

*Bay County Employees
Retirement System*

**J.P. Morgan Asset Management
Global Real Assets**

JPMCB Strategic Property Fund¹

January 14, 2014

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Today's presenters



Michael J. Duignan, *Executive Director*, is a client portfolio manager in the Global Real Assets - Client Relations and Strategy Group. An employee since 1998, Michael is responsible for the communication of performance and strategies of the group's investment products. Michael's prior roles within Global Real Assets include Acquisitions Officer where he originated, negotiated and closed real estate transactions. As an Asset Manager he was responsible for dispositions and workouts of a diverse portfolio of assets. In his role in the Development and Engineering Group, he oversaw new construction and re-development of properties across the U.S.. Prior to joining JP Morgan, Michael was in the asset management division of O'Connor Realty Advisors, and was with the corporate real estate group at S.G. Warburg. Prior, he was a project manager for a New York construction firm. Michael earned a B.Arch. from New York Institute of Technology, and is a licensed architect. He is a member of Urban Land Institute, Pension Real Estate Association and holds Series 7 and 63 licenses.



Amanda Wilson, *CFA, Executive Director*, is a client advisor in the Investment Management division of J.P. Morgan Asset Management. An employee since 2002, Amanda leads the Midwest region for the Endowment & Foundation and Mid-Institutional team and is responsible for providing comprehensive asset management solutions for liquidity, defined benefit, and defined contribution investments for U.S. institutional investors, including corporations, municipalities, not-for-profits and healthcare systems. Prior to this role, she was part of JPMorgan Private Bank, where she provided investment analysis and wealth planning resources to ultra-high net worth individuals and families. Amanda obtained a B.S. in economics and a B.S. with honors in mathematical methods from Northwestern University. She holds Series 3, 7, 24 and 65 licenses, is a CFA charterholder and is a chair of the JPMorgan Chase Chicago Women's Network.



Ryan McNamara, *Associate*, is a consultant advisor for the Global Consultant Strategy Team. An employee since 2011, Ryan is responsible for serving the investment needs of institutional asset management consultants in the Central region. Before joining the firm, he worked at Goldman Sachs as a regional consultant for Registered Investment Advisors. Ryan obtained a B.A. in communications from DePauw University.

¹Commingled Pension Trust Fund Strategic Property of JPMorgan Chase Bank, N.A. ("Strategic Property Fund" or "SPF")

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Agenda

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J.P. Morgan Chase & Co. Commitment to Michigan

Our Constituent Touch & Economic Impact

- Employees Residing: 4,085
- Local Branches: 304
- Taxes paid: \$15.5 million in state/local taxes in 2012

Business Highlights in Michigan

- In the state of Michigan, J.P. Morgan Asset Management has 179 clients and over \$14 billion in assets. Within the public sector, JPMAM has 18 clients and over \$1 billion in assets under management.
- Over \$600 million of SPF assets are from Michigan clients.
- Lending to small businesses: We extended 9,514 new loans in 2012, totaling \$ 569 million.

Our Community Initiatives in Michigan

- **Supporting the communities most critical needs:** JPMorgan Chase is working hard to support those who support all of us in Michigan. We are committed to providing states, local governments, educational institutions and healthcare providers with the capital they need to maintain vital programs and services.
- **Financing to Michigan governments and nonprofits in 2012:** more than \$2 billion

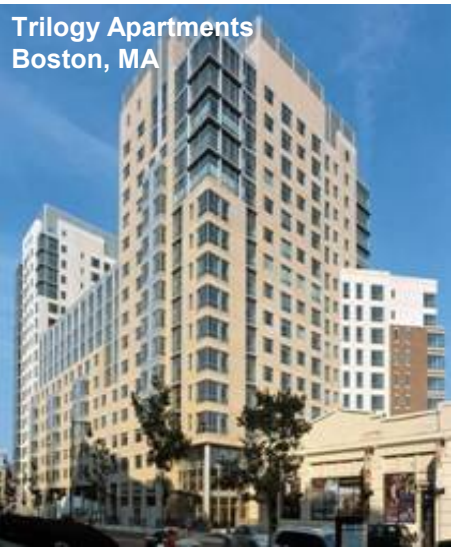
Our Investment in Michigan

- **Finding innovative solutions:** In Detroit, JPMorgan Chase provided financing for Southwest Housing Solutions to turn an old factory into a family wellness center, serving as one of the first models of integrated care in the region and provides services for mental health, youth development and family literacy in an underserved neighborhood.
- **Helping homeowners:** At Chase we are working hard to help families meet their mortgage obligations and keep them in their homes by making their home payments more affordable, and have offered more than 1.28 million mortgage modifications to struggling homeowners since the beginning of 2009.
- **Community building:** We were the first major servicer to open face-to-face counseling centers in the hardest-hit areas of the country. Since early 2009, counselors at outreach events and the 82 centers, including centers in Detroit and Troy, have met with more than 276,000 struggling homeowners, including 7,900 in Michigan.



J.P. Morgan Asset Management – Global Real Assets Overview

J.P. Morgan Asset Management – Global Real Assets



These examples represent some of the investments of the Fund. However, you should not assume that these types of investments will be available to or, if available, will be selected for investment by the Fund in the future.

J.P. Morgan Asset Management – Global Real Assets

We are one of the industry's premier real asset investment managers

- **\$70.8bn in assets under management** including \$61.8bn in the private market and \$9.0bn in the public market¹
- Over **40 years** of real estate investment management **experience**
- **Stable, experienced** management team
- **413 investment professionals** (391 focused on the private market and 22 on the public market)
- **Diverse client base** including more than **540 institutional clients** and over **1,000 high net worth clients**
- **Extensive, long-standing relationships** with partners help generate **\$25 billion in annual privately negotiated deal flow**
- **Performance** – consistent top performance versus targets

Source: J.P. Morgan Investment Management

Due to rounding, private market AUM and public market AUM may not total Global Real Assets AUM

¹As of September 30, 2013

Our people: Experienced, focused professionals

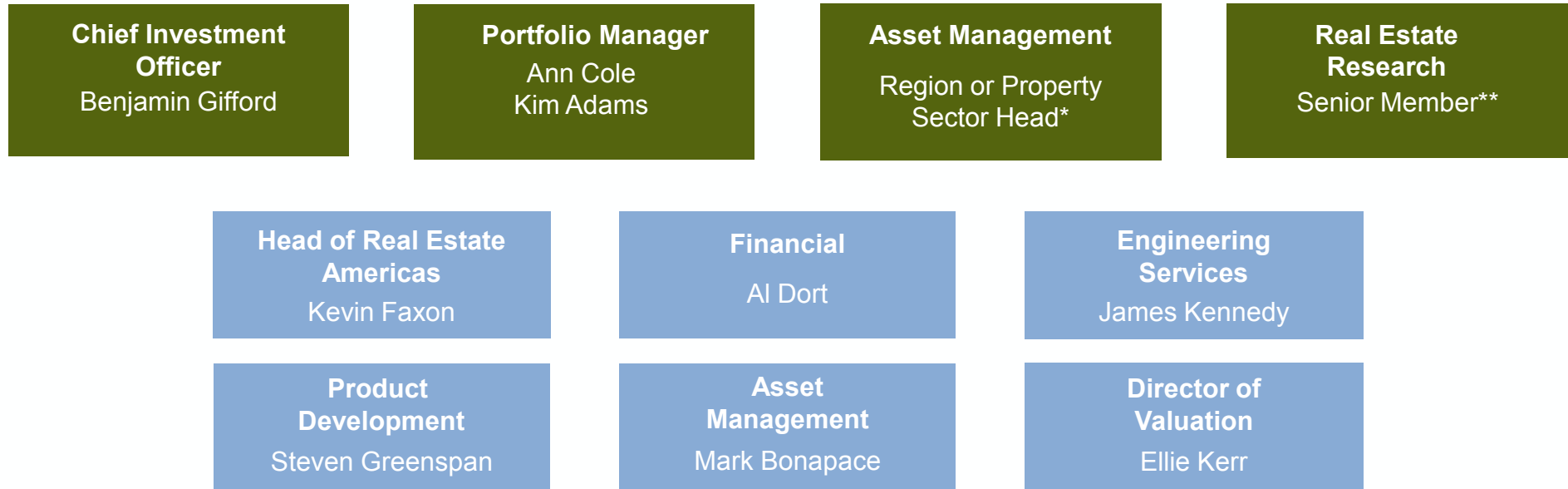
A team of experienced specialists are focused on supporting the portfolio manager to deliver performance and service to our clients



September 30, 2013

There can be no assurance that the professionals currently employed by JPMAM will continue to be employed by JPMAM or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

Global Real Assets, Real Estate Americas – Investment Committee



A unanimous vote is required to approve acquisitions and dispositions

***Asset Management Region and Sector Heads:**

- East/South: Andrea Pierce
- Central: Scott MacDonald
- West: David Sears
- Residential: Allina Boohoff
- Retail: Joseph Dobronyi

****Real Estate Research Senior Members**

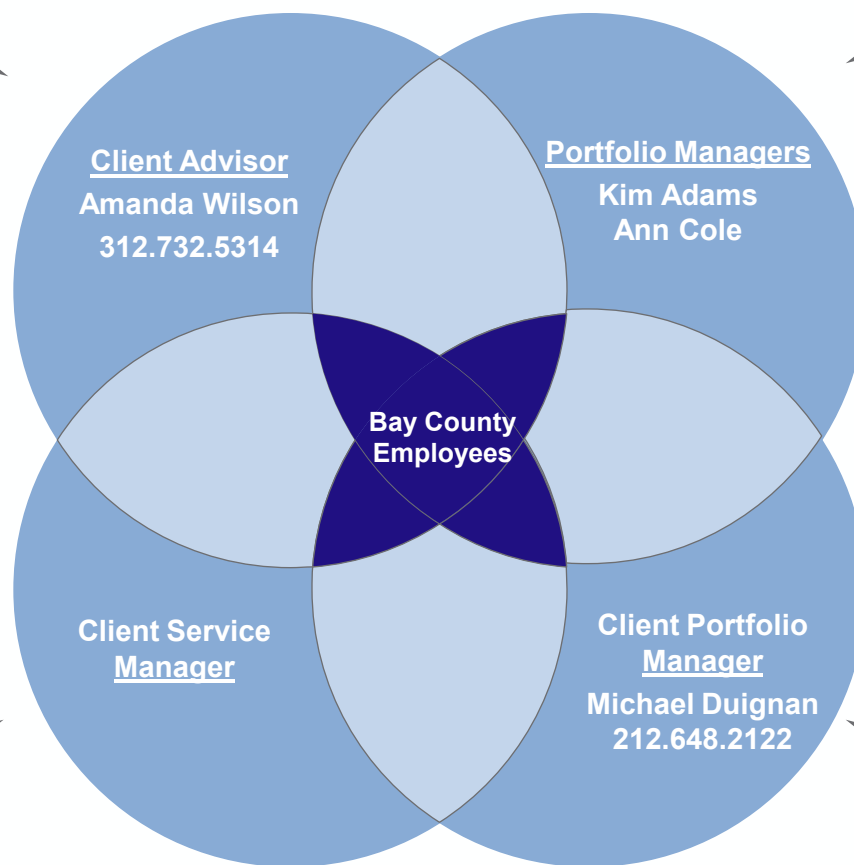
- Dave Esrig
- Anne Hoagland
- Brian Nottage
- Luigi Cerreta

 Voting members  Participating members

There can be no assurance that the professionals currently employed by JPMAM will continue to be employed by JPMAM or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

A dedicated team to serve Bay County Employees Retirement System

- Provides consultative and problem solving solutions
- Serves as advocate to all products and services
- Initiates relationship to investment management organization
- Brings deep product knowledge and expertise



- Manages the investment decisions for your portfolio inline with investment guidelines
- Monitors market environment
- Communicates with client portfolio manager and client

- Establishes and maintains the portfolio including:
 - negotiates contracts
 - communicates with custodians and other parties
 - funds investment accounts
 - defines and coordinates ongoing servicing requirements

- Serves as the product expert
- Consults with you to determine your portfolio's objectives and long-term asset allocation
- Oversees the investment decisions and guidelines
- Communicates market and strategy-specific information

The charts and/or graphs shown above and throughout the presentation are for illustration and discussion purposes only.

JPMCB Strategic Property Fund

JPMCB Strategic Property Fund¹ is core real estate



Office - 200 Fifth Avenue, New York, NY



Industrial, Office, Retail - Alliance Texas Portfolio, Fort Worth, TX



Retail - Bridgewater Commons Mall, Bridgewater, NJ



Residential & Retail - Aqua in Chicago, IL

¹Commingled Pension Trust Fund Strategic Property of JPMorgan Chase Bank, N.A. ("Strategic Property Fund" or "SPF")
These examples represent some of the investments of the Fund. However, you should not assume that these types of investments will be available to or, if available, will be selected for investment by the Fund in the future.

Strategic Property Fund: Investment strategy

Investment characteristics

- Focus on attractive stabilized investments with high quality physical improvements
- Excellent location factors, with dominant competitive market positions
- Stronger growth demographics
- Minimal new development (pure core)
- High quality income stream

Risk and return expectations

- Total return target ODCE; income driven
- Holding period 5-10 years
- Portfolio leverage 25% to 30% total portfolio
- Operating cash target 3% to 5% of total net asset value



Strata, San Francisco, CA



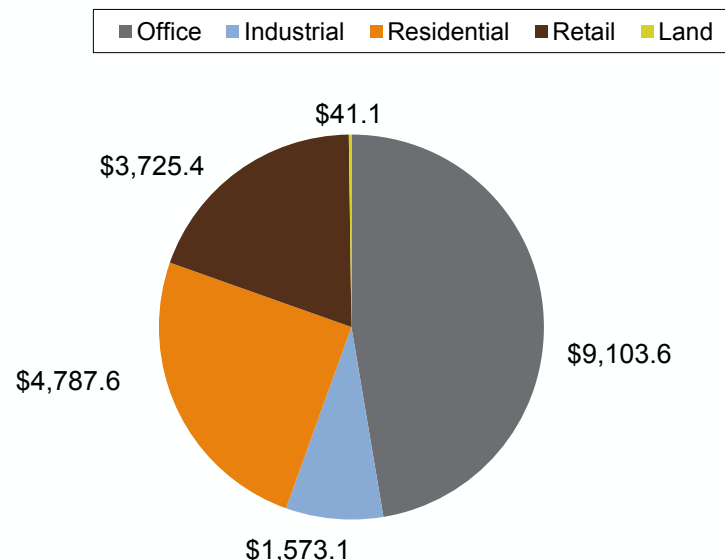
Century Park, Los Angeles, CA

* The Target Return has been established by J.P. Morgan Investment Management Inc. "J.P. Morgan" based on its assumptions and calculations using data available to it and in light of current market conditions and available investment opportunities and is subject to the risks set forth herein and to be set forth more fully in the Memorandum. The target returns are for illustrative purposes only and are subject to significant limitations. An investor should not expect to achieve actual returns similar to the target returns shown above. Because of the inherent limitations of the target returns, potential investors should not rely on them when making a decision on whether or not to invest in the strategy. The target returns cannot account for the impact that economic, market, and other factors may have on the implementation of an actual investment program. Unlike actual performance, the target returns do not reflect actual trading, liquidity constraints, fees, expenses, and other factors that could impact the future returns of the strategy. The manager's ability to achieve the target returns is subject to risk factors over which the manager may have no or limited control. There can be no assurance that the Fund will achieve its investment objective, the Target Return or any other objectives. The return achieved may be more or less than the Target Return. The data supporting the Target Return is on file with J.P. Morgan and is available for inspection upon request. The manager seeks to achieve the stated objectives. There can be no guarantee those objectives will be met. These examples represent some of the investments of the Fund. However, you should not assume that these types of investments will be available to or, if available, will be selected for investment by the Fund in the future.

Strategic Property Fund: A large, well-diversified investment portfolio

As of September 30, 2013 (NAV \$20,547.3mm)

Property type diversification*



	% of NAV	Target range (%)	NPI (%)
Office	44.3	38 to 45	35.3
Industrial	7.7	10 to 15	13.9
Residential	23.3	18 to 25	25.2
Retail	18.1	20 to 25	23.3
Direct RE	93.4		97.7
Cash	5.5		0.0
Other**	1.1		2.3
Total Fund	100.0		100.0

*Direct real estate w/land (total of \$19,230.9mm)

**Includes land

The above is shown for illustrative purposes only, and is subject to change without notice. Diversification does not guarantee investment returns and does not eliminate the risk of loss.

These examples represent some of the investments of the Fund. However, you should not assume that these types of investments will be available to or, if available, will be selected for investment by the Fund in the future.

Fund facts

Asset Management

- Cash position: 5.5%
- Contribution queue: \$2.8bn (13.7% of NAV)
- Redemption queue: \$0mm
- Current leverage: 23.0%

A pure core strategy

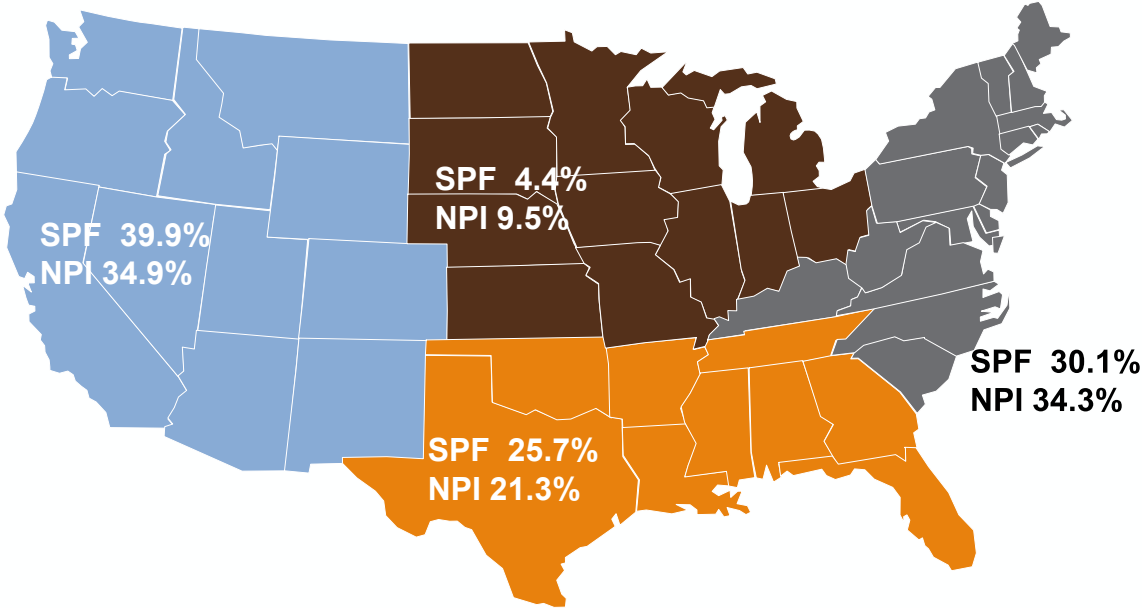
Asset Management

- Broadly diversified, well leased properties
- No exaggerated sector bets
- No hotels, assisted living, self-storage or forward commitments

Investor profile

- Total number of investors: 306
- Average investor size: \$67mm

Strategic Property Fund: Diversification by location



MSA	% of NAV
New York, NY	11.8
Los Angeles, CA	10.7
Dallas, TX	7.9
Washington, DC	7.4
Boston, MA	6.6
Houston, TX	5.8
San Jose, CA	5.0
Miami, FL	4.8
San Francisco, CA	4.8
San Diego, CA	4.5

Due to rounding, the sum of SPF and NPI diversification values may not equal 100.0%, respectively.

Strategic Property Fund: Balance sheet, operations and valuations

Leverage profile: 23.0% LTV as of September 30, 2013

- Staggered debt maturities
- 0.1%, 1.4%, 3.8% of NAV maturing in 2013, 2014 and 2015 respectively
- Average LTV is below 50% for expiring loans
- Weighted average interest rate is 4.5%

Leasing: 93.2% as of September 30, 2013

	Leasing Rollover (%)			
	Leased	2013	2014	2015
Office	93.0	2.0	5.4	6.2
Retail	92.2	4.4	9.6	8.8
Residential	93.9	N/A	N/A	N/A
Industrial	94.4	1.3	11.5	13.1
SPF Total	93.2	2.5	8.9	9.5

Valuation metrics as of September 30, 2013

	Peak (%)	Current (%)
Going-in Yield	5.3	5.3
Stabilized Yield	5.7	5.9
Discount Rate	7.1	7.2

Strategic Property Fund performance

Supplemental to annual performance report

Annualized returns as of September 30, 2013 (%)	Three months ¹	YTD ¹	One year	Three years	Five years	Ten years	Fifteen Years	Since incep. 1/1/98
Income	1.3	4.0	5.2	5.4	5.7	5.9	6.8	6.9
Appreciation	2.8	7.6	9.3	9.2	-3.4	2.3	2.1	2.3
SPF Total	4.1	11.8	14.9	15.1	2.2	8.3	9.0	9.3
NFI-ODCE Total - Value ²	3.6	10.4	13.0	14.3	0.7	7.1	7.9	8.4

Yearly returns since inception

1998 (%)	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Income	9.4	9.2	8.7	8.6	8.1	7.4	7.1	6.6	5.7	5.4	5.0	6.1	6.6	5.5	5.3
Appreciation	6.3	5.0	5.1	-0.9	-2.8	3.0	4.9	17.4	10.3	10.7	-12.5	-30.9	7.1	10.0	6.5
Total	16.4	14.7	14.1	7.6	5.1	10.6	12.3	25.1	16.6	16.7	-8.1	-26.6	14.2	16.0	12.1

¹non-annualized returns

²ODCE is the official benchmark starting calendar 2013. NPI total returns were: 3Q13: 2.6%; YTD: 8.2%; One year: 11.0%; Three years: 12.7%; Five years: 3.4%; Ten years: 8.7%; Since inception (1/1/1998): 9.3%.

Past performance is not a guarantee of comparable future results. Total return assumes the reinvestment of income. Performance results are gross of investment management fees. The deduction of an advisory fee reduces an investor's return. Actual account performance will vary depending on individual portfolio security selection and the applicable fee schedule. Fees are described in Part II of the Advisor's ADV which is available upon request. See Appendix for additional information. The following is an example of the effect of compounded advisory fees over a period of time on the value of a client's portfolio: A portfolio with a beginning value of \$100mm, gaining an annual return of 10% per annum would grow to \$259mm after 10 years, assuming no fees have been paid out. Conversely, a portfolio with a beginning value of \$100mm, gaining an annual return of 10% per annum, but paying a fee of 1% per annum, would only grow to \$235mm after 10 years. The annualized returns over the 10 year time period are 10.00% (gross of fees) and 8.91% (net of fees). If the fee in the above example was 0.25% per annum, the portfolio would grow to \$253mm after 10 years and return 9.73% net of fees. The fees were calculated on a monthly basis, which shows the maximum effect of compounding. SPF total return net of fees were: 3Q13: 3.9%; YTD : 11.0%; One year: 13.8%; Three years: 14.0%; Five years: 1.2%; Ten years: 7.2%; Fifteen Years: 7.9%; Since inception: 8.3%.

Large assets consistently outperform

- The large asset samples outperformed the entire benchmark and non-large assets for all three sectors tested

- The outperformance is persistent throughout time

15 Year Total Return CAGR

	Large	Non-large
- Office	14.6%	10.2%
- Multifamily	16.3%	10.8%
- Retail	12.5%	9.5%

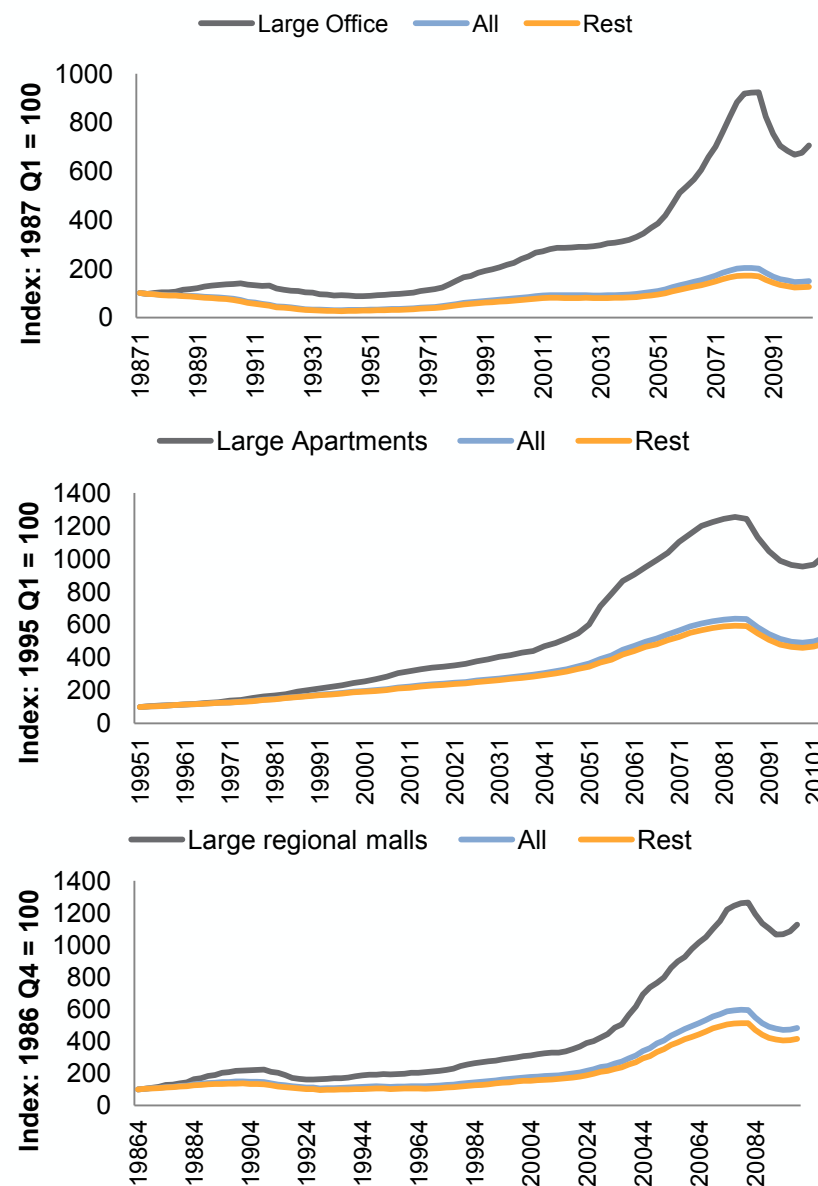
- Large assets outperform in both major and secondary markets

Definitions:

Large assets: For Offices and apartments -- the top 10% (by count) of assets in the NCREIF database each quarter. For retail -- 50% largest regional malls.

Sources: NCREIF, J.P. Morgan Investment Management

Past performance does not guarantee future results. For illustrative purposes only.



Strategic Property Fund: Distinguishing features – size, scale and quality

- Access to "Fortress" Malls
- Large office and residential assets in primary markets



101 Constitution, Washington, DC
NAV \$260mm 1.3% SPF NAV



Capitol at Chelsea New York, NY
NAV \$149mm 0.7% SPF NAV



Palazzo Park La Brea, Los Angeles, CA
NAV \$200mm 1.0% SPF NAV



Century Park, Los Angeles, CA
NAV \$405mm 2.0% SPF NAV



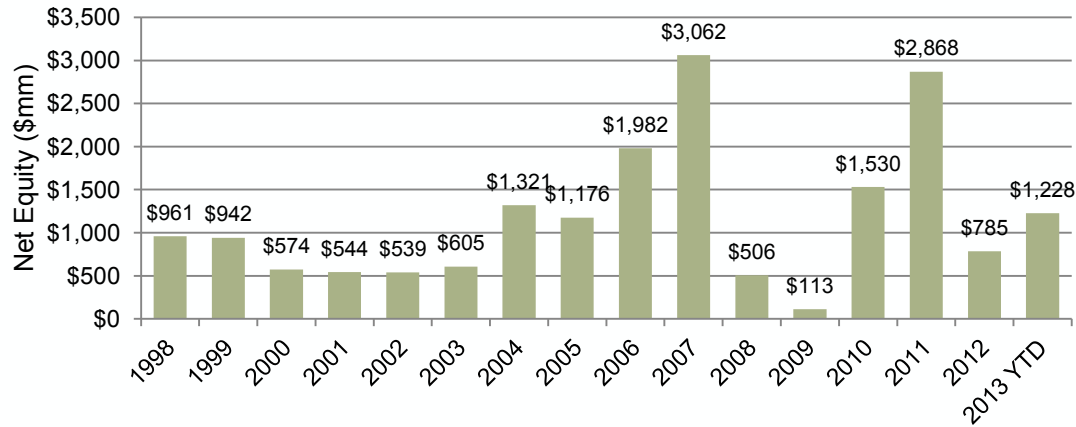
Valley Fair Mall, San Jose, CA
NAV \$659mm 3.2% SPF NAV

These examples represent some of the investments of the Fund. However, you should not assume that these types of investments will be available to or, if available, will be selected for investment by the Fund in the future
September 30, 2013

Strategic Property Fund: An active, selective buyer

Significant new acquisition activity demonstrates our access to high quality deal flow and positions the portfolio for continued out performance

New investments



Equinox in Seattle, WA Residential



Park Lane at Seaport, Boston, MA Residential

These examples represent some of the investments of the Fund. However, you should not assume that these types of investments will be available to or, if available, will be selected for investment by the Fund in the future
September 30, 2013

Strategic Property Fund: Recent acquisitions



Terminus, Atlanta, GA



909 at Capitol Yards, Washington, DC



Foundry III, San Francisco, CA



The Lofts at 655



The Lofts at 677



The Lofts at 707

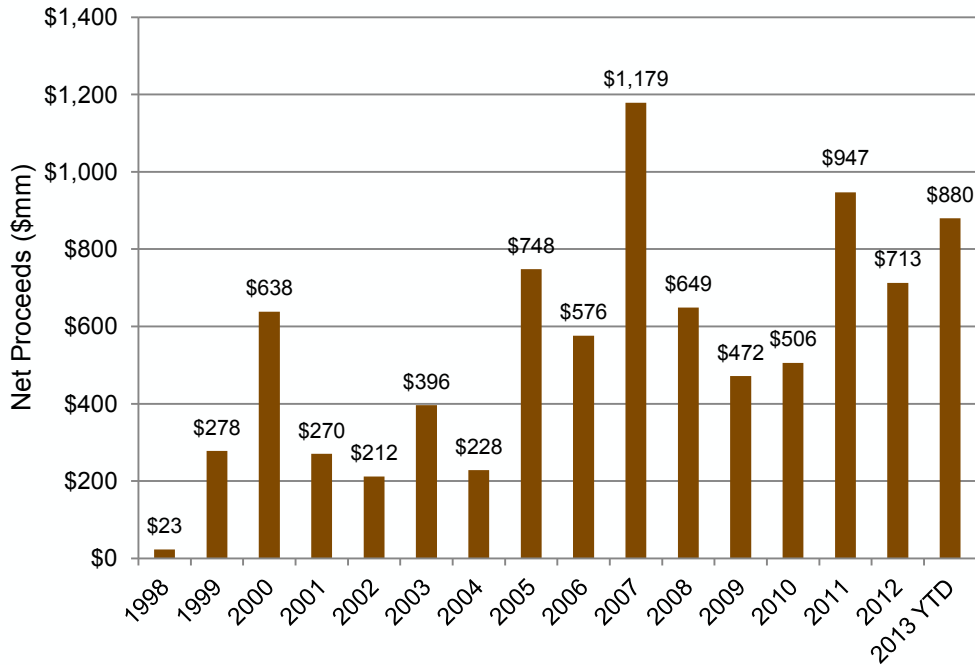
Lofts Portfolio, San Diego, CA

These examples of specific investments are included solely to illustrate the investment process and strategies which have been utilized by the Fund. Please note that these investments are not necessarily representative of future investments that the Fund will make. There can be no guarantee of future success.

Strategic Property Fund: An active seller

The Fund continues to show its commitment to active management and performance through its disposition strategy of pruning assets of lesser quality and / or growth prospects and where appropriate, trading up for asset quality in geographic location

Disposition



Dugan Midwest Industrials,
Columbus, Cincinnati, Indianapolis, St. Louis, Chicago

As of 9/30/13

This example represent some of the investment of the Fund. However, you should not assume that this types of investment will be available to or, if available, will be selected for investment by the Fund in the future

Strategic Property Fund: Recent dispositions

225 West Wacker, Chicago, IL

- Property type: Office
- Acquisition date: April 2003
- Disposition date: May 2013
- Net proceeds: \$212.8 million
- Size: 650,812 sq. ft.
- Realized IRR: 5.84%
- Equity Multiple: 1.47x



225 West Wacker, Chicago, IL

Arcadia Cove, Phoenix, AZ

- Property type: Residential
- Acquisition date: July 2007
- Disposition date: June 2013
- Net proceeds: \$34.4 million
- Size: 432 units
- Realized IRR: -0.10%
- Equity Multiple: 0.99x



Arcadia Cove, Phoenix, AZ

This example is a representative investment. However, you should not assume that this type of investment will be available to or, if available, will be selected for investment in the future. There can be no guarantee of future success.

Looking ahead

- Maintain strong balance sheet for reinvesting in portfolio in order to drive income return
- Acquire assets consistent with the Fund's strategy for long-term growth
- Maintain leverage within the Fund's target range of 25% to 30%
- Maintain cash position within 3% to 5% of net asset value
- No style drift, past, present or future



1285 Avenue of the Americas, New York, NY

The manager seeks to achieve the stated objectives. There can be no guarantee the objectives will be met.

Appendix

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Supplemental Exhibits

Fee schedule

Strategic Property Fund (“SPF”) fee is:

- 1.00% of the participant's pro-rata share of the net asset value of SPF, except that the fee will only be 0.15% with respect to the market value of cash and cash equivalents in SPF in excess of a 7.5% reserve position for cash and cash equivalents
- No acquisition or disposition fees or fees charged on any debt existing on any asset of SPF
- Fees shall be computed and billed on a calendar quarter basis, in arrears

Valuation Process

Appraisals for commingled funds

- External
 - once per year for all assets
 - semi-annually for major assets in SPF (assets of \$100mm or greater in NAV)
 - quarterly audit review by PWC
- National and regional appraisal firms
 - Cushman & Wakefield
 - CB Richard Ellis
 - Integra Realty Resources
 - National Valuation Consultants
 - National Property Valuation Advisors
 - Welsh Chester Galiney Matone, Inc.
 - New Market Real Estate Group
 - KTR Newmark Real Estate Services
 - Real Estate Research Corporation
- Internal
 - quarterly, internal MAI valuation
 - updated monthly for changes at the asset level and market conditions
 - Effective July 1, 2013, all internal valuations will be reviewed and approved by the Altus Group every quarter

Review of external appraisals

- Asset Managers
 - accuracy of factual information
 - accuracy of leasing conditions and market data
 - summarizes appraisal assumptions and appraisers valuation conclusion
 - presents appraisal memo to Director of Valuations
- Director of Valuations (“DOV”)
 - reasonableness of assumptions and final value
 - consistency of pricing parameters within geographic region and property type
- Altus Group
 - Effective July 1, 2013, all external appraisals will be reviewed and approved by the Altus Group every quarter

Strategic Property Fund – Risk management strategy

Systematic

- Financial/structural risk
 - low LTV
 - no Fund level debt
 - no recourse except short term completion guarantees on construction loans
- Liquidity risk
 - \$20.5bn equity from 306 clients in open-ended vehicle
 - quarterly withdrawal policy
- Cash flow risk
 - stable diversified income stream
 - no significant tenant concentration
- Control risk
 - all JV investments have buy-sell features
 - all JV investments have favorable dissolution features
 - professional financial reporting group
 - diligent audit and financial control management
- Manager risk
 - vital, growing real estate group
 - access to wide cast of investment professionals
 - integrated proprietary dedicated real estate research group with long-term commitment to asset class
 - most clients have other, larger holdings managed by J.P. Morgan Investment Management manager not totally dependent on real estate

Non-systematic

- Broadly diversified
- \$26.7bn GAV in four major asset sectors

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Product design: Risk management elements

Fund guidelines	Strategic Property Fund
Leverage Limit:	
• Portfolio	35%
• Asset Specific	65%
Cash Min - Max	1% - 7.5%
Asset Type Sector Concentration + / - vs. NCREIF ¹	15%
Geographic Sector Concentration + / - vs. NCREIF ¹	15%
Development Property - Non Income Producing Max ²	15%
JV Single-Partner Largest Concentration ³	10%
Single Largest Asset Concentration ³	5%
Annual Gross Turnover (rolling four quarters) ⁴	5% - 20%
Annual Net Turnover (rolling four quarters) ⁵	5% - 20%

¹ Based on Fund's gross asset value (GAV) - direct real estate only, excluding Land

² Based on Fund's gross asset value (GAV) - direct real estate only, including Land. 5% for new development and up to a total 15% including re-development opportunities.

³ Based on the Fund's net asset value (NAV)

⁴ Represents, as a percentage of the Fund's quarterly average gross asset value, the total gross acquisitions, gross sales proceeds and capital expenditures over a rolling 12 month period

⁵ Represents, as a percentage of the Fund's quarterly average net asset value, total net sales proceeds over a rolling 12 month period

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Biographies of key professionals

J.P. Morgan Asset Management – Global Real Assets



Joseph K. Azelby, managing director, is head of J.P. Morgan Asset Management's Global Real Assets Group. An employee since 1986, he is responsible for the group's global business vision, strategy and execution. Azelby chairs the Real Assets Group's Global Management Committee. He is also a member of the Asset Management Investment Committee. Prior to joining the Global Real Assets Group, Azelby led the Mortgage Investment Strategy Group of the firm's Fixed Income Group. There, as a portfolio manager, he specialized in both public and private mortgages and other asset-backed securities. Azelby joined the firm after playing professional football for the Buffalo Bills. He has a B.A. in economics from Harvard University and an M.B.A. in finance from New York University.



Lawrence Fuchs, Managing Director, is the Chief Operating Officer of J.P. Morgan Asset Management – Global Real Assets. An employee since 2000, he is responsible for strategic business development, execution of the global business plans and initiatives and operational management. Lawrence is a member of the J.P. Morgan Asset Management – RE Global and Americas Management Committees. He is also a board member of the JPMorgan Alternative Property Fund and JPMorgan U.S. Real Estate Income and Growth Fund. Prior to joining the group, he was the director of operations for the Emerging Markets U.S. division of J.P. Morgan Securities, Inc. From 1998 to 2000, he was a member of the Emerging Markets Trading Association, providing insight for emerging markets operational risk and business practices. Lawrence is registered as a General Securities Principal of J.P. Morgan Institutional Investments, Inc. He holds a B.S. in finance from Hofstra University.



Steven M. Greenspan, Managing Director managing director, is the Global Director of Product Development for J.P. Morgan Asset Management - Global Real Assets. Steven plays an integral role in the design, marketing, launch, implementation and oversight of GRA's global products and strategies. A J.P. Morgan employee since 1996, Steven has broad experience in structuring various open- and closed-end real asset funds and separate accounts designed to meet the complex commercial, legal, regulatory, and tax needs of JPMAM's global client base. He is a member of JPMAM-GRA's Global and Americas Management Committees, serves on the investment committees and boards of various GRA real estate, infrastructure and maritime funds and is a director of Security Capital Research & Management Incorporated, GRA's real estate securities investment adviser. He previously served as a vice president/assistant general counsel in JPMAM's Legal Department, and as a practicing attorney in the real estate and corporate departments at Stroock & Stroock & Lavan LLP. Steven holds a B.P.S. from the University at Buffalo and a J.D. from Brooklyn Law School.



Kevin Faxon, Managing Director, is head of Real Estate Americas at J.P. Morgan Asset Management – Global Real Assets. The 250 person group manages more than \$30 billion of assets across a range of Core, Value-added and Opportunistic strategies on behalf of institutional, sovereign and high net worth investors. Kevin is a member of JPMAM Americas Executive Committee and sits on the J.P. Morgan Commercial Real Estate Council which coordinates the Real Estate activities of the broader Firm. An employee since 1988, Kevin was previously portfolio manager of the Special Situation Property and Income & Growth Funds. Prior to assuming these roles, Kevin was head of acquisitions for the western United States. Before joining the firm, he was employed by Landauer Associates, a national real estate consulting firm. Kevin holds a B.S. in real estate and finance from the University of Connecticut and an M.B.A. in finance from New York University. He is a member of the Urban Land Institute, NAREIM and PREA.



Michael O'Brien, Managing Director, is the head of Global Real Estate Client Relations and Strategy for J.P. Morgan Asset Management–Global Real Assets. Michael is a member of the J.P. Morgan Asset Management Global Real Assets Management Committee and a member of the Real Estate Americas Management Committee. An employee since 2000, Michael is responsible for marketing all of the J.P. Morgan Asset Management Group's real estate capabilities. He has over 32 years of experience in institutional marketing and real estate. Prior to joining the firm, he worked at Lend Lease and Equitable Real Estate where he was a senior officer and served as senior account executive, product manager and financial analyst. Michael graduated Phi Beta Kappa from Rutgers University with a B.A. in economics and M.B.A. in finance from Rutgers University. He holds the FINRA Series 7, 63 and 24 licenses.

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Mike Kelly, Managing Director, is Director of U.S. Real Estate Commingled Funds and head of Debt Capital Markets for J.P. Morgan Asset Management – Global Real Assets. An employee since 2009, Mike is responsible for oversight of the portfolio managers for open-end funds and management of a team that procures debt for GRA's properties and originates and manages mezzanine loans. Before joining the firm, he was a director and head of Real Estate Conduit and Workouts for Citigroup Global Markets. Previously, Michael was a vice president and originator in the Large Loan CMBS Group and assisted with management of Goldman Sachs Commercial Mortgage Capital. Prior to that, he was a managing director and co-head of Commercial Mortgage Origination at New York Life Investment Management. He started in the industry in 1989. Mike earned a B.S. in business management from Springfield College and an M.S. in real estate from New York University and holds Series 7 and 63 licenses.



Kimberly A. Adams, Managing Director, is a Portfolio Manager for J.P. Morgan's flagship U.S. core real estate strategy, Strategic Property Fund, as well as the sector head for office/industrial asset management in the Central region. Kim is responsible for leading the asset management efforts for the region's office and industrial holdings, a \$5.0 billion portfolio in gross value totaling approximately 66 million square feet. Since joining Global Real Assets in 2003, Kim has served as a senior asset manager in the retail group as well as in the East/South region and an acquisitions officer in the Midwest Region. Earlier in her career, Kim worked for Prudential Real Estate Investors and LaSalle Investment Management. Kim received a B.A. in economics from Northwestern University and an M.B.A. from the Kellogg Graduate School of Management. She serves as a board member of NAIOP Chicago and is an active member of CREW.



Ann E. Cole, Managing Director, is a Portfolio Manager for J.P. Morgan's flagship U.S. core real estate strategy, Strategic Property Fund, where she advises clients on real estate investment strategies. Since joining J.P. Morgan Asset Management - Global Real Assets in 1989, Ann has held various positions in our Real Estate Asset Management team including sector head of our office/industrial East (more than \$4 billion in assets) and West (more than \$3 billion in assets) Regions. Ann has extensive real estate experience with the acquisition, asset management, development and disposition of institutional quality real estate and was responsible for overseeing the development of Strategic Property Fund's 2000 Avenue of the Stars in Los Angeles. Ann has a B.B.A. in accounting from Pace University and passed the March 1987 CPA examination. Ann holds the NASD Series 7 and 63 licenses, is an active participant in NAREIM and a member of PREA.



Mark Bonapace, Managing Director, is the head of Asset Management for the JPMorgan Real Estate Group, responsible for the management, leasing and ongoing development of the real estate assets. An employee since 1990, Mark has held several positions within the group. Prior to his role as head of Asset Management, Mark was the sector head for Office/Industrial East/South within the Real Estate Group. Mark has also been the Office/Industrial sector head for the Central region and was a Senior Asset Manager for our Retail portfolio. Mark previously worked at Deloitte & Touche for four years. He holds a B.S. in accounting from the University of Delaware and an M.B.A. in finance from New York University's Stern School of Business. Mark is also a Certified Public Accountant and an active member of the Urban Land Institute.

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Benjamin G. Gifford, Managing Director, is the Real Estate Chief Investment Officer of J.P. Morgan Asset Management – Global Real Assets with 35 years of industry experience. An employee since 1998, Ben is responsible for the direct real estate investment activity of the commingled funds and all separate accounts. Previously, he was president of O'Connor Realty Advisors, where he was responsible for the separate account direct investment real estate advisory business. He was also employed at the Morgan Guaranty Trust Company, where he was responsible for real estate equity investments on behalf of its commingled trust fund and separate accounts. Prior to that, he was employed by the Teachers Insurance and Annuity Association (TIAA) as a Mortgage Officer. Ben has a B.A. from the University of Pennsylvania. His professional affiliations include the Urban Land Institute, the International Council of Shopping Centers and the Pension Real Estate Association.



Dave Esrig, Managing Director, is J.P. Morgan Asset Management – Global Real Assets director of U.S. real estate and infrastructure research. An employee since 1997, Dave and his team forecast local economic and property performance in support of acquisitions, dispositions and portfolio strategy development. Prior to joining the firm, Dave was chief economist at an industry trade group. He also worked for a number of years at Economy.com, an economic consulting firm, where his duties included modeling local real estate supply and demand fundamentals. Dave holds a B.A. from the University of Virginia, an M.A. in economics from the University of Pennsylvania and is a CFA charterholder.



James F. Kennedy, Managing Director, is the head of the firm's Development & Engineering Group within J.P. Morgan Asset Management - Global Real Assets. An employee since 2004, he is responsible for engineering and environmental due diligence, development oversight and general engineering support for asset management. Jim is involved with the various real estate and infrastructure funds internationally, and also spearheads the group's sustainability initiatives. Jim has been in the industry since 1990, serving in various roles across the development, construction and business consulting fields, with such firms as PricewaterhouseCoopers and FRM (Aramark). His engineering and development experience ranges across asset types, including office, industrial, retail, multi-family, hospitality and large-scale civil infrastructure. Jim received a B.B.A. in finance from the University of Massachusetts at Amherst and an M.S. in civil and environmental engineering from the Massachusetts Institute of Technology. He is a member of the American Society of Civil Engineers, National Association of Real Estate Investment Managers, Urban Land Institute, International Council of Shopping Centers and US Green Building Council. Jim is a USGBC-LEED Accredited Professional.



Ellie Kerr, Managing Director, is J.P. Morgan Asset Management – Global Real Assets director of valuations. An employee since 2001, Ellie is responsible for overseeing the appraisal process. She served as chairperson of the NCREIF Valuation Committee from 2004 to 2005 and continues to be actively involved. Ellie has also served two terms as a council member for Real Estate Information Standards (REIS). Prior to joining the firm, she was employed by SSR Realty Advisors, Inc. as director of valuations. Ellie earned a B.A. in economics from Williams College and holds an M.A.I. from the Appraisal Institute and the MRICS designation from the Royal Institution of Chartered Surveyors



Alfred W. Dort, Managing Director, is the head of the Real Estate Financial Group of J.P. Morgan Asset Management – Global Real Assets. An employee since 1997, his responsibilities include the financial management, reporting and analysis for Real Estate Funds and Separate Accounts. Prior to joining J.P. Morgan Asset Management, Alfred spent several years with PricewaterhouseCoopers LLP, providing consulting and accounting services to real estate industry clients. He graduated with a B.S. in accountancy from Villanova University and is a CPA. He is currently a member of the American Institute of Certified Public Accountants.

Real Estate Investment Management Services

JPMCB Strategic Property Fund Annual Performance Report

Annual returns, U.S. \$

Year	Income Appreciation		Total Gross Return		Total Net Return		Benchmark		Internal Dispersion (%)	Number of Accounts	Composite Assets (\$mm)	% of Real Estate Assets (%)	Total Firm Assets (\$ bn)
	(%)	(%)	(%)	(%)	(%)	(%)	3yr St Dev	3yr St Dev					
2012	5.26	6.54	12.12	11.02	10.54	2.05	1.08	n/a	≤ 5	24,450	37.79	692	
2011	5.47	9.98	15.96	14.82	14.26	9.18	4.63	n/a	≤ 5	21,322	35.60	653	
2010	6.61	7.11	14.15	13.03	13.11	9.35	4.89	n/a	≤ 5	17,868	36.24	625	
2009	6.13	(30.92)	(26.55)	(27.30)	(16.86)	9.46	5.05	n/a	≤ 5	14,821	33.54	616	
2008	4.97	(12.49)	(8.09)	(9.01)	(6.46)	5.24	4.07	n/a	≤ 5	18,741	37.12	547	
2007	5.42	10.73	16.68	15.54	15.84	3.33	0.81	n/a	≤ 5	20,357	36.00	442	
2006	5.72	10.34	16.60	15.45	16.59	3.36	0.96	n/a	≤ 5	16,322	38.00	374	
2005	6.62	17.45	25.12	23.90	20.06	3.49	1.39	n/a	≤ 5	13,204	48.00	348	
2004	7.07	4.92	12.31	11.23	14.48	1.90	1.03	n/a	≤ 5	10,850	50.10	281	
2003	7.38	2.98	10.57	9.50	8.99	1.50	0.60	n/a	≤ 5	8,695	48.00	241	

As of December 31

Fees (as of 12/31/12)

1.00% per annum on the market value of the assets, except for cash holdings in excess of 7.5% of the fund's total assets, which are charged a standard cash management fee of 15 basis points.

Minimum investment: \$10 million

J.P. Morgan Investment Management Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. J.P. Morgan Investment Management Inc. has been independently verified for the periods 1993-2007. The verification reports are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

J.P. Morgan Investment Management Inc. (JPMIM or the Firm) consists of the assets of institutional clients invested in US managed products including 1) the fixed income and cash assets formerly part of Chase Asset Management and MDS&Chase Partners, 2) the New York institutional investment division of JPMorgan Chase Bank, N.A., formerly Morgan Guaranty Trust Company of New York, and 3) the institutional investment assets of JPMorgan Investment Advisors, Inc. (JPMIA), formerly known as Banc One Investment Advisors Corporation (BOIA), the advisor to institutional assets directly managed by JPMIA or sub-advised by an affiliate institution, and 4) the institutional assets of Bear Stearns Asset Management Inc. The Firm also includes Separately Managed Accounts over which JPMIM has full and sole discretion. JPMIM is marketed under JPMorgan Asset Management.

The composite contains a single account which is the commingled fund that is directly invested according to JPMIM's Strategic Property Fund strategy. The strategy is an actively managed diversified, core, open-end commingled pension trust fund. It seeks an income-driven rate of return of 100 basis points over the NCREIF Property Index over a full market cycle (three-to-five-year horizon) through asset, geographic and sector selection and active asset management. The Fund invests in high-quality stabilized assets with dominant competitive characteristics in markets with attractive demographics throughout the United States. The composite was created in December 2000.

Equity futures are occasionally used in accordance with client-authorized account objectives and guidelines in order to equitize large cash contributions and to minimize market impact while purchasing individual equity securities.

Both gross and net returns reflect the reinvestment of income, deduction of transaction costs, and are net of withholding taxes where applicable and include the effect of leverage, which averaged 24.26% of asset value in the year 2012. All returns are expressed in U.S. dollars. Gross returns do not reflect the deduction of investment advisory fees or any other expenses that may be incurred in the management of the account. The sum of the income and appreciation returns will not equal the total gross return due to the effect of compounding. Net returns have been calculated monthly using the actual fees charged to shareholders of the fund. The standard annual fee schedule currently in effect is as follows: 1.00% per annum on the market value of the assets, except for cash holdings in excess of 7.5% of the fund's total assets, which are charged a standard cash management fee of 0.15%. Actual advisory fees charged and actual account minimum size may vary by account due to various conditions described in Part II of Form ADV.

The firm's list of composite descriptions and the policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

The benchmark is the NCREIF Property Index. The index returns are provided to represent the investment environment existing during the time periods shown and are not covered by the report of independent verifiers. For comparison purposes the index is fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs.

The dispersion of annual returns is measured by the asset-weighted standard deviation of account returns included in the composite for the full year. For periods with 5 or fewer accounts included for the entire year, dispersion is not presented (n/a) as it is not considered meaningful.

Past performance is no guarantee of future results. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses.

J.P. Morgan Asset Management – Global Real Assets

The Commingled Pension Trust Fund (Strategic Property) of JPMorgan Chase Bank N.A. is a collective trust fund established and maintained by JPMorgan Chase Bank, N.A. under a declaration of trust. The fund is not required to file a prospectus or registration statement with the SEC, and accordingly, neither is available. The fund is available only to certain qualified retirement plans and governmental plans and are not offered to the general public. Units of the fund are not bank deposits and are not insured or guaranteed by any bank, government entity, the FDIC or any other type of deposit insurance. You should carefully consider the investment objectives, risk, charges, and expenses of the funds before investing.

This document is intended solely to report on various investment views held by J.P. Morgan Asset Management. Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable but should not be assumed to be accurate or complete. The views and strategies described may not be suitable for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations. Indices do not include fees or operating expenses and are not available for actual investment. The information contained herein employs proprietary projections of expected returns as well as estimates of their future volatility. The relative relationships and forecasts contained herein are based upon proprietary research and are developed through analysis of historical data and capital markets theory. These estimates have certain inherent limitations, and unlike an actual performance record, they do not reflect actual trading, liquidity constraints, fees or other costs. References to future net returns are not promises or even estimates of actual returns a client portfolio may achieve. The forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.

Real estate investing may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector. Real estate investing may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower.

Leverage. Certain of the Fund's investments may be leveraged, which may adversely affect income earned by the Fund or may result in a loss of principal. The use of leverage creates an opportunity for increased net income, but at the same time involves a high degree of financial risk and may increase the exposure of the Fund or its investments to factors such as rising interest rates, downturns in the economy or deterioration in the condition of the investment collateral. The Fund may be unable to secure attractive financing as market fluctuations may significantly decrease the availability and increase the cost of leverage. Principal and interest payments on any leverage will be payable regardless of whether the Fund has sufficient cash available. Senior lenders would be entitled to a preferred cash flow prior to the Fund's entitlement to payment on its Investment.

The value of investments and the income from them may fluctuate and your investment is not guaranteed. Past performance is no guarantee of future results. Please note current performance may be higher or lower than the performance data shown. Please note that investments in foreign markets are subject to special currency, political, and economic risks. Exchange rates may cause the value of underlying overseas investments to go down or up. Investments in emerging markets may be more volatile than other markets and the risk to your capital is therefore greater. Also, the economic and political situations may be more volatile than in established economies and these may adversely influence the value of investments made.

The deduction of an advisory fee reduces an investor's return. Actual account performance will vary depending on individual portfolio security selection and the applicable fee schedule. Fees are available upon request.

The following is an example of the effect of compounded advisory fees over a period of time on the value of a client's portfolio: A portfolio with a beginning value of \$100mm, gaining an annual return of 10% per annum would grow to \$259mm after 10 years, assuming no fees have been paid out. Conversely, a portfolio with a beginning value of \$100mm, gaining an annual return of 10% per annum, but paying a fee of 1% per annum, would only grow to \$235mm after 10 years. The annualized returns over the 10 year time period are 10.00% (gross of fees) and 8.91% (net of fees). If the fee in the above example was 0.25% per annum, the portfolio would grow to \$253mm after 10 years and return 9.73% net of fees. The fees were calculated on a monthly basis, which shows the maximum effect of compounding.

All case studies are shown for illustrative purposes only and should not be relied upon as advice or interpreted as a recommendation. They are based on current market conditions that constitute our judgment and are subject to change. Results shown are not meant to be representative of actual investment results. Past performance is not necessarily indicative of the likely future performance of an investment.

Any securities mentioned throughout the presentation are shown for illustrative purposes only and should not be interpreted as recommendations to buy or sell. A full list of firm recommendations for the past year is available upon request.

The Fund is established and maintained by JPMorgan Chase Bank, N.A. under a Declaration of Trust. The Fund is a bank-sponsored collective investment fund established as a group trust within the meaning of Internal Revenue Service Revenue Ruling 81-100, as amended. The Fund is available exclusively to certain tax-qualified retirement and governmental plans that have appointed JPMorgan Chase Bank, N.A. as fiduciary for the plan.

J.P. Morgan Asset Management is the marketing name for the asset management businesses of JPMorgan Chase & Co. and its affiliates worldwide. Those businesses include, but are not limited to, JPMorgan Chase Bank, N.A., J.P. Morgan Investment Management Inc., Security Capital Research & Management Incorporated, and J.P. Morgan Alternative Asset Management, Inc.

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