0.06%	0.23%

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	0.01%

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	6,893	17,778,549	38.77p	1.68%
31.01.13	12,613	26,329,621	47.90p	1.68%
31.01.14	14,144	29,399,525	48.11p	1.68%
<b>A-Class Income Shares</b>				
31.01.12	953	2,756,999	34.57p	1.68%
31.01.13	1,016	2,406,066	42.22p	1.68%
31.01.14	1,049	2,495,615	42.02p	1.68%
<b>B-Class Accumulation Shares</b>				
31.01.13	3	6,000	47.95p	1.18%
31.01.14	8	15,717	48.29p	1.18%
<b>C-Class Accumulation Shares</b>				
31.01.13	62	55,281	111.8p	0.93%
31.01.14	3,781	3,348,953	113.0p	0.93%
<b>C-Class Income Shares</b>				
31.01.13	1	1,000	110.9p	0.93%
31.01.14	45	40,564	110.4p	0.93%
<b>I-Class Accumulation Shares</b>				
31.01.12	1,929	2,385,012	80.86p	0.75%
31.01.13	1,188	1,179,336	100.7p	0.75%
31.01.14	1	1,500	101.8p	0.75%
<b>I-Class Income Shares</b>				
31.01.12	6	9,000	69.06p	0.75%
31.01.13	1	1,500	84.41p	0.75%
31.01.14	1	1,500	84.00p	0.75%
<b>X-Class Accumulation Shares</b>				
31.01.12	6,982	8,899,205	78.46p	0.06%
31.01.13	7,836	7,980,642	98.19p	0.06%
31.01.14	14,494	14,514,741	99.86p	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.

(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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