Annual Report & Financial Statements

# JPMorgan Fund ICVC

31 January 2019

J.P.Morgan
Asset Management

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This material should not be relied on as including sufficient information to support an investment decision.

The opinions and views expressed in this document are those held by J.P. Morgan Asset Management as at 21 May 2019, which are subject to change and are not to be taken as or construed as investment advice.

For up-to-date performance information please contact J.P. Morgan Asset Management using the numbers shown on the back of this document.

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. The level of tax benefits and liabilities will depend on individual circumstances and may change in the future.

The investment objective of a Fund may allow some flexibility in terms of portfolio composition.

Funds that invest predominantly in a single market, asset class or sector may be subject to greater volatility than those funds with a more diversified portfolio.

The information in this booklet is based on our understanding of law, regulation and HM Revenue & Customs practice as at 21 May 2019.

# Authorised Corporate Director's (ACD) Report

## Board of Directors of JPMorgan Funds Limited ("JPMF"), the Authorised Corporate Director ("ACD") of JPMorgan Fund ICVC as at 31 January 2019

*Chairman*

**Andrew Lewis**

Connected Director. A member of the ACD since 5 November 2018.

Mr Lewis is the Head of UK Platform and Client Service for J.P. Morgan Asset Management in Europe.

Mr Lewis joined J.P. Morgan Asset Management in 2011. For two years he ran the Client Reporting Group, covering both Funds and institutional clients. He became the UK Funds COO in 2013 additionally taking responsibility for talent, promotions and ratings across Client Service and Platform in Europe. He covered Funds Client Service in Europe for two years before taking up his current role. He leads the Management Committees running the UK Funds entities and the Life Company. His group provides Client Service, Transfer Agency and Fund Administration for UK Funds, supports Funds distribution channels in UK, provides Board Management services to Fund boards. He continues to sit as COO on the management committee of the UK Funds business and is a Director of several UK legal entities.

Mr Lewis joined the British Army aged 18, leaving as a Colonel in 2011. He has a BA from Cranfield University and holds the Investment Management Certificate.

*Directors*

**Stephen Pond**

Connected Director. A member of the ACD since 27 June 2018.

Mr Pond is the AM EMEA CFO and is also the lead Finance and Business Manager for the International Institutional business. He is a director on our main European holding company, JPMorgan International Limited, and on several regulated J.P. Morgan UK legal entities. He was previously Head of the Europe Performance Analysis Group. He joined Investment Management in New York in 2004 and moved to London in 2007 and held several positions within the Finance department.

Prior to joining Investment Management he was an analyst on a JPMC corporate management training programme. He joined the company in 2002. He has been a CFA charter holder since 2009. Mr Pond obtained a BA in Economics from the College of William and Mary in Williamsburg, VA, USA.

**Ruston Smith**

Independent Director of the ACD since December 2016.

He has held senior corporate positions with responsibility for strategy, investment, governance, communication and operations for a wide range of UK and international defined benefit and defined contribution schemes and provident Funds, also acting as a Trustee and Chairman.

His experience includes over a decade as the Group Pensions and Insurable Risk Director at Tesco, where the award winning UK scheme has over 200,000 employed members. He was also the CEO of Tesco Pension Investment their FCA approved in house investment manager with £13bn of assets under management.

Mr Smith has a breadth of experience which has included responsibility for executive reward and benefits, employee relations, HR systems, payroll, global mobility and health & wellness.

Before joining Tesco, Mr Smith was a Director and Company Secretary at PZ Cussons, where he was also responsible for their group pensions, property, legal and insurance.

Mr Smith is the independent trustee for BAE Systems Trustee, Non Executive Chairman of the Tesco Pension Trustee Board and the Tesco DC Governance Committee, Non Executive Chairman of Tesco Pension Investment Limited, Non Executive Director of JPMorgan Asset Management International Limited, JPMorgan Asset Management (UK) Limited and a Director of Standard Life's Master Trust Company, Director of Smart Pensions Limited, a Governor of the Pensions Policy Institute, Non-Executive Chairman of Pitman Trustees Ltd and Chairman of National Grocers Benevolent Fund. He was former Chairman of the Pensions and Lifetime Savings Association.

He has an MBA, is a Fellow of the Pensions Management Institute and a Fellow of the Institute of Management.

**Patrick Thomson**
Connected Director. A member of the ACD since 30 May 2018.

Mr Thomson, Managing Director, is the Chief Executive Officer for EMEA, and international head of institutional clients for J.P. Morgan Asset Management, based in London.

As CEO, Mr Thomson partners with the global investment, business and function heads to develop the business priorities in EMEA. A key area of his responsibility is ensuring the firm remains in line with the regulatory requirements and within a framework of appropriate risk management. Mr Thomson is also a Director of J.P.Morgan's principal legal and regulated entities and Funds boards in Europe.

Mr Thomson joined J.P. Morgan Asset Management in 1995. He is a member of J.P. Morgan Asset Management Operating Committee and J.P.Morgan Asset Management's Global Client Operating Committee.

Mr Thomson is on the Investment Association Board of Directors as well as the HM Treasury Asset Management Taskforce.

Previously he spent five years at Ivy Asset Management, part of BNY Mellon, where he was global head of Client Development and chief executive of the London office. After graduating from Edinburgh University with an MA (Hons), Mr Thomson served as an officer in the British Army for five years. He qualified as a member of the UK Society of Investment Professionals in 2000.

## Background

JPMorgan Funds Limited ("JPMF") is the Authorised Corporate Director ("ACD") of JPMorgan Fund ICVC (the "Company") and is the sole Director of JPMorgan Fund ICVC (the "Board"). The Board is pleased to present the Annual Report and Financial Statements for the year ended 31 January 2019.

## Authorised Status

JPMorgan Fund ICVC is an Open-Ended Investment Company with variable capital, authorised under Regulation 12 of the OEIC Regulations by the Financial Conduct Authority.

The Company was launched as a UCITS Retail Scheme and acts as an umbrella company comprising of 30 sub-Funds. Its registration number is IC00005 and its registered address is 60 Victoria Embankment, London EC4Y 0JP.

## Structure & Liabilities

The assets of each sub-fund are treated as separate from those of every other sub-fund and are invested in accordance with the investment objective and investment policies applicable to that sub-fund. Details of the investment objective, the policies for achieving these objectives, the performance record and a review of the investment activities for each of the sub-Funds can be found in this report.

The ACD report includes for each Fund the:

- Investment objective and policy
- Risk profile
- Fund review
- Fund outlook
- Portfolio statement
- Portfolio movements

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after the purchase of their shares is paid for.

## Role and Responsibility of the Board

JPMF is authorised and regulated by the FCA and its principle activity is investment management. The ACD is incorporated under and governed by the Companies Act 2006. With respect to the annual report and financial statements of the Company, it is also required to comply with the Collective Investment Schemes Sourcebook issued by the FCA, applicable accounting standards and also with the latest Statement of Recommended Practice issued by The Investment Association.

The matters reserved for the Board include determination of each sub-fund's investment objective and policies, investment restrictions and powers, amendments to the prospectus, reviewing and approving key investment and financial data, including the annual and semi-annual report and financial statements, as well as the appointment of and review of the services provided by the depositary and auditor.

Prior to each meeting the Board receives detailed and timely information allowing them to prepare for the items under discussion during the meeting. For each quarterly meeting the Board requests, and receives, reports from, amongst others, the investment managers, risk management, compliance, as well as proposals for changes to existing sub-Funds or proposals to launch new ones as appropriate. Senior representatives of each of these functions attend Board meetings by invitation to enable the Board to question the reports presented to them. In addition the Board reviews on an annual basis all service providers.

The Board takes decisions in the interests of the Company and its shareholders as a whole and has procedures in place to manage any conflict of interest between personal interests of the Directors of JPMF and those of the Company and its shareholders. JPMF and its affiliates provide a variety of different services to the Company and receives compensation for these services. JPMF and its affiliates therefore need to balance the desire to be compensated for these services with the requirement to act in the best interest of the Company. JPMF and its affiliates also face conflicts of interest where these services are provided to other Funds or clients, and, from time to time, make decisions that differ from and/or negatively impact those made on behalf of the Company.

**Board Composition**

JPMF is chaired by Mr Lewis, and consists of three Executive Directors and one Independent Non Executive Director. All Board meetings require a quorum of two Directors to be in attendance.

**Induction and Training**

All new Directors of JPMF will receive a full induction incorporating relevant information regarding the Company and its duties and responsibilities as the ACD of the Company. In addition, JPMF takes active steps to keep up to date with developments relevant to the Company.

**Board Evaluation**
The Board carries out a biennial review of its performance.

**Board Meetings and Committees**
The Board meets quarterly but if necessary additional meetings will be arranged.

There were five JPMorgan ICVC board meetings held during the period. Four of these were quarterly Board meetings where, amongst other matters, the agenda included those items highlighted under the section above called 'Role and Responsibility of the Board'.

**Corporate Governance**
The Board is responsible for ensuring that a high level of corporate governance is met and considers that the Company has complied with the best practices in the UK Funds industry.

**Proxy Voting Policy**
JPMF delegates responsibility for proxy voting to the Investment Adviser. The Investment Adviser manages the voting rights of the shares entrusted in a prudent and diligent manner, based exclusively on the reasonable judgement of what will best serve the financial interests of clients.

So far as is practicable, the Investment Adviser will vote at all of the meetings called by companies in which they are invested.

A copy of the proxy voting policy is available from the Company's registered office upon request or on the website: https://am.jpmorgan.com/uk/institutional/corporate-governance

**Remuneration Disclosure**
JPMorgan Funds Limited (the "Management Company") is the authorised manager of JPMorgan Fund ICVC (the "Company") and is part of the J.P. Morgan Chase & Co. group of companies. In this section, the terms "J.P. Morgan" or "Firm" refer to that group, and each of the entities in that group globally, unless otherwise specified.

This section of the annual report has been prepared in accordance with the Undertakings for Collective Investment in Transferable Securities (the "UCITS Directive") and the 'Guidelines on sound remuneration policies' issued by the European Securities and Markets Authority under the UCITS Directives. The information in this section is in respect of the most recent complete remuneration period ("Performance Year") as at the reporting date.

This section has also been prepared in accordance with the relevant provisions of the Financial Conduct Authority Handbook (COLL 4.5.7).

**Remuneration Policy**
A summary of the Remuneration Policy applying to the Management Company (the "Remuneration Policy Statement") can be found at https://am.jpmorgan.com/gb/en/asset-management/gim/per/legal/emea-remuneration-policy. This Remuneration Policy Statement includes details of how remuneration and benefits are calculated, including the financial and non-financial criteria used to evaluate performance, the responsibilities and composition of the Firm's Compensation and Management Development Committee, and the measures adopted to avoid or manage conflicts of interest. A copy of this policy can be requested free of charge from the Management Company.

The Remuneration Policy applies to all employees of the Management Company, including individuals whose professional activities may have a material impact on the risk profile of the Management Company or the UCITS Funds it manages ("UCITS Identified Staff"). The UCITS Identified Staff include members of the Board of the Management Company (the "Board"), senior management, the heads of relevant Control Functions, and holders of other key functions. Individuals are notified of their identification and the implications of this status on at least an annual basis.

The Board reviews and adopts the Remuneration Policy on an annual basis, and oversees its implementation, including the classification of UCITS Identified Staff. The Board last reviewed and adopted the Remuneration Policy that applied for the 2018 Performance Year in June 2018 with no material changes and was satisfied with its implementation.

**Quantitative Disclosures**
The table below provides an overview of the aggregate total remuneration paid to staff of the Management Company in respect of the 2018 Performance Year and the number of beneficiaries. These figures include the remuneration of all staff of JP Morgan Asset Management (UK) Ltd (the relevant employing entity) and the number of beneficiaries, both apportioned to the Management Company on an AUM weighted basis.

Due to the Firm's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 32 Alternative Investment Funds and 2 UCITS (with 32 sub-Funds) as at 31 December 2018, with a combined AUM as at that date of £12,595m and £13,316m respectively.

| | All staff ($'000s) |
|---|---|
| Fixed remuneration | 14,408 |
| Variable remuneration | 8,631 |
| Total remuneration | 23,039 |
| Number of beneficiaries | 107 |

The aggregate 2018 total remuneration paid to UCITS Identified Staff was USD 77,177k, of which USD 12,470k relates to Senior Management and USD 64,707k relates to other Identified Staff[1].

[1] Since 2017, the UCITS Identified Staff disclosures includes employees of companies to which portfolio management has been formally delegated, in line with the latest ESMA guidance.

**Directors and Officers Indemnity Insurance**
The Company's Articles of Incorporation indemnify the Directors against expenses reasonably incurred in connection with any claim against them arising in the course of their duties or responsibilities as long as they have not acted fraudulently or dishonestly. To protect shareholders against any such claim, the Board has taken out Directors and Officers Indemnity Insurance which indemnifies the ACD against certain liabilities arising in the course of their duties and responsibilities but does not cover against any fraudulent or dishonest actions on their part.

**Auditor**

PricewaterhouseCoopers LLP, has been the Company's Auditor since January 2010. The Board reviewed the services of PwC in 2016 and decided that, subject to any other influencing factor, they should continue to be appointed as Auditor for a further 8 years.

## Statement of Cross Holdings

There are no holdings of the sub-Funds of JPMorgan Fund ICVC by other sub-Funds of the Company.

## Privacy Policy

The ACD complies with a privacy policy that has been issued by J.P. Morgan Asset Management which can be accessed at www.jpmorgan.com/emea-privacy-policy.

## Mergers tabled to shareholders at Extraordinary General Meeting

**JPM US Fund into the JPM US Select Fund**

The merger was approved at Extraordinary General Meeting held on 13 April 2018 and its effective date was 28 April 2018.

**JPM Emerging Europe Fund into the JPM Emerging Markets Fund**

The merger was not approved by shareholders at Extraordinary General Meeting held on 13 April 2018. The Board will consider what, if any, action will subsequently be taken.

## Changes to the Prospectus

**Published on 1 February 2018**

- To introduce capped O&A expenses and to reduce the O&A for A, B, C, G and S share classes in all Funds from 18 bps to 15 bps max.

**Published on 19 March 2018**

- To update JPM Emerging Markets Fund so to rename the I share class as C Share Class, reduce the AMC from 1.00% to 0.75%; increase O&A from 0% to 0.15% and reduce the investment minimum to GBP 5m.
- To include wording to comply with the EU Benchmark Regulations.
- To include a statement that the ACD complies with a privacy policy that has been issued by J.P. Morgan Asset Management.

**Published on 15 June 2018**

- To update JPM Global (ex-UK) Bond Fund investment objective, policy and risk profile to clarify that the Fund may get exposure to emerging markets and invest in corporate bonds.
- To change the benchmark of the JPM Emerging Europe Equity Fund from MSCI Emerging Markets Europe Index (Net) to MSCI Emerging Markets Europe 10/40 Index (Net).

**Published on 13 September 2018**

- Changes to JPM Global High Yield Bond Fund global exposure calculation from Value Risk to commitment.

**Published on 31 October 2018**

- Update to JPM Global Macro Balanced Fund restructure & name change to JPM Global Macro Fund.

**Published on 14 February 2019**

- To update the relevant Fund investment policies and the Risk section to permit the JPM Unconstrained Bond Fund and JPM Global (ex-UK) Bond Fund to access China Interbank Bond Market via Bond Connect.
- To clarify, if the Funds invest in underlying affiliate JPMorgan Funds that have a single TER such as ETFs, the whole TER will be waived.

## Change to the composition of the Board of JPMF

Patrick Thomson was appointed as Director following approval by the FCA on 30 May 2018. Mike O'Brien resigned on 30 May 2018. Stephen Pond was appointed on 27 June 2018 and Andy Lewis was appointed Director on 5 November 2018. Dan Watkins resigned on 17 December 2018.

The Board would like to take this opportunity to record its thanks to Dan Watkins and Mike O'Brien for their service to the Company and to Shareholders.

## Management and Administration

### Authorised Corporate Director

JPMorgan Funds Limited
3 Lochside View, Edinburgh Park,
Edinburgh, EH12 9DH

(Authorised and regulated by the Financial Conduct Authority)

### Custodian and Bankers:

JPMorgan Chase Bank, N.A. London Branch
25 Bank Street, Canary Wharf, London, E14 5JP

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

### Depositary*

NatWest Trustee and Depositary Services Limited, 250 Bishopsgate, London, EC2M 4AA

* Changed from National Westminster Bank plc on 2 October 2018.

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

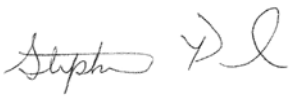
### Registrar

DST Systems, Inc.
DST House, Saint Nicholas Lane,
Basildon, Essex, SS15 5FS

(Authorised and regulated by the Financial Conduct Authority)

By order of the Authorised Corporate Director,

**Andrew Lewis**
Director
JPMorgan Funds Limited
21 May 2019



**Stephen Pond**
Director
JPMorgan Funds Limited
21 May 2019

# Investment Adviser's Report for the year ending 31 January 2019

## Market review

Global financial markets withstood three sharp sell-offs, heightened trading volatility and geo-political uncertainty and provided positive returns for the reporting period. While equity outperformed bonds for most of the period, risk assets tumbled in December and fixed income securities benefitted from investors sought protection from the downturn in equity prices. For the twelve month period, the Bloomberg Barclays Multiverse t Index returned 7.11% and the MSCI World Index returned 1.60% (all performance in GBP terms, 31 January 2019, source: J.P. Morgan Asset Management).

The global economy continued to expand throughout the reporting period, but the synchronized growth that had marked 2016 and 2017 largely dissipated as the economies of Europe and China began to slow in 2018. The U.S. economy, bolstered by strong consumer sentiment, record high corporate earnings and low inflationary pressure, continued to outperform most other leading economies. In response, the U.S. Federal Reserve raised interest rates four times during 2018.

In the European Union (EU), manufacturing exports declined amid weak demand from China and U.S. trade tariffs. Discreet geo-political factors also weighed on financial markets in the EU. A new government in Italy announced budget proposals that threatened to trigger punitive actions under the European Commission's (EC) deficit-limit rules. Ultimately, Italy adopted budget measures that avoided EC action and prices for Italian government bonds rose toward the end of the reporting period. In France, protests by the populist "yellow vest" movement led to significant disruption across the country and forced President Emmanuel Macron to rescind a tax increase on petroleum. However, EU job growth improved in late 2018, consumer confidence rebounded somewhat in January 2019 and the European Central Bank maintained its plan to hold interest rates at current levels.

In the U.K., uncertainty about a final Brexit agreement continued to weigh on financial markets. Parliament voted down an agreement that Prime Minister Theresa May had negotiated with the EU, but a series of subsequent votes kept May in office and established a potential path toward a final Brexit agreement. Notably, the U.K. unemployment rate fell to 4.0% in January 2018 and wage growth also rose during the month.

Meanwhile, Chinese authorities responded to slowing domestic economic growth in 2018 with further stimulus measures. At the same time, continued negotiations between the U.S. and China fed investor optimism that increased trade tariffs could be avoided and trade tensions between the two nations could be reduced.

## Market outlook

Overall, two factors appear to be supportive of global financial markets in general and equity markets in particular. In late 2018, the U.S. Federal Reserve moved to ease investor concerns about the pace of future interest rate increases given slowing global economic growth. At the same time, the U.S. softened its trade rhetoric toward China and held off further tariffs on Chinese goods amid continued trade negotiations between the two nations.

While global economic growth is projected to continue in 2019, the question remains to what extend financial markets will benefit, given the late stage of the current economic cycle. While the outlook for financial markets remains positive, we believe investors should keep their focus on central banks' public statements and economic indicators that may signal changes in economic and financial market fundamentals.

JPMorgan Asset Management (UK) Limited
May 2019

# Statement of the Authorised Corporate Director

## Statement of the Authorised Corporate Director's responsibilities in relation to the financial statements of the scheme

The Rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the company and of its income and expenditure for the period.

In preparing those financial statements the Authorised Corporate Director is required to:

- comply with the Prospectus and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements;
- comply with the Statement of Recommended Practice for Authorised Funds issued by The Investment Association (formerly the Investment Management Association (IMA)) in May 2014, which supercedes the SORP issued in October 2010;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in operation for the foreseeable future; and
- take reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Authorised Corporate Director is required to keep proper accounting records and to manage the company in accordance with the regulations and the Prospectus.

The report has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook. The shareholders of the ICVC are not liable for the debts of the ICVC.

**Andrew Lewis**
Director
For and on behalf of JPMorgan Funds Limited
21 May 2019

**Stephen Pond**
Director
For and on behalf of JPMorgan Funds Limited
21 May 2019

# Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of JPMorgan Fund ICVC ("the Company") for the Period Ended 31 January 2019

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

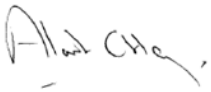
- the Company's cash flows are properly monitored (this requirement on the Depositary applied from 18 March 2016) and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.



NatWest Trustee and Depositary Services Limited
London
21 May 2019

# Independent Auditors' Report to the Shareholders of JPMorgan Fund ICVC

## Report on the audit of the financial statements

### Opinion

In our opinion, JPMorgan Fund ICVC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 January 2019 and of the net revenue/(expenses) and the net capital gains/(losses) on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

JPMorgan Fund ICVC (the "company") is an Open Ended Investment Company ('OEIC') with 30 sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 31 January 2019; the statements of total return and the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies; and the notes to the financial statements.

### Emphasis of matter – basis of preparation

In forming our opinion on the financial statements, which is not modified, we draw attention to accounting policy (a) in the Policies and Risk section which describes the director's reasons why the financial statements for the JPM Global Financials Fund, JPM Global Property Securities Fund, JPM UK Equity and Bond Income Fund, JPM UK Equity Blue Chip Fund, and JPM US Fund have been prepared on a basis other than going concern. All other sub-funds in these financial statements have been prepared on a going concern basis.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

With the exception of the circumstances described in the Emphasis of Matter – Basis of Preparation regarding the basis of preparation of the following sub-funds: JPM Global Financials Fund, JPM Global Property Securities Fund, JPM UK Equity and Bond Income Fund, JPM UK Equity Blue Chip Fund, and JPM US Fund, we have nothing to report to you regarding the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or any of the sub-funds' ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications for the fund's business and the wider economy.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

### Authorised Corporate Director's (ACD) Report

In our opinion, the information given in the Authorised Corporate Director's (ACD) Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Independent Auditors' Report to the Shareholders of JPMorgan Fund ICVC – continued

## Responsibilities for the financial statements and the audit

**Responsibilities of the Authorised Corporate Director for the financial statements**

As explained more fully in the Statement of the Authorised Corporate Director set out on page 8, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the company or individual sub-fund, or has no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

**Use of this report**

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

**Opinion on matter required by the Collective Investment Schemes sourcebook**

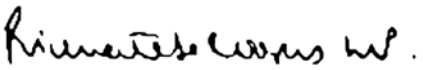
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

**Collective Investment Schemes sourcebook exception reporting**

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
21 May 2019

# Policies and Risks

## Accounting policies

(a) The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds (SORP) issued by the Investment Management Association (IMA (now the Investment Association)) in May 2014 and in accordance with United Kingdom Generally Accepted Accounting Practice as defined within FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements of all of the funds have been prepared on a going concern basis, with the exception of JPM Global Financials Fund, JPM Global Property Securities Fund, JPM UK Equity Blue Chip Fund, JPM UK Equity & Bond Income Fund and JPM US Fund. These funds have ceased trading and it is the Authorised Corporate Director's intention to wind up these funds. Accordingly, the going concern basis of preparation is no longer appropriate for these funds and the financial statements for these five funds have been prepared on a basis other than going concern. No adjustments were required in these funds to reduce assets to their realisable values, or to provide for liabilities arising from this decision. The ACD will bear the costs relating to any such liabilities arising. Adjustments have been made to reclassify fixed assets and long term liabilities as current assets and liabilities.

The comparative financial statements were prepared on a going concern basis with the exception of the JPM Global Financials Fund, JPM Global Property Securities Fund, JPM UK Equity Blue Chip Fund, JPM UK Equity & Bond Income Fund and JPM US Fund which were prepared on a basis other than going concern. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

(b) Revenue on debt securities is recognised on the effective interest rate basis which takes account of the amortisation of any discounts or premium arising on the purchase price, compared to the final maturity value, over the remaining life of the security. Interest Only debt securities are amortised to a maturity date determined by the Investment Adviser that represents their best estimate of maturity rather than the final legal maturity date. The estimated maturity dates are reviewed on a regular basis and revised where applicable. Future cash flows on all assets are considered when calculating revenue on an effective interest rate basis and where, in the ACD's view there is doubt as to the final maturity value, an estimate of the final redemption proceeds will be made in determining those cash flows. Accrued interest purchased or sold is excluded from the cost of the security and is dealt with as revenue.

(c) Dividends on equities and other collective investment schemes are recognised when the security goes ex-dividend. Accumulation distributions from shares held in other collective investment schemes are reflected as revenue of the respective Fund, and equalisation on distributions received from other collective investment schemes is deducted from the cost of the investment. Distributions from Brazilian corporations may take the form of interest on capital as an alternative to making dividend distributions. Interest on capital distributions is recognised on XD. Interest on deposits and other revenue is accounted for on an accruals basis. Underwriting commission is recognised when the issue takes place. Where the Fund is required to take up all of the shares underwritten, the commission received is treated as a deduction from the cost of the shares taken up. Where the Fund is required to take up a proportion of the shares underwritten, the same proportion of the commission received is treated as a deduction from the cost of the shares taken up and the balance is taken to revenue.

(d) Dividends from US Real Estate Investment Trusts ("REITs") are initially accounted for on a 70% revenue and 30% capital split when the security goes ex-dividend. Following the end of the calendar year, US REIT companies publish the split between revenue and capital of the dividends they have previously declared. When this information is received the initial allocation is adjusted to reflect the correct split between revenue and capital.

(e) Management fee rebates received from underlying funds are recognised as revenue or capital in the same way as the underlying investments account for their management fee, and form part of the distribution where the underlying fund pays its management fee from revenue.

(f) Premiums received in respect of written call options, where the express purpose is to generate extra revenue, are accrued to the revenue account on a straight line basis over the life of the contract. All other premiums on written and bought options are treated as capital. In determining the accounting treatment for other derivatives, consideration is given to the instrument itself and the Fund's objectives for investment in derivative instruments. Income from Contracts for difference and interest paid on Credit default swaps and Interest rate swaps are taken to revenue. The revenue element in respect of futures is calculated by reference to the quoted yield of the relevant index compared to LIBOR. All other gains/losses from derivatives are taken to capital.

(g) Revenue from stock lending is accounted for gross of bank and agent fees and is recognised on a receipts basis.

(h) The underlying circumstances behind special dividends are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature. Any tax treatment thereon will follow the accounting treatment of the principal amount. Amounts recognised as revenue will form part of the Fund's distribution.

(i) Revenue and expenses are allocated each day pro rata to the value of the assets attributable to each class. The ACD's annual fee is charged at a rate specific to the share class. Details of all share class specific expense rates can be found in "Appendix A" of the Prospectus.

(j) Where Funds hold assets in other funds managed by an associate of the ACD then these funds are excluded from the calculation of the ACD fees paid, with the exception of JPM Multi-Manager Growth Fund. Operating expenses are also charged to revenue. Transaction charges and expenses relating to the purchase and sale of investments are charged directly to the capital of the Fund. Taxation is computed by reference to the revenue after expenses attributable to each class.

(k) The charge for taxation is based at the current rate on taxable revenue for the period less allowable expenses. UK dividend income is disclosed net of any related tax credit. Overseas dividends are disclosed gross of any foreign tax suffered, with the tax element being separately disclosed in the taxation note.

(l) Deferred taxation is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences regarded as permanent. Any liability to deferred taxation is provided for at the average rate of taxation expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

(m) The listed investments of the Funds and investments traded on regulated markets have been valued at market value at 12 noon on 31 January 2019. Market value is defined, by the SORP, as fair value which generally is the bid value of each security excluding any accrued interest in the case of floating or fixed rate securities. The SORP allows for updates to close of business valuation where there are large market movements. The valuation of unlisted investments is based on the ACD's assessment of their estimated realisable value. Suspended securities are valued initially at the suspended price but are subject to constant review by the Pricing committee on a regular basis. Exchange traded derivatives, including futures and options, are priced at the market value at 12 noon on 31 January 2019. Non- exchange traded derivatives, including swaps and contracts for difference, are valued using information provided by the relevant third party brokers and as a consequence are the close of business values on the prior business day, and are then translated to sterling using the exchange rate at 12 noon on 31 January 2019.

(n) All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the date of such transactions. The unrealised asset or liability position of each forward foreign currency contract held at the year end is determined with reference to the spot currency rate and the expected interest rate return over the currency contract to settlement date. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rate at 12 noon on 31 January 2019.

(o) The funds may apply a dilution adjustment, intended to cover certain dealing charges which could have a diluting effect on the performance of the funds. This adjustment is at the discretion of the ACD. Where applied it is included within the dealing price available to shareholders. For the purpose of disclosure within these financial statements the issues and redemptions are stated at the mid-market price with dilution adjustments disclosed separately. For the year ended 31 January 2019 the dilution adjustment has been shown separately on the Statement of change in net assets attributable to shareholders.

The amounts for each Fund for the year ended 2019 and 2018 are detailed below:

JPM Asia Growth Fund £21,630 (31.01.18: £80,625)
JPM Emerging Europe Equity Fund £16,219 (31.01.18: £46,970)
JPM Emerging Markets Fund £2,160 (31.01.18: £310,994)
JPM Emerging Markets Income Fund £50,620 (31.01.18: £182,109)
JPM Europe Fund £nil (31.01.18: £6,914)
JPM Europe Dynamic (ex-UK) Fund £152,782 (31.01.18: £109,722)
JPM Global Equity Income Fund £7,541 (31.01.18: £12,731)
JPM Global (ex-UK) Bond Fund £11,664 (31.01.18: £32,846)
JPM Global Financials Fund £nil (31.01.18: £19,898)
JPM Global High Yield Bond Fund £260,071 (31.01.18: £125,258)
JPM Global Macro Fund £30,617 (31.01.18: £nil)
JPM Global Macro Opportunities Fund £74,586 (31.01.18: £95,111)
JPM Global Property Securities Fund £nil (31.01.18: £36,543)
JPM Global Unconstrained Equity Fund £575 (31.01.18: £nil)
JPM Japan Fund £48,035 (31.01.18: £196,153)
JPM Multi-Asset Income Fund £89,773 (31.01.18: £nil)
JPM Multi-Manager Growth Fund £nil (31.01.18: £nil)
JPM Natural Resources Fund £64,452 (31.01.18: £75,907)
JPM Sterling Corporate Bond Fund £47,603 (31.01.18: £32,927)
JPM UK Dynamic Fund £44,194 (31.01.18: £nil)
JPM UK Equity & Bond Income Fund £nil (31.01.18: £nil)
JPM UK Equity Blue Chip Fund £nil (31.01.18: £nil)
JPM UK Equity Core Fund £188,267 (31.01.18: £672,299)
JPM UK Equity Growth Fund £109,586 (31.01.18: £nil)
JPM UK Higher Income Fund £27,427 (31.01.18: £nil)
JPM UK Strategic Equity Income Fund £28,732 (31.01.18: £4,199)
JPM Unconstrained Bond Fund £489,165 (31.01.18: £278,073)
JPM US Fund £71,187 (31.01.18: £20,799)
JPM US Equity Income Fund £60,777 (31.01.18: £nil)
JPM US Select Fund £35,840 (31.01.18: £nil)

# Policies and Risks – continued

## Distribution policies

(a) The income available for distribution for each Fund is the total revenue earned by the Fund, less deductible expenses and taxation charged to revenue. When calculating revenue on an effective interest rate basis all future cash flows are considered, and where, in the ACD's view there is doubt as to the final maturity value, an estimate of the final redemption proceeds will be made in determining those cash flows. The impact of this will be to reduce the revenue recognised from debt securities, and therefore the revenue distributed, whilst preserving capital within the Fund. Accumulation distributions from shares held in other Collective Investment Schemes are reflected as revenue of the respective Fund and form part of the distribution. The final distribution was distributed on 28 February 2019 for the monthly distributing share classes in JPM Global High Yield Bond Fund, JPM Multi-Asset Income Fund and JPM Unconstrained Bond Fund, 15 March 2018 for JPM Global Financials Fund, JPM Global Property Securities Fund, JPM UK Equity Blue Chip Fund and JPM UK Equity & Bond Income Fund, 27 July 2018 for JPM US Fund, and 30 April 2019 for all other share classes in JPM Global High Yield Bond Fund, JPM Multi-Asset Income Fund, JPM Unconstrained Bond Fund and other Funds.

(b) The Funds are not more than 60% invested in qualifying investments (as defined by SI2006/964) and where applicable will pay a dividend distribution apart from JPM Global Macro Balanced Fund, JPM Global (ex-UK) Bond Fund, JPM Global High Yield Bond Fund, JPM Sterling Corporate Fund and JPM Unconstrained Bond Fund which are more than 60% invested in qualifying investments and where applicable will pay an interest distribution.

(c) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the respective Fund, and forms part of the distribution. Any excess in value of shares received over the amount of cash forgone is reviewed on a case by case basis and treated appropriately as income or capital.

(d) Revenue is allocated each day pro rata to the value of assets attributable to each class. The ACD's annual fee is charged to revenue of the respective share class except for the following Funds, which initially recognise the ACD fee as revenue but is then transferred to capital for revenue distribution purposes – JPM Emerging Markets Income Fund, JPM Global Equity Income Fund, JPM Global High Yield Bond Fund, JPM Multi-Asset Income Fund, JPM UK Equity & Bond Income Fund (closed 15 December 2017), JPM UK Higher Income Fund, JPM UK Strategic Equity Income Fund and JPM US Equity Income Fund.

(e) Any distribution payment of a Fund which remains unclaimed after a period of six years from the date of payment, will be forfeited and will be transferred to and become part of that Fund's capital property. Thereafter, neither the Shareholder nor any successor will have any right to it except as part of the capital property.

## Financial instruments

In pursuing its investment objective as stated in the Fund highlights of each individual Fund, the Company holds a number of financial instruments. The Company's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued income.

The main risks arising from the Company's financial instruments and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the period.

### Market price risk

Market price risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Company holds. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

### Foreign currency risk

Foreign currency risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of some of the Company's investment portfolios are invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The ACD may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on the date of the transaction.

See the respective Fund for its foreign currency profile.

### Interest rate risk

Interest rate risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in interest rates.

Some of the Funds may invest in fixed and floating rate securities. The income of the Funds may be affected by changes to interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

See the respective Fund for its interest rate profile.

### Liquidity risk

The Company's assets comprise mainly of readily realisable securities. If insufficient cash is available to finance shareholder redemptions then securities held by the Company may need to be sold.

The risk of low market liquidity, through reduced trading volumes, may affect the ability of the Company to trade financial instruments at values indicated by market data vendors. From time to time, liquidity may also be affected by stock specific or economic events.

To manage these risks the Investment Manager undertakes detailed research to select appropriate investment opportunities in line with the individual Fund's objective. All stocks are valued daily but those stocks identified as being less liquid are reviewed on a regular basis for pricing accuracy.

### Credit risk/Counterparty risk

Certain transactions in securities that the Company enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Company has fulfilled its responsibilities. The Company only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

### Derivative risk

The Company may also enter into derivative transactions in the form of forward currency contracts, futures and options for the purpose of efficient portfolio management.

### Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

## Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company.

ACD fees and operating expenses paid to JPMorgan Funds Limited and their associates are shown in Note 4 and details of shares issued and cancelled by the ACD are shown in the Statement of change in net assets attributable to shareholders in the respective Fund's account.

Investments considered to be related parties have been identified in the portfolio statement on each Fund and the revenue from these investments is disclosed in the respective Fund's account.

Material holdings in the Funds are disclosed in the respective Fund's account.

# JPM Asia Growth Fund

## Investment objective and policy

To provide long-term capital growth from investment primarily in a growth biased portfolio of companies in Asia (excluding Japan).

The Fund will invest in companies that are incorporated under the laws of, and have their registered office in an Asian (excluding Japan) country, or that derive the predominant part of their economic activity from Asian (excluding Japan) countries, even if listed elsewhere.

The Fund aims to provide broad market exposure with the ability to be concentrated from time to time. The Fund will have exposure to Emerging Markets. Smaller company investments and Participation Notes may be held on an ancillary basis.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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 may invest in China A-Shares via the China-Hong Kong Stock Connect Programmes.

The Fund may invest in assets denominated in any currency and non-sterling currency exposure will not normally be hedged back to sterling.

The Fund seeks to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund.

## 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. Furthermore, Participation Notes run the risk of counterparty default which may result in the loss of the full market value of the Note.

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

The Fund may invest in China A-Shares through the China-Hong Kong Stock Connect Programmes which is subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.

The Fund may be concentrated in a limited number of securities, industry sectors 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 outperformed the benchmark over the period, with both stock selection and country allocation contributing to returns.

At the stock level, selection in China was strongest and spanned different sectors. Within industrials, aircraft leasing company BOC Aviation was the top contributor, gaining close to 45%. The stock traded at very attractive valuations at the beginning of the year and posted strong results. Its diversified client base and proven business execution also provided defensiveness in a falling market. Within consumption, textile name Shenzhou International did well as its client orders are strong and the company continues to improve its efficiency with more automation and better technology. Another textile holding, Eclat in Taiwan, also posted a strong recovery. Finally, leading pan-regional insurance name AIA was another key contributor as the company continued to demonstrate solid underlying trends.

On the negative side, stock selection in India hurt. Maruti Suzuki India was the largest detractor on the back of disappointing results. Not holding Reliance Industries and Infosys also detracted value. From a country allocation perspective, not owning Malaysia was a drag. Its domestic nature provided defensiveness in a down market; however, we continue to find limited quality growth opportunities there.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Asia Growth Fund** A-Class Acc | **-6.5%** | **35.5%** | **41.1%** | **-10.8%** | **20.4%** |
| **JPM Asia Growth Fund** B-Class Acc | **-6.1%** | **36.2%** | **41.8%** | **-10.3%** | **20.9%** |
| **JPM Asia Growth Fund** C-Class Acc | **-5.9%** | **36.5%** | **42.2%** | **-10.1%** | **21.3%** |
| Benchmark Index | -7.7% | 27.0% | 36.7% | -13.3% | 23.7% |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

## Fund statistics

| | | | |
|---|---|---|---|
| Risk and Reward Profile | | | 6† (6 at 31 July 2018) |
| Fund size | | | £264.8m |
| Benchmark Index | | | MSCI All Country Asia ex Japan Index (Net) |
| Fund charges and expenses | A-Class | B-Class | C-Class |
| Initial charge (max.) | Nil | Nil | Nil |
| Exit charge | Nil | Nil | Nil |
| Fund expenses (comprises) | | | |
| Annual management fee | 1.50% | 1.00% | 0.75% |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% |

## Comparative tables

| A-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 219.34 | 161.82 | 114.67 |
| Return before operating charges* | (10.91) | 60.77 | 49.50 |
| Operating charges | (3.37) | (3.25) | (2.35) |
| Return after operating charges* | (14.28) | 57.52 | 47.15 |
| Distributions | (0.46) | - | (0.47) |
| Retained distributions on accumulation shares | 0.46 | - | 0.47 |
| Closing net asset value per share | 205.06 | 219.34 | 161.82 |
| * after direct transaction costs of | (0.25) | (0.43) | (0.31) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.51)% | 35.55% | 41.12% |
| **Other information** | | | |
| Closing net asset value (£'000) | 108,235 | 128,520 | 96,511 |
| Closing number of shares | 52,781,945 | 58,593,041 | 59,640,384 |
| % Operating charges | 1.63% | 1.68% | 1.68% |
| % Direct transaction costs | 0.12% | 0.22% | 0.22% |
| **Prices** | | | |
| Highest share price | 221.8 | 222.9 | 166.9 |
| Lowest share price | 182.8 | 159.8 | 106.4 |

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 120.91 | 89.20 | 63.40 |
| Return before operating charges* | (6.02) | 33.51 | 27.36 |
| Operating charges | (1.88) | (1.80) | (1.30) |
| Return after operating charges* | (7.90) | 31.71 | 26.06 |
| Distributions | (0.23) | - | (0.26) |
| Closing net asset value per share | 112.78 | 120.91 | 89.20 |
| * after direct transaction costs of | (0.14) | (0.24) | (0.17) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.53)% | 35.55% | 41.10% |
| **Other information** | | | |
| Closing net asset value (£'000) | 725 | 903 | 520 |
| Closing number of shares | 642,549 | 747,135 | 583,478 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.12% | 0.22% | 0.22% |
| **Prices** | | | |
| Highest share price | 122.2 | 122.9 | 92.27 |
| Lowest share price | 100.8 | 88.07 | 58.80 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 315.52 | 231.61 | 163.30 |
| Return before operating charges* | (15.70) | 87.19 | 70.71 |
| Operating charges | (3.43) | (3.28) | (2.40) |
| Return after operating charges* | (19.13) | 83.91 | 68.31 |
| Distributions | (2.10) | (0.52) | (1.67) |
| Retained distributions on accumulation shares | 2.10 | 0.52 | 1.67 |
| Closing net asset value per share | 296.39 | 315.52 | 231.61 |
| * after direct transaction costs of | (0.36) | (0.61) | (0.45) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.06)% | 36.23% | 41.83% |
| **Other information** | | | |
| Closing net asset value (£'000) | 125 | 196 | 140 |
| Closing number of shares | 42,058 | 62,090 | 60,263 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.12% | 0.22% | 0.22% |
| **Prices** | | | |
| Highest share price | 319.5 | 320.6 | 238.5 |
| Lowest share price | 263.9 | 228.7 | 151.5 |

† 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

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## Comparative tables – continued

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 223.69 | 163.80 | 115.20 |
| Return before operating charges* | (11.13) | 61.80 | 49.93 |
| Operating charges | (1.89) | (1.91) | (1.33) |
| Return after operating charges* | (13.02) | 59.89 | 48.60 |
| Distributions | (2.04) | (0.85) | (1.54) |
| Retained distributions on accumulation shares | 2.04 | 0.85 | 1.54 |
| Closing net asset value per share | 210.67 | 223.69 | 163.80 |
| * after direct transaction costs of | (0.25) | (0.45) | (0.31) |
| **Performance** | | | |
| % Return after operating charges^^ | (5.82)% | 36.56% | 42.19% |
| **Other information** | | | |
| Closing net asset value (£'000) | 143,345 | 118,538 | 17,265 |
| Closing number of shares | 68,042,985 | 52,991,142 | 10,540,637 |
| % Operating charges | 0.89% | 0.93% | 0.93% |
| % Direct transaction costs | 0.12% | 0.22% | 0.22% |
| **Prices** | | | |
| Highest share price | 226.7 | 227.3 | 168.5 |
| Lowest share price | 187.4 | 161.7 | 106.9 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 211.62 | 155.57 | 110.44 |
| Return before operating charges* | (10.54) | 58.76 | 47.89 |
| Operating charges | (1.80) | (1.89) | (1.29) |
| Return after operating charges* | (12.34) | 56.87 | 46.60 |
| Distributions | (1.91) | (0.82) | (1.47) |
| Closing net asset value per share | 197.37 | 211.62 | 155.57 |
| * after direct transaction costs of | (0.24) | (0.44) | (0.30) |
| **Performance** | | | |
| % Return after operating charges^^ | (5.83)% | 36.56% | 42.19% |
| **Other information** | | | |
| Closing net asset value (£'000) | 12,369 | 13,280 | 341 |
| Closing number of shares | 6,266,959 | 6,275,175 | 219,082 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.12% | 0.22% | 0.22% |
| **Prices** | | | |
| Highest share price | 214.5 | 215.9 | 161.6 |
| Lowest share price | 177.3 | 153.6 | 102.5 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 21 and 22, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Geographical breakdown

| | % |
|---|---|
| China | 35.68 |
| India | 14.30 |
| South Korea | 10.00 |
| Hong Kong | 9.70 |
| Taiwan | 8.55 |
| Indonesia | 7.66 |
| Singapore | 4.75 |
| Philippines | 2.16 |
| Macau | 2.15 |
| Vietnam | 1.33 |
| Thailand | 0.95 |
| Net other assets | 2.77 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 97.23% (97.07%)** | | | |
| **China 35.68% (37.81%)** | | | |
| 51job, Inc., ADR | 67,369 | 3,416 | 1.29 |
| Alibaba Group Holding Ltd., ADR | 137,758 | 17,498 | 6.61 |
| China Construction Bank Corp. 'H' | 10,368,000 | 7,055 | 2.66 |
| China Merchants Bank Co. Ltd. 'H' | 1,460,500 | 4,841 | 1.83 |
| China Overseas Land & Investment Ltd. | 2,718,000 | 7,770 | 2.93 |
| Country Garden Services Holdings Co. Ltd. | 2,162,218 | 2,531 | 0.95 |
| Huazhu Group Ltd., ADR | 67,000 | 1,548 | 0.58 |
| Inner Mongolia Yili Industrial Group Co. Ltd. 'A' | 769,497 | 2,112 | 0.80 |
| Jiangsu Hengrui Medicine Co. Ltd. 'A' | 252,393 | 1,693 | 0.64 |
| Ping An Insurance Group Co. of China Ltd. 'H' | 1,642,000 | 12,098 | 4.57 |
| Shenzhou International Group Holdings Ltd. | 833,000 | 7,459 | 2.82 |
| Tencent Holdings Ltd. | 653,200 | 21,926 | 8.28 |
| Tencent Music Entertainment Group, ADR | 160 | 2 | - |
| Wuxi Biologics Cayman, Inc. | 694,500 | 4,544 | 1.72 |
| | | **94,493** | **35.68** |
| **Hong Kong 9.70% (13.70%)** | | | |
| AIA Group Ltd. | 2,594,800 | 17,745 | 6.70 |
| Hutchison China MediTech Ltd., ADR | 104,510 | 1,791 | 0.68 |
| Jardine Matheson Holdings Ltd. | 59,900 | 3,048 | 1.15 |
| Techtronic Industries Co. Ltd. | 704,500 | 3,105 | 1.17 |
| | | **25,689** | **9.70** |
| **India 14.30% (12.23%)** | | | |
| HDFC Bank Ltd. | 372,952 | 8,277 | 3.13 |
| HDFC Life Insurance Co. Ltd. | 641,656 | 2,554 | 0.96 |
| Housing Development Finance Corp. Ltd. | 398,027 | 8,176 | 3.09 |
| IndusInd Bank Ltd. | 370,897 | 5,967 | 2.25 |
| ITC Ltd. | 1,553,352 | 4,628 | 1.75 |
| Maruti Suzuki India Ltd. | 57,193 | 4,061 | 1.53 |
| Tata Consultancy Services Ltd. | 196,107 | 4,209 | 1.59 |
| | | **37,872** | **14.30** |
| **Indonesia 7.66% (5.59%)** | | | |
| Astra International Tbk. PT | 9,522,800 | 4,373 | 1.65 |
| Bank Central Asia Tbk. PT | 6,994,800 | 10,733 | 4.06 |
| Telekomunikasi Indonesia Persero Tbk. PT | 24,374,700 | 5,168 | 1.95 |
| | | **20,274** | **7.66** |
| **Macau 2.15% (0.00%)** | | | |
| Galaxy Entertainment Group Ltd. | 1,085,000 | 5,682 | 2.15 |
| | | **5,682** | **2.15** |
| **Philippines 2.16% (2.28%)** | | | |
| Ayala Land, Inc. | 3,106,900 | 2,016 | 0.76 |
| Jollibee Foods Corp. | 802,130 | 3,705 | 1.40 |
| | | **5,721** | **2.16** |
| **Singapore 4.75% (4.52%)** | | | |
| BOC Aviation Ltd. | 877,300 | 5,629 | 2.13 |
| DBS Group Holdings Ltd. | 335,500 | 4,542 | 1.71 |
| Jardine Cycle & Carriage Ltd. | 112,300 | 2,400 | 0.91 |
| | | **12,571** | **4.75** |
| **South Korea 10.00% (7.59%)** | | | |
| KIWOOM Securities Co. Ltd. | 35,662 | 2,103 | 0.80 |
| NAVER Corp. | 14,002 | 1,304 | 0.49 |
| NCSoft Corp. | 10,574 | 3,392 | 1.28 |
| Samsung Electronics Co. Ltd. | 622,874 | 19,684 | 7.43 |
| | | **26,483** | **10.00** |
| **Taiwan 8.55% (10.25%)** | | | |
| Eclat Textile Co. Ltd. | 327,874 | 2,823 | 1.07 |
| Largan Precision Co. Ltd. | 22,000 | 2,064 | 0.78 |
| Taiwan Semiconductor Manufacturing Co. Ltd. | 3,244,000 | 17,751 | 6.70 |
| | | **22,638** | **8.55** |
| **Thailand 0.95% (2.13%)** | | | |
| Kasikornbank PCL | 513,700 | 2,504 | 0.95 |
| | | **2,504** | **0.95** |
| **Vietnam 1.33% (0.97%)** | | | |
| Vietnam Dairy Products JSC | 426,874 | 1,892 | 0.71 |
| Vinhomes JSC | 623,852 | 1,636 | 0.62 |
| | | **3,528** | **1.33** |
| **Equities total** | | **257,455** | **97.23** |
| Investment assets | | 257,455 | 97.23 |
| Net other assets | | 7,344 | 2.77 |
| **Net assets** | | **264,799** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (16,759) | | 52,272 |
| Revenue (Note 3) | 5,065 | | 2,529 | |
| Expenses (Note 4) | (3,106) | | (2,566) | |
| Net revenue/(expense) before taxation | 1,959 | | (37) | |
| Taxation (Note 5) | (402) | | (179) | |
| Net revenue/(expense) after taxation | | 1,557 | | (216) |
| **Total return before distributions** | | **(15,202)** | | **52,056** |
| Distributions (Note 6) | | (1,558) | | (151) |
| **Change in net assets attributable to shareholders from investment activities** | | **(16,760)** | | **51,905** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 257,455 | 253,773 |
| **Current assets:** | | |
| Debtors (Note 8) | 1,734 | 982 |
| Cash and bank balances (Note 9) | 8,349 | 7,256 |
| **Total assets** | **267,538** | **262,011** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | (121) | (51) |
| Other creditors (Note 10) | (2,618) | (523) |
| **Total liabilities** | **(2,739)** | **(574)** |
| **Net assets attributable to shareholders** | **264,799** | **261,437** |

The notes to these financial statements are shown on pages 19 to 22.

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **261,437** | | **114,777** |
| Amounts receivable on issue of shares | 52,328 | | 101,543 | |
| Amounts payable on cancellation of shares | (33,859) | | (7,320) | |
| | | 18,469 | | 94,223 |
| Dilution adjustment | | 21 | | 81 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (16,760) | | 51,905 |
| Retained distributions on accumulation shares | | 1,632 | | 451 |
| **Closing net assets attributable to shareholders** | | **264,799** | | **261,437** |

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Asia Growth Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains/(losses) | 357 | (437) |
| Non-derivative securities | (17,116) | 52,709 |
| Net capital (losses)/gains | (16,759) | 52,272 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Income from overseas equity investments | 5,036 | 2,494 |
| Interest on bank and term deposits | 7 | 3 |
| Stock dividends | 5 | 24 |
| Stock lending income | 17 | 8 |
| Total revenue | 5,065 | 2,529 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 2,758 | 2,224 |
| Operating expenses | 346 | 326 |
| Stock lending fees | 2 | 1 |
| | 3,106 | 2,551 |
| Interest payable | - | 15 |
| Total expenses | 3,106 | 2,566 |

The fees paid to the auditor for the year ended 31 January 2019 are £5,863 (31.01.18: £5,863), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 402 | 179 |
| Current year tax charge (Note 5b) | 402 | 179 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is greater than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue/(expense) before taxation | 1,959 | (37) |
| Corporation tax at 20% | 392 | (7) |
| Effects of: | | |
| Dividends not subject to corporation tax | (1,008) | (505) |
| Excess expenses for which no relief taken | 616 | 509 |
| Non-trade deficit set against current year income | - | 3 |
| Overseas tax suffered | 402 | 179 |
| | 10 | 186 |
| Current year tax charge (Note 5a) | 402 | 179 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £3,746,663 (31.01.18: £3,130,254) in relation to £18,733,316 (31.01.18: £15,651,272) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 1,753 | 502 |
| Add: Amounts payable on cancellation of shares | 180 | 7 |
| Deduct: Amounts receivable on issue of shares | (375) | (358) |
| Distributions for the year | 1,558 | 151 |

Details of the distribution per share are set out on page 23.

## 7. Movement between net revenue/(expense) after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue/(expense) after taxation | 1,557 | (216) |
| Add: Deficit taken to capital | - | 357 |
| Add: RDR transfer equalisation (capital) | 3 | 12 |
| Add: Undistributed revenue brought forward | 5 | 3 |
| Deduct: Undistributed revenue carried forward | (7) | (5) |
| | 1,558 | 151 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 200 | 132 |
| Due from the ACD for shares issued | 1,107 | 820 |
| Overseas tax recoverable | 103 | 30 |
| Sales awaiting settlement | 324 | - |
| Total debtors | 1,734 | 982 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 8,349 | 7,256 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 264 | 287 |
| Due to the ACD for shares cancelled | 64 | 236 |
| Purchases awaiting settlement | 2,290 | - |
| Total other creditors | 2,618 | 523 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £779,476 (31.01.18: £297,175) due to ACD). Details of related party transactions are given under the note on page 13.

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £11,312 (31.01.18: £22,232). Commission was paid to the associated company JPMorgan Securities Ltd.

The following parties held a material interest in the Fund at the year end date:
- Derbyshire County Council 15.48% (31.01.18: 16.77%)
- Old Mutual Wealth Life & Pensions Ltd 12.90% (31.01.18: 12.05%)

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £250,785 securities on loan (31.01.18: £11,074,366) and consequently £266,592 collateral was held (31.01.18: £11,717,659). The nature of the collateral was 100% bonds.

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 17 | 8 |
| Fees paid to the lending agent[ø] | (2) | (1) |
| Net stock lending income | 15 | 7 |

[ø] A related party to the Fund.

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 25.

## 14. Financial instruments

**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | | Net foreign currency assets | |
|---|---|---|---|
| Currency | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | |
| Hong Kong Dollar | 99,707 | (678) | 100,385 |
| Indian Rupee | 37,872 | – | 37,872 |
| US Dollar | 31,447 | 4,144 | 27,303 |
| South Korean Won | 26,471 | (12) | 26,483 |
| Taiwan Dollar | 22,748 | 110 | 22,638 |
| Indonesian Rupiah | 20,010 | (264) | 20,274 |
| Singapore Dollar | 6,967 | 25 | 6,942 |
| Philippine Peso | 5,721 | – | 5,721 |
| Chinese Yuan | 4,237 | 432 | 3,805 |
| Vietnamese Dong | 4,069 | 541 | 3,528 |
| Thailand Baht | 2,504 | – | 2,504 |
| **31.01.18** | | | |
| Hong Kong Dollar | 103,115 | 25 | 103,090 |
| Indian Rupee | 31,973 | 6 | 31,967 |
| US Dollar | 31,297 | 3,421 | 27,876 |
| Taiwan Dollar | 26,890 | 97 | 26,793 |
| South Korean Won | 19,956 | 117 | 19,839 |
| Indonesian Rupiah | 14,626 | – | 14,626 |
| Singapore Dollar | 9,094 | – | 9,094 |
| Chinese Yuan | 8,067 | 1,647 | 6,420 |
| Philippine Peso | 5,969 | – | 5,969 |
| Thailand Baht | 5,576 | – | 5,576 |
| Vietnamese Dong | 2,800 | 277 | 2,523 |

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £26,175,000 (31.01.18: £25,936,000).

**Interest rate risk**

At the year end date, 3.15% (31.01.18: 2.78%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £25,746,000 (31.01.18: £25,377,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has three share classes; Class A Shares, Class B Shares, Class C Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 15 and 16. All classes have the same rights on winding up.

## 16. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 257,455 | - | 253,773 | - |
| Total | 257,455 | - | 253,773 | - |

## 17. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (116,379) | (56) | (67) | (116,502) | 0.05 | 0.06 |
| | (116,379) | (56) | (67) | (116,502) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 95,902 | (45) | (140) | 95,717 | 0.05 | 0.15 |
| | 95,902 | (45) | (140) | 95,717 | | |
| Total | | (101) | (207) | | | |
| Percentage of Fund average net assets | | 0.04% | 0.08% | | | |

## 17. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (167,897) | (120) | (105) | (168,122) | 0.07 | 0.06 |
| | (167,897) | (120) | (105) | (168,122) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 79,152 | (55) | (123) | 78,974 | 0.07 | 0.16 |
| | 79,152 | (55) | (123) | 78,974 | | |
| Total | | (175) | (228) | | | |
| Percentage of Fund average net assets | | 0.10% | 0.12% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.13% (31.01.18: 0.15%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 18. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 58,593,041 | 855,746 | (6,240,256) | (426,586) | 52,781,945 |
| A-Class Income Shares | 747,135 | 57,456 | (190,198) | 28,156 | 642,549 |
| B-Class Accumulation Shares | 62,090 | 1,301 | (21,333) | - | 42,058 |
| C-Class Accumulation Shares | 52,991,142 | 22,150,108 | (7,493,644) | 395,379 | 68,042,985 |
| C-Class Income Shares | 6,275,175 | 2,158,275 | (2,173,272) | 6,781 | 6,266,959 |

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.460000 | – | 0.460000 | 0.000000 |
| Group 2 | 0.255673 | 0.204327 | 0.460000 | 0.000000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.230000 | – | 0.230000 | 0.000000 |
| Group 2 | 0.024721 | 0.205279 | 0.230000 | 0.000000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 2.100000 | – | 2.100000 | 0.520000 |
| Group 2 | 2.100000 | 0.000000 | 2.100000 | 0.520000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 2.040000 | – | 2.040000 | 0.850000 |
| Group 2 | 0.539276 | 1.500724 | 2.040000 | 0.850000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.910000 | – | 1.910000 | 0.820000 |
| Group 2 | 0.683785 | 1.226215 | 1.910000 | 0.820000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0.10%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 251 | 0.09% |

## Concentration Data

### Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date:

| Issuer | Collateral Value £'000 |
|---|---|
| French Republic Government | 144 |
| Kingdom of Belgium Government | 59 |
| Republic of Austria Government | 58 |
| United States of America Treasury | 6 |
| Total | 267 |

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

## Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Issuer | Value £'000 |
|---|---|
| Merrill Lynch | 251 |
| Total | 251 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Value £'000 |
|---|---|---|---|
| Bonds | Investment grade | EUR | 261 |
| Bonds | Investment grade | USD | 6 |
| Total | | | 267 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| 1 to 3 months | 35 |
| more than 1 year | 232 |
| Total | 267 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| Merrill Lynch | United States |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

## Safekeeping of collateral

All collateral received (31.01.19: £267,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM Emerging Europe Equity Fund

## Important information

The proposed merger of JPM Emerging Europe Fund into the JPM Emerging Markets Fund was not approved at the Extraordinary General Meeting held on 13 April 2018. The Board will consider what, if any, action will subsequently be taken.

## Investment objective and policy

To provide long-term capital growth by investing primarily in Equity and Equity-Linked Securities of companies in European Emerging Markets countries, including Russia ("Emerging European Countries").

The Fund will invest in companies that are incorporated under the laws of, and have their registered office in Emerging European Countries, or that derive the predominant part of their economic activity from Emerging European Countries, even if listed elsewhere.

The Fund will have exposure to smaller companies.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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 may invest in assets denominated in any currency and non-sterling currency exposure will not normally be hedged 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.

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.

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.

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 may be concentrated in a limited number of securities, industry sectors 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 portfolio underperformed the benchmark in the past 12 months, with both stock selection and country allocation detracting.

The biggest single detractor from returns for the year was our holding in GetBack SA, a debt collection agency, whose shares were suspended on the Warsaw Stock Exchange after the company delayed the release of its 2017 results and missed payments on its debt in the spring, causing us to write-off the investment. This has led to a wholesale restructuring of the company and has rippled through the entire Polish financial sector, leading to several arrests as possible fraud is investigated.

Exposure to Turkish banks was another significant detractor from returns for the year, given the sudden rise in interest rates and collapse in the Turkish lira versus the US dollar.

Exposure to Rusal, a global aluminium producer, also detracted as the US Office of Foreign Assets Control (OFAC) imposed sanctions on main shareholder Oleg Deripaska in April. This led to investors being required to dispose of their holdings in the stock, so as not to breach the OFAC declaration, leading to significant losses for investors.

On the positive side, our macro-based decision to avoid Greece, given the need for substantial debt restructuring, helped relative returns.

Owning Russia energy companies Rosneft and Novatek helped returns, given the general strength in oil prices. Novatek in particular was boosted by the sale of a 10% stake in its Yamal LNG 2 project to Total of France for 2.55 billion US dollars, which was much higher than the market had thought.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Emerging Europe Equity Fund** A-Class Acc | **-7.2%** | **8.8%** | **57.8%** | **-8.4%** | **-20.0%** |
| **JPM Emerging Europe Equity Fund** B-Class Acc | **-7.1%** | **9.1%** | **58.4%** | **-8.4%** | **-19.8%** |
| **JPM Emerging Europe Equity Fund** C-Class Acc | **-6.9%** | **9.3%** | **58.9%** | **-7.7%** | **-19.5%** |
| Benchmark Index | -3.4% | 15.4% | 48.3% | -9.1% | -18.7% |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.
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.

## Fund statistics

| | | | |
|---|---|---|---|
| Risk and Reward Profile | | | 6† (6 at 31 July 2018) |
| Fund size | | | £57.6m |
| Benchmark Index | MSCI Emerging Markets Europe 10/40 Index (Net) | | |
| Fund charges and expenses | A-Class | B-Class | C-Class |
| Initial charge (max.) | Nil | Nil | Nil |
| Exit charge | Nil | Nil | Nil |
| Fund expenses (comprises) | | | |
| Annual management fee | 1.50% | 1.00% | 0.75% |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% |

## Comparative tables

| A-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 220.68 | 202.91 | 128.56 |
| Return before operating charges* | (12.52) | 21.21 | 77.14 |
| Operating charges | (3.26) | (3.44) | (2.79) |
| Return after operating charges* | (15.78) | 17.77 | 74.35 |
| Distributions | (7.35) | (4.20) | (3.81) |
| Retained distributions on accumulation shares | 7.35 | 4.20 | 3.81 |
| Closing net asset value per share | 204.90 | 220.68 | 202.91 |
| * after direct transaction costs of | (0.20) | (0.31) | (0.26) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.15)% | 8.76% | 57.83% |
| **Other information** | | | |
| Closing net asset value (£'000) | 29,329 | 48,636 | 50,551 |
| Closing number of shares | 14,313,939 | 22,038,630 | 24,913,455 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.10% | 0.15% | 0.16% |
| **Prices** | | | |
| Highest share price | 221.3 | 223.2 | 206.0 |
| Lowest share price | 183.5 | 190.9 | 119.4 |

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 48.74 | 45.69 | 29.51 |
| Return before operating charges* | (2.83) | 4.75 | 17.70 |
| Operating charges | (0.72) | (0.77) | (0.64) |
| Return after operating charges* | (3.55) | 3.98 | 17.06 |
| Distributions | (1.56) | (0.93) | (0.88) |
| Closing net asset value per share | 43.63 | 48.74 | 45.69 |
| * after direct transaction costs of | (0.04) | (0.07) | (0.06) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.28)% | 8.71% | 57.81% |
| **Other information** | | | |
| Closing net asset value (£'000) | 398 | 595 | 672 |
| Closing number of shares | 912,855 | 1,219,893 | 1,469,902 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.10% | 0.15% | 0.16% |
| **Prices** | | | |
| Highest share price | 48.88 | 50.23 | 47.29 |
| Lowest share price | 40.53 | 42.97 | 27.42 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 109.91 | 100.74 | 63.57 |
| Return before operating charges* | (6.65) | 10.37 | 38.15 |
| Operating charges | (1.13) | (1.20) | (0.98) |
| Return after operating charges* | (7.78) | 9.17 | 37.17 |
| Distributions | (3.75) | (2.42) | (2.22) |
| Retained distributions on accumulation shares | 3.75 | 2.42 | 2.22 |
| Closing net asset value per share | 102.13 | 109.91 | 100.74 |
| * after direct transaction costs of | (0.10) | (0.15) | (0.13) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.08)% | 9.10% | 58.47% |
| **Other information** | | | |
| Closing net asset value (£'000) | 4,035 | 4,361 | 5,004 |
| Closing number of shares | 3,951,209 | 3,967,881 | 4,967,585 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.10% | 0.15% | 0.16% |
| **Prices** | | | |
| Highest share price | 110.3 | 111.1 | 102.3 |
| Lowest share price | 91.55 | 94.86 | 59.07 |

† 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

## Comparative tables – continued

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 228.89 | 209.39 | 131.70 |
| Return before operating charges* | (13.92) | 21.47 | 79.27 |
| Operating charges | (1.85) | (1.97) | (1.58) |
| Return after operating charges* | (15.77) | 19.50 | 77.69 |
| Distributions | (8.26) | (5.43) | (5.16) |
| Retained distributions on accumulation shares | 8.26 | 5.43 | 5.16 |
| Closing net asset value per share | 213.12 | 228.89 | 209.39 |
| * after direct transaction costs of | (0.21) | (0.32) | (0.27) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.89)% | 9.31% | 58.99% |
| **Other information** | | | |
| Closing net asset value (£'000) | 22,928 | 28,750 | 35,236 |
| Closing number of shares | 10,758,026 | 12,560,683 | 16,827,778 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.10% | 0.15% | 0.16% |
| **Prices** | | | |
| Highest share price | 229.7 | 231.4 | 212.6 |
| Lowest share price | 190.8 | 197.3 | 122.4 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 48.17 | 45.16 | 29.13 |
| Return before operating charges* | (2.92) | 4.62 | 17.48 |
| Operating charges | (0.39) | (0.43) | (0.35) |
| Return after operating charges* | (3.31) | 4.19 | 17.13 |
| Distributions | (1.74) | (1.18) | (1.10) |
| Closing net asset value per share | 43.12 | 48.17 | 45.16 |
| * after direct transaction costs of | (0.04) | (0.07) | (0.06) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.87)% | 9.28% | 58.81% |
| **Other information** | | | |
| Closing net asset value (£'000) | 865 | 1,249 | 947 |
| Closing number of shares | 2,006,560 | 2,594,183 | 2,096,596 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.10% | 0.15% | 0.16% |
| **Prices** | | | |
| Highest share price | 48.33 | 49.90 | 46.96 |
| Lowest share price | 40.17 | 42.53 | 27.07 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 33 and 34, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Geographical breakdown

| | % |
|---|---|
| Russia | 67.46 |
| Poland | 15.63 |
| Hungary | 7.74 |
| Liquidity Funds | 3.77 |
| Czech Republic | 2.30 |
| Georgia | 1.49 |
| Austria | 0.92 |
| Belarus | 0.83 |
| Romania | 0.56 |
| Net other liabilities | (0.70) |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 96.93% (99.24%)** | | | |
| **Austria 0.92% (1.57%)** | | | |
| Erste Group Bank AG | 19,917 | 531 | 0.92 |
| | | **531** | **0.92** |
| **Belarus 0.83% (0.51%)** | | | |
| EPAM Systems, Inc. | 4,440 | 477 | 0.83 |
| | | **477** | **0.83** |
| **Czech Republic 2.30% (1.63%)** | | | |
| Komercni banka A/S | 24,040 | 738 | 1.28 |
| Philip Morris CR A/S | 1,200 | 586 | 1.02 |
| | | **1,324** | **2.30** |
| **Georgia 1.49% (1.76%)** | | | |
| TBC Bank Group plc | 59,000 | 856 | 1.49 |
| | | **856** | **1.49** |
| **Hungary 7.74% (5.70%)** | | | |
| MOL Hungarian Oil & Gas plc | 189,238 | 1,726 | 3.00 |
| OTP Bank plc | 86,669 | 2,731 | 4.74 |
| | | **4,457** | **7.74** |
| **Kazakhstan 0.00% (1.06%)** | | | |
| **Poland 15.63% (14.50%)** | | | |
| Bank Polska Kasa Opieki SA | 29,960 | 674 | 1.17 |
| CD Projekt SA | 52,260 | 2,064 | 3.59 |
| Dino Polska SA | 25,685 | 531 | 0.92 |
| getBACK SA^ | 508,293 | - | - |
| Globe Trade Centre SA | 182,803 | 348 | 0.61 |
| Powszechna Kasa Oszczednosci Bank Polski SA | 199,770 | 1,601 | 2.78 |
| Powszechny Zaklad Ubezpieczen SA | 283,500 | 2,582 | 4.49 |
| Santander Bank Polska SA | 15,930 | 1,193 | 2.07 |
| | | **8,993** | **15.63** |
| **Romania 0.56% (2.43%)** | | | |
| Sphera Franchise Group SA | 87,205 | 322 | 0.56 |
| | | **322** | **0.56** |
| **Russia 67.46% (54.31%)** | | | |
| Alrosa PJSC | 1,226,344 | 1,404 | 2.44 |
| Detsky Mir PJSC | 264,720 | 281 | 0.49 |
| Etalon Group plc, GDR | 158,980 | 248 | 0.43 |
| Gazprom PJSC, ADR | 1,284,138 | 4,860 | 8.44 |
| Inter RAO UES PJSC | 3,682,574 | 165 | 0.29 |
| JPMorgan Russian Securities plc[Ø] | 233,978 | 1,249 | 2.17 |
| LSR Group PJSC, GDR | 254,123 | 383 | 0.67 |
| LUKOIL PJSC, ADR | 89,828 | 5,513 | 9.58 |
| Magnitogorsk Iron & Steel Works PJSC | 903,110 | 462 | 0.80 |
| MMC Norilsk Nickel PJSC, ADR | 202,121 | 3,216 | 5.59 |
| Moscow Exchange MICEX-RTS PJSC | 654,060 | 712 | 1.24 |
| Novatek PJSC, GDR | 28,895 | 4,111 | 7.14 |
| Novolipetsk Steel PJSC, GDR | 32,206 | 573 | 1.00 |
| Polyus PJSC, GDR | 42,058 | 1,355 | 2.35 |
| QIWI plc, ADR | 38,470 | 460 | 0.80 |
| Ros Agro plc, GDR | 29,048 | 273 | 0.47 |
| Rosneft Oil Co. PJSC, GDR | 535,360 | 2,579 | 4.48 |
| Sberbank of Russia PJSC, ADR | 488,100 | 5,052 | 8.78 |
| Severstal PJSC, GDR | 41,920 | 486 | 0.84 |
| Sollers PJSC | 43,422 | 211 | 0.37 |
| Surgutneftegas PJSC Preference | 1,409,805 | 668 | 1.16 |
| Tatneft PJSC, ADR | 48,182 | 2,724 | 4.73 |
| TCS Group Holding plc, GDR | 63,478 | 930 | 1.62 |
| Yandex NV 'A' | 35,390 | 910 | 1.58 |
| | | **38,825** | **67.46** |
| **Turkey 0.00% (15.77%)** | | | |
| **Equities total** | | **55,785** | **96.93** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Liquidity Funds 3.77% (0.16%)** | | | |
| JPM GBP Liquidity LVNAV Fund X (dist.)[Ø] | 2,172,054 | 2,172 | 3.77 |
| **Liquidity Funds total** | | **2,172** | **3.77** |
| Investment assets | | 57,957 | 100.70 |
| Net other liabilities | | (402) | (0.70) |
| **Net assets** | | **57,555** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

^ Unlisted, suspended or delisted security.

[Ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (9,044) | | 4,876 |
| Revenue (Note 3) | 3,311 | | 3,425 | |
| Expenses (Note 4) | (807) | | (1,144) | |
| Net revenue before taxation | 2,504 | | 2,281 | |
| Taxation (Note 5) | (217) | | (354) | |
| Net revenue after taxation | | 2,287 | | 1,927 |
| **Total return before distributions** | | **(6,757)** | | **6,803** |
| Distributions (Note 6) | | (2,288) | | (1,932) |
| **Change in net assets attributable to shareholders from investment activities** | | **(9,045)** | | **4,871** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **83,591** | | **92,410** |
| Amounts receivable on issue of shares | 1,326 | | 9,016 | |
| Amounts payable on cancellation of shares | (20,422) | | (24,457) | |
| | | (19,096) | | (15,441) |
| Dilution adjustment | | 16 | | 47 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (9,045) | | 4,871 |
| Retained distributions on accumulation shares | | 2,089 | | 1,704 |
| **Closing net assets attributable to shareholders** | | **57,555** | | **83,591** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 57,957 | 83,086 |
| **Current assets:** | | |
| Debtors (Note 8) | 304 | 499 |
| Cash and bank balances (Note 9) | 183 | 223 |
| **Total assets** | **58,444** | **83,808** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | (49) | (42) |
| Other creditors (Note 10) | (840) | (175) |
| **Total liabilities** | **(889)** | **(217)** |
| **Net assets attributable to shareholders** | **57,555** | **83,591** |

The notes to these financial statements are shown on pages 31 to 34.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Emerging Europe Equity Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Capital management fee rebates | 12 | 16 |
| Currency gains | 193 | 10 |
| Non-derivative securities | (9,249) | 4,850 |
| Net capital (losses)/gains | (9,044) | 4,876 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 132 | 127 |
| Income from Liquidity Funds | 4 | 2 |
| Income from overseas equity investments | 3,171 | 3,291 |
| Interest on bank and term deposits | 1 | 1 |
| Management fee rebates | 3 | 4 |
| Total revenue | 3,311 | 3,425 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 715 | 995 |
| Operating expenses | 92 | 149 |
| Total expenses | 807 | 1,144 |

The fees paid to the auditor for the year ended 31 January 2019 are £5,863 (31.01.18: £5,863), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 217 | 354 |
| Current year tax charge (Note 5b) | 217 | 354 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 2,504 | 2,281 |
| Corporation tax at 20% | 501 | 456 |
| Effects of: | | |
| Dividends not subject to corporation tax | (567) | (256) |
| Excess expenses for which no relief taken | 90 | (159) |
| Overseas tax expensed | (7) | (44) |
| Overseas tax suffered | 217 | 354 |
| Revenue taxable in different periods | (19) | - |
| Taxable income not reflected in net income | 2 | 3 |
| | (284) | (102) |
| Current year tax charge (Note 5a) | 217 | 354 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £233,603 (31.01.18: £143,198) in relation to £1,168,014 (31.01.18: £715,992) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 2,138 | 1,746 |
| Add: Amounts payable on cancellation of shares | 174 | 271 |
| Deduct: Amounts receivable on issue of shares | (24) | (85) |
| Distributions for the year | 2,288 | 1,932 |

Details of the distribution per share are set out on page 35.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 2,287 | 1,927 |
| Add: RDR transfer equalisation (capital) | - | 2 |
| Add: Tax on Capital management fee rebates | 1 | 1 |
| Add: Undistributed revenue brought forward | 2 | 4 |
| Deduct: Undistributed revenue carried forward | (2) | (2) |
| | 2,288 | 1,932 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 83 | - |
| Due from the ACD for shares issued | 8 | 50 |
| Expense rebate recoverable | 1 | 2 |
| Overseas tax recoverable | 121 | 69 |
| Sales awaiting settlement | 91 | 378 |
| Total debtors | 304 | 499 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 183 | 223 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 62 | 98 |
| Due to the ACD for shares cancelled | 71 | 77 |
| Purchases awaiting settlement | 707 | - |
| Total other creditors | 840 | 175 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

# Notes to the financial statements – continued

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £125,119 (31.01.18: £124,981). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on page 29 and the revenue from these investments was £70,363 (31.01.18: £82,084).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £17,146 (31.01.18: £19,457). Commission was paid to the associated company JPMorgan Securities Ltd.

The following party held a material interest in the Fund at the year end date:
- FIL Nominee (Shareholdings) Limited 12.30% (31.01.18: 10.24%)

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current year or prior year.

## 14. Financial instruments

### Currency exposures

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | Net foreign currency assets | | |
|---|---|---|---|
| Currency | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | |
| US Dollar | 37,962 | (91) | 38,053 |
| Polish Zloty | 9,097 | 104 | 8,993 |
| Hungarian Forint | 4,182 | (275) | 4,457 |
| Czech Koruna | 1,340 | 16 | 1,324 |
| Euro | 389 | (142) | 531 |
| Romanian Leu | 322 | - | 322 |
| **31.01.18** | | | |
| US Dollar | 42,850 | 295 | 42,555 |
| Turkish Lira | 13,283 | 98 | 13,185 |
| Polish Zloty | 12,192 | 69 | 12,123 |
| Hungarian Forint | 4,333 | - | 4,333 |
| Romanian Leu | 2,032 | - | 2,032 |
| Czech Koruna | 1,365 | - | 1,365 |
| Euro | 1,309 | - | 1,309 |
| Hong Kong Dollar | 677 | - | 677 |

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £5,329,000 (31.01.18: £7,804,000).

### Interest rate risk

At the year end date, 4.09% (31.01.18: 0.42%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

### Market price risk

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £5,796,000 (31.01.18: £8,309,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 27 and 28. All classes have the same rights on winding up.

## 16. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 55,785 | - | 82,956 | - |
| Level 2: Observable market data | 2,172 | - | 130 | - |
| Level 3: Unobservable data | - | - | - | - |
| Total | 57,957 | - | 83,086 | - |

## 17. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (22,385) | (20) | - | (22,405) | 0.09 | 0.00 |
| Purchases of Funds | (14,606) | - | - | (14,606) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | (146) | - | - | (146) | 0.00 | 0.00 |
| | (37,137) | (20) | - | (37,157) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 40,496 | (39) | - | 40,457 | 0.10 | 0.00 |
| Sales of Funds | 12,564 | - | - | 12,564 | 0.00 | 0.00 |
| | 53,060 | (39) | - | 53,021 | | |
| Total | | (59) | - | | | |
| Percentage of Fund average net assets | | 0.10% | 0.00% | | | |

* Excluding in specie and corporate action activity.

## 17. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (37,646) | (51) | (6) | (37,703) | 0.14 | 0.02 |
| Purchases of Funds | (16,819) | - | - | (16,819) | 0.00 | 0.00 |
| | (54,465) | (51) | (6) | (54,522) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 51,925 | (65) | - | 51,860 | 0.13 | 0.00 |
| Sales of Funds | 16,749 | - | - | 16,749 | 0.00 | 0.00 |
| | 68,674 | (65) | - | 68,609 | | |
| Total | | (116) | (6) | | | |
| Percentage of Fund average net assets | | 0.14% | 0.01% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.11% (31.01.18: 0.16%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 18. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 22,038,630 | 253,488 | (7,964,033) | (14,146) | 14,313,939 |
| A-Class Income Shares | 1,219,893 | 91,515 | (276,303) | (122,250) | 912,855 |
| B-Class Accumulation Shares | 3,967,881 | 258 | (16,930) | - | 3,951,209 |
| C-Class Accumulation Shares | 12,560,683 | 351,241 | (2,193,514) | 39,616 | 10,758,026 |
| C-Class Income Shares | 2,594,183 | 334,717 | (922,340) | - | 2,006,560 |

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 7.350000 | – | 7.350000 | 4.200000 |
| Group 2 | 4.497959 | 2.852041 | 7.350000 | 4.200000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 1.560000 | – | 1.560000 | 0.930000 |
| Group 2 | 1.483515 | 0.076485 | 1.560000 | 0.930000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 3.750000 | – | 3.750000 | 2.420000 |
| Group 2 | 1.892828 | 1.857172 | 3.750000 | 2.420000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 8.260000 | – | 8.260000 | 5.430000 |
| Group 2 | 5.058713 | 3.201287 | 8.260000 | 5.430000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.740000 | – | 1.740000 | 1.180000 |
| Group 2 | 1.171101 | 0.568899 | 1.740000 | 1.180000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# JPM Emerging Markets Fund

## Important information

The merger of JPM Emerging Europe Fund into the JPM Emerging Markets Fund was not approved at the Extraordinary General Meeting held on 13 April 2018. The Board will consider what, if any, action will subsequently be taken.

## Investment objective and policy

To provide long term capital growth by investing primarily in Equity and Equity-Linked Securities of Emerging Markets companies.

Emerging Markets companies are companies that are incorporated under the laws of, and have their registered office in, an Emerging Market country, or that derive the predominant part of their economic activity from Emerging Market countries, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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 may invest in China A-Shares via the China-Hong Kong Stock Connect Programmes.

The Fund may invest in assets denominated in any currency and non-sterling currency exposure will not normally be hedged back to sterling.

The Fund seeks to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund.

## 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.

The Fund may invest in China A-Shares through the China-Hong Kong Connect Programmes which is subject to regulatory change, quote limitations and also operational constraints which may result in increased counterparty risk.

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 portfolio outperformed the benchmark (on a gross of fees basis) in the past 12 months, with stock selection detracting from returns whilst country allocation contributed.

Stock selection in financials aided performance, specifically driven by exposure in Asia. Pan-Asian insurer AIA Group was the leading contributor in the period, reporting strong first-quarter results. Additionally, exposures to HDFC, Housing Development Finance Corp and Kotak Mahindra Bank were among the top contributors.

India was the leading contributor to performance in the past year, driven by stock selection and overweight exposure to the market. In addition to financial services, IT services broadly outperformed, aided by a weakening currency. As a result, our overweight in Tata Consultancy contributed to returns.

Stock selection in Brazil hindered performance. Our position in educational services provider Kroton has underperformed this year after it reported lower-than-expected revenues and a 4% decline in student enrolment due to higher dropout and graduation rates than initially expected. Additionally, drugstore operator Raia Drogasil detracted as the company faced weaker-than-expected retail trends due to a less favourable macro environment and tougher competition.

In China, security selection and overweight exposure hindered performance in the past 12 months, with our positions in Hangzhou Robam and Midea Group – both Chinese appliance manufacturers – the most notable detractors. Additionally, slowing industrial activity weighted on Han's Laser, the largest industrial laser equipment maker in China, which reported third-quarter results that were in-line with market expectations but included lower guidance.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Emerging Markets Fund** A-Class Acc | **-8.8%** | **28.4%** | **44.9%** | **-19.1%** | **20.4%** |
| **JPM Emerging Markets Fund** B-Class Acc | **-8.4%** | **29.0%** | **45.7%** | **-18.7%** | **21.0%** |
| **JPM Emerging Markets Fund** C-Class Acc[A] | **-8.2%** | **29.3%** | **46.0%** | **-18.6%** | **21.3%** |
| **JPM Emerging Markets Fund** X-Class Acc[B] | **10.0%** | – | – | – | – |
| Benchmark Index | -7.3% | 24.8% | 41.4% | -16.3% | 15.1% |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

[A] I-Class Shares were renamed as C-Class Shares at close of business 1 March 2018.

[B] X-Class Accumulation shares were launched on 1 November 2018.

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.

## Fund statistics

| | | | | |
|---|---|---|---|---|
| Risk and Reward Profile | | | | 6[†] (6 at 31 July 2018) |
| Fund size | | | | £1,215.1m |
| Benchmark Index | | | | MSCI Emerging Markets Index (Net) |
| Fund charges and expenses | A-Class | B-Class | C-Class | X-Class |
| Initial charge (max.) | Nil | Nil | Nil | Nil |
| Exit charge | Nil | Nil | Nil | Nil |
| Fund expenses (comprises) | | | | |
| Annual management fee | 1.50% | 1.00% | 0.75% | –[c] |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% | 0.06% |

## Comparative tables

| A-Class Accumulation Shares | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 239.73 | 186.70 | 128.75 |
| Return before operating charges* | (17.69) | 56.65 | 60.70 |
| Operating charges | (3.45) | (3.62) | (2.75) |
| Return after operating charges* | (21.14) | 53.03 | 57.95 |
| Distributions | (0.51) | - | (0.37) |
| Retained distributions on accumulation shares | 0.51 | - | 0.37 |
| Closing net asset value per share | 218.59 | 239.73 | 186.70 |
| * after direct transaction costs of | (0.09) | (0.17) | (0.15) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.82)% | 28.40% | 45.01% |
| **Other information** | | | |
| Closing net asset value (£'000) | 433,225 | 525,460 | 425,870 |
| Closing number of shares | 198,187,747 | 219,189,388 | 228,100,623 |
| % Operating charges | 1.58% | 1.68% | 1.68% |
| % Direct transaction costs | 0.04% | 0.08% | 0.09% |
| **Prices** | | | |
| Highest share price | 239.0 | 242.6 | 194.5 |
| Lowest share price | 194.0 | 184.3 | 122.4 |

| A-Class Income Shares | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 102.12 | 79.53 | 54.95 |
| Return before operating charges* | (7.54) | 24.14 | 25.92 |
| Operating charges | (1.53) | (1.55) | (1.18) |
| Return after operating charges* | (9.07) | 22.59 | 24.74 |
| Distributions | (0.15) | - | (0.16) |
| Closing net asset value per share | 92.90 | 102.12 | 79.53 |
| * after direct transaction costs of | (0.04) | (0.07) | (0.06) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.88)% | 28.40% | 45.02% |
| **Other information** | | | |
| Closing net asset value (£'000) | 12,392 | 13,810 | 9,655 |
| Closing number of shares | 13,340,066 | 13,523,330 | 12,140,010 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.04% | 0.08% | 0.09% |
| **Prices** | | | |
| Highest share price | 101.8 | 103.3 | 83.02 |
| Lowest share price | 82.60 | 78.50 | 52.24 |

| B-Class Accumulation Shares | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 328.70 | 254.72 | 174.76 |
| Return before operating charges* | (24.25) | 77.47 | 82.60 |
| Operating charges | (3.27) | (3.49) | (2.64) |
| Return after operating charges* | (27.52) | 73.98 | 79.96 |
| Distributions | (2.17) | (1.40) | (1.62) |
| Retained distributions on accumulation shares | 2.17 | 1.40 | 1.62 |
| Closing net asset value per share | 301.18 | 328.70 | 254.72 |
| * after direct transaction costs of | (0.12) | (0.24) | (0.20) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.37)% | 29.04% | 45.75% |
| **Other information** | | | |
| Closing net asset value (£'000) | 428,119 | 496,262 | 321,106 |
| Closing number of shares | 142,145,175 | 150,977,328 | 126,062,130 |
| % Operating charges | 1.09% | 1.18% | 1.18% |
| % Direct transaction costs | 0.04% | 0.08% | 0.09% |
| **Prices** | | | |
| Highest share price | 327.6 | 332.6 | 265.0 |
| Lowest share price | 266.9 | 251.4 | 166.2 |

[†] 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

[c] The Ongoing charge will vary in accordance to the annual management fee agreed between the ACD and the relevant JPMorgan Chase & Co. entity.

## Comparative tables – continued

| B-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 145.08 | 112.92 | 77.97 |
| Return before operating charges* | (10.70) | 34.33 | 36.84 |
| Operating charges | (1.53) | (1.55) | (1.17) |
| Return after operating charges* | (12.23) | 32.78 | 35.67 |
| Distributions | (0.88) | (0.62) | (0.72) |
| Closing net asset value per share | 131.97 | 145.08 | 112.92 |
| * after direct transaction costs of | (0.05) | (0.10) | (0.09) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.43)% | 29.03% | 45.75% |
| **Other information** | | | |
| Closing net asset value (£'000) | 39,919 | 54,253 | 38,960 |
| Closing number of shares | 30,247,643 | 37,393,855 | 34,502,469 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.04% | 0.08% | 0.09% |
| **Prices** | | | |
| Highest share price | 144.6 | 147.5 | 118.2 |
| Lowest share price | 117.8 | 111.4 | 74.13 |

| C-Class Income Shares‡‡ | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 153.12 | 119.16 | 82.25 |
| Return before operating charges* | (11.31) | 36.25 | 38.91 |
| Operating charges | (1.27) | (1.39) | (1.05) |
| Return after operating charges* | (12.58) | 34.86 | 37.86 |
| Distributions | (1.26) | (0.90) | (0.95) |
| Closing net asset value per share | 139.28 | 153.12 | 119.16 |
| * after direct transaction costs of | (0.06) | (0.11) | (0.09) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.22)% | 29.25% | 46.03% |
| **Other information** | | | |
| Closing net asset value (£'000) | 18,801 | 17,505 | 8,419 |
| Closing number of shares | 13,499,227 | 11,431,832 | 7,065,486 |
| % Operating charges | 0.90% | 1.00% | 1.00% |
| % Direct transaction costs | 0.04% | 0.08% | 0.09% |
| **Prices** | | | |
| Highest share price | 152.6 | 155.9 | 124.9 |
| Lowest share price | 124.5 | 117.6 | 78.22 |

| C-Class Accumulation Shares‡‡ | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 943.13 | 729.54 | 499.62 |
| Return before operating charges* | (69.47) | 221.78 | 236.27 |
| Operating charges | (7.76) | (8.19) | (6.35) |
| Return after operating charges* | (77.23) | 213.59 | 229.92 |
| Distributions | (7.98) | (5.55) | (5.77) |
| Retained distributions on accumulation shares | 7.98 | 5.55 | 5.77 |
| Closing net asset value per share | 865.90 | 943.13 | 729.54 |
| * after direct transaction costs of | (0.34) | (0.66) | (0.57) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.19)% | 29.28% | 46.02% |
| **Other information** | | | |
| Closing net asset value (£'000) | 173,288 | 110,094 | 362,754 |
| Closing number of shares | 20,012,470 | 11,673,171 | 49,723,780 |
| % Operating charges | 0.90% | 1.00% | 1.00% |
| % Direct transaction costs | 0.04% | 0.08% | 0.09% |
| **Prices** | | | |
| Highest share price | 940.1 | 954.4 | 758.6 |
| Lowest share price | 766.9 | 720.1 | 475.1 |

| X-Class Accumulation Shares‡‡‡ | 2019‡ pps |
|---|---|
| **Change in net asset value per share** | |
| Opening net asset value per share | 199.70 |
| Return before operating charges* | 19.79 |
| Operating charges | (0.03) |
| Return after operating charges* | 19.76 |
| Distributions | (0.29) |
| Retained distributions on accumulation shares | 0.29 |
| Closing net asset value per share | 219.46 |
| * after direct transaction costs of | (0.08) |
| **Performance** | |
| % Return after operating charges^^ | 9.89% |
| **Other information** | |
| Closing net asset value (£'000) | 35,543 |
| Closing number of shares | 16,195,337 |
| % Operating charges | 0.06% |
| % Direct transaction costs | 0.04% |
| **Prices** | |
| Highest share price | 219.6 |
| Lowest share price | 199.7 |

## Comparative tables – continued

| X-Class Income Shares | 2019‡ pps | 2018 pps | 2017‡‡‡‡ pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 111.68 | 100.00 | 89.30 |
| Return before operating charges* | (8.27) | 12.27 | (89.26) |
| Operating charges | (0.06) | (0.04) | (0.04) |
| Return after operating charges* | (8.33) | 12.23 | (89.30) |
| Distributions | (1.75) | (0.55) | - |
| Closing net asset value per share | 101.60 | 111.68 | - |
| * after direct transaction costs of | (0.04) | (0.09) | - |
| **Performance** | | | |
| % Return after operating charges^^ | (7.46)% | 12.23% | - |
| **Other information** | | | |
| Closing net asset value (£'000) | 73,790 | 104,853 | - |
| Closing number of shares | 72,630,929 | 93,886,827 | - |
| % Operating charges | 0.06% | 0.06% | - |
| % Direct transaction costs | 0.04% | 0.08% | - |
| **Prices** | | | |
| Highest share price | 111.3 | 113.6 | 129.3 |
| Lowest share price | 91.31 | 99.79 | 84.96 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 45 and 46, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 31 January 2019.
‡‡ I-Class Shares were renamed as C-Class Shares at close of business 1 March 2018.
‡‡‡ X-Class Accumulation shares were launched on 1 November 2018.
‡‡‡‡ X-Class Income Shares were closed on 18 September 2016 and re-launched on 14 July 2017. The Opening net asset value per share given is equal to the launch price of the shares.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Geographical breakdown %

| | |
|---|---|
| China | 29.62 |
| India | 16.92 |
| Brazil | 8.99 |
| Hong Kong | 7.03 |
| Taiwan | 6.55 |
| South Korea | 5.86 |
| South Africa | 5.79 |
| Mexico | 3.13 |
| Russia | 3.10 |
| Indonesia | 2.81 |
| Argentina | 2.21 |
| Belarus | 1.31 |
| Peru | 1.13 |
| Liquidity Funds | 0.97 |
| Panama | 0.87 |
| Egypt | 0.84 |
| Portugal | 0.79 |
| Hungary | 0.71 |
| Papua New Guinea | 0.48 |
| Spain | 0.41 |
| Saudi Arabia | 0.40 |
| Net other assets | 0.08 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 98.95% (97.93%)** | | | |
| **Argentina 2.21% (1.86%)** | | | |
| MercadoLibre, Inc. | 97,597 | 26,909 | 2.21 |
| | | **26,909** | **2.21** |
| **Belarus 1.31% (0.83%)** | | | |
| EPAM Systems, Inc. | 147,802 | 15,883 | 1.31 |
| | | **15,883** | **1.31** |
| **Brazil 8.99% (8.73%)** | | | |
| Ambev SA, ADR | 2,340,600 | 8,574 | 0.71 |
| B3 SA - Brasil Bolsa Balcao | 3,579,960 | 23,467 | 1.93 |
| Itau Unibanco Holding SA Preference | 2,349,099 | 18,664 | 1.54 |
| Itau Unibanco Holding SA, ADR Preference | 653,931 | 5,135 | 0.42 |
| Kroton Educacional SA | 5,906,498 | 14,625 | 1.20 |
| Lojas Renner SA | 2,108,951 | 19,855 | 1.63 |
| Raia Drogasil SA | 492,640 | 6,397 | 0.53 |
| Ultrapar Participacoes SA | 745,354 | 8,791 | 0.72 |
| Ultrapar Participacoes SA, ADR | 12,526 | 146 | 0.01 |
| WEG SA | 883,344 | 3,576 | 0.30 |
| | | **109,230** | **8.99** |
| **China 29.62% (30.32%)** | | | |
| Alibaba Group Holding Ltd., ADR | 512,815 | 65,139 | 5.36 |
| Baidu, Inc., ADR | 104,900 | 13,529 | 1.11 |
| Fuyao Glass Industry Group Co. Ltd. | 4,291,800 | 11,322 | 0.93 |
| Hangzhou Robam Appliances Co. Ltd. 'A' | 4,918,371 | 13,599 | 1.12 |
| Han's Laser Technology Industry Group Co. Ltd. 'A' | 2,895,356 | 10,364 | 0.85 |
| Huazhu Group Ltd., ADR | 359,413 | 8,302 | 0.68 |
| Inner Mongolia Yili Industrial Group Co. Ltd. 'A' | 5,116,862 | 14,032 | 1.16 |
| JD.com, Inc., ADR | 545,391 | 10,231 | 0.84 |
| Kweichow Moutai Co. Ltd. 'A' | 146,700 | 11,478 | 0.95 |
| Meituan Dianping 'B' | 1,003,300 | 5,186 | 0.43 |
| Midea Group Co. Ltd. 'A' | 3,085,994 | 15,238 | 1.25 |
| New Oriental Education & Technology Group, Inc., ADR | 289,955 | 16,675 | 1.37 |
| Ping An Insurance Group Co. of China Ltd. 'H' | 6,984,500 | 51,460 | 4.24 |
| Sands China Ltd. | 3,925,600 | 14,195 | 1.17 |
| Shenzhou International Group Holdings Ltd. | 1,497,000 | 13,405 | 1.10 |
| Tencent Holdings Ltd. | 2,183,000 | 73,277 | 6.03 |
| Tencent Music Entertainment Group, ADR | 559 | 6 | - |
| Yum China Holdings, Inc. | 458,363 | 12,529 | 1.03 |
| | | **359,967** | **29.62** |
| **Egypt 0.84% (0.46%)** | | | |
| Commercial International Bank Egypt SAE, GDR | 2,761,092 | 10,178 | 0.84 |
| | | **10,178** | **0.84** |
| **Hong Kong 7.03% (5.24%)** | | | |
| AIA Group Ltd. | 9,787,200 | 66,931 | 5.51 |
| Jardine Matheson Holdings Ltd. | 129,055 | 6,568 | 0.54 |
| Techtronic Industries Co. Ltd. | 2,715,000 | 11,965 | 0.98 |
| | | **85,464** | **7.03** |
| **Hungary 0.71% (0.00%)** | | | |
| OTP Bank Nyrt | 274,290 | 8,644 | 0.71 |
| | | **8,644** | **0.71** |
| **India 16.92% (18.25%)** | | | |
| Asian Paints Ltd. | 641,329 | 9,661 | 0.80 |
| HDFC Bank Ltd. | 750,185 | 16,649 | 1.37 |
| HDFC Bank Ltd., ADR | 492,019 | 35,865 | 2.95 |
| HDFC Standard Life Insurance Co. Ltd. | 3,422,810 | 13,623 | 1.12 |
| Housing Development Finance Corp. Ltd. | 2,807,969 | 57,677 | 4.75 |
| IndusInd Bank Ltd. | 890,037 | 14,320 | 1.18 |
| ITC Ltd. | 3,764,538 | 11,215 | 0.92 |
| Kotak Mahindra Bank Ltd. | 1,104,251 | 14,844 | 1.22 |
| Tata Consultancy Services Ltd. | 1,016,208 | 21,811 | 1.79 |
| UltraTech Cement Ltd. | 263,857 | 9,944 | 0.82 |
| | | **205,609** | **16.92** |
| **Indonesia 2.81% (2.51%)** | | | |
| Astra International Tbk. PT | 15,202,022 | 6,981 | 0.58 |
| Bank Central Asia Tbk. PT | 10,676,500 | 16,382 | 1.35 |
| Bank Rakyat Indonesia Persero Tbk. PT | 51,159,250 | 10,736 | 0.88 |
| | | **34,099** | **2.81** |
| **Mexico 3.13% (2.88%)** | | | |
| Fomento Economico Mexicano SAB de CV, ADR | 190,350 | 13,093 | 1.08 |
| Grupo Financiero Banorte SAB de CV 'O' | 4,437,958 | 18,946 | 1.56 |
| Infraestructura Energetica Nova SAB de CV | 2,013,172 | 5,977 | 0.49 |
| | | **38,016** | **3.13** |
| **Panama 0.87% (1.05%)** | | | |
| Copa Holdings SA 'A' | 146,731 | 10,545 | 0.87 |
| | | **10,545** | **0.87** |
| **Papua New Guinea 0.48% (0.64%)** | | | |
| Oil Search Ltd. | 1,334,210 | 5,775 | 0.48 |
| | | **5,775** | **0.48** |
| **Peru 1.13% (1.19%)** | | | |
| Credicorp Ltd. | 76,494 | 13,768 | 1.13 |
| | | **13,768** | **1.13** |
| **Portugal 0.79% (0.00%)** | | | |
| Jeronimo Martins SGPS SA | 878,540 | 9,650 | 0.79 |
| | | **9,650** | **0.79** |
| **Russia 3.10% (4.19%)** | | | |
| Sberbank of Russia PJSC | 12,926,549 | 32,801 | 2.70 |
| Sberbank of Russia PJSC, ADR | 474,738 | 4,913 | 0.40 |
| | | **37,714** | **3.10** |
| **Saudi Arabia 0.40% (0.41%)** | | | |
| Almarai Co. JSC | 437,451 | 4,823 | 0.40 |
| | | **4,823** | **0.40** |
| **South Africa 5.79% (6.53%)** | | | |
| Bid Corp. Ltd. | 1,469,410 | 24,366 | 2.01 |
| Bidvest Group Ltd. (The) | 182,974 | 2,157 | 0.18 |
| Capitec Bank Holdings Ltd. | 164,271 | 11,055 | 0.91 |
| FirstRand Ltd. | 1,616,671 | 6,461 | 0.53 |
| Mr Price Group Ltd. | 514,448 | 6,745 | 0.55 |
| Sanlam Ltd. | 4,020,777 | 19,547 | 1.61 |
| | | **70,331** | **5.79** |
| **South Korea 5.86% (5.37%)** | | | |
| NAVER Corp. | 95,200 | 8,866 | 0.73 |
| NCSoft Corp. | 31,700 | 10,170 | 0.84 |
| Samsung Electronics Co. Ltd. | 1,652,185 | 52,211 | 4.29 |
| | | **71,247** | **5.86** |
| **Spain 0.41% (0.54%)** | | | |
| Prosegur Cia de Seguridad SA | 1,210,207 | 4,932 | 0.41 |
| | | **4,932** | **0.41** |
| **Taiwan 6.55% (6.36%)** | | | |
| Largan Precision Co. Ltd. | 116,000 | 10,882 | 0.90 |
| President Chain Store Corp. | 1,856,000 | 14,831 | 1.22 |
| Taiwan Semiconductor Manufacturing Co. Ltd., ADR | 1,890,458 | 53,834 | 4.43 |
| | | **79,547** | **6.55** |
| **Thailand 0.00% (0.57%)** | | | |
| **Equities total** | | **1,202,331** | **98.95** |
| **Liquidity Funds 0.97% (1.91%)** | | | |
| JPM GBP Liquidity LVNAV Fund X (dist.)[ø] | 11,831,288 | 11,831 | 0.97 |
| **Liquidity Funds total** | | **11,831** | **0.97** |
| Investment assets | | 1,214,162 | 99.92 |
| Net other assets | | 915 | 0.08 |
| **Net assets** | | **1,215,077** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

[ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (120,400) | | 313,462 |
| Revenue (Note 3) | 24,544 | | 23,180 | |
| Expenses (Note 4) | (14,483) | | (16,373) | |
| Net revenue before taxation | 10,061 | | 6,807 | |
| Taxation (Note 5) | (2,493) | | (1,688) | |
| Net revenue after taxation | | 7,568 | | 5,119 |
| **Total return before distributions** | | **(112,832)** | | **318,581** |
| Distributions (Note 6) | | (7,732) | | (5,247) |
| **Change in net assets attributable to shareholders from investment activities** | | **(120,564)** | | **313,334** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 1,214,162 | 1,320,127 |
| **Current assets:** | | |
| Debtors (Note 8) | 3,492 | 2,669 |
| Cash and bank balances (Note 9) | 664 | 2,612 |
| **Total assets** | **1,218,318** | **1,325,408** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | (1,728) | (851) |
| Other creditors (Note 10) | (1,513) | (2,320) |
| **Total liabilities** | **(3,241)** | **(3,171)** |
| **Net assets attributable to shareholders** | **1,215,077** | **1,322,237** |

The notes to these financial statements are shown on pages 42 to 46.

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **1,322,237** | | **1,166,764** |
| Amounts receivable on issue of shares | 110,369 | | 230,147 | |
| Amounts payable on cancellation of shares | (102,706) | | (391,081) | |
| | | 7,663 | | (160,934) |
| Dilution adjustment | | 2 | | 311 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (120,564) | | 313,334 |
| Retained distributions on accumulation shares | | 5,739 | | 2,762 |
| **Closing net assets attributable to shareholders** | | **1,215,077** | | **1,322,237** |

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Emerging Markets Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency losses | (160) | (1,784) |
| Forward currency contracts | (7) | - |
| Non-derivative securities | (120,233) | 315,246 |
| Net capital (losses)/gains | (120,400) | 313,462 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Income from Liquidity Funds | 64 | 54 |
| Income from overseas equity investments | 22,802 | 21,637 |
| Interest on bank and term deposits | 1 | 4 |
| Interest on capital | 1,666 | 1,481 |
| Stock dividends | - | 4 |
| Stock lending income | 11 | - |
| Total revenue | 24,544 | 23,180 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 13,349 | 14,656 |
| Operating expenses | 1,132 | 1,716 |
| Stock lending fees | 2 | - |
| | 14,483 | 16,372 |
| Interest payable | - | 1 |
| Total expenses | 14,483 | 16,373 |

The fees paid to the auditor for the year ending 31 January 2019 are £4,675 (31.01.18: £4,675), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 2,265 | 1,688 |
| Indian capital gains tax | 228 | - |
| Current year tax charge (Note 5b) | 2,493 | 1,688 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is greater than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 10,061 | 6,807 |
| Corporation tax at 20% | 2,012 | 1,361 |
| Effects of: | | |
| Dividends not subject to corporation tax | (4,064) | (3,899) |
| Excess expenses for which no relief taken | 2,145 | 2,602 |
| Indian capital gains tax | 228 | - |
| Overseas tax expensed | (93) | (64) |
| Overseas tax suffered | 2,265 | 1,688 |
| | 481 | 327 |
| Current year tax charge (Note 5a) | 2,493 | 1,688 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £21,621,822 (31.01.18: £19,476,874) in relation to £108,109,108 (31.01.18: £97,384,368) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 7,467 | 3,613 |
| Add: Amounts payable on cancellation of shares | 713 | 2,254 |
| Deduct: Amounts receivable on issue of shares | (448) | (620) |
| Distributions for the year | 7,732 | 5,247 |

Details of the distribution per share are set out on page 47.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 7,568 | 5,119 |
| Add: Deficit taken to capital | - | 110 |
| Add: RDR transfer equalisation (capital) | - | 22 |
| Add: Undistributed revenue brought forward | 12 | 8 |
| Indian capital gains tax | 228 | - |
| Deduct: RDR transfer equalisation (capital) | (54) | - |
| Deduct: Undistributed revenue carried forward | (22) | (12) |
| | 7,732 | 5,247 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 1,180 | 630 |
| Due from the ACD for shares issued | 1,294 | 2,016 |
| Overseas tax recoverable | 3 | 23 |
| Sales awaiting settlement | 1,015 | - |
| Total debtors | 3,492 | 2,669 |

# Notes to the financial statements – continued

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 664 | 2,612 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 1,193 | 1,420 |
| Due to the ACD for shares cancelled | 320 | 411 |
| Purchases awaiting settlement | – | 489 |
| Total other creditors | 1,513 | 2,320 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £220,091 (31.01.18: £184,415). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on page 40 and the revenue from these investments was £63,967 (31.01.18: £53,721).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £25,409 (31.01.18: £181,082). Commission was paid to the associated company JPMorgan Securities Ltd.

The following parties held a material interest in the Fund at the year end date:
- Hargreaves Lansdown Nominees Ltd 15.36% (31.01.18: 14.52%)
- Minster Nominees Limited 11.44% (31.01.18: 10.03%)

## 13. Stock lending

The Fund entered into stock lending arrangements with a counterparty although it is not the intention to do so in the future. At the balance sheet date there were no securities on loan (31.01.18: £nil) and consequently no collateral was held (31.01.18: £nil).

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 11 | – |
| Fees paid to the lending agent[ø] | (2) | – |
| Net stock lending income | 9 | – |

[ø] A related party to the Fund.

## 14. Financial instruments

**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | Net foreign currency assets | | |
|---|---|---|---|
| Currency | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | |
| US Dollar | 364,627 | 4 | 364,623 |
| Hong Kong Dollar | 236,796 | 377 | 236,419 |
| Indian Rupee | 169,746 | 2 | 169,744 |
| Brazilian Real | 95,670 | 295 | 95,375 |
| Chinese Yuan | 76,546 | 513 | 76,033 |
| South Korean Won | 71,751 | 504 | 71,247 |
| South African Rand | 71,365 | 1,034 | 70,331 |
| Indonesian Rupiah | 34,099 | – | 34,099 |
| Taiwan Dollar | 25,713 | – | 25,713 |
| Mexican Peso | 24,923 | – | 24,923 |
| Euro | 14,661 | 79 | 14,582 |
| Hungarian Forint | 8,644 | – | 8,644 |
| Australian Dollar | 5,775 | – | 5,775 |
| Saudi Arabia Riyal | 4,823 | – | 4,823 |
| **31.01.18** | | | |
| US Dollar | 391,157 | 36 | 391,121 |
| Hong Kong Dollar | 254,133 | – | 254,133 |
| Indian Rupee | 197,354 | (221) | 197,575 |
| Brazilian Real | 98,520 | 259 | 98,261 |
| South African Rand | 87,071 | 727 | 86,344 |
| Chinese Yuan | 80,177 | 266 | 79,911 |
| South Korean Won | 71,360 | 357 | 71,003 |
| Indonesian Rupiah | 33,169 | – | 33,169 |
| Taiwan Dollar | 29,760 | – | 29,760 |
| Mexican Peso | 25,010 | – | 25,010 |
| Australian Dollar | 8,422 | – | 8,422 |
| Thailand Baht | 7,574 | – | 7,574 |
| Euro | 7,179 | 48 | 7,131 |
| Saudi Arabia Riyal | 6,726 | 1,246 | 5,480 |

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £120,514,000 (31.01.18: £129,761,000).

**Interest rate risk**

At the year end date, 1.03% (31.01.18: 2.11%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £121,416,000 (31.01.18: £132,013,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has four share classes; Class A Shares, Class B Shares, Class C Shares and Class X Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares*: | 0.75% | 0.15% |
| Class X Shares: | 0.00% | 0.06% |

* I-Class Shares were renamed as C-Class Shares at close of business 1 March 2018.

The X share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 37 to 39. All classes have the same rights on winding up.

## 16. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 1,202,331 | - | 1,294,894 | - |
| Level 2: Observable market data | 11,831 | - | 25,233 | - |
| Total | 1,214,162 | - | 1,320,127 | - |

## 17. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (204,444) | (139) | (62) | (204,645) | 0.07 | 0.03 |
| Purchases of Funds | (129,073) | - | - | (129,073) | 0.00 | 0.00 |
| | (333,517) | (139) | (62) | (333,718) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 177,214 | (110) | (125) | 176,979 | 0.06 | 0.07 |
| Sales of Funds | 142,475 | - | - | 142,475 | 0.00 | 0.00 |
| | 319,689 | (110) | (125) | 319,454 | | |
| Total | | (249) | (187) | | | |
| Percentage of Fund average net assets | | 0.02% | 0.02% | | | |

## 17. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (337,241) | (357) | (106) | (337,704) | 0.11 | 0.03 |
| Purchases of Funds | (253,719) | - | - | (253,719) | 0.00 | 0.00 |
| | (590,960) | (357) | (106) | (591,423) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 518,441 | (284) | (329) | 517,828 | 0.05 | 0.06 |
| Sales of Funds | 235,782 | - | - | 235,782 | 0.00 | 0.00 |
| | 754,223 | (284) | (329) | 753,610 | | |
| Total | | (641) | (435) | | | |
| Percentage of Fund average net assets | | 0.05% | 0.03% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.11% (31.01.18: 0.10%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 18. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 219,189,388 | 11,222,163 | (13,935,388) | (18,288,416) | 198,187,747 |
| A-Class Income Shares | 13,523,330 | 1,143,383 | (1,414,164) | 87,517 | 13,340,066 |
| B-Class Accumulation Shares | 150,977,328 | 10,941,331 | (6,305,743) | (13,467,741) | 142,145,175 |
| B-Class Income Shares | 37,393,855 | 3,452,959 | (8,042,701) | (2,556,470) | 30,247,643 |
| C-Class Accumulation Shares* | 11,673,171 | 4,624,002 | (1,509,043) | 5,224,340 | 20,012,470 |
| C-Class Income Shares* | 11,431,832 | 3,795,208 | (4,401,594) | 2,673,781 | 13,499,227 |
| X-Class Accumulation Shares | - | 419,861 | (174,345) | 15,949,821 | 16,195,337 |
| X-Class Income Shares | 93,886,827 | 1,265,890 | (22,521,788) | - | 72,630,929 |

* I-Class Shares were renamed as C-Class Shares at close of business 1 March 2018.

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.510000 | – | 0.510000 | 0.000000 |
| Group 2 | 0.060490 | 0.449510 | 0.510000 | 0.000000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.150000 | – | 0.150000 | 0.000000 |
| Group 2 | 0.000000 | 0.150000 | 0.150000 | 0.000000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 2.170000 | – | 2.170000 | 1.400000 |
| Group 2 | 0.794781 | 1.375219 | 2.170000 | 1.400000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.880000 | – | 0.880000 | 0.620000 |
| Group 2 | 0.307800 | 0.572200 | 0.880000 | 0.620000 |
| **C-Class Accumulation Shares*** | | | | |
| Group 1 | 7.980000 | – | 7.980000 | 5.550000 |
| Group 2 | 2.540332 | 5.439668 | 7.980000 | 5.550000 |
| **C-Class Income Shares*** | | | | |
| Group 1 | 1.260000 | – | 1.260000 | 0.900000 |
| Group 2 | 0.364568 | 0.895432 | 1.260000 | 0.900000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 0.290000 | – | 0.290000 | – |
| Group 2 | 0.239401 | 0.050599 | 0.290000 | – |
| **X-Class Income Shares** | | | | |
| Group 1 | 1.750000 | – | 1.750000 | 0.550000 |
| Group 2 | 1.425677 | 0.324323 | 1.750000 | 0.550000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

* I-Class Shares were renamed as C-Class Shares at close of business 1 March 2018.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

## Return and cost

JPMorgan Chase Bank, N.A(JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM Emerging Markets Income Fund

## Investment objective and policy

To provide a portfolio designed to achieve income by investing primarily in Equity and Equity-Linked Securities of Emerging Markets companies in any economic sector whilst participating in long-term capital growth.

The Fund may also have exposure to Emerging Market fixed and floating rate Debt Securities, which includes Investment Grade, Non-Investment Grade and Unrated Bonds, by investing directly or indirectly through collective investment schemes.

Emerging Markets companies are companies that are incorporated under the laws of, and have their registered office in, an Emerging Market country, or that derive the predominant part of their economic activity from Emerging Market countries, even if listed elsewhere. The Fund may invest in smaller companies and Participation Notes 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, cash and cash equivalents may be held on an ancillary basis, as appropriate.

**Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives). Subject to at least 60 days notice to shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.**

The Fund may invest in China A-Shares via the China-Hong Kong Stock Connect Programmes.

The Fund may invest in assets denominated in any currency and non-sterling currency exposure will not normally be hedged back to sterling.

The Fund seeks to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund.

## 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. Furthermore, Participation Notes run the risk of counterparty default which may result in the loss of the full market value of the Note.

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.

The Fund may invest in China A-Shares through the China-Hong Kong Connect Programmes which is subject to regulatory change, quote limitations and also operational constraints which may result in increased counterparty risk.

The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below Investment Grade and certain Unrated securities, which may also be subject to higher volatility and be more difficult to sell than Investment Grade securities.

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.

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

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

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.

The Fund may invest in Credit Linked Notes which involve the risk of the underlying credit instrument decreasing in value or defaulting and the risk of the issuer of the Credit Linked Note becoming insolvent.

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 portfolio outperformed the benchmark in the past 12 months, with both stock selection and country allocation contributing.

Stock selection in China was the key contributor, with two main drivers: first, weakness in Chinese internet stocks, given our zero exposure to Alibaba and Tencent, and secondly our financials exposure.

Taiwan was a positive contributor to performance, partly as it has been more defensive in a difficult period for the asset class, but also due to some of our positions seeing decent fundamental developments: for example, TSMC.

Elsewhere in Asia, India was a positive contributor, due to both the structural underweight to the market and exposure to select IT names.

Our sole holding in Saudi Arabia, Al Rajhi, performed strongly. Al Rajhi's dividend announcement in February was a very positive signal: the 2017 dividend was raised by 78%, reflecting the strong capital position of the bank and management's confidence in the future.

Russia was the key negative market: despite our overweight exposure, which benefited given relative market strength, there was stock-specific weakness. Sberbank and Moscow Exchange were top stock level detractors through 2018.

Brazil also detracted, despite the market being a strong performer (especially in the back end of the year) versus the asset class as the market rallied ahead of elections. The negative impact was because we do not hold Vale or Petrobras and instead own domestically orientated names, which generally suffered more, with the market nervous around the upcoming presidential elections.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Emerging Markets Income Fund** | | | | | |
| A-Class Acc | **-1.6%** | **14.6%** | **46.6%** | **-22.0%** | **17.1%** |
| **JPM Emerging Markets Income Fund** | | | | | |
| B-Class Acc | **-1.1%** | **15.1%** | **46.8%** | **-21.7%** | **17.7%** |
| **JPM Emerging Markets Income Fund** | | | | | |
| C-Class Acc | **-0.8%** | **15.4%** | **47.1%** | **-21.5%** | **17.9%** |
| **JPM Emerging Markets Income Fund** | | | | | |
| X-Class Acc | **-0.1%** | **16.2%** | **48.2%** | **-20.9%** | **18.8%** |
| Benchmark Index | -7.3% | 24.8% | 41.4% | -16.3% | 15.1% |

## Fund statistics

| | | | | |
|---|---|---|---|---|
| Risk and Reward Profile | | | | **5[†] (5 at 31 July 2018)** |
| Fund size | | | | **£327.7m** |
| Benchmark Index | | | | **MSCI Emerging Markets Index (Net)** |
| Fund charges and expenses | A-Class | B-Class | C-Class | X-Class |
| Initial charge (max.) | **Nil** | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | | |
| Annual management fee | **1.50%** | **1.00%** | **0.75%** | **–[A]** |
| Operating expenses (max.) | **0.15%** | **0.15%** | **0.15%** | **0.06%** |

## Comparative tables

| A-Class Accumulation Shares | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 75.94 | 66.27 | 45.18 |
| Return before operating charges* | 0.04 | 10.87 | 22.06 |
| Operating charges | (1.20) | (1.20) | (0.97) |
| Return after operating charges* | (1.16) | 9.67 | 21.09 |
| Distributions | (3.12) | (2.76) | (2.61) |
| Retained distributions on accumulation shares | 3.12 | 2.76 | 2.61 |
| Closing net asset value per share | 74.78 | 75.94 | 66.27 |
| * after direct transaction costs of | (0.05) | (0.10) | (0.08) |
| **Performance** | | | |
| % Return after operating charges^^ | (1.53)% | 14.59% | 46.68% |
| **Other information** | | | |
| Closing net asset value (£'000) | 10,475 | 9,845 | 8,523 |
| Closing number of shares | 14,007,997 | 12,963,643 | 12,861,357 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.07% | 0.14% | 0.14% |
| **Prices** | | | |
| Highest share price | 77.06 | 76.77 | 68.25 |
| Lowest share price | 68.64 | 65.31 | 44.06 |

[†] 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

[A] The Ongoing charge will vary in accordance to the annual management fee agreed 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.

## Comparative tables – continued

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 60.68 | 55.09 | 39.24 |
| Return before operating charges* | (0.04) | 8.84 | 18.91 |
| Operating charges | (0.94) | (0.97) | (0.82) |
| Return after operating charges* | (0.98) | 7.87 | 18.09 |
| Distributions | (2.46) | (2.28) | (2.24) |
| Closing net asset value per share | 57.24 | 60.68 | 55.09 |
| * after direct transaction costs of | (0.04) | (0.08) | (0.07) |
| **Performance** | | | |
| % Return after operating charges^^ | (1.62)% | 14.29% | 46.10% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,400 | 1,500 | 1,506 |
| Closing number of shares | 2,445,704 | 2,472,790 | 2,733,611 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.07% | 0.14% | 0.14% |
| **Prices** | | | |
| Highest share price | 61.57 | 61.50 | 57.22 |
| Lowest share price | 53.24 | 54.29 | 38.27 |

| B-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 124.72 | 112.64 | 79.86 |
| Return before operating charges* | (0.05) | 18.02 | 38.21 |
| Operating charges | (1.35) | (1.39) | (1.18) |
| Return after operating charges* | (1.40) | 16.63 | 37.03 |
| Distributions | (5.07) | (4.55) | (4.25) |
| Closing net asset value per share | 118.25 | 124.72 | 112.64 |
| * after direct transaction costs of | (0.08) | (0.17) | (0.14) |
| **Performance** | | | |
| % Return after operating charges^^ | (1.12)% | 14.76% | 46.37% |
| **Other information** | | | |
| Closing net asset value (£'000) | 13,803 | 15,853 | 43,985 |
| Closing number of shares | 11,672,816 | 12,710,698 | 39,049,244 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.07% | 0.14% | 0.14% |
| **Prices** | | | |
| Highest share price | 126.6 | 126.4 | 117.1 |
| Lowest share price | 109.8 | 111.0 | 77.88 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 77.58 | 67.42 | 45.89 |
| Return before operating charges* | 0.05 | 11.01 | 22.22 |
| Operating charges | (0.86) | (0.85) | (0.69) |
| Return after operating charges* | (0.81) | 10.16 | 21.53 |
| Distributions | (3.20) | (2.76) | (2.47) |
| Retained distributions on accumulation shares | 3.20 | 2.76 | 2.47 |
| Closing net asset value per share | 76.77 | 77.58 | 67.42 |
| * after direct transaction costs of | (0.05) | (0.10) | (0.08) |
| **Performance** | | | |
| % Return after operating charges^^ | (1.04)% | 15.07% | 46.92% |
| **Other information** | | | |
| Closing net asset value (£'000) | 12,759 | 13,128 | 16,291 |
| Closing number of shares | 16,619,079 | 16,922,247 | 24,165,096 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.07% | 0.14% | 0.14% |
| **Prices** | | | |
| Highest share price | 78.77 | 78.42 | 69.31 |
| Lowest share price | 70.36 | 66.45 | 44.76 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 78.05 | 67.66 | 45.98 |
| Return before operating charges* | 0.06 | 11.07 | 22.22 |
| Operating charges | (0.68) | (0.68) | (0.54) |
| Return after operating charges* | (0.62) | 10.39 | 21.68 |
| Distributions | (3.22) | (2.77) | (2.45) |
| Retained distributions on accumulation shares | 3.22 | 2.77 | 2.45 |
| Closing net asset value per share | 77.43 | 78.05 | 67.66 |
| * after direct transaction costs of | (0.05) | (0.10) | (0.08) |
| **Performance** | | | |
| % Return after operating charges^^ | (0.79)% | 15.36% | 47.15% |
| **Other information** | | | |
| Closing net asset value (£'000) | 94,136 | 70,365 | 69,828 |
| Closing number of shares | 121,571,975 | 90,150,847 | 103,204,334 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.07% | 0.14% | 0.14% |
| **Prices** | | | |
| Highest share price | 79.27 | 78.90 | 69.51 |
| Lowest share price | 70.91 | 66.69 | 44.85 |

## Comparative tables – continued

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 62.67 | 56.46 | 39.93 |
| Return before operating charges* | (0.02) | 9.03 | 19.09 |
| Operating charges | (0.53) | (0.55) | (0.46) |
| Return after operating charges* | (0.55) | 8.48 | 18.63 |
| Distributions | (2.55) | (2.27) | (2.10) |
| Closing net asset value per share | 59.57 | 62.67 | 56.46 |
| * after direct transaction costs of | (0.04) | (0.08) | (0.07) |
| **Performance** | | | |
| % Return after operating charges^^ | (0.88)% | 15.02% | 46.66% |
| **Other information** | | | |
| Closing net asset value (£'000) | 194,966 | 203,682 | 178,729 |
| Closing number of shares | 327,315,554 | 325,021,107 | 316,566,310 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.07% | 0.14% | 0.14% |
| **Prices** | | | |
| Highest share price | 63.64 | 63.50 | 58.66 |
| Lowest share price | 55.27 | 55.65 | 38.95 |

| X-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 142.47 | 122.58 | 82.71 |
| Return before operating charges* | (0.07) | 19.97 | 39.93 |
| Operating charges | (0.08) | (0.08) | (0.06) |
| Return after operating charges* | (0.15) | 19.89 | 39.87 |
| Distributions | (6.01) | (5.14) | (4.53) |
| Retained distributions on accumulation shares | 6.01 | 5.14 | 4.53 |
| Closing net asset value per share | 142.32 | 142.47 | 122.58 |
| * after direct transaction costs of | (0.10) | (0.19) | (0.15) |
| **Performance** | | | |
| % Return after operating charges^^ | (0.11)% | 16.23% | 48.20% |
| **Other information** | | | |
| Closing net asset value (£'000) | 139 | 140 | 109 |
| Closing number of shares | 98,052 | 98,052 | 88,688 |
| % Operating charges | 0.06% | 0.06% | 0.06% |
| % Direct transaction costs | 0.07% | 0.14% | 0.14% |
| **Prices** | | | |
| Highest share price | 144.8 | 144.0 | 125.7 |
| Lowest share price | 130.0 | 120.8 | 80.69 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 58 and 59, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Geographical breakdown

| | % |
|---|---|
| China | 26.86 |
| Taiwan | 15.43 |
| Russia | 7.44 |
| Brazil | 6.96 |
| South Africa | 6.34 |
| South Korea | 6.18 |
| Mexico | 5.30 |
| India | 4.10 |
| Hong Kong | 3.78 |
| Thailand | 3.48 |
| Saudi Arabia | 2.39 |
| Indonesia | 2.28 |
| Hungary | 2.00 |
| Liquidity Funds | 1.86 |
| Czech Republic | 1.77 |
| United Arab Emirates | 1.41 |
| Turkey | 0.86 |
| Chile | 0.73 |
| Net other assets | 0.83 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 97.31% (98.09%)** | | | |
| **Brazil 6.96% (9.85%)** | | | |
| Ambev SA | 1,475,067 | 5,522 | 1.69 |
| BB Seguridade Participacoes SA | 977,394 | 6,232 | 1.90 |
| Cielo SA | 758,600 | 1,831 | 0.56 |
| Engie Brasil Energia SA | 170,963 | 1,511 | 0.46 |
| Itau Unibanco Holding SA Preference | 932,244 | 7,407 | 2.26 |
| Petrobras Distribuidora SA | 52,110 | 288 | 0.09 |
| | | **22,791** | **6.96** |
| **Chile 0.73% (2.06%)** | | | |
| Banco Santander Chile, ADR | 98,271 | 2,393 | 0.73 |
| | | **2,393** | **0.73** |
| **China 26.86% (16.10%)** | | | |
| China Construction Bank Corp. 'H' | 13,827,000 | 9,409 | 2.87 |
| China Life Insurance Co. Ltd. 'H' | 1,341,000 | 2,518 | 0.77 |
| China Mobile Ltd. | 431,500 | 3,445 | 1.05 |
| China Overseas Land & Investment Ltd. | 3,022,000 | 8,639 | 2.64 |
| China Pacific Insurance Group Co. Ltd. 'H' | 3,042,800 | 8,108 | 2.47 |
| China Resources Power Holdings Co. Ltd. | 4,374,000 | 6,666 | 2.03 |
| CNOOC Ltd. | 2,598,000 | 3,304 | 1.01 |
| Fuyao Glass Industry Group Co. Ltd. | 1,261,970 | 3,329 | 1.02 |
| Fuyao Glass Industry Group Co. Ltd. 'H' | 654,400 | 1,721 | 0.53 |
| Guangdong Investment Ltd. | 1,542,000 | 2,239 | 0.68 |
| Henan Shuanghui Investment & Development Co. Ltd. 'A' | 376,000 | 1,066 | 0.33 |
| Huayu Automotive Systems Co. Ltd. 'A' | 2,889,382 | 6,625 | 2.02 |
| Inner Mongolia Yili Industrial Group Co. Ltd. 'A' | 2,026,627 | 5,558 | 1.70 |
| Jiangsu Yanghe Brewery Joint-Stock Co. Ltd. 'A' | 284,212 | 3,047 | 0.93 |
| Midea Group Co. Ltd. 'A' | 1,248,537 | 6,165 | 1.88 |
| Ping An Insurance Group Co. of China Ltd. 'H' | 1,043,000 | 7,684 | 2.34 |
| SAIC Motor Corp. Ltd. 'A' | 1,413,990 | 4,266 | 1.30 |
| Sands China Ltd. | 1,168,400 | 4,225 | 1.29 |
| | | **88,014** | **26.86** |
| **Czech Republic 1.77% (2.49%)** | | | |
| Komercni banka A/S | 150,687 | 4,623 | 1.41 |
| Moneta Money Bank A/S | 460,803 | 1,189 | 0.36 |
| | | **5,812** | **1.77** |
| **Hong Kong 3.78% (4.08%)** | | | |
| Hang Seng Bank Ltd. | 295,600 | 5,151 | 1.57 |
| HKT Trust & HKT Ltd. | 4,028,000 | 4,520 | 1.38 |
| WH Group Ltd. | 4,180,500 | 2,727 | 0.83 |
| | | **12,398** | **3.78** |
| **Hungary 2.00% (2.02%)** | | | |
| OTP Bank Nyrt | 207,815 | 6,549 | 2.00 |
| | | **6,549** | **2.00** |
| **India 4.10% (5.41%)** | | | |
| Coal India Ltd. | 371,869 | 891 | 0.27 |
| Infosys Ltd., ADR | 434,926 | 3,508 | 1.07 |
| ITC Ltd. | 811,122 | 2,416 | 0.74 |
| Tata Consultancy Services Ltd. | 308,650 | 6,625 | 2.02 |
| | | **13,440** | **4.10** |
| **Indonesia 2.28% (2.13%)** | | | |
| Telekomunikasi Indonesia Persero Tbk. PT | 35,211,700 | 7,466 | 2.28 |
| | | **7,466** | **2.28** |
| **Mexico 5.30% (5.17%)** | | | |
| Bolsa Mexicana de Valores SAB de CV | 1,093,218 | 1,633 | 0.50 |
| Fibra Uno Administracion SA de CV, REIT | 3,850,483 | 3,885 | 1.19 |
| Kimberly-Clark de Mexico SAB de CV 'A' | 4,007,486 | 5,042 | 1.54 |
| Wal-Mart de Mexico SAB de CV | 3,423,560 | 6,793 | 2.07 |
| | | **17,353** | **5.30** |
| **Russia 7.44% (9.36%)** | | | |
| Alrosa PJSC | 3,494,320 | 4,001 | 1.22 |
| Moscow Exchange MICEX-RTS PJSC | 4,704,402 | 5,119 | 1.56 |
| Sberbank of Russia PJSC | 4,020,039 | 10,201 | 3.12 |
| Sberbank of Russia PJSC, ADR | 363,510 | 3,762 | 1.15 |
| Severstal PJSC, GDR | 110,242 | 1,279 | 0.39 |
| | | **24,362** | **7.44** |
| **Saudi Arabia 2.39% (2.46%)** | | | |
| Al Rajhi Bank | 378,716 | 7,828 | 2.39 |
| | | **7,828** | **2.39** |
| **South Africa 6.34% (7.61%)** | | | |
| Absa Group Ltd. | 493,738 | 5,234 | 1.60 |
| AVI Ltd. | 791,531 | 4,232 | 1.29 |
| Bid Corp. Ltd. | 217,046 | 3,599 | 1.10 |
| FirstRand Ltd. | 838,932 | 3,353 | 1.02 |
| SPAR Group Ltd. (The) | 151,280 | 1,734 | 0.53 |
| Vodacom Group Ltd. | 376,895 | 2,632 | 0.80 |
| | | **20,784** | **6.34** |
| **South Korea 6.18% (5.37%)** | | | |
| KT&G Corp. | 73,274 | 4,972 | 1.52 |
| Orange Life Insurance Ltd. | 30,570 | 627 | 0.19 |
| Samsung Electronics Co. Ltd. | 283,014 | 8,944 | 2.73 |
| Samsung Fire & Marine Insurance Co. Ltd. | 24,170 | 4,518 | 1.38 |
| SK Telecom Co. Ltd., ADR | 61,543 | 1,193 | 0.36 |
| | | **20,254** | **6.18** |
| **Taiwan 15.43% (16.19%)** | | | |
| Asustek Computer, Inc. | 446,000 | 2,607 | 0.80 |
| Chicony Electronics Co. Ltd. | 718,846 | 1,197 | 0.36 |
| Delta Electronics, Inc. | 802,968 | 2,999 | 0.91 |
| MediaTek, Inc. | 596,000 | 3,594 | 1.10 |
| Mega Financial Holding Co. Ltd. | 3,980,000 | 2,627 | 0.80 |
| Novatek Microelectronics Corp. | 924,000 | 3,611 | 1.10 |
| President Chain Store Corp. | 271,000 | 2,165 | 0.66 |
| Quanta Computer, Inc. | 2,240,000 | 3,102 | 0.95 |
| Taiwan Mobile Co. Ltd. | 1,787,000 | 4,834 | 1.47 |
| Taiwan Semiconductor Manufacturing Co. Ltd., ADR | 639,698 | 18,217 | 5.56 |
| Vanguard International Semiconductor Corp. | 3,407,000 | 5,623 | 1.72 |
| | | **50,576** | **15.43** |
| **Thailand 3.48% (4.09%)** | | | |
| Siam Cement PCL (The) | 304,050 | 3,453 | 1.05 |
| Siam Commercial Bank PCL (The) | 2,048,200 | 6,614 | 2.02 |
| Thai Oil PCL | 768,700 | 1,349 | 0.41 |
| | | **11,416** | **3.48** |
| **Turkey 0.86% (2.21%)** | | | |
| Tofas Turk Otomobil Fabrikasi A/S | 314,829 | 953 | 0.29 |
| Tupras Turkiye Petrol Rafinerileri A/S | 89,891 | 1,853 | 0.57 |
| | | **2,806** | **0.86** |
| **United Arab Emirates 1.41% (1.49%)** | | | |
| Emaar Development PJSC | 1,148,280 | 947 | 0.29 |
| First Abu Dhabi Bank PJSC | 1,209,841 | 3,678 | 1.12 |
| | | **4,625** | **1.41** |
| **Equities total** | | **318,867** | **97.31** |
| **Liquidity Funds 1.86% (1.27%)** | | | |
| JPM USD Liquidity LVNAV Fund X (dist.)[ø] | 7,996,185 | 6,090 | 1.86 |
| **Liquidity Funds total** | | **6,090** | **1.86** |
| Investment assets | | 324,957 | 99.17 |
| Net other assets | | 2,721 | 0.83 |
| **Net assets** | | **327,678** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

[ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (14,259) | | 34,354 |
| Revenue (Note 3) | 15,725 | | 13,835 | |
| Expenses (Note 4) | (2,970) | | (3,024) | |
| Net revenue before taxation | 12,755 | | 10,811 | |
| Taxation (Note 5) | (1,313) | | (1,217) | |
| Net revenue after taxation | | 11,442 | | 9,594 |
| **Total return before distributions** | | **(2,817)** | | **43,948** |
| Distributions (Note 6) | | (13,538) | | (11,747) |
| **Change in net assets attributable to shareholders from investment activities** | | **(16,355)** | | **32,201** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **314,513** | | **318,971** |
| Amounts receivable on issue of shares | 74,077 | | 66,503 | |
| Amounts payable on cancellation of shares | (48,845) | | (106,894) | |
| | | 25,232 | | (40,391) |
| Dilution adjustment | | 50 | | 182 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (16,355) | | 32,201 |
| Retained distributions on accumulation shares | | 4,238 | | 3,550 |
| **Closing net assets attributable to shareholders** | | **327,678** | | **314,513** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 324,957 | 312,486 |
| **Current assets:** | | |
| Debtors (Note 8) | 3,670 | 2,328 |
| Cash and bank balances (Note 9) | 614 | 1,479 |
| **Total assets** | **329,241** | **316,293** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | (990) | (531) |
| Other creditors (Note 10) | (573) | (1,249) |
| **Total liabilities** | **(1,563)** | **(1,780)** |
| **Net assets attributable to shareholders** | **327,678** | **314,513** |

The notes to these financial statements are shown on pages 55 to 59.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Emerging Markets Income Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains | 96 | 156 |
| Forward currency contracts | - | (74) |
| Non-derivative securities | (14,355) | 34,272 |
| Net capital (losses)/gains | (14,259) | 34,354 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Income from Liquidity Funds | 148 | 38 |
| Income from overseas equity investments | 15,176 | 13,468 |
| Interest on bank and term deposits | 3 | 4 |
| Interest on capital | 396 | 322 |
| Stock dividends | 1 | 1 |
| Stock lending income | 1 | 2 |
| Total revenue | 15,725 | 13,835 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 2,499 | 2,479 |
| Operating expenses | 471 | 544 |
| | 2,970 | 3,023 |
| Interest payable | - | 1 |
| Total expenses | 2,970 | 3,024 |

The fees paid to the auditor for the year ended 31 January 2019 are £4,675 (31.01.18: £4,675), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 1,313 | 1,217 |
| Current year tax charge (Note 5b) | 1,313 | 1,217 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 12,755 | 10,811 |
| Corporation tax at 20% | 2,551 | 2,162 |
| Effects of: | | |
| Dividends not subject to corporation tax | (2,602) | (2,310) |
| Excess expenses for which no relief taken | 99 | 178 |
| Overseas tax expensed | (48) | (39) |
| Overseas tax suffered | 1,313 | 1,217 |
| Revenue taxable in different periods | - | 9 |
| | (1,238) | (945) |
| Current year tax charge (Note 5a) | 1,313 | 1,217 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £804,643 (31.01.18: £706,097) in relation to £4,023,217 (31.01.18: £3,530,486) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First interim dividend distribution | 3,263 | 4,061 |
| Second interim dividend distribution | 6,342 | 4,518 |
| Third interim dividend distribution | 2,578 | 2,333 |
| Final dividend distribution | 1,552 | 769 |
| Add: Amounts payable on cancellation of shares | 146 | 454 |
| Deduct: Amounts receivable on issue of shares | (343) | (388) |
| Distributions for the year | 13,538 | 11,747 |

Details of the distribution per share are set out on pages 60 to 63.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 11,442 | 9,594 |
| Add: ACD fee paid from capital | 2,499 | 2,479 |
| Add: Tax relief payable from capital | (401) | (318) |
| Add: Undistributed revenue brought forward | 34 | 26 |
| Deduct: Undistributed revenue carried forward | (36) | (34) |
| | 13,538 | 11,747 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 650 | 395 |
| Due from the ACD for shares issued | 913 | 443 |
| Overseas tax recoverable | 203 | 71 |
| Sales awaiting settlement | 1,904 | 1,419 |
| Total debtors | 3,670 | 2,328 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 614 | 1,479 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 251 | 260 |
| Due to the ACD for shares cancelled | – | 7 |
| Purchases awaiting settlement | 322 | 982 |
| Total other creditors | 573 | 1,249 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due from the ACD and their associates at the year end date in respect of related party transactions was £662,397 (31.01.18: £176,427). Details of related party transactions are given under note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on page 53 and the revenue from these investments was £148,340 (31.01.18: £112,201).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year £23,001 (31.01.18: £55,532). Commission was paid to the associated company JPMorgan Securities Ltd.

The following parties held a material interest in the Fund at the year end date:
– Clearstream Banking S.A. 21.23% (31.01.18: 20.51%)

## 13. Stock lending

The Fund entered into stock lending arrangements with a counterparty although it is not the intention to do so in the future. At the balance sheet date there were no securities on loan (31.01.18: £nil) and consequently no collateral was held (31.01.18: £nil).

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 1 | 2 |
| Fees paid to the lending agent[ø] | – | – |
| Net stock lending income | 1 | 2 |

[ø] A related party to the Fund.

## 14. Financial instruments

**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | | Net foreign currency assets | |
|---|---|---|---|
| Currency | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | |
| Hong Kong Dollar | 70,468 | 112 | 70,356 |
| US Dollar | 56,084 | 321 | 55,763 |
| Taiwan Dollar | 32,464 | 105 | 32,359 |
| Chinese Yuan | 30,165 | 109 | 30,056 |
| Brazilian Real | 24,662 | 1,871 | 22,791 |
| South African Rand | 20,784 | – | 20,784 |
| South Korean Won | 19,444 | 383 | 19,061 |
| Mexican Peso | 17,353 | – | 17,353 |
| Thailand Baht | 11,416 | – | 11,416 |
| Indian Rupee | 9,932 | – | 9,932 |
| Saudi Riyal | 7,828 | – | 7,828 |
| Indonesian Rupiah | 7,466 | – | 7,466 |
| Hungarian Forint | 6,549 | – | 6,549 |
| Czech Republic Koruna | 5,911 | 99 | 5,812 |
| Arab Emirates Dirham | 4,625 | – | 4,625 |
| Turkish Lira | 2,806 | – | 2,806 |
| **31.01.18** | | | |
| US Dollar | 68,505 | 1,098 | 67,407 |
| Hong Kong Dollar | 37,391 | (97) | 37,488 |
| Taiwan Dollar | 34,769 | – | 34,769 |
| Brazilian Real | 31,074 | 85 | 30,989 |
| South African Rand | 24,586 | 641 | 23,945 |
| Chinese Yuan | 24,211 | 1,055 | 23,156 |
| Mexican Peso | 16,244 | – | 16,244 |
| South Korean Won | 14,800 | 103 | 14,697 |
| Thailand Baht | 12,211 | (645) | 12,856 |
| Indian Rupee | 10,690 | 13 | 10,677 |
| Saudi Riyal | 7,888 | 142 | 7,746 |
| Czech Republic Koruna | 7,830 | – | 7,830 |
| Turkish Lira | 6,951 | – | 6,951 |
| Indonesian Rupiah | 6,704 | – | 6,704 |
| Hungarian Forint | 6,361 | – | 6,361 |
| Arab Emirates Dirham | 4,666 | – | 4,666 |
| Polish Zloty | 71 | 71 | – |

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £32,796,000 (31.01.18: £31,495,000).

**Interest rate risk**

At the year end date, 2.05% (31.01.18: 1.74%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £32,496,000 (31.01.18: £31,249,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has four share classes; Class A Shares, Class B Shares, Class C Shares and Class X Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |
| Class X Shares: | 0.00% | 0.06% |

The X share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 50 to 52. All classes have the same rights on winding up.

## 16. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 318,867 | - | 308,495 | - |
| Level 2: Observable market data | 6,090 | - | 3,991 | - |
| Total | 324,957 | - | 312,486 | - |

## 17. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (98,580) | (55) | (65) | (98,700) | 0.06 | 0.07 |
| Purchases of Funds | (44,350) | - | - | (44,350) | 0.00 | 0.00 |
| | (142,930) | (55) | (65) | (143,050) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 73,606 | (56) | (47) | 73,503 | 0.08 | 0.06 |
| Sales of Funds | 42,723 | - | - | 42,723 | 0.00 | 0.00 |
| | 116,329 | (56) | (47) | 116,226 | | |
| Total | | (111) | (112) | | | |
| Percentage of Fund average net assets | | 0.03% | 0.04% | | | |

## 17. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (112,168) | (119) | (40) | (112,327) | 0.11 | 0.04 |
| Purchases of Funds | (71,629) | - | - | (71,629) | 0.00 | 0.00 |
| | (183,797) | (119) | (40) | (183,956) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 152,909 | (136) | (123) | 152,650 | 0.09 | 0.08 |
| Sales of Funds | 71,397 | - | - | 71,397 | 0.00 | 0.00 |
| | 224,306 | (136) | (123) | 224,047 | | |
| Total | | (255) | (163) | | | |
| Percentage of Fund average net assets | | 0.08% | 0.06% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.14% (2018: 0.17%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 18. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 12,963,643 | 3,534,818 | (2,420,231) | (70,233) | 14,007,997 |
| A-Class Income Shares | 2,472,790 | 331,830 | (305,996) | (52,920) | 2,445,704 |
| B-Class Accumulation Shares | 16,922,247 | 187,259 | (490,427) | - | 16,619,079 |
| B-Class Income Shares | 12,710,698 | 143,159 | (1,127,437) | (53,604) | 11,672,816 |
| C-Class Accumulation Shares | 90,150,847 | 35,850,259 | (4,465,213) | 36,082 | 121,571,975 |
| C-Class Income Shares | 325,021,107 | 74,383,213 | (72,286,060) | 197,294 | 327,315,554 |
| X-Class Accumulation Shares | 98,052 | - | - | - | 98,052 |

# Distribution tables

## Final distribution in pence per share

Group 1 - Shares purchased prior to 1 November 2018
Group 2 - Shares purchased 1 November 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.360000 | - | 0.360000 | 0.190000 |
| Group 2 | 0.130103 | 0.229897 | 0.360000 | 0.190000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.280000 | - | 0.280000 | 0.160000 |
| Group 2 | 0.120140 | 0.159860 | 0.280000 | 0.160000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.370000 | - | 0.370000 | 0.190000 |
| Group 2 | 0.188301 | 0.181699 | 0.370000 | 0.190000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.570000 | - | 0.570000 | 0.310000 |
| Group 2 | 0.448807 | 0.121193 | 0.570000 | 0.310000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 0.370000 | - | 0.370000 | 0.200000 |
| Group 2 | 0.168055 | 0.201945 | 0.370000 | 0.200000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.280000 | - | 0.280000 | 0.150000 |
| Group 2 | 0.134387 | 0.145613 | 0.280000 | 0.150000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 0.710000 | - | 0.710000 | 0.380000 |
| Group 2 | 0.710000 | 0.000000 | 0.710000 | 0.380000 |

# Distribution tables – continued

## Third interim distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 October 2018

| | Net revenue | Equalisation | Distribution paid 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.580000 | – | 0.580000 | 0.560000 |
| Group 2 | 0.175337 | 0.404663 | 0.580000 | 0.560000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.450000 | – | 0.450000 | 0.440000 |
| Group 2 | 0.216787 | 0.233213 | 0.450000 | 0.440000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.590000 | – | 0.590000 | 0.580000 |
| Group 2 | 0.231014 | 0.358986 | 0.590000 | 0.580000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.930000 | – | 0.930000 | 0.940000 |
| Group 2 | 0.287930 | 0.642070 | 0.930000 | 0.940000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 0.610000 | – | 0.610000 | 0.590000 |
| Group 2 | 0.189484 | 0.420516 | 0.610000 | 0.590000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.470000 | – | 0.470000 | 0.480000 |
| Group 2 | 0.214198 | 0.255802 | 0.470000 | 0.480000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 1.130000 | – | 1.130000 | 1.110000 |
| Group 2 | 1.130000 | 0.000000 | 1.130000 | 1.110000 |

# Distribution tables – continued

## Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 July 2018

| | Net revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 1.440000 | – | 1.440000 | 1.170000 |
| Group 2 | 0.765115 | 0.674885 | 1.440000 | 1.170000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 1.140000 | – | 1.140000 | 0.980000 |
| Group 2 | 0.574428 | 0.565572 | 1.140000 | 0.980000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.480000 | – | 1.480000 | 1.130000 |
| Group 2 | 0.201768 | 1.278232 | 1.480000 | 1.130000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 2.350000 | – | 2.350000 | 1.870000 |
| Group 2 | 1.345346 | 1.004654 | 2.350000 | 1.870000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.480000 | – | 1.480000 | 1.120000 |
| Group 2 | 0.838623 | 0.641377 | 1.480000 | 1.120000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.180000 | – | 1.180000 | 0.920000 |
| Group 2 | 0.695798 | 0.484202 | 1.180000 | 0.920000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 2.750000 | – | 2.750000 | 2.070000 |
| Group 2 | 2.750000 | 0.000000 | 2.750000 | 2.070000 |

# Distribution tables – continued

## First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 30 April 2018

| | Net revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.740000 | – | 0.740000 | 0.840000 |
| Group 2 | 0.315806 | 0.424194 | 0.740000 | 0.840000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.590000 | – | 0.590000 | 0.700000 |
| Group 2 | 0.328894 | 0.261106 | 0.590000 | 0.700000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.760000 | – | 0.760000 | 0.860000 |
| Group 2 | 0.381317 | 0.378683 | 0.760000 | 0.860000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 1.220000 | – | 1.220000 | 1.430000 |
| Group 2 | 0.465659 | 0.754341 | 1.220000 | 1.430000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 0.760000 | – | 0.760000 | 0.860000 |
| Group 2 | 0.503581 | 0.256419 | 0.760000 | 0.860000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.620000 | – | 0.620000 | 0.720000 |
| Group 2 | 0.361344 | 0.258656 | 0.620000 | 0.720000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 1.420000 | – | 1.420000 | 1.580000 |
| Group 2 | 1.420000 | 0.000000 | 1.420000 | 1.580000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM Europe Fund

## Investment objective and policy

To provide a portfolio primarily invested in the shares of European companies in any economic sector. The Fund aims to provide capital growth over the long term.

European companies are companies that are incorporated under the laws of, and have their registered office in, Europe (excluding the UK), or that derive the predominant part of their economic activity from Europe (excluding the UK), even if listed elsewhere. Investments in smaller companies may be held on an ancillary basis.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 for Risk Warnings on derivatives) as per prospectus.

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 may invest in assets denominated in any currency and non-sterling currency exposure may be hedged back to sterling.

The Fund seeks to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund.

## 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.

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.

## Market review

European ex-UK equity markets struggled over the 12-month period to the end of January. The index overall fell by 8.2% in sterling terms.

After a strong start to the period, equities began to struggle as the blistering pace of GDP growth from 2017 started to slow, and the slowdown was very protracted, even though the overall rate of growth for the year was above-trend at around or just under 2.0%. Central banks in the region retained a very accommodative policy and credit continued to expand. Corporate earnings for the year grew, but investors remained very cagy as a series of political events overshadowed sentiment. The new Italian government caused concerns as the populist coalition threatened to cause a confrontation with the European Union over budget policy, and Italian bond yields moved sharply higher, although in the event the budget was adjusted to avoid breaching rules and spreads narrowed again. The UK continued to negotiate its departure from the EU, but Prime Minister Theresa May struggled to get the deal she had agreed past the UK Parliament, which increased the risk of a no-deal departure. More important internationally was President Trump's announcement of trade tariffs, which had a discernible effect on trade volumes and on corporate sentiment as companies struggled to plan for the impact on global supply chains.

## Fund review

The Fund, which aims to provide capital growth in the long-term by investing in the shares of European companies in any economic sector, underperformed its benchmark over the period.

Sector-level detractors from relative performance included stock selection in capital goods and materials. Contributors included stock selection and an overweight position in pharmaceuticals, biotechnology & life sciences and stock selection in food, beverage & tobacco.

The largest stock-level detractor was an overweight position in German chemicals company Covestro. The stock sold off with other cyclical stocks as the market turned more defensive later in the year. The company then issued a surprise profit warning at the end of November, citing intense competition, increased costs due to the low water level in the Rhine River, and provisions. Another detractor over the period was our overweight position to Faurecia: the auto parts producer was negatively impacted, particularly through the second half of 2018, by escalating trade tensions and the impact this had on broader autos markets.

Partially offsetting some of the negative performance was our overweight position in Novartis, which was positive for relative returns during the period. The Swiss pharmaceutical giant performed strongly in the second half of 2018, releasing second-quarter results in July that showed both sales and earnings ahead of expectations. In the fourth quarter, the stock's defensive qualities were rewarded as volatility returned to markets. Another contributor to returns was our underweight to Deutsche Bank, Germany's biggest bank. The bank issued a profit warning in March and shares have continued to fall since then as the market has been underwhelmed by the new management's strategy. Additionally, the company's most recent earnings results missed expectations.

## Fund outlook

A lot of the disappointing performance of financial assets in 2018 stemmed from concerns over decisions being taken at a political level. The late-2018 swoon in prices, however, made valuations a great deal more attractive, and with another year of earnings growth in prospect, the Federal Reserve turning more dovish, and the Bank of Japan and the People's Bank of China still expanding their balance sheets, it may well be that the market's concerns over growth are overstated. Having said that, there are a series of political one-offs in Europe this year: the Brexit deadline is October 31st (although there are mechanisms to extend this) and the European parliamentary elections are due in May, which that will trigger the formal dismissal of the current European Commission. Indeed, there is a wholesale changing of the guard in prospect, with the head of the Commission Jean-Claude Juncker, the head of the EU Council Donald Tusk, and the head of the European Central Bank Mario Draghi all due to be replaced later this year.

At a corporate level, we are expecting a recovery in demand after the one-offs at the end of 2018, and there are signs of a recovery in credit. Our process directs us into those areas of the market with attractive valuations supported by improving corporate newsflow, and we can still find plenty of these opportunities.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Europe Fund** A-Class Acc | **-10.9%** | **19.5%** | **23.6%** | **-0.4%** | **7.8%** |
| **JPM Europe Fund** B-Class Acc | **-10.6%** | **20.1%** | **24.2%** | **0.1%** | **8.4%** |
| **JPM Europe Fund** C-Class Acc | **-10.3%** | **20.4%** | **24.5%** | **0.4%** | **8.6%** |
| **JPM Europe Fund** I-Class Acc | **-10.1%** | **20.8%** | **24.9%** | **0.7%** | **9.0%** |
| Benchmark Index | -8.2% | 16.9% | 23.3% | -2.4% | 6.4% |

## Fund statistics

| | | | | |
|---|---|---|---|---|
| Risk and Reward Profile | | | | **5† (5 at 31 July 2018)** |
| Fund size | | | | **£132.6m** |
| Benchmark Index | | | | **FTSE All-World Developed Europe ex UK Index (Net)** |
| Fund charges and expenses | A-Class | B-Class | C-Class | I-Class |
| Initial charge (max.) | **Nil** | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | | |
| Annual management fee | **1.50%** | **1.00%** | **0.75%** | **0.60%** |
| Operating expenses (max.) | **0.15%** | **0.15%** | **0.15%** | **–** |

## Comparative tables

| A-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 1,515.84 | 1,268.58 | 1,025.20 |
| Return before operating charges* | (143.68) | 271.22 | 262.65 |
| Operating charges | (22.73) | (23.96) | (19.27) |
| Return after operating charges* | (166.41) | 247.26 | 243.38 |
| Distributions | (25.65) | (15.93) | (15.64) |
| Retained distributions on accumulation shares | 25.65 | 15.93 | 15.64 |
| Closing net asset value per share | 1,349.43 | 1,515.84 | 1,268.58 |
| * after direct transaction costs of | (2.57) | (3.42) | (2.39) |
| **Performance** | | | |
| % Return after operating charges^^ | (10.98)% | 19.49% | 23.74% |
| **Other information** | | | |
| Closing net asset value (£'000) | 77,551 | 94,450 | 90,715 |
| Closing number of shares | 5,746,892 | 6,230,906 | 7,150,886 |
| % Operating charges | 1.59% | 1.68% | 1.68% |
| % Direct transaction costs | 0.18% | 0.24% | 0.21% |
| **Prices** | | | |
| Highest share price | 1,524 | 1,540 | 1,300 |
| Lowest share price | 1,276 | 1,258 | 951.4 |

† 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Source: J.P. Morgan.

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## Comparative tables – continued

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 84.25 | 71.27 | 58.32 |
| Return before operating charges* | (7.99) | 15.23 | 14.94 |
| Operating charges | (1.31) | (1.35) | (1.10) |
| Return after operating charges* | (9.30) | 13.88 | 13.84 |
| Distributions | (1.37) | (0.90) | (0.89) |
| Closing net asset value per share | 73.58 | 84.25 | 71.27 |
| * after direct transaction costs of | (0.14) | (0.19) | (0.14) |
| **Performance** | | | |
| % Return after operating charges^^ | (11.04)% | 19.48% | 23.73% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,030 | 1,148 | 1,098 |
| Closing number of shares | 1,400,285 | 1,362,267 | 1,540,866 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.18% | 0.24% | 0.21% |
| **Prices** | | | |
| Highest share price | 84.66 | 86.50 | 73.98 |
| Lowest share price | 70.91 | 70.65 | 54.12 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 203.70 | 169.62 | 136.38 |
| Return before operating charges* | (19.35) | 36.34 | 35.04 |
| Operating charges | (2.21) | (2.26) | (1.80) |
| Return after operating charges* | (21.56) | 34.08 | 33.24 |
| Distributions | (4.29) | (3.09) | (2.84) |
| Retained distributions on accumulation shares | 4.29 | 3.09 | 2.84 |
| Closing net asset value per share | 182.14 | 203.70 | 169.62 |
| * after direct transaction costs of | (0.35) | (0.46) | (0.32) |
| **Performance** | | | |
| % Return after operating charges^^ | (10.58)% | 20.09% | 24.37% |
| **Other information** | | | |
| Closing net asset value (£'000) | 303 | 359 | 264 |
| Closing number of shares | 166,121 | 176,455 | 155,692 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.18% | 0.24% | 0.21% |
| **Prices** | | | |
| Highest share price | 205.2 | 206.9 | 173.9 |
| Lowest share price | 172.2 | 168.2 | 126.6 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 203.42 | 168.97 | 135.51 |
| Return before operating charges* | (19.35) | 36.23 | 34.88 |
| Operating charges | (1.64) | (1.78) | (1.42) |
| Return after operating charges* | (20.99) | 34.45 | 33.46 |
| Distributions | (4.87) | (3.55) | (3.21) |
| Retained distributions on accumulation shares | 4.87 | 3.55 | 3.21 |
| Closing net asset value per share | 182.43 | 203.42 | 168.97 |
| * after direct transaction costs of | (0.35) | (0.46) | (0.32) |
| **Performance** | | | |
| % Return after operating charges^^ | (10.32)% | 20.39% | 24.69% |
| **Other information** | | | |
| Closing net asset value (£'000) | 51,799 | 66,416 | 54,135 |
| Closing number of shares | 28,394,034 | 32,649,578 | 32,038,920 |
| % Operating charges | 0.85% | 0.93% | 0.93% |
| % Direct transaction costs | 0.18% | 0.24% | 0.21% |
| **Prices** | | | |
| Highest share price | 205.3 | 206.6 | 173.2 |
| Lowest share price | 172.5 | 167.5 | 125.8 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 189.67 | 160.37 | 131.12 |
| Return before operating charges* | (18.04) | 34.36 | 33.74 |
| Operating charges | (1.62) | (1.69) | (1.38) |
| Return after operating charges* | (19.66) | 32.67 | 32.36 |
| Distributions | (4.45) | (3.37) | (3.11) |
| Closing net asset value per share | 165.56 | 189.67 | 160.37 |
| * after direct transaction costs of | (0.32) | (0.44) | (0.31) |
| **Performance** | | | |
| % Return after operating charges^^ | (10.37)% | 20.37% | 24.68% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,366 | 1,600 | 1,262 |
| Closing number of shares | 825,069 | 843,650 | 786,744 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.18% | 0.24% | 0.21% |
| **Prices** | | | |
| Highest share price | 191.3 | 196.1 | 167.5 |
| Lowest share price | 160.7 | 159.0 | 121.7 |

| I-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 692.94 | 573.66 | 458.55 |
| Return before operating charges* | (65.99) | 123.00 | 118.19 |
| Operating charges | (3.94) | (3.72) | (3.08) |
| Return after operating charges* | (69.93) | 119.28 | 115.11 |
| Distributions | (18.22) | (14.26) | (12.57) |
| Retained distributions on accumulation shares | 18.22 | 14.26 | 12.57 |
| Closing net asset value per share | 623.01 | 692.94 | 573.66 |
| * after direct transaction costs of | (1.18) | (1.47) | (1.06) |
| **Performance** | | | |
| % Return after operating charges^^ | (10.09)% | 20.79% | 25.10% |
| **Other information** | | | |
| Closing net asset value (£'000) | 507 | 593 | 33,497 |
| Closing number of shares | 81,367 | 85,618 | 5,839,067 |
| % Operating charges | 0.60% | 0.60% | 0.60% |
| % Direct transaction costs | 0.18% | 0.24% | 0.21% |
| **Prices** | | | |
| Highest share price | 700.2 | 703.7 | 587.8 |
| Lowest share price | 588.8 | 568.9 | 425.7 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 74 and 75, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Geographical breakdown

| | % |
|---|---|
| France | 18.68 |
| Switzerland | 18.28 |
| Germany | 17.16 |
| Netherlands | 10.98 |
| Spain | 5.98 |
| Sweden | 5.49 |
| Norway | 3.92 |
| Austria | 3.83 |
| Denmark | 3.53 |
| Finland | 2.72 |
| Italy | 1.99 |
| Belgium | 1.81 |
| United Kingdom | 1.60 |
| Luxembourg | 1.53 |
| Portugal | 0.87 |
| Liquidity Funds | 0.34 |
| Liechtenstein | 0.21 |
| Futures | 0.03 |
| Net other assets | 1.05 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 98.58% (99.25%)** | | | |
| **Austria 3.83% (3.03%)** | | | |
| AT&S Austria Technologie & Systemtechnik AG | 10,994 | 171 | 0.13 |
| Mayr Melnhof Karton AG | 5,195 | 520 | 0.39 |
| OMV AG | 53,681 | 2,044 | 1.54 |
| Raiffeisen Bank International AG | 10,090 | 207 | 0.16 |
| Verbund AG | 54,466 | 2,141 | 1.61 |
| | | **5,083** | **3.83** |
| **Belgium 1.81% (2.13%)** | | | |
| Ageas | 4,357 | 156 | 0.12 |
| KBC Group NV | 43,086 | 2,243 | 1.69 |
| | | **2,399** | **1.81** |
| **Denmark 3.53% (5.62%)** | | | |
| Novo Nordisk A/S 'B' | 75,496 | 2,686 | 2.03 |
| Royal Unibrew A/S | 6,633 | 380 | 0.29 |
| TCM Group A/S | 5,876 | 66 | 0.05 |
| Topdanmark A/S | 38,032 | 1,408 | 1.06 |
| William Demant Holding A/S | 5,508 | 134 | 0.10 |
| | | **4,674** | **3.53** |
| **Finland 2.72% (2.62%)** | | | |
| Neste OYJ | 20,919 | 1,469 | 1.11 |
| Poyry OYJ | 19,844 | 176 | 0.13 |
| Stora Enso OYJ 'R' | 48,957 | 505 | 0.38 |
| UPM-Kymmene OYJ | 64,903 | 1,460 | 1.10 |
| | | **3,610** | **2.72** |
| **France 18.68% (20.12%)** | | | |
| ALD SA | 9,841 | 109 | 0.08 |
| BNP Paribas SA | 50,138 | 1,826 | 1.38 |
| Capgemini SE | 4,600 | 386 | 0.29 |
| Casino Guichard Perrachon SA | 11,169 | 408 | 0.31 |
| Credit Agricole SA | 110,202 | 969 | 0.73 |
| Dassault Aviation SA | 1,389 | 1,600 | 1.21 |
| Devoteam SA | 2,783 | 247 | 0.19 |
| Eiffage SA | 21,352 | 1,530 | 1.15 |
| Electricite de France SA | 5,164 | 65 | 0.05 |
| Eramet | 5,800 | 309 | 0.23 |
| Gaztransport Et Technigaz SA | 10,171 | 657 | 0.50 |
| Kaufman & Broad SA | 18,058 | 559 | 0.42 |
| Kering SA | 2,452 | 928 | 0.70 |
| L'Oreal SA | 6,517 | 1,184 | 0.89 |
| LVMH Moet Hennessy Louis Vuitton SE | 11,685 | 2,833 | 2.14 |
| Neopost SA | 10,601 | 206 | 0.16 |
| Orange SA | 63,018 | 756 | 0.57 |
| Peugeot SA | 116,839 | 2,246 | 1.69 |
| Rothschild & Co. | 39,336 | 1,008 | 0.76 |
| Safran SA | 1,644 | 164 | 0.12 |
| Sanofi | 42,616 | 2,823 | 2.13 |
| Schneider Electric SE | 9,140 | 499 | 0.38 |
| Thales SA | 3,498 | 300 | 0.23 |
| TOTAL SA | 24,442 | 1,024 | 0.77 |
| Vinci SA | 30,285 | 2,036 | 1.54 |
| Voyageurs du Monde | 794 | 83 | 0.06 |
| | | **24,755** | **18.68** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Germany 17.16% (18.15%)** | | | |
| adidas AG | 4,776 | 862 | 0.65 |
| ADO Properties SA | 13,548 | 620 | 0.47 |
| Allianz SE | 23,750 | 3,843 | 2.90 |
| Amadeus Fire AG | 9,899 | 766 | 0.58 |
| Corestate Capital Holding SA | 9,712 | 280 | 0.21 |
| Covestro AG | 21,472 | 920 | 0.69 |
| Deutsche Boerse AG | 13,536 | 1,375 | 1.04 |
| Deutsche Pfandbriefbank AG | 46,868 | 408 | 0.31 |
| Deutsche Telekom AG | 77,120 | 958 | 0.72 |
| Eckert & Ziegler AG | 7,712 | 658 | 0.50 |
| Fresenius Medical Care AG & Co. KGaA | 9,831 | 557 | 0.42 |
| HOCHTIEF AG | 7,970 | 914 | 0.69 |
| Knorr-Bremse AG | 12,894 | 974 | 0.73 |
| MTU Aero Engines AG | 5,160 | 859 | 0.65 |
| Muenchener Rueckversicherungs-Gesellschaft AG | 8,936 | 1,526 | 1.15 |
| Nemetschek SE | 1,087 | 108 | 0.08 |
| Rheinmetall AG | 3,084 | 246 | 0.18 |
| RWE AG | 30,822 | 586 | 0.44 |
| SAP SE | 39,927 | 3,126 | 2.36 |
| Siemens AG | 1,112 | 93 | 0.07 |
| Siemens Healthineers AG | 7,946 | 238 | 0.18 |
| Siltronic AG | 6,429 | 495 | 0.37 |
| Sixt SE Preference | 7,274 | 355 | 0.27 |
| Software AG | 6,989 | 193 | 0.15 |
| Stemmer Imaging AG | 9,530 | 287 | 0.22 |
| Varta AG | 16,446 | 449 | 0.34 |
| Wirecard AG | 7,677 | 1,005 | 0.76 |
| Zeal Network SE | 2,288 | 44 | 0.03 |
| | | **22,745** | **17.16** |
| **Italy 1.99% (2.06%)** | | | |
| Assicurazioni Generali SpA | 35,095 | 473 | 0.36 |
| Eni SpA | 57,078 | 741 | 0.56 |
| Falck Renewables SpA | 120,921 | 293 | 0.22 |
| Poste Italiane SpA | 62,921 | 415 | 0.31 |
| Reno de Medici SpA | 182,478 | 117 | 0.09 |
| Rizzoli Corriere Della Sera Mediagroup SpA | 128,529 | 163 | 0.12 |
| UniCredit SpA | 48,864 | 435 | 0.33 |
| | | **2,637** | **1.99** |
| **Liechtenstein 0.21% (0.15%)** | | | |
| Liechtensteinische Landesbank AG | 5,545 | 279 | 0.21 |
| | | **279** | **0.21** |
| **Luxembourg 1.53% (1.78%)** | | | |
| ArcelorMittal | 111,024 | 1,961 | 1.48 |
| SES SA, FDR | 4,646 | 73 | 0.05 |
| | | **2,034** | **1.53** |
| **Netherlands 10.98% (9.24%)** | | | |
| ABN AMRO Group NV, CVA | 75,680 | 1,446 | 1.09 |
| Adyen NV | 1,200 | 682 | 0.52 |
| Aegon NV | 77,088 | 305 | 0.23 |
| ASML Holding NV | 1,809 | 241 | 0.18 |
| ASR Nederland NV | 65,505 | 2,131 | 1.61 |
| Euronext NV | 29,477 | 1,387 | 1.05 |
| Heijmans NV, CVA | 46,603 | 375 | 0.28 |
| ING Groep NV | 158,233 | 1,446 | 1.09 |
| Koninklijke Ahold Delhaize NV | 127,278 | 2,548 | 1.92 |
| NIBC Holding NV | 104,531 | 793 | 0.60 |
| Unilever NV, CVA | 50,652 | 2,033 | 1.53 |
| Wolters Kluwer NV | 24,272 | 1,167 | 0.88 |
| | | **14,554** | **10.98** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Norway 3.92% (1.77%)** | | | |
| Austevoll Seafood ASA | 6,886 | 68 | 0.05 |
| Bakkafrost P/F | 4,310 | 172 | 0.13 |
| DNB ASA | 19,957 | 273 | 0.20 |
| Equinor ASA | 29,610 | 516 | 0.39 |
| Leroy Seafood Group ASA | 84,934 | 530 | 0.40 |
| MOWI ASA | 39,000 | 671 | 0.51 |
| Norwegian Finans Holding ASA | 121,628 | 764 | 0.58 |
| Olav Thon Eiendomsselskap ASA | 11,725 | 152 | 0.11 |
| Pareto Bank ASA | 20,781 | 67 | 0.05 |
| Salmar ASA | 12,262 | 499 | 0.38 |
| Selvaag Bolig ASA | 67,452 | 265 | 0.20 |
| SpareBank 1 BV | 31,368 | 105 | 0.08 |
| SpareBank 1 SR-Bank ASA | 24,537 | 203 | 0.15 |
| Telenor ASA | 62,840 | 917 | 0.69 |
| | | **5,202** | **3.92** |
| **Portugal 0.87% (0.91%)** | | | |
| Altri SGPS SA | 113,523 | 717 | 0.54 |
| EDP – Energias de Portugal SA | 154,095 | 430 | 0.33 |
| | | **1,147** | **0.87** |
| **Spain 5.98% (5.50%)** | | | |
| ACS Actividades de Construccion y Servicios SA | 44,360 | 1,401 | 1.06 |
| ACS Actividades de Construccion y Servicios SA Rights 05/02/2019 | 44,360 | 18 | 0.02 |
| Befesa SA | 16,914 | 569 | 0.43 |
| Cia de Distribucion Integral Logista Holdings SA | 18,226 | 359 | 0.27 |
| Ence Energia y Celulosa SA | 26,336 | 155 | 0.12 |
| Endesa SA | 116,357 | 2,204 | 1.66 |
| International Consolidated Airlines Group SA | 121,794 | 785 | 0.59 |
| Merlin Properties Socimi SA, REIT | 83,300 | 852 | 0.64 |
| Repsol SA | 118,485 | 1,582 | 1.19 |
| | | **7,925** | **5.98** |
| **Sweden 5.49% (4.72%)** | | | |
| Betsson AB | 46,347 | 331 | 0.25 |
| Boliden AB | 18,423 | 351 | 0.26 |
| Elekta AB 'B' | 18,665 | 195 | 0.15 |
| Hembla AB | 8,288 | 116 | 0.09 |
| Nobina AB | 26,921 | 142 | 0.11 |
| Sandvik AB | 195,136 | 2,396 | 1.81 |
| Swedish Match AB | 46,307 | 1,573 | 1.19 |
| Telefonaktiebolaget LM Ericsson 'B' | 138,311 | 947 | 0.71 |
| Telia Co. AB | 176,202 | 590 | 0.44 |
| Tethys Oil AB | 84,656 | 493 | 0.37 |
| Volvo AB 'B' | 13,051 | 143 | 0.11 |
| | | **7,277** | **5.49** |
| **Switzerland 18.28% (20.73%)** | | | |
| Adecco Group AG | 21,160 | 820 | 0.62 |
| EDAG Engineering Group AG | 13,285 | 184 | 0.14 |
| Nestle SA | 110,917 | 7,336 | 5.53 |
| Novartis AG | 85,333 | 5,654 | 4.27 |
| Orior AG | 1,770 | 115 | 0.09 |
| Partners Group Holding AG | 1,723 | 903 | 0.68 |
| Roche Holding AG | 29,395 | 5,915 | 4.46 |
| Sunrise Communications Group AG | 28,228 | 1,838 | 1.39 |
| Swissquote Group Holding SA | 8,736 | 317 | 0.24 |
| UBS Group AG | 104,363 | 1,040 | 0.78 |
| Vetropack Holding AG | 63 | 108 | 0.08 |
| | | **24,230** | **18.28** |
| **United Kingdom 1.60% (0.72%)** | | | |
| Concentric AB | 19,501 | 218 | 0.16 |
| Fiat Chrysler Automobiles NV | 147,686 | 1,903 | 1.44 |
| | | **2,121** | **1.60** |
| **Equities total** | | **130,672** | **98.58** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Futures 0.03% (0.00%)** | | | |
| EURO STOXX 50 Index 15/03/2019 | 44 | 36 | 0.03 |
| **Futures total** | | **36** | **0.03** |
| **Liquidity Funds 0.34% (0.78%)** | | | |
| JPM EUR Liquidity LVNAV Fund X (flex dist.)[ø] | 519,041 | 454 | 0.34 |
| **Liquidity Funds total** | | **454** | **0.34** |
| Investment assets | | 131,162 | 98.95 |
| Net other assets | | 1,394 | 1.05 |
| **Net assets** | | **132,556** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

[ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (19,963) | | 30,499 |
| Revenue (Note 3) | 5,236 | | 5,862 | |
| Expenses (Note 4) | (1,904) | | (2,327) | |
| Net revenue before taxation | 3,332 | | 3,535 | |
| Taxation (Note 5) | (126) | | (485) | |
| Net revenue after taxation | | 3,206 | | 3,050 |
| **Total return before distributions** | | **(16,757)** | | **33,549** |
| Distributions (Note 6) | | (3,209) | | (3,076) |
| **Change in net assets attributable to shareholders from investment activities** | | **(19,966)** | | **30,473** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 131,162 | 164,616 |
| **Current assets:** | | |
| Debtors (Note 8) | 586 | 384 |
| Cash and bank balances (Note 9) | 1,242 | 96 |
| **Total assets** | **132,990** | **165,096** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | (56) | (41) |
| Other creditors (Note 10) | (378) | (489) |
| **Total liabilities** | **(434)** | **(530)** |
| **Net assets attributable to shareholders** | **132,556** | **164,566** |

The notes to these financial statements are shown on pages 72 to 75.

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **164,566** | | **180,971** |
| Amounts receivable on issue of shares | 1,120 | | 6,567 | |
| Amounts payable on cancellation of shares | (16,043) | | (55,621) | |
| | | (14,923) | | (49,054) |
| Dilution adjustment | | - | | 7 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (19,966) | | 30,473 |
| Retained distributions on accumulation shares | | 2,879 | | 2,169 |
| **Closing net assets attributable to shareholders** | | **132,556** | | **164,566** |

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Europe Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency (losses)/gains | (85) | 15 |
| Derivative contracts | (190) | 232 |
| Non-derivative securities | (19,688) | 30,252 |
| Net capital (losses)/gains | (19,963) | 30,499 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Income from overseas equity investments | 5,143 | 5,746 |
| Interest on Fokus reclaim | 79 | 62 |
| Income from Liquidity Funds | (9) | (8) |
| Stock dividends | 16 | 43 |
| Stock lending income | 7 | 19 |
| Total revenue | 5,236 | 5,862 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 1,756 | 2,025 |
| Operating expenses | 141 | 291 |
| Stock lending fees | 1 | 3 |
| | 1,898 | 2,319 |
| Interest payable | 6 | 8 |
| Total expenses | 1,904 | 2,327 |

The fees paid to the auditor for the year ended 31 January 2019 are £5,979 (31.01.18: £5,979), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 126 | 485 |
| Current year tax charge (Note 5b) | 126 | 485 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 3,332 | 3,535 |
| Corporation tax at 20% | 666 | 707 |
| Effects of: | | |
| Dividends not subject to corporation tax | (1,024) | (1,158) |
| Excess expenses for which no relief taken | 359 | 449 |
| Non-trade deficit set against current year income | - | 2 |
| Overseas tax expensed | (1) | - |
| Overseas tax suffered | 126 | 485 |
| | (540) | (222) |
| Current year tax charge (Note 5a) | 126 | 485 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £4,319,913 (31.01.18: £3,961,233) in relation to £21,599,565 (31.01.18: £19,806,165) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 2,935 | 2,210 |
| Add: Amounts payable on cancellation of shares | 292 | 936 |
| Deduct: Amounts receivable on issue of shares | (18) | (70) |
| Distributions for the year | 3,209 | 3,076 |

Details of the distribution per share are set out on page 76.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 3,206 | 3,050 |
| Add: RDR transfer equalisation (capital) | 1 | 26 |
| Add: Undistributed revenue brought forward | 2 | 2 |
| Deduct: Undistributed revenue carried forward | - | (2) |
| | 3,209 | 3,076 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 3 | 1 |
| Due from the ACD for shares issued | - | 8 |
| Overseas tax recoverable | 388 | 375 |
| Sales awaiting settlement | 195 | - |
| Total debtors | 586 | 384 |

# Notes to the financial statements – continued

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 181 | – |
| Cash and bank balances | 1,061 | 96 |
| Total cash and bank balances | 1,242 | 96 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 150 | 193 |
| Due to the ACD for shares cancelled | 228 | 296 |
| Total other creditors | 378 | 489 |

## 11. Contingent liabilities

At the balance sheet date the Fund had the following contingent liabilities:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Nil/part paid rights | 39 | 14 |

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £378,169 (31.01.18: £480,494). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on pages 69 and 70 and the revenue from these investments was £(9,483) (31.01.18: £(7,651)).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £4,708 (31.01.18: £7,403). Commission was paid to the associated company JPMorgan Securities Ltd.

The following party held a material interest in the Fund at the year end date:
– Turnsonic (Nominees) Ltd 19.62% (31.01.18: 19.31%)

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £3,645,808 securities on loan (31.01.18: £1,372,841) and consequently £3,837,695 collateral was held (31.01.18: £1,495,101). The nature of the collateral was 19.85% cash and 80.15% bonds.

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 7 | 19 |
| Fees paid to the lending agent[Ø] | (1) | (3) |
| Net stock lending income | 6 | 16 |

[Ø] A related party to the Fund.

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 78.

## 14. Financial instruments

**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | | Net foreign currency assets | |
|---|---|---|---|
| Currency | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | |
| Euro | 90,949 | 1,483 | 89,466 |
| Swiss Franc | 24,520 | 195 | 24,325 |
| Swedish Krona | 7,495 | – | 7,495 |
| Norwegian Krone | 5,202 | – | 5,202 |
| Danish Krone | 4,774 | 100 | 4,674 |
| **31.01.18** | | | |
| Euro | 109,328 | 162 | 109,166 |
| Swiss Franc | 34,137 | 2 | 34,135 |
| Danish Krone | 9,317 | 63 | 9,254 |
| Swedish Krona | 8,196 | – | 8,196 |
| Norwegian Krone | 3,869 | 4 | 3,865 |
| US Dollar | 2 | 2 | – |

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £13,294,000 (31.01.18: £16,485,000).

**Interest rate risk**

At the year end date, 1.28% (31.01.18: 0.84%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £13,116,000 (31.01.18: £16,462,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has four share classes; Class A Shares, Class B Shares, Class C Shares and Class I Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |
| Class I Shares: | 0.60% | 0.00% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 66 and 68. All classes have the same rights on winding up.

## 16. Counterparty exposure

**Financial derivative exposure**

| Counterparty | Futures contracts £'000 | Total £'000 |
|---|---|---|
| **31.01.19** | | |
| Goldman Sachs | 36 | 36 |

As at 31.01.18 no financial derivative instruments were held.

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on futures contracts is reported at their positive mark to market values.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 130,708 | - | 163,317 | - |
| Level 2: Observable market data | 454 | - | 1,286 | - |
| Level 3: Unobservable data | - | - | 13 | - |
| Total | 131,162 | - | 164,616 | - |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (85,242) | (98) | (56) | (85,396) | 0.11 | 0.07 |
| Purchases of Funds | (11,932) | - | - | (11,932) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | (115) | - | - | (115) | 0.00 | 0.00 |
| | (97,289) | (98) | (56) | (97,443) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 98,599 | (112) | - | 98,487 | 0.11 | 0.00 |
| Sales of Funds | 12,757 | - | - | 12,757 | 0.00 | 0.00 |
| | 111,356 | (112) | - | 111,244 | | |
| Total | | (210) | (56) | | | |
| Percentage of Fund average net assets | | 0.14% | 0.04% | | | |

* Excluding in specie and corporate action activity

## 18. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (118,452) | (172) | (69) | (118,693) | 0.15 | 0.06 |
| Purchases of Funds | (17,885) | - | - | (17,885) | 0.00 | 0.00 |
| | (136,337) | (172) | (69) | (136,578) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 165,171 | (177) | - | 164,994 | 0.11 | 0.00 |
| Sales of Funds | 17,963 | - | - | 17,963 | 0.00 | 0.00 |
| | 183,134 | (177) | - | 182,957 | | |
| Total | | (349) | (69) | | | |
| Percentage of Fund average net assets | | 0.20% | 0.04% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.09% (31.01.18: 0.07%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 6,230,906 | 45,514 | (494,894) | (34,634) | 5,746,892 |
| A-Class Income Shares | 1,362,267 | 25,002 | (154,456) | 167,472 | 1,400,285 |
| B-Class Accumulation Shares | 176,455 | 313 | (10,647) | - | 166,121 |
| C-Class Accumulation Shares | 32,649,578 | 210,142 | (4,647,100) | 181,414 | 28,394,034 |
| C-Class Income Shares | 843,650 | 58,854 | (84,676) | 7,241 | 825,069 |
| I-Class Accumulation Shares | 85,618 | - | (4,251) | - | 81,367 |

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 25.650000 | – | 25.650000 | 15.930000 |
| Group 2 | 6.889615 | 18.760385 | 25.650000 | 15.930000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 1.370000 | – | 1.370000 | 0.900000 |
| Group 2 | 0.536375 | 0.833625 | 1.370000 | 0.900000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 4.290000 | – | 4.290000 | 3.090000 |
| Group 2 | 0.717046 | 3.572954 | 4.290000 | 3.090000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 4.870000 | – | 4.870000 | 3.550000 |
| Group 2 | 1.725418 | 3.144582 | 4.870000 | 3.550000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 4.450000 | – | 4.450000 | 3.370000 |
| Group 2 | 1.832492 | 2.617508 | 4.450000 | 3.370000 |
| **I-Class Accumulation Shares** | | | | |
| Group 1 | 18.220000 | – | 18.220000 | 14.260000 |
| Group 2 | 18.220000 | 0.000000 | 18.220000 | 14.260000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 2.79%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 3,646 | 2.75% |

## Concentration Data

### Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date:

| Issuer | Collateral Value £'000 |
|---|---|
| United Kingdom Treasury | 2,373 |
| French Republic Government | 327 |
| Republic of Austria Government | 119 |
| Kingdom of Belgium Government | 117 |
| Republic of Finland Government | 70 |
| United States of America Treasury | 44 |
| Kingdom of Netherlands Government | 21 |
| Federal Republic of Germany Government | 5 |
| Total | 3,076 |

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

## Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| HSBC | 2,016 |
| Merrill Lynch | 1,238 |
| Credit Suisse | 281 |
| Citigroup | 111 |
| Total | 3,646 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Value £'000 |
|---|---|---|---|
| Bonds | Investment Grade | GBP | 2,373 |
| Bonds | Investment Grade | EUR | 659 |
| Bonds | Investment Grade | USD | 44 |
| Cash | N/A | EUR | 689 |
| Cash | N/A | USD | 73 |
| Total | | | 3,838 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| less than one day | 762 |
| 1 to 3 months | 68 |
| 3 to 12 months | 8 |
| more than 1 year | 3,000 |
| Total | 3,838 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| Citigroup | United States |
| Credit Suisse | Switzerland |
| HSBC | United Kingdom |
| Merrill Lynch | United States |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

Cash collateral received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus, however the Fund as at the period end has not reinvested cash collateral received in respect of securities lending transactions.

## Safekeeping of collateral

All collateral received (31.01.19: £3,838,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM Europe Dynamic (ex-UK) Fund

## Investment objective and policy

To maximise long-term capital growth by investing primarily in continental European Equities.

Continental European Equities are those issued by companies that are incorporated under the laws of, and have their registered office in, continental Europe, or that derive the predominant part of their economic activity from continental Europe, even if listed elsewhere. The Fund may invest in smaller companies.

This Equity based Fund invests in those stocks which the Investment Adviser believes will outperform irrespective of their Benchmark weighting.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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 may invest in assets denominated in any currency and non-sterling currency exposure may be hedged back to sterling.

The Fund seeks to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund.

## 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.

The Fund may invest 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.

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.

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 the investor from participating in an increase in the value of that currency. Please refer to Section 1.3 of the Prospectus for more information on Hedged Share Classes.

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.

## Market review

European ex-UK equity markets struggled over the 12-month period to the end of January. The index overall fell by 8.2% in sterling terms.

After a strong start to the period, equities started to struggle as the blistering pace of GDP growth from 2017 began to slow, and the slowdown was very protracted, even though the overall rate of growth for the year was above trend at around or just under 2.0%. Central banks in the region retained a very accommodative policy and credit continued to expand. Corporate earnings for the year grew, but investors remained very cagy as a series of political events overshadowed sentiment. The new Italian government caused concerns as the populist coalition threatened to cause a confrontation with the European Union over budget policy, and Italian bond yields moved sharply higher – although in the event, the budget was adjusted to avoid breaching rules and spreads narrowed again. The UK continued to negotiate its departure from the EU, but Prime Minister Theresa May struggled to get the deal she had agreed past the UK Parliament, which increased the risk of a no-deal departure. More important internationally was President Trump's announcement of trade tariffs, which had a discernible effect on trade volumes and on corporate sentiment as companies struggled to plan for the impact on global supply chains.

## Fund review

The Fund, which invests in stocks with attractive value, quality and momentum characteristics, underperformed its benchmark during the period.

Sector-level detractors from relative performance included stock selection in chemicals and technology hardware & equipment. Contributors included stock selection in support services as well as stock selection and an overweight position in oil & gas producers.

The largest stock-level detractor was an underweight position in Nestlé, the Swiss food and drink company. Given the increasing market uncertainty through the year, Nestlé, along with traditional consumer staples companies, fared better as investors looked to the relative safety of large cap defensive companies. In addition, investors are encouraged by the new CEO, who is focused on improving return on invested capital (ROIC), cash flow and earnings. The firm's results highlighted cost-cutting and building further scale in areas of strength. An overweight position in German chemicals company Covestro was also detrimental over the period. The stock sold off with other cyclical stocks as the market turned more defensive later in the year and concerns increased over the impact of escalating trade tensions on end market exposures.

Partially offsetting some of the negative performance was our overweight position in Novartis, which was positive for relative returns during the period. The Swiss pharmaceutical giant performed strongly in the second half of 2018, releasing second-quarter results in July that showed both sales and earnings ahead of expectations. In the fourth quarter, the stock's defensive qualities were rewarded as volatility returned to markets. Another contributor to returns was our underweight in Anheuser-Busch InBev. A general decline in the beer market, adverse currency conditions, a dividend cut and materially negative derivative contract adjustments contributed to a steady share price decline for the Belgian-listed brewing firm throughout the period.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

## Fund outlook

A lot of the disappointing performance of financial assets in 2018 stemmed from concerns over decisions being taken at a political level. The late-2018 swoon in prices, however, made valuations a great deal more attractive, and with another year of earnings growth in prospect, the Federal Reserve turning more dovish, and the Bank of Japan and the People's Bank of China still expanding their balance sheets, it may well be that the market's concerns over growth are overstated. Having said that, there is a series of political one-offs in Europe this year: the Brexit deadline is October 31st (although there are mechanisms to extend this) and the European Parliamentary elections are due in May, which will trigger the formal dismissal of the current European Commission. Indeed there is a wholesale changing of the guard in prospect, with the head of the Commission Jean-Claude Juncker, the head of the EU Council Donald Tusk, and the head of the European Central Bank Mario Draghi all due to be replaced later this year.

At a corporate level, we are expecting a recovery in demand after the one-offs at the end of 2018, and there are signs of a recovery in credit. Our process directs us into those areas of the market with attractive valuations supported by improving corporate newsflow, and we can still find plenty of these opportunities.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Europe Dynamic (ex-UK) Fund** A-Class Acc | **-13.4%** | **16.4%** | **27.8%** | **-0.2%** | **7.7%** |
| **JPM Europe Dynamic (ex-UK) Fund** B-Class Acc | **-13.1%** | **17.1%** | **28.5%** | **0.4%** | **8.3%** |
| **JPM Europe Dynamic (ex-UK) Fund** C-Class Acc | **-12.8%** | **17.4%** | **28.9%** | **0.6%** | **8.5%** |
| **JPM Europe Dynamic (ex-UK) Fund** X-Class Acc | **-12.1%** | **4.9%** | – | – | – |
| Benchmark Index | -8.2% | 16.9% | 23.3% | -2.4% | 6.4% |
| **JPM Europe Dynamic (ex-UK) Fund** A-Class Acc (GBP Hedged) | **-12.0%** | **17.1%** | **12.0%** | **-1.4%** | **16.6%** |
| **JPM Europe Dynamic (ex-UK) Fund** C-Class Acc (GBP Hedged) | **-11.2%** | **17.8%** | **12.4%** | **-0.5%** | **17.1%** |
| Hedged Benchmark Index | -6.8% | 17.6% | 9.2% | -2.7% | 13.3% |

## Fund statistics

| | | | | |
|---|---|---|---|---|
| Risk and Reward Profile | | | | **5[†] (5 at 31 July 2018)** |
| Fund size | | | | **£683.4m** |
| Benchmark Index | | | | **FTSE All-World Developed Europe ex UK Index (Net)** |
| Hedged Benchmark Index | | | | **FTSE All-World Developed Europe ex UK Index (Net) Hedged to GBP** |
| Fund charges and expenses | A-Class | B-Class | C-Class | X-Class |
| Initial charge (max.) | **Nil** | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | | |
| Annual management fee | **1.50%** | **1.00%** | **0.75%** | **–[A]** |
| Operating expenses (max.) | **0.15%** | **0.15%** | **0.15%** | **0.06%** |

## Comparative tables

| **A-Class Accumulation Shares** | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 235.17 | 201.84 | 157.89 |
| Return before operating charges* | (28.14) | 37.07 | 46.91 |
| Operating charges | (3.42) | (3.74) | (2.96) |
| Return after operating charges* | (31.56) | 33.33 | 43.95 |
| Distributions | (1.94) | (1.94) | (1.63) |
| Retained distributions on accumulation shares | 1.94 | 1.94 | 1.63 |
| Closing net asset value per share | 203.61 | 235.17 | 201.84 |
| * after direct transaction costs of | (0.55) | (0.89) | (0.56) |
| **Performance** | | | |
| % Return after operating charges^^ | (13.42)% | 16.51% | 27.84% |
| **Other information** | | | |
| Closing net asset value (£'000) | 105,825 | 134,050 | 115,718 |
| Closing number of shares | 51,974,951 | 57,000,593 | 57,331,782 |
| % Operating charges | 1.56% | 1.68% | 1.69% |
| % Direct transaction costs | 0.25% | 0.40% | 0.32% |
| **Prices** | | | |
| Highest share price | 236.2 | 239.3 | 204.6 |
| Lowest share price | 193.6 | 199.5 | 143.9 |

[†] 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Source: J.P. Morgan.

Source: FTSE International Limited ("FTSE") © FTSE 2014. "FTSE®" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

[A] The Ongoing charge will vary in accordance to the annual management fee agreed between the ACD and the relevant JPMorgan Chase & Co. entity.

## Comparative tables – continued

| A-Class Accumulation GBP Hedged Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 227.46 | 194.22 | 173.38 |
| Return before operating charges* | (23.91) | 36.82 | 23.82 |
| Operating charges | (3.51) | (3.58) | (2.98) |
| Return after operating charges* | (27.42) | 33.24 | 20.84 |
| Distributions | (1.72) | (1.94) | (1.83) |
| Retained distributions on accumulation shares | 1.72 | 1.94 | 1.83 |
| Closing net asset value per share | 200.04 | 227.46 | 194.22 |
| * after direct transaction costs of | (0.53) | (0.85) | (0.56) |
| **Performance** | | | |
| % Return after operating charges^^ | (12.05)% | 17.11% | 12.02% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,623 | 2,251 | 2,134 |
| Closing number of shares | 811,441 | 989,727 | 1,098,541 |
| % Operating charges | 1.65% | 1.68% | 1.69% |
| % Direct transaction costs | 0.25% | 0.40% | 0.32% |
| **Prices** | | | |
| Highest share price | 228.0 | 230.6 | 197.8 |
| Lowest share price | 184.0 | 194.6 | 154.1 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 211.22 | 180.38 | 140.40 |
| Return before operating charges* | (25.33) | 33.20 | 41.84 |
| Operating charges | (2.27) | (2.36) | (1.86) |
| Return after operating charges* | (27.60) | 30.84 | 39.98 |
| Distributions | (2.56) | (2.72) | (2.29) |
| Retained distributions on accumulation shares | 2.56 | 2.72 | 2.29 |
| Closing net asset value per share | 183.62 | 211.22 | 180.38 |
| * after direct transaction costs of | (0.49) | (0.80) | (0.50) |
| **Performance** | | | |
| % Return after operating charges^^ | (13.07)% | 17.10% | 28.48% |
| **Other information** | | | |
| Closing net asset value (£'000) | 292 | 378 | 262 |
| Closing number of shares | 158,903 | 179,158 | 145,047 |
| % Operating charges | 1.15% | 1.18% | 1.19% |
| % Direct transaction costs | 0.25% | 0.40% | 0.32% |
| **Prices** | | | |
| Highest share price | 212.6 | 214.8 | 182.8 |
| Lowest share price | 174.5 | 178.3 | 128.0 |

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 105.54 | 91.33 | 72.03 |
| Return before operating charges* | (12.63) | 16.78 | 21.36 |
| Operating charges | (1.62) | (1.70) | (1.32) |
| Return after operating charges* | (14.25) | 15.08 | 20.04 |
| Distributions | (0.78) | (0.87) | (0.74) |
| Closing net asset value per share | 90.51 | 105.54 | 91.33 |
| * after direct transaction costs of | (0.25) | (0.40) | (0.25) |
| **Performance** | | | |
| % Return after operating charges^^ | (13.50)% | 16.51% | 27.82% |
| **Other information** | | | |
| Closing net asset value (£'000) | 766 | 827 | 624 |
| Closing number of shares | 846,111 | 783,591 | 683,364 |
| % Operating charges | 1.65% | 1.68% | 1.69% |
| % Direct transaction costs | 0.25% | 0.40% | 0.32% |
| **Prices** | | | |
| Highest share price | 105.9 | 108.3 | 93.35 |
| Lowest share price | 86.81 | 90.28 | 65.65 |

| B-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 197.80 | 171.14 | 134.87 |
| Return before operating charges* | (23.73) | 31.48 | 40.16 |
| Operating charges | (2.12) | (2.24) | (1.71) |
| Return after operating charges* | (25.85) | 29.24 | 38.45 |
| Distributions | (2.40) | (2.58) | (2.18) |
| Closing net asset value per share | 169.55 | 197.80 | 171.14 |
| * after direct transaction costs of | (0.46) | (0.76) | (0.45) |
| **Performance** | | | |
| % Return after operating charges^^ | (13.07)% | 17.09% | 28.51% |
| **Other information** | | | |
| Closing net asset value (£'000) | 146 | 181 | 160 |
| Closing number of shares | 85,922 | 91,558 | 93,787 |
| % Operating charges | 1.15% | 1.18% | 1.19% |
| % Direct transaction costs | 0.25% | 0.40% | 0.32% |
| **Prices** | | | |
| Highest share price | 199.1 | 203.8 | 175.7 |
| Lowest share price | 163.5 | 169.2 | 123.0 |

## Comparative tables – continued

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 244.70 | 208.45 | 161.75 |
| Return before operating charges* | (29.38) | 38.40 | 48.42 |
| Operating charges | (1.86) | (2.15) | (1.72) |
| Return after operating charges* | (31.24) | 36.25 | 46.70 |
| Distributions | (3.74) | (3.72) | (3.12) |
| Retained distributions on accumulation shares | 3.74 | 3.72 | 3.12 |
| Closing net asset value per share | 213.46 | 244.70 | 208.45 |
| * after direct transaction costs of | (0.57) | (0.92) | (0.59) |
| **Performance** | | | |
| % Return after operating charges^^ | (12.77)% | 17.39% | 28.87% |
| **Other information** | | | |
| Closing net asset value (£'000) | 402,854 | 533,689 | 421,104 |
| Closing number of shares | 188,725,117 | 218,097,870 | 202,017,175 |
| % Operating charges | 0.82% | 0.93% | 0.94% |
| % Direct transaction costs | 0.25% | 0.40% | 0.32% |
| **Prices** | | | |
| Highest share price | 246.8 | 248.9 | 211.3 |
| Lowest share price | 202.8 | 206.1 | 147.5 |

| C-Class Accumulation GBP Hedged Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 233.16 | 197.76 | 175.85 |
| Return before operating charges* | (24.38) | 37.43 | 23.59 |
| Operating charges | (1.86) | (2.03) | (1.68) |
| Return after operating charges* | (26.24) | 35.40 | 21.91 |
| Distributions | (3.52) | (3.61) | (3.31) |
| Retained distributions on accumulation shares | 3.52 | 3.61 | 3.31 |
| Closing net asset value per share | 206.92 | 233.16 | 197.76 |
| * after direct transaction costs of | (0.55) | (0.87) | (0.57) |
| **Performance** | | | |
| % Return after operating charges^^ | (11.25)% | 17.90% | 12.46% |
| **Other information** | | | |
| Closing net asset value (£'000) | 63,674 | 126,613 | 112,175 |
| Closing number of shares | 30,772,045 | 54,302,458 | 56,721,791 |
| % Operating charges | 0.85% | 0.93% | 0.94% |
| % Direct transaction costs | 0.25% | 0.40% | 0.32% |
| **Prices** | | | |
| Highest share price | 233.7 | 236.3 | 201.4 |
| Lowest share price | 190.0 | 198.1 | 156.4 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 105.75 | 91.48 | 72.06 |
| Return before operating charges* | (12.70) | 16.85 | 21.56 |
| Operating charges | (0.83) | (0.95) | (0.75) |
| Return after operating charges* | (13.53) | 15.90 | 20.81 |
| Distributions | (1.59) | (1.63) | (1.39) |
| Closing net asset value per share | 90.63 | 105.75 | 91.48 |
| * after direct transaction costs of | (0.25) | (0.41) | (0.25) |
| **Performance** | | | |
| % Return after operating charges^^ | (12.79)% | 17.38% | 28.88% |
| **Other information** | | | |
| Closing net asset value (£'000) | 81,733 | 66,837 | 39,016 |
| Closing number of shares | 90,183,662 | 63,204,266 | 42,649,705 |
| % Operating charges | 0.84% | 0.93% | 0.94% |
| % Direct transaction costs | 0.25% | 0.40% | 0.32% |
| **Prices** | | | |
| Highest share price | 106.6 | 109.2 | 94.13 |
| Lowest share price | 87.63 | 90.43 | 65.71 |

## Comparative tables – continued

| X-Class Accumulation Shares‡‡ | 2019‡ pps | 2018 pps |
|---|---|---|
| **Change in net asset value per share** | | |
| Opening net asset value per share | 104.90 | 100.00 |
| Return before operating charges* | (12.65) | 4.93 |
| Operating charges | (0.06) | (0.03) |
| Return after operating charges* | (12.71) | 4.90 |
| Distributions | (2.36) | (0.43) |
| Retained distributions on accumulation shares | 2.36 | 0.43 |
| Closing net asset value per share | 92.19 | 104.90 |
| * after direct transaction costs of | (0.25) | (0.41) |
| **Performance** | | |
| % Return after operating charges^^ | (12.12)% | 4.90% |
| **Other information** | | |
| Closing net asset value (£'000) | 26,532 | 32,756 |
| Closing number of shares | 28,779,128 | 31,226,190 |
| % Operating charges | 0.06% | 0.06% |
| % Direct transaction costs | 0.25% | 0.40% |
| **Prices** | | |
| Highest share price | 106.3 | 106.7 |
| Lowest share price | 87.54 | 98.50 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 89 and 90, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 31 January 2019.
‡‡ X-Class Accumulation shares were launched on 20 July 2017. The Opening net asset value per share given is equal to the launch price of the shares.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Geographical breakdown %

| | |
|---|---|
| Switzerland | 21.77 |
| France | 20.64 |
| Germany | 11.48 |
| Netherlands | 9.75 |
| Spain | 7.52 |
| Italy | 6.13 |
| Liquidity Funds | 4.48 |
| Finland | 4.27 |
| Sweden | 3.40 |
| Belgium | 1.82 |
| United Kingdom | 1.70 |
| Austria | 1.39 |
| Luxembourg | 1.27 |
| Denmark | 1.19 |
| Norway | 0.49 |
| Forward Currency Contracts^ | 0.22 |
| Futures | 0.10 |
| Net other assets | 2.38 |

^ The forward currency contracts are only entered into by the A-Class Accumulation GBP Hedged shares and the C-Class Accumulation GBP Hedged shares.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 92.82% (96.53%)** | | | |
| **Austria 1.39% (0.00%)** | | | |
| Verbund AG | 241,888 | 9,506 | 1.39 |
| | | **9,506** | **1.39** |
| **Belgium 1.82% (1.20%)** | | | |
| KBC Group NV | 239,269 | 12,455 | 1.82 |
| | | **12,455** | **1.82** |
| **Denmark 1.19% (6.79%)** | | | |
| Royal Unibrew A/S | 141,918 | 8,127 | 1.19 |
| | | **8,127** | **1.19** |
| **Finland 4.27% (1.71%)** | | | |
| Neste OYJ | 289,100 | 20,295 | 2.97 |
| UPM-Kymmene OYJ | 396,622 | 8,922 | 1.30 |
| | | **29,217** | **4.27** |
| **France 20.64% (26.95%)** | | | |
| Air France-KLM | 1,019,800 | 9,854 | 1.44 |
| Air Liquide SA | 65,340 | 6,054 | 0.89 |
| Airbus SE | 85,015 | 7,421 | 1.09 |
| BNP Paribas SA | 274,973 | 10,016 | 1.47 |
| Capgemini SE | 105,157 | 8,836 | 1.29 |
| Eiffage SA | 119,492 | 8,560 | 1.25 |
| Engie SA | 1,279,921 | 15,627 | 2.29 |
| Faurecia SA | 173,478 | 5,827 | 0.85 |
| Gaztransport Et Technigaz SA | 129,381 | 8,354 | 1.22 |
| Kering SA | 40,850 | 15,457 | 2.26 |
| Peugeot SA | 698,858 | 13,433 | 1.97 |
| Safran SA | 160,101 | 16,024 | 2.34 |
| TOTAL SA | 159,413 | 6,682 | 0.98 |
| Vinci SA | 132,263 | 8,891 | 1.30 |
| | | **141,036** | **20.64** |
| **Germany 11.48% (18.94%)** | | | |
| Allianz SE | 146,043 | 23,633 | 3.46 |
| Bayer AG | 152,147 | 8,829 | 1.29 |
| Deutsche Telekom AG | 675,142 | 8,385 | 1.23 |
| Hannover Rueck SE | 52,166 | 5,824 | 0.85 |
| Knorr-Bremse AG | 109,077 | 8,239 | 1.21 |
| MTU Aero Engines AG | 50,098 | 8,341 | 1.22 |
| SAP SE | 52,847 | 4,137 | 0.60 |
| Volkswagen AG Preference | 85,554 | 11,073 | 1.62 |
| | | **78,461** | **11.48** |
| **Ireland 0.00% (1.01%)** | | | |
| **Italy 6.13% (5.17%)** | | | |
| Enel SpA | 4,037,702 | 18,546 | 2.71 |
| Eni SpA | 1,235,638 | 16,047 | 2.35 |
| Iren SpA | 3,920,273 | 7,305 | 1.07 |
| | | **41,898** | **6.13** |
| **Luxembourg 1.27% (0.00%)** | | | |
| ArcelorMittal | 490,532 | 8,665 | 1.27 |
| | | **8,665** | **1.27** |
| **Netherlands 9.75% (10.96%)** | | | |
| ABN AMRO Group NV, CVA | 700,643 | 13,388 | 1.96 |
| Adyen NV | 5,434 | 3,087 | 0.45 |
| ASML Holding NV | 49,397 | 6,594 | 0.96 |
| ASR Nederland NV | 297,524 | 9,678 | 1.42 |
| ING Groep NV | 1,965,955 | 17,964 | 2.63 |
| Koninklijke Ahold Delhaize NV | 413,610 | 8,281 | 1.21 |
| NN Group NV | 234,167 | 7,629 | 1.12 |
| | | **66,621** | **9.75** |
| **Norway 0.49% (1.21%)** | | | |
| Telenor ASA | 227,724 | 3,321 | 0.49 |
| | | **3,321** | **0.49** |
| **Spain 7.52% (4.82%)** | | | |
| ACS Actividades de Construccion y Servicios SA | 434,729 | 13,726 | 2.01 |
| Banco Santander SA | 3,508,766 | 12,741 | 1.86 |
| Repsol SA | 850,539 | 11,359 | 1.66 |
| Telefonica SA | 2,039,749 | 13,572 | 1.99 |
| | | **51,398** | **7.52** |
| **Sweden 3.40% (4.06%)** | | | |
| Tele2 AB 'B' | 397,279 | 3,839 | 0.56 |
| Telefonaktiebolaget LM Ericsson 'B' | 1,082,375 | 7,409 | 1.09 |
| Volvo AB 'B' | 1,090,367 | 11,986 | 1.75 |
| | | **23,234** | **3.40** |
| **Switzerland 21.77% (12.44%)** | | | |
| Logitech International SA | 248,945 | 6,902 | 1.01 |
| Nestle SA | 604,029 | 39,949 | 5.85 |
| Novartis AG | 523,207 | 34,668 | 5.07 |
| Roche Holding AG | 210,743 | 42,409 | 6.20 |
| Swissquote Group Holding SA | 158,351 | 5,744 | 0.84 |
| Zurich Insurance Group AG | 79,416 | 19,124 | 2.80 |
| | | **148,796** | **21.77** |
| **United Kingdom 1.70% (1.27%)** | | | |
| Fiat Chrysler Automobiles NV | 469,688 | 6,053 | 0.89 |
| Linde plc | 44,998 | 5,567 | 0.81 |
| | | **11,620** | **1.70** |
| **Equities total** | | **634,355** | **92.82** |
| **Forward Currency Contracts 0.22% (0.11%)** | | | |
| **GBP Hedged Share Class 0.22% (0.11%)^** | | | |
| Buy CHF 868,814 sell EUR 767,693 dated 19/02/2019 | | (5) | - |
| Buy CHF 522,596 sell GBP 404,703 dated 19/02/2019 | | (4) | - |
| Buy DKK 13,605,517 sell EUR 1,823,243 dated 19/02/2019 | | (1) | - |
| Buy DKK 99,956 sell GBP 11,957 dated 19/02/2019 | | - | - |
| Buy EUR 17,609,386 sell CHF 19,817,554 dated 19/02/2019 | | 206 | 0.03 |
| Buy EUR 2,887,425 sell DKK 21,546,253 dated 19/02/2019 | | 1 | - |
| Buy EUR 512,705 sell GBP 447,423 dated 19/02/2019 | | 1 | - |
| Buy EUR 857,143 sell NOK 8,392,274 dated 19/02/2019 | | (10) | - |
| Buy EUR 2,949,095 sell SEK 30,220,322 dated 19/02/2019 | | 30 | 0.01 |
| Buy GBP 533,089 sell CHF 671,392 dated 19/02/2019 | | 18 | - |
| Buy GBP 65,609,899 sell EUR 73,544,653 dated 19/02/2019 | | 1,236 | 0.18 |
| Buy GBP 592,667 sell EUR 682,184 dated 19/02/2019 | | (5) | - |
| **GBP Hedged Share Class total** | | **1,467** | **0.22** |
| **Forward Currency Contracts total** | | **1,467** | **0.22** |
| **Futures 0.10% (0.01%)** | | | |
| EURO STOXX 50 Index 15/03/2019 | 965 | 715 | 0.10 |
| **Futures total** | | **715** | **0.10** |
| **Liquidity Funds 4.48% (2.32%)** | | | |
| JPM EUR Liquidity LVNAV Fund X (flex dist.)[Ø] | 35,013,087 | 30,633 | 4.48 |
| **Liquidity Funds total** | | **30,633** | **4.48** |
| Investment assets (including investment liabilities) | | 667,170 | 97.62 |
| Net other assets | | 16,275 | 2.38 |
| **Net assets** | | **683,445** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

^ The forward currency contracts are only entered into by the A-Class Accumulation GBP Hedged Shares and the C-Class Accumulation GBP Hedged Shares.

[Ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (119,015) | | 112,627 |
| Revenue (Note 3) | 22,203 | | 21,593 | |
| Expenses (Note 4) | (7,138) | | (8,343) | |
| Net revenue before taxation | 15,065 | | 13,250 | |
| Taxation (Note 5) | (2,217) | | (1,686) | |
| Net revenue after taxation | | 12,848 | | 11,564 |
| **Total return before distributions** | | **(106,167)** | | **124,191** |
| Distributions (Note 6) | | (12,859) | | (11,545) |
| **Change in net assets attributable to shareholders from investment activities** | | **(119,026)** | | **112,646** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **897,582** | | **691,193** |
| Amounts receivable on issue of shares | 90,626 | | 201,360 | |
| Amounts payable on cancellation of shares | (195,736) | | (119,065) | |
| | | (105,110) | | 82,295 |
| Dilution adjustment | | 152 | | 110 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (119,026) | | 112,646 |
| Retained distributions on accumulation shares | | 9,847 | | 11,338 |
| **Closing net assets attributable to shareholders** | | **683,445** | | **897,582** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 667,195 | 888,475 |
| **Current assets:** | | |
| Debtors (Note 8) | 21,925 | 7,880 |
| Cash and bank balances (Note 9) | 4,518 | 4,745 |
| **Total assets** | **693,638** | **901,100** |
| **Liabilities:** | | |
| Investment liabilities | (25) | (179) |
| **Creditors:** | | |
| Distribution payable | (1,443) | (1,039) |
| Other creditors (Note 10) | (8,725) | (2,300) |
| **Total liabilities** | **(10,193)** | **(3,518)** |
| **Net assets attributable to shareholders** | **683,445** | **897,582** |

The notes to these financial statements are shown on pages 86 to 90.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Europe Dynamic (ex-UK) Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains | 3,815 | 361 |
| Derivative contracts | (1,095) | 1,712 |
| Forward currency contracts | (923) | (1,427) |
| Non-derivative securities | (120,812) | 111,981 |
| Net capital (losses)/gains | (119,015) | 112,627 |

The forward currency contracts are only entered into by the A-Class Accumulation GBP Hedged Shares and the C-Class Accumulation GBP Hedged Shares.

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Income from Liquidity Funds | (125) | (96) |
| Income from overseas equity investments | 22,139 | 21,454 |
| Interest on bank and term deposits | 1 | 1 |
| Interest on Fokus reclaim | 18 | 18 |
| Stock dividends | 154 | 148 |
| Stock lending income | 16 | 68 |
| Total revenue | 22,203 | 21,593 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 6,571 | 6,871 |
| Operating expenses | 543 | 1,424 |
| Stock lending fees | 2 | 10 |
| | 7,116 | 8,305 |
| Interest payable | 22 | 38 |
| Total expenses | 7,138 | 8,343 |

The fees paid to the auditor for the year ended 31 January 2019 are £5,979 (31.01.18: £5,979), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 2,217 | 1,686 |
| Current year tax charge (Note 5b) | 2,217 | 1,686 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 15,065 | 13,250 |
| Corporation tax at 20% | 3,013 | 2,650 |
| Effects of: | | |
| Dividends not subject to corporation tax | (4,459) | (4,320) |
| Excess expenses for which no relief taken | 1,420 | 1,663 |
| Overseas tax suffered | 2,217 | 1,686 |
| Non-trade deficit set against current year income | 26 | 7 |
| | (796) | (964) |
| Current year tax charge (Note 5a) | 2,217 | 1,686 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £6,894,931 (31.01.18: £5,474,929) in relation to £34,474,653 (31.01.18: £27,374,646) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 11,290 | 12,377 |
| Add: Amounts payable on cancellation of shares | 2,230 | 1,061 |
| Deduct: Amounts receivable on issue of shares | (661) | (1,893) |
| Distributions for the year | 12,859 | 11,545 |

Details of the distribution per share are set out on page 91.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 12,848 | 11,564 |
| Add: RDR transfer equalisation (capital) | - | 1 |
| Add: Undistributed revenue brought forward | 31 | 11 |
| Deduct: Undistributed revenue carried forward | (20) | (31) |
| | 12,859 | 11,545 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 197 | 151 |
| Due from the ACD for shares issued | 65 | 861 |
| Overseas tax recoverable | 1,259 | 1,174 |
| Sales awaiting settlement | 20,404 | 5,694 |
| Total debtors | 21,925 | 7,880 |

# Notes to the financial statements – continued

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 1,413 | 449 |
| Cash and bank balances | 3,105 | 4,296 |
| Total cash and bank balances | 4,518 | 4,745 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 569 | 770 |
| Due to the ACD for shares cancelled | 1,111 | 541 |
| Purchases awaiting settlement | 7,045 | 989 |
| Total other creditors | 8,725 | 2,300 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £1,613,467 (31.01.18: £449,865). Details of related party transactions are given under note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on page 84 and the revenue from these investments was £(125,045) (31.01.18: £(96,000)).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £70,202 (31.01.18: £188,427). Commission was paid to the associated company JPMorgan Securities Ltd.

The following party held a material interest in the Fund at the year end date:
- Minster Nominees Limited 10.22% (31.01.18: 9.49%)
- FNZ (UK) Nominees Ltd 10.17% (31.01.18: 14.50%)

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £4,946,569 securities on loan (31.01.18: £4,386,249) and consequently £5,160,167 collateral was held (31.01.18: £4,678,631). The nature of the collateral was 47.97% cash and 52.03% bonds.

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 16 | 68 |
| Fees paid to the lending agent[Ø] | (2) | (10) |
| Net stock lending income | 14 | 58 |

[Ø] A related party to the Fund.

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 93.

## 14. Financial instruments

**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | | Net foreign currency assets | | |
|---|---|---|---|---|
| Currency | Total £'000 | Forward currency contracts £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | | |
| Euro | 438,954 | (45,518) | 2,247 | 482,225 |
| Swiss Franc | 141,500 | (14,655) | 7,359 | 148,796 |
| Swedish Krona | 24,673 | (2,552) | 3,991 | 23,234 |
| Danish Krone | 7,583 | (919) | 375 | 8,127 |
| Norwegian Krone | 7,380 | (760) | 4,819 | 3,321 |
| US Dollar | 13 | - | 13 | - |
| **31.01.18** | | | | |
| Euro | 587,394 | (98,968) | 10,678 | 675,684 |
| Swiss Franc | 88,501 | (14,999) | 55 | 103,445 |
| Danish Krone | 52,445 | (8,705) | 178 | 60,972 |
| Swedish Krona | 31,270 | (5,138) | - | 36,408 |
| Norwegian Krone | 9,560 | (1,312) | 43 | 10,829 |
| US Dollar | 11 | - | 11 | - |

The forward currency contracts are entered into by the A-Class Accumulation GBP Hedged shares and C-Class Accumulation GBP Hedged shares.

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £62,010,000 (31.01.18: £76,918,000).

**Interest rate risk**

At the year end date, 5.14% (31.01.18: 2.85%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £66,717,000 (31.01.18: £88,830,000).

## 15. Share classes

The Fund currently has four share classes; Class A Shares, Class B Shares, Class C Shares and Class X Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |
| Class X Shares: | 0.00% | 0.06% |

The X share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 80 to 83. All classes have the same rights on winding up.

## 16. Counterparty exposure

Financial derivative exposure

| Counterparty | Forward currency contracts £'000 | Futures contracts £'000 | Total £'000 |
|---|---|---|---|
| **31.01.19** | | | |
| Barclays | 7 | – | 7 |
| BNP Paribas | 21 | – | 21 |
| Citibank | 1,165 | – | 1,165 |
| Deutsche Bank | 61 | – | 61 |
| Goldman Sachs | 6 | 715 | 721 |
| Merrill Lynch | 202 | – | 202 |
| Royal Bank of Canada | 5 | – | 5 |
| | 1,467 | 715 | 2,182 |
| **31.01.18** | | | |
| Barclays | 18 | – | 18 |
| BNP Paribas | 3 | – | 3 |
| Deutsche Bank | 4 | – | 4 |
| Goldman Sachs | 6 | 91 | 97 |
| Merrill Lynch | 1,041 | – | 1,041 |
| Morgan Stanley | 29 | – | 29 |
| Royal Bank of Canada | (116) | – | (116) |
| Standard Chartered | 5 | – | 5 |
| State Street | (30) | – | (30) |
| Toronto Dominion Bank | (2) | – | (2) |
| | 958 | 91 | 1,049 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts it is only the positive mark to market values that are reported.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 635,070 | - | 866,509 | - |
| Level 2: Observable market data | 32,125 | (25) | 21,966 | (179) |
| Total | 667,195 | (25) | 888,475 | (179) |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (1,106,310) | (465) | (748) | (1,107,523) | 0.04 | 0.07 |
| Purchases of Funds | (401,626) | - | - | (401,626) | 0.00 | 0.00 |
| | (1,507,936) | (465) | (748) | (1,509,149) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 1,219,347 | (734) | - | 1,218,613 | 0.06 | 0.00 |
| Sales of Funds | 391,984 | - | - | 391,984 | 0.00 | 0.00 |
| | 1,611,331 | (734) | - | 1,610,597 | | |
| Total | | (1,199) | (748) | | | |
| Percentage of Fund average net assets | | 0.15% | 0.10% | | | |

## 18. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (1,512,386) | (1,044) | (1,187) | (1,514,617) | 0.07 | 0.08 |
| Purchases of Funds | (418,831) | - | - | (418,831) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | (1,106) | - | - | (1,106) | 0.00 | 0.00 |
| | (1,932,323) | (1,044) | (1,187) | (1,934,554) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 1,421,235 | (1,043) | - | 1,420,192 | 0.07 | 0.00 |
| Sales of Funds | 415,518 | - | - | 415,518 | 0.00 | 0.00 |
| | 1,836,752 | (1,043) | - | 1,835,709 | | |
| Total | | (2,087) | (1,187) | | | |
| Percentage of Fund average net assets | | 0.26% | 0.14% | | | |

* Excluding in specie and corporate action activity

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.05% (31.01.18 0.06%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 57,000,593 | 1,892,633 | (6,872,008) | (46,267) | 51,974,951 |
| A-Class Accumulation GBP Hedged Shares | 989,727 | 117,429 | (295,715) | - | 811,441 |
| A-Class Income Shares | 783,591 | 174,421 | (95,267) | (16,634) | 846,111 |
| B-Class Accumulation Shares | 179,158 | - | (20,255) | - | 158,903 |
| B-Class Income Shares | 91,558 | - | (5,636) | - | 85,922 |
| C-Class Accumulation Shares | 218,097,870 | 21,279,182 | (50,640,376) | (11,559) | 188,725,117 |
| C-Class Accumulation GBP Hedged Shares | 54,302,458 | 1,550,284 | (25,080,697) | - | 30,772,045 |
| C-Class Income Shares | 63,204,266 | 35,387,859 | (8,554,255) | 145,792 | 90,183,662 |
| X-Class Accumulation Shares | 31,226,190 | - | (2,447,062) | - | 28,779,128 |

# Distribution tables

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 1.940000 | – | 1.940000 | 1.940000 |
| Group 2 | 0.385883 | 1.554117 | 1.940000 | 1.940000 |
| **A-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 1.720000 | – | 1.720000 | 1.940000 |
| Group 2 | 0.059670 | 1.660330 | 1.720000 | 1.940000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.780000 | – | 0.780000 | 0.870000 |
| Group 2 | 0.498852 | 0.281148 | 0.780000 | 0.870000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 2.560000 | – | 2.560000 | 2.720000 |
| Group 2 | 2.560000 | 0.000000 | 2.560000 | 2.720000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 2.400000 | – | 2.400000 | 2.580000 |
| Group 2 | 2.400000 | 0.000000 | 2.400000 | 2.580000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 3.740000 | – | 3.740000 | 3.720000 |
| Group 2 | 1.160004 | 2.579996 | 3.740000 | 3.720000 |
| **C-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 3.520000 | – | 3.520000 | 3.610000 |
| Group 2 | 1.586841 | 1.933159 | 3.520000 | 3.610000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.590000 | – | 1.590000 | 1.630000 |
| Group 2 | 0.951702 | 0.638298 | 1.590000 | 1.630000 |
| **X-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 2.360000 | – | 2.360000 | 0.430000 |
| Group 2 | 2.360000 | 0.000000 | 2.360000 | 0.430000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0.74%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 4,947 | 0.72% |

## Concentration Data

### Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date:

| Issuer | Collateral Value £'000 |
|---|---|
| French Republic Government | 2,101 |
| United Kingdom Treasury | 560 |
| United States of America Treasury | 21 |
| Kingdom of Netherlands Government | 3 |
| Total | 2,685 |

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

## Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| Merrill Lynch | 2,366 |
| Societe Generale | 2,035 |
| Credit Suisse | 546 |
| Total | 4,947 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Collateral Value £'000 |
|---|---|---|---|
| Bonds | Investment Grade | EUR | 2,104 |
| Bonds | Investment Grade | GBP | 560 |
| Bonds | Investment Grade | USD | 21 |
| Cash | N/A | EUR | 2,475 |
| Total | | | 5,160 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| less than one day | 2,475 |
| more than 1 year | 2,685 |
| | 5,160 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| Credit Suisse | Switzerland |
| Merrill Lynch | United States |
| Societe Generale | France |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

Cash collateral received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus, however the Fund as at the period end has not reinvested cash collateral received in respect of securities lending transactions.

## Safekeeping of collateral

All collateral received (31.01.19: £5,160,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM Global Equity Income Fund

## 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.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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 may invest in assets denominated in any currency and non-sterling currency exposure may be selectively managed by reference to the currency exposure of its benchmark.

The Fund seeks to assess the impact of environmental, social and governance factors (including accounting and tax policies, disclosure and investor communication, shareholder rights and remuneration policies) on the cash flows of many companies in which it may invest to identify issuers that the Investment Manager believes will be negatively impacted by such factors relative to other issuers. These determinations may not be conclusive and securities of such issuers may be purchased and retained by the Fund.

## 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 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

The Fund outperformed its benchmark, the MSCI All Country World Index, over the 12-month period to the end of December. Outperformance was driven by stock selection in the pharma/medtech, media and utilities sectors. US railroad operator Union Pacific benefited from buoyant traffic volume and stringent efficiency improvement initiatives. Finnish forestry and paper company UPM-Kymmene was another leading contributor and the stock reached its highest level in 26 years. It benefited from the rerating of the pulp manufacturing sector as concerns dissipated around supply and demand. Sectors that detracted from returns included stock selection in banks and consumer staples. US semiconductor manufacturer Broadcom was the leading detractor at the stock level. The stock fell following its announcement that it was to acquire software company CA Technologies for 18.9 billion dollars in cash. Another detractor from returns was US tobacco manufacturer Philip Morris as the stock continued to face a difficult environment. Slower-than-expected growth from its heat-not-burn product in Japan, combined with slowing sales growth from cigarettes, put downward pressure on the stock. At the regional level, the portfolio had positive stock selection in Europe excluding the UK, emerging markets, Japan and Asia-Pacific excluding Japan, whilst stock selection in the UK detracted from returns.

## Fund outlook

2018 was a negative year for equity markets. Despite economic growth remaining above trend and strong corporate earnings growth over the year, politics, global trade tensions, tightening monetary policy and moderating economic growth have dominated the market narrative. As we move into 2019, these issues still remain, leaving the key question for investors: does this spell an inflection point for the current cycle or merely a correction? There is no doubt we are later in the economic cycle and investors should be increasingly selective, especially given signs of high levels of debt building up in many parts of the US corporate sector and the rate of technological change and disruption facing many industries. However, our work suggests corporate profitability remains healthy, and although economic momentum has certainly slowed, it remains broad-based enough to support earnings globally – and for the first time in many years, valuations are both below historic averages and attractive relative to cash and bonds. A key risk is that geopolitical uncertainty, which has already started to weigh on corporate investment and hiring decisions, escalates further, and investors will be monitoring statements from company management teams in the upcoming corporate earnings season for signs of an impact. Valuation spreads (the gap between the most expensive and cheapest stocks), within both sectors and countries, continue to be at historical extremes. While this does not suggest investors make a call on buying value, it is a message that should not be ignored.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Global Equity Income Fund** A-Class Acc | **-0.6%** | **8.7%** | **30.1%** | **-1.0%** | **16.1%** |
| **JPM Global Equity Income Fund** B-Class Acc | **-0.1%** | **9.3%** | **30.7%** | **-0.5%** | **16.7%** |
| **JPM Global Equity Income Fund** C-Class Acc | **0.1%** | **9.6%** | **31.1%** | **-0.2%** | **17.0%** |
| **JPM Global Equity Income Fund** X-Class Acc | **1.0%** | **10.5%** | **32.3%** | **0.5%** | **17.9%** |
| Benchmark Index | 0.0% | 12.8% | 33.0% | -1.3% | 16.9% |
| **JPM Global Equity Income Fund** A-Class Acc (GBP Hedged) | **-5.7%** | **16.4%** | **15.2%** | **-3.8%** | **12.9%** |
| **JPM Global Equity Income Fund** C-Class Acc (GBP Hedged) | **-5.0%** | **17.2%** | **16.1%** | **-2.7%** | **13.7%** |
| Hedged Benchmark Index | -6.2% | 21.5% | 16.2% | -4.5% | 12.5% |

## Fund statistics

| | | | | |
|---|---|---|---|---|
| Risk and Reward Profile | | | | **5† (5 at 31 July 2018)** |
| Fund size | | | | **£75.7m** |
| Benchmark Index | | | | **MSCI All Country World Index (Net)** |
| Hedged Benchmark Index | | | | **MSCI All Country World Index (Net) Hedged to GBP** |
| Fund charges and expenses | A-Class | B-Class | C-Class | X-Class |
| Initial charge (max.) | **Nil** | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | | |
| Annual management fee | **1.50%** | **1.00%** | **0.75%** | **–[A]** |
| Operating expenses (max.) | **0.15%** | **0.15%** | **0.15%** | **0.06%** |

## Comparative tables

| **A-Class Accumulation Shares** | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 99.86 | 91.83 | 70.50 |
| Return before operating charges* | 1.01 | 9.64 | 22.70 |
| Operating charges | (1.65) | (1.61) | (1.37) |
| Return after operating charges* | (0.64) | 8.03 | 21.33 |
| Distributions | (2.84) | (2.34) | (2.59) |
| Retained distributions on accumulation shares | 2.84 | 2.34 | 2.59 |
| Closing net asset value per share | 99.22 | 99.86 | 91.83 |
| * after direct transaction costs of | (0.18) | (0.12) | (0.19) |
| **Performance** | | | |
| % Return after operating charges^^ | (0.64)% | 8.74% | 30.26% |
| **Other information** | | | |
| Closing net asset value (£'000) | 4,609 | 4,913 | 4,566 |
| Closing number of shares | 4,645,691 | 4,919,859 | 4,972,149 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.18% | 0.13% | 0.24% |
| **Prices** | | | |
| Highest share price | 106.7 | 102.3 | 94.20 |
| Lowest share price | 91.47 | 90.33 | 66.99 |

† 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Source: J.P. Morgan.

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.

[A] The Ongoing charge will vary in accordance to the annual management fee agreed between the ACD and the relevant JPMorgan Chase & Co. entity.

## Comparative tables – continued

| A-Class Accumulation GBP Hedged Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 86.56 | 74.38 | 64.49 |
| Return before operating charges* | (3.58) | 13.51 | 11.06 |
| Operating charges | (1.37) | (1.33) | (1.17) |
| Return after operating charges* | (4.95) | 12.18 | 9.89 |
| Distributions | (2.37) | (1.92) | (2.25) |
| Retained distributions on accumulation shares | 2.37 | 1.92 | 2.25 |
| Closing net asset value per share | 81.61 | 86.56 | 74.38 |
| * after direct transaction costs of | (0.15) | (0.10) | (0.17) |
| **Performance** | | | |
| % Return after operating charges^^ | (5.72)% | 16.38% | 15.34% |
| **Other information** | | | |
| Closing net asset value (£'000) | 11,541 | 13,575 | 12,816 |
| Closing number of shares | 14,141,707 | 15,683,277 | 17,230,432 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.18% | 0.13% | 0.24% |
| **Prices** | | | |
| Highest share price | 87.15 | 87.96 | 74.94 |
| Lowest share price | 75.41 | 74.14 | 60.73 |

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 81.34 | 76.68 | 60.75 |
| Return before operating charges* | 0.82 | 7.93 | 19.29 |
| Operating charges | (1.32) | (1.33) | (1.16) |
| Return after operating charges* | (0.50) | 6.60 | 18.13 |
| Distributions | (2.28) | (1.94) | (2.20) |
| Closing net asset value per share | 78.56 | 81.34 | 76.68 |
| * after direct transaction costs of | (0.14) | (0.10) | (0.17) |
| **Performance** | | | |
| % Return after operating charges^^ | (0.61)% | 8.61% | 29.84% |
| **Other information** | | | |
| Closing net asset value (£'000) | 2,956 | 3,291 | 3,156 |
| Closing number of shares | 3,762,839 | 4,045,087 | 4,116,626 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.18% | 0.13% | 0.24% |
| **Prices** | | | |
| Highest share price | 85.30 | 83.62 | 79.07 |
| Lowest share price | 74.51 | 75.42 | 57.73 |

| A-Class Income GBP Hedged Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 58.20 | 51.26 | 45.96 |
| Return before operating charges* | (2.35) | 9.15 | 7.70 |
| Operating charges | (0.91) | (0.90) | (0.82) |
| Return after operating charges* | (3.26) | 8.25 | 6.88 |
| Distributions | (1.59) | (1.31) | (1.58) |
| Closing net asset value per share | 53.35 | 58.20 | 51.26 |
| * after direct transaction costs of | (0.10) | (0.07) | (0.12) |
| **Performance** | | | |
| % Return after operating charges^^ | (5.60)% | 16.09% | 14.97% |
| **Other information** | | | |
| Closing net asset value (£'000) | 5,079 | 5,841 | 5,875 |
| Closing number of shares | 9,521,025 | 10,036,159 | 11,461,977 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.18% | 0.13% | 0.24% |
| **Prices** | | | |
| Highest share price | 58.28 | 59.37 | 51.92 |
| Lowest share price | 49.50 | 51.09 | 43.28 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 102.39 | 93.69 | 71.56 |
| Return before operating charges* | 1.03 | 9.86 | 23.10 |
| Operating charges | (1.18) | (1.16) | (0.97) |
| Return after operating charges* | (0.15) | 8.70 | 22.13 |
| Distributions | (2.91) | (2.39) | (2.63) |
| Retained distributions on accumulation shares | 2.91 | 2.39 | 2.63 |
| Closing net asset value per share | 102.24 | 102.39 | 93.69 |
| * after direct transaction costs of | (0.18) | (0.13) | (0.19) |
| **Performance** | | | |
| % Return after operating charges^^ | (0.15)% | 9.29% | 30.93% |
| **Other information** | | | |
| Closing net asset value (£'000) | 97 | 102 | 98 |
| Closing number of shares | 94,843 | 99,250 | 104,385 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.18% | 0.13% | 0.24% |
| **Prices** | | | |
| Highest share price | 109.7 | 104.8 | 96.09 |
| Lowest share price | 93.85 | 92.27 | 68.01 |

## Comparative tables – continued

| B-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 83.45 | 78.27 | 61.68 |
| Return before operating charges* | 0.84 | 8.12 | 19.65 |
| Operating charges | (0.95) | (0.95) | (0.84) |
| Return after operating charges* | (0.11) | 7.17 | 18.81 |
| Distributions | (2.34) | (1.99) | (2.22) |
| Closing net asset value per share | 81.00 | 83.45 | 78.27 |
| * after direct transaction costs of | (0.15) | (0.11) | (0.17) |
| **Performance** | | | |
| % Return after operating charges^^ | (0.13)% | 9.16% | 30.50% |
| **Other information** | | | |
| Closing net asset value (£'000) | 76 | 78 | 74 |
| Closing number of shares | 93,582 | 93,582 | 94,083 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.18% | 0.13% | 0.24% |
| **Prices** | | | |
| Highest share price | 87.73 | 85.76 | 80.69 |
| Lowest share price | 76.49 | 77.08 | 58.63 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 194.62 | 177.62 | 135.29 |
| Return before operating charges* | 1.96 | 18.73 | 43.81 |
| Operating charges | (1.76) | (1.73) | (1.48) |
| Return after operating charges* | 0.20 | 17.00 | 42.33 |
| Distributions | (5.54) | (4.55) | (4.98) |
| Retained distributions on accumulation shares | 5.54 | 4.55 | 4.98 |
| Closing net asset value per share | 194.82 | 194.62 | 177.62 |
| * after direct transaction costs of | (0.35) | (0.24) | (0.38) |
| **Performance** | | | |
| % Return after operating charges^^ | 0.10% | 9.57% | 31.29% |
| **Other information** | | | |
| Closing net asset value (£'000) | 4,403 | 3,696 | 3,171 |
| Closing number of shares | 2,259,983 | 1,899,107 | 1,785,177 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.18% | 0.13% | 0.24% |
| **Prices** | | | |
| Highest share price | 208.8 | 199.2 | 182.2 |
| Lowest share price | 178.5 | 175.0 | 128.6 |

| C-Class Accumulation GBP Hedged Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 181.72 | 155.11 | 133.39 |
| Return before operating charges* | (7.38) | 28.13 | 23.08 |
| Operating charges | (1.57) | (1.52) | (1.36) |
| Return after operating charges* | (8.95) | 26.61 | 21.72 |
| Distributions | (5.01) | (4.01) | (4.67) |
| Retained distributions on accumulation shares | 5.01 | 4.01 | 4.67 |
| Closing net asset value per share | 172.77 | 181.72 | 155.11 |
| * after direct transaction costs of | (0.31) | (0.22) | (0.35) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.93)% | 17.16% | 16.28% |
| **Other information** | | | |
| Closing net asset value (£'000) | 27,257 | 23,710 | 16,705 |
| Closing number of shares | 15,776,489 | 13,047,449 | 10,769,910 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.18% | 0.13% | 0.24% |
| **Prices** | | | |
| Highest share price | 184.0 | 184.6 | 156.3 |
| Lowest share price | 159.5 | 154.6 | 125.6 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 162.53 | 152.06 | 119.51 |
| Return before operating charges* | 1.63 | 15.79 | 38.18 |
| Operating charges | (1.45) | (1.46) | (1.28) |
| Return after operating charges* | 0.18 | 14.33 | 36.90 |
| Distributions | (4.58) | (3.86) | (4.35) |
| Closing net asset value per share | 158.13 | 162.53 | 152.06 |
| * after direct transaction costs of | (0.29) | (0.20) | (0.33) |
| **Performance** | | | |
| % Return after operating charges^^ | 0.11% | 9.42% | 30.88% |
| **Other information** | | | |
| Closing net asset value (£'000) | 4,471 | 3,520 | 2,906 |
| Closing number of shares | 2,827,452 | 2,165,922 | 1,911,146 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.18% | 0.13% | 0.24% |
| **Prices** | | | |
| Highest share price | 171.1 | 167.0 | 156.7 |
| Lowest share price | 149.0 | 149.8 | 113.6 |

## Comparative tables – continued

| C-Class Income GBP Hedged Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 144.68 | 126.30 | 112.19 |
| Return before operating charges* | (6.07) | 22.86 | 19.09 |
| Operating charges | (1.23) | (1.24) | (1.12) |
| Return after operating charges* | (7.30) | 21.62 | 17.97 |
| Distributions | (3.94) | (3.24) | (3.86) |
| Closing net asset value per share | 133.44 | 144.68 | 126.30 |
| * after direct transaction costs of | (0.25) | (0.17) | (0.29) |
| **Performance** | | | |
| % Return after operating charges^^ | (5.05)% | 17.12% | 16.02% |
| **Other information** | | | |
| Closing net asset value (£'000) | 14,475 | 12,648 | 13,897 |
| Closing number of shares | 10,847,332 | 8,742,103 | 11,002,798 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.18% | 0.13% | 0.24% |
| **Prices** | | | |
| Highest share price | 144.9 | 147.6 | 127.9 |
| Lowest share price | 123.7 | 125.9 | 105.7 |

| X-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 187.75 | 169.84 | 128.30 |
| Return before operating charges* | 1.86 | 18.02 | 41.63 |
| Operating charges | (0.12) | (0.11) | (0.09) |
| Return after operating charges* | 1.74 | 17.91 | 41.54 |
| Distributions | (5.50) | (4.57) | (4.92) |
| Retained distributions on accumulation shares | 5.50 | 4.57 | 4.92 |
| Closing net asset value per share | 189.49 | 187.75 | 169.84 |
| * after direct transaction costs of | (0.34) | (0.23) | (0.36) |
| **Performance** | | | |
| % Return after operating charges^^ | 0.93% | 10.55% | 32.38% |
| **Other information** | | | |
| Closing net asset value (£'000) | 765 | 758 | 1,337 |
| Closing number of shares | 403,727 | 403,727 | 787,240 |
| % Operating charges | 0.06% | 0.06% | 0.06% |
| % Direct transaction costs | 0.18% | 0.13% | 0.24% |
| **Prices** | | | |
| Highest share price | 202.2 | 192.0 | 174.1 |
| Lowest share price | 172.3 | 167.6 | 121.9 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 106 and 107, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

| Geographical breakdown | % |
|---|---|
| United States of America | 46.10 |
| United Kingdom | 9.63 |
| France | 8.56 |
| Switzerland | 3.72 |
| Japan | 3.54 |
| Spain | 2.76 |
| Liquidity Funds | 2.58 |
| Forward Currency Contracts^ | 1.84 |
| China | 1.83 |
| Germany | 1.68 |
| Canada | 1.67 |
| Finland | 1.53 |
| Hong Kong | 1.43 |
| Netherlands | 1.19 |
| South Korea | 1.06 |
| Austria | 1.02 |
| Italy | 0.95 |
| Denmark | 0.83 |
| South Africa | 0.81 |
| Singapore | 0.79 |
| Australia | 0.68 |
| Peru | 0.67 |
| Ireland | 0.64 |
| Indonesia | 0.58 |
| Sweden | 0.50 |
| Mexico | 0.50 |
| Russia | 0.50 |
| India | 0.47 |
| Norway | 0.47 |
| Taiwan | 0.37 |
| Net other assets | 1.10 |

^ The forward currency contracts are only 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.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 94.48% (96.59%)** | | | |
| **Australia 0.68% (0.00%)** | | | |
| Goodman Group, REIT | 79,255 | 512 | 0.68 |
| | | **512** | **0.68** |
| **Austria 1.02% (0.70%)** | | | |
| Erste Group Bank AG | 28,885 | 770 | 1.02 |
| | | **770** | **1.02** |
| **Canada 1.67% (0.86%)** | | | |
| TransCanada Corp. | 39,253 | 1,265 | 1.67 |
| | | **1,265** | **1.67** |
| **China 1.83% (0.00%)** | | | |
| China Construction Bank Corp. 'H' | 919,000 | 625 | 0.83 |
| Ping An Insurance Group Co. of China Ltd. 'H' | 103,000 | 759 | 1.00 |
| | | **1,384** | **1.83** |
| **Denmark 0.83% (0.65%)** | | | |
| Novo Nordisk A/S 'B' | 17,647 | 628 | 0.83 |
| | | **628** | **0.83** |
| **Finland 1.53% (2.23%)** | | | |
| Konecranes OYJ | 15,310 | 410 | 0.54 |
| Nordea Bank Abp | 72,405 | 503 | 0.66 |
| Outokumpu OYJ | 74,545 | 249 | 0.33 |
| | | **1,162** | **1.53** |
| **France 8.56% (4.15%)** | | | |
| Airbus SE | 13,553 | 1,183 | 1.56 |
| Capgemini SE | 4,558 | 383 | 0.51 |
| LVMH Moet Hennessy Louis Vuitton SE | 4,896 | 1,187 | 1.57 |
| Orange SA | 48,970 | 587 | 0.77 |
| Sanofi | 10,851 | 719 | 0.95 |
| Schneider Electric SE | 15,683 | 856 | 1.13 |
| Thales SA | 4,126 | 353 | 0.47 |
| Vinci SA | 18,008 | 1,211 | 1.60 |
| | | **6,479** | **8.56** |
| **Germany 1.68% (3.50%)** | | | |
| Muenchener Rueckversicherungs-Gesellschaft AG | 4,510 | 770 | 1.02 |
| Volkswagen AG Preference | 3,867 | 501 | 0.66 |
| | | **1,271** | **1.68** |
| **Hong Kong 1.43% (0.94%)** | | | |
| HKT Trust & HKT Ltd. | 290,000 | 325 | 0.43 |
| Hong Kong Exchanges & Clearing Ltd. | 32,000 | 757 | 1.00 |
| | | **1,082** | **1.43** |
| **India 0.47% (1.34%)** | | | |
| Housing Development Finance Corp. Ltd. | 17,518 | 360 | 0.47 |
| | | **360** | **0.47** |
| **Indonesia 0.58% (0.00%)** | | | |
| Telekomunikasi Indonesia Persero Tbk. PT, ADR | 20,826 | 439 | 0.58 |
| | | **439** | **0.58** |
| **Ireland 0.64% (0.00%)** | | | |
| CRH plc | 21,904 | 483 | 0.64 |
| | | **483** | **0.64** |
| **Italy 0.95% (1.12%)** | | | |
| Enel SpA | 156,223 | 718 | 0.95 |
| | | **718** | **0.95** |
| **Japan 3.54% (3.53%)** | | | |
| Japan Exchange Group, Inc. | 33,600 | 450 | 0.59 |
| JXTG Holdings, Inc. | 91,800 | 381 | 0.50 |
| Mitsubishi Electric Corp. | 48,000 | 459 | 0.61 |
| Nippon Telegraph & Telephone Corp. | 11,600 | 380 | 0.50 |
| T&D Holdings, Inc. | 38,100 | 359 | 0.47 |
| Toyota Motor Corp. | 14,000 | 655 | 0.87 |
| | | **2,684** | **3.54** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Mexico 0.50% (0.00%)** | | | |
| Banco Santander Mexico SA 'B' | 332,224 | 381 | 0.50 |
| | | **381** | **0.50** |
| **Netherlands 1.19% (4.74%)** | | | |
| ASML Holding NV | 2,611 | 348 | 0.46 |
| Unilever NV, CVA | 13,752 | 552 | 0.73 |
| | | **900** | **1.19** |
| **Norway 0.47% (2.03%)** | | | |
| Norsk Hydro ASA | 100,334 | 354 | 0.47 |
| | | **354** | **0.47** |
| **Peru 0.67% (0.00%)** | | | |
| Credicorp Ltd. | 2,819 | 507 | 0.67 |
| | | **507** | **0.67** |
| **Russia 0.50% (0.00%)** | | | |
| Sberbank of Russia PJSC, ADR | 36,729 | 380 | 0.50 |
| | | **380** | **0.50** |
| **Singapore 0.79% (0.48%)** | | | |
| DBS Group Holdings Ltd. | 44,000 | 596 | 0.79 |
| | | **596** | **0.79** |
| **South Africa 0.81% (0.00%)** | | | |
| Bid Corp. Ltd. | 37,073 | 615 | 0.81 |
| | | **615** | **0.81** |
| **South Korea 1.06% (1.65%)** | | | |
| Samsung Electronics Co. Ltd. | 25,448 | 804 | 1.06 |
| | | **804** | **1.06** |
| **Spain 2.76% (2.01%)** | | | |
| Iberdrola SA | 230,181 | 1,445 | 1.91 |
| Iberdrola SA Rights 23/01/2019 | 230,181 | 32 | 0.04 |
| Industria de Diseno Textil SA | 29,084 | 611 | 0.81 |
| | | **2,088** | **2.76** |
| **Sweden 0.50% (1.69%)** | | | |
| Svenska Handelsbanken AB 'A' | 46,120 | 382 | 0.50 |
| | | **382** | **0.50** |
| **Switzerland 3.72% (6.27%)** | | | |
| Novartis AG | 13,898 | 921 | 1.22 |
| Roche Holding AG | 4,325 | 870 | 1.15 |
| Swiss Re AG | 13,966 | 1,023 | 1.35 |
| | | **2,814** | **3.72** |
| **Taiwan 0.37% (0.00%)** | | | |
| Taiwan Semiconductor Manufacturing Co. Ltd., ADR | 9,916 | 282 | 0.37 |
| | | **282** | **0.37** |
| **United Kingdom 9.63% (8.30%)** | | | |
| 3i Group plc | 119,765 | 1,014 | 1.34 |
| Aviva plc | 120,329 | 503 | 0.67 |
| BAE Systems plc | 97,209 | 501 | 0.66 |
| BP plc | 254,877 | 1,328 | 1.76 |
| Diageo plc | 13,398 | 388 | 0.51 |
| Glencore plc | 180,011 | 555 | 0.73 |
| Imperial Brands plc | 20,843 | 515 | 0.68 |
| Prudential plc | 89,725 | 1,341 | 1.77 |
| Rio Tinto plc | 11,607 | 487 | 0.64 |
| Taylor Wimpey plc | 395,001 | 660 | 0.87 |
| | | **7,292** | **9.63** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **United States of America 46.10% (50.40%)** | | | |
| Accenture plc 'A' | 4,036 | 474 | 0.63 |
| Alexion Pharmaceuticals, Inc. | 2,545 | 235 | 0.31 |
| Alphabet, Inc. 'A' | 2,239 | 1,872 | 2.47 |
| Analog Devices, Inc. | 15,593 | 1,176 | 1.55 |
| Apple, Inc. | 5,066 | 638 | 0.84 |
| Automatic Data Processing, Inc. | 7,299 | 775 | 1.02 |
| AvalonBay Communities, Inc., REIT | 3,020 | 440 | 0.58 |
| Bank of America Corp. | 23,801 | 527 | 0.70 |
| Bank of New York Mellon Corp. (The) | 12,753 | 510 | 0.67 |
| Best Buy Co., Inc. | 6,673 | 300 | 0.40 |
| Citigroup, Inc. | 30,797 | 1,506 | 1.99 |
| Coca-Cola Co. (The) | 27,310 | 995 | 1.31 |
| Comcast Corp. 'A' | 44,970 | 1,213 | 1.60 |
| CVS Health Corp. | 1,088 | 55 | 0.07 |
| Diamondback Energy, Inc. | 5,450 | 424 | 0.56 |
| DowDuPont, Inc. | 20,403 | 922 | 1.22 |
| Eli Lilly & Co. | 7,256 | 646 | 0.85 |
| EOG Resources, Inc. | 6,301 | 477 | 0.63 |
| Ferguson plc | 15,447 | 799 | 1.06 |
| Home Depot, Inc. (The) | 4,368 | 606 | 0.80 |
| Johnson & Johnson | 3,601 | 361 | 0.48 |
| Marathon Petroleum Corp. | 18,157 | 904 | 1.19 |
| Medtronic plc | 11,656 | 779 | 1.03 |
| Merck & Co., Inc. | 19,439 | 1,086 | 1.43 |
| Microsoft Corp. | 29,851 | 2,417 | 3.19 |
| Mondelez International, Inc. 'A' | 22,739 | 758 | 1.00 |
| Morgan Stanley | 38,199 | 1,245 | 1.64 |
| NextEra Energy, Inc. | 8,737 | 1,155 | 1.53 |
| Norfolk Southern Corp. | 10,412 | 1,335 | 1.76 |
| Occidental Petroleum Corp. | 16,228 | 828 | 1.09 |
| Pfizer, Inc. | 37,424 | 1,185 | 1.57 |
| Philip Morris International, Inc. | 12,665 | 718 | 0.95 |
| Principal Financial Group, Inc. | 11,141 | 408 | 0.54 |
| Prologis, Inc., REIT | 8,019 | 418 | 0.55 |
| salesforce.com, Inc. | 5,112 | 581 | 0.77 |
| Stanley Black & Decker, Inc. | 8,510 | 807 | 1.07 |
| Texas Instruments, Inc. | 17,469 | 1,358 | 1.79 |
| United Parcel Service, Inc. 'B' | 7,317 | 564 | 0.75 |
| UnitedHealth Group, Inc. | 8,006 | 1,649 | 2.18 |
| Ventas, Inc., REIT | 8,938 | 435 | 0.57 |
| Walt Disney Co. (The) | 15,894 | 1,333 | 1.76 |
| | | **34,914** | **46.10** |
| **Equities total** | | **71,546** | **94.48** |
| **Forward Currency Contracts 1.84% (2.03%)** | | | |
| **GBP Hedged Share Class 1.84% (2.03%)^** | | | |
| Buy AUD 2,274,085 sell GBP 1,271,689 dated 19/02/2019 | | (12) | (0.02) |
| Buy BRL 1,946,153 sell USD 520,989 dated 19/02/2019 | | 8 | 0.01 |
| Buy CAD 1,886,639 sell GBP 1,103,501 dated 19/02/2019 | | (10) | (0.01) |
| Buy CHF 463,880 sell GBP 355,359 dated 19/02/2019 | | 1 | – |
| Buy CHF 549,678 sell GBP 434,960 dated 19/02/2019 | | (13) | (0.02) |
| Buy DKK 614,274 sell EUR 82,297 dated 19/02/2019 | | – | – |
| Buy EUR 834,338 sell GBP 741,572 dated 19/02/2019 | | (11) | (0.01) |
| Buy GBP 1,278,394 sell AUD 2,273,583 dated 19/02/2019 | | 19 | 0.02 |
| Buy GBP 1,764,229 sell CAD 2,974,816 dated 19/02/2019 | | 40 | 0.05 |
| Buy GBP 3,096,541 sell CHF 3,879,634 dated 19/02/2019 | | 119 | 0.16 |
| Buy GBP 784,134 sell DKK 6,511,699 dated 19/02/2019 | | 20 | 0.03 |
| Buy GBP 11,821,776 sell EUR 13,194,630 dated 19/02/2019 | | 272 | 0.36 |
| Buy GBP 44,835 sell EUR 51,572 dated 19/02/2019 | | – | – |
| Buy GBP 2,265,445 sell HKD 22,629,145 dated 19/02/2019 | | 69 | 0.09 |
| Buy GBP 5,292,460 sell JPY 734,277,642 dated 19/02/2019 | | 143 | 0.19 |
| Buy GBP 152,777 sell JPY 21,819,580 dated 19/02/2019 | | – | – |
| Buy GBP 304,448 sell MXN 7,562,346 dated 19/02/2019 | | 4 | – |
| Buy GBP 428,047 sell NOK 4,652,132 dated 19/02/2019 | | 7 | 0.01 |
| Buy GBP 768,721 sell SEK 8,735,623 dated 19/02/2019 | | 31 | 0.04 |
| Buy GBP 554,059 sell SGD 957,579 dated 19/02/2019 | | 12 | 0.02 |
| Buy GBP 37,250,873 sell USD 47,583,242 dated 19/02/2019 | | 1,037 | 1.37 |
| Buy GBP 160,707 sell USD 211,547 dated 19/02/2019 | | – | – |
| Buy GBP 399,878 sell ZAR 7,168,364 dated 19/02/2019 | | (10) | (0.01) |
| Buy HKD 5,184,119 sell GBP 513,536 dated 19/02/2019 | | (10) | (0.01) |
| Buy JPY 582,048,660 sell GBP 4,202,563 dated 19/02/2019 | | (120) | (0.16) |
| Buy NOK 1,676,144 sell GBP 150,593 dated 19/02/2019 | | 1 | – |
| Buy USD 526,679 sell BRL 1,946,153 dated 19/02/2019 | | (4) | (0.01) |
| Buy USD 692,233 sell GBP 525,775 dated 19/02/2019 | | 1 | – |
| Buy USD 13,393,314 sell GBP 10,389,605 dated 19/02/2019 | | (197) | (0.26) |
| Buy USD 714,011 sell KRW 798,749,996 dated 19/02/2019 | | (3) | – |
| **GBP Hedged Share Class total** | | **1,394** | **1.84** |
| **Forward Currency Contracts total** | | **1,394** | **1.84** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Liquidity Funds 2.58% (1.07%)** | | | |
| JPM GBP Liquidity LVNAV Fund X (dist.)[Ø] | 1,957,001 | 1,957 | 2.58 |
| **Liquidity Funds total** | | **1,957** | **2.58** |
| Investment assets (including investment liabilities) | | 74,897 | 98.90 |
| Net other assets | | 832 | 1.10 |
| **Net assets** | | **75,729** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

^ The forward currency contracts are only 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.

[Ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (4,400) | | 8,449 |
| Revenue (Note 3) | 2,308 | | 1,955 | |
| Expenses (Note 4) | (849) | | (805) | |
| Net revenue before taxation | 1,459 | | 1,150 | |
| Taxation (Note 5) | (105) | | (207) | |
| Net revenue after taxation | | 1,354 | | 943 |
| **Total return before distributions** | | **(3,046)** | | **9,392** |
| Distributions (Note 6) | | (2,092) | | (1,632) |
| **Change in net assets attributable to shareholders from investment activities** | | **(5,138)** | | **7,760** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **72,132** | | **64,601** |
| Amounts receivable on issue of shares | 14,886 | | 13,747 | |
| Amounts payable on cancellation of shares | (7,492) | | (15,015) | |
| | | 7,394 | | (1,268) |
| Dilution adjustment | | 8 | | 13 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (5,138) | | 7,760 |
| Retained distributions on accumulation shares | | 1,333 | | 1,026 |
| **Closing net assets attributable to shareholders** | | **75,729** | | **72,132** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 75,287 | 71,923 |
| **Current assets:** | | |
| Debtors (Note 8) | 1,779 | 510 |
| Cash and bank balances (Note 9) | 61 | 684 |
| **Total assets** | **77,127** | **73,117** |
| **Liabilities:** | | |
| Investment liabilities | (390) | (17) |
| **Creditors:** | | |
| Distribution payable | (109) | (97) |
| Other creditors (Note 10) | (899) | (871) |
| **Total liabilities** | **(1,398)** | **(985)** |
| **Net assets attributable to shareholders** | **75,729** | **72,132** |

The notes to these financial statements are shown on pages 103 to 107.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Global Equity Income Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency (losses)/gains | (153) | 476 |
| Forward currency contracts | (2,710) | 2,839 |
| Non-derivative securities | (1,537) | 5,134 |
| Net capital (losses)/gains | (4,400) | 8,449 |

The forward currency contracts are only 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.

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 41 | 44 |
| Income from Liquidity Funds | 7 | 2 |
| Income from overseas equity investments | 1,785 | 1,636 |
| Interest on Fokus Reclaim | 22 | 11 |
| Stock dividends | 453 | 262 |
| Total revenue | 2,308 | 1,955 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 739 | 689 |
| Operating expenses | 109 | 116 |
| | 848 | 805 |
| Interest payable | 1 | - |
| Total expenses | 849 | 805 |

The fees paid to the auditor for the year ended 31 January 2019 are £6,271 (31.01.18: £6,271), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 105 | 207 |
| Current year tax charge (Note 5b) | 105 | 207 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 1,459 | 1,150 |
| Corporation tax at 20% | 292 | 230 |
| Effects of: | | |
| Dividends not subject to corporation tax | (444) | (388) |
| Excess expenses for which no relief taken | 155 | 158 |
| Overseas tax expensed | (1) | - |
| Overseas tax suffered | 105 | 207 |
| Revenue taxable in different periods | (2) | - |
| | (187) | (23) |
| Current year tax charge (Note 5a) | 105 | 207 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £1,944,393 (31.01.18: £1,789,597) in relation to £9,721,967 (31.01.18: £8,947,987) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First interim dividend distribution | 808 | 695 |
| Second interim dividend distribution | 589 | 387 |
| Third interim dividend distribution | 409 | 276 |
| Final dividend distribution | 301 | 275 |
| Add: Amounts payable on cancellation of shares | 30 | 49 |
| Deduct: Amounts receivable on issue of shares | (45) | (50) |
| Distributions for the year | 2,092 | 1,632 |

Details of the distribution per share are set out on pages 108 to 111.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 1,354 | 943 |
| Add: ACD fee paid from capital | 739 | 689 |
| Add: Undistributed revenue brought forward | 3 | 3 |
| Deduct: Undistributed revenue carried forward | (4) | (3) |
| | 2,092 | 1,632 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 43 | 56 |
| Due from the ACD for shares issued | 191 | 162 |
| Overseas tax recoverable | 51 | 67 |
| Sales awaiting settlement | 1,494 | 225 |
| Total debtors | 1,779 | 510 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 61 | 684 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 71 | 74 |
| Due to the ACD for shares cancelled | 24 | 775 |
| Purchases awaiting settlement | 804 | 22 |
| Total other creditors | 899 | 871 |

## 11. Contingent liabilities

At the balance sheet date the Fund had the following contingent liabilities:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Nil/part paid rights | 30 | - |

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £97,255 (31.01.18: £687,145). Details of related party transactions are given under note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on pages 100 and 101 and the revenue from these investments was £6,897 (31.01.18: £2,154).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £3,905 (31.01.18: £11,102). Commission was paid to the associated company JPMorgan Securities Ltd.

The following parties held a material interest in the Fund at the year end date:
- Hargreaves Lansdown Nominees Ltd 29.09% (31.01.18: 33.25%)
- FNZ (UK) Nominees Ltd 13.25% (31.01.18: 11.68%)

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £164,788 securities on loan (31.01.18: £nil) and consequently £166,284 collateral was held (31.01.18: £nil). The nature of the collateral was 100% cash.

## 14. Financial instruments

### Currency exposures

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | | Net foreign currency assets | | |
|---|---|---|---|---|
| Currency | Total £'000 | Forward currency contracts £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | | |
| US Dollar | 10,956 | (25,106) | 339 | 35,723 |
| Euro | 1,971 | (10,936) | 22 | 12,885 |
| Japanese Yen | 1,464 | (1,220) | - | 2,684 |
| Hong Kong Dollar | 773 | (1,693) | - | 2,466 |
| Canadian Dollar | 635 | (630) | - | 1,265 |
| Swiss Franc | 614 | (2,200) | - | 2,814 |
| Australian Dollar | 518 | - | 6 | 512 |
| Indian Rupee | 360 | - | - | 360 |
| South Korean Won | 263 | (547) | 6 | 804 |
| South African Rand | 205 | (410) | - | 615 |
| Swedish Krona | 147 | (738) | - | 885 |
| Norwegian Krone | 97 | (270) | 13 | 354 |
| Mexican Peso | 91 | (300) | 10 | 381 |
| Singapore Dollar | 54 | (542) | - | 596 |
| Brazilian Real | 2 | - | 2 | - |
| Danish Krone | (49) | (692) | 15 | 628 |
| **31.01.18** | | | | |
| US Dollar | 8,544 | (27,835) | 27 | 36,352 |
| Euro | 3,388 | (9,957) | 33 | 13,312 |
| Indian Rupee | 997 | - | 34 | 963 |
| Swiss Franc | 706 | (2,832) | - | 3,538 |
| Japanese Yen | 587 | (1,973) | 10 | 2,550 |
| Norwegian Krone | 442 | (1,041) | 22 | 1,461 |
| Swedish Krona | 315 | (901) | - | 1,216 |
| South Korean Won | 260 | (939) | 6 | 1,193 |
| Canadian Dollar | 171 | (454) | 6 | 619 |
| Hong Kong Dollar | 169 | (511) | - | 680 |
| Singapore Dollar | 128 | (235) | 20 | 343 |
| Danish Krone | 43 | (467) | 39 | 471 |

The Fund level forward currency exposures are disclosed within Monetary exposures, with the additional forward currency contracts 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 disclosed separately under Forward currency contracts.

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £1,810,000 (31.01.18: £1,575,000).

### Interest rate risk

At the year end date, 2.66% (31.01.18: 2.02%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

### Market price risk

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £7,490,000 (31.01.18: £7,191,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has four share classes; Class A Shares, Class B Shares, Class C Shares and Class X Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |
| Class X Shares: | 0.00% | 0.06% |

The X share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 95 to 98. All classes have the same rights on winding up except the hedged share classes where any realised gains or losses and any costs arising from closing out the foreign currency contracts, that were executed solely for the benefit of the hedged share class holders, would remain in the relevant hedged share class.

## 16. Counterparty exposure

**Financial derivative exposure**

| Counterparty | Forward currency contracts £'000 | Total £'000 |
|---|---|---|
| **31.01.19** | | |
| ANZ Banking Group | (5) | (5) |
| Barclays | 8 | 8 |
| BNP Paribas | 125 | 125 |
| Citibank | 1,111 | 1,111 |
| HSBC | (168) | (168) |
| Merrill Lynch | 153 | 153 |
| Morgan Stanley | 11 | 11 |
| Societe Generale | 44 | 44 |
| Standard Chartered | 37 | 37 |
| State Street | 13 | 13 |
| Toronto Dominion Bank | (75) | (75) |
| UBS | 140 | 140 |
| | 1,394 | 1,394 |
| **31.01.18** | | |
| ANZ Banking Group | 1,223 | 1,223 |
| Barclays | 42 | 42 |
| Citibank | 42 | 42 |
| Goldman Sachs | 2 | 2 |
| HSBC | 16 | 16 |
| Merrill Lynch | 104 | 104 |
| Royal Bank of Canada | 14 | 14 |
| Societe Generale | (2) | (2) |
| State Street | 13 | 13 |
| Toronto Dominion Bank | 8 | 8 |
| | 1,462 | 1,462 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 71,514 | – | 69,672 | – |
| Level 2: Observable market data | 3,741 | (390) | 2,251 | (17) |
| Level 3: Unobservable data | 32 | – | – | – |
| Total | 75,287 | (390) | 71,923 | (17) |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (77,650) | (29) | (76) | (77,755) | 0.04 | 0.10 |
| Purchases of Funds | (12,611) | – | – | (12,611) | 0.00 | 0.00 |
| | (90,261) | (29) | (76) | (90,366) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 74,442 | (27) | (4) | 74,411 | 0.04 | 0.01 |
| Sales of Funds | 11,426 | – | – | 11,426 | 0.00 | 0.00 |
| | 85,868 | (27) | (4) | 85,837 | | |
| Total | | (56) | (80) | | | |
| Percentage of Fund average net assets | | 0.07% | 0.11% | | | |

## 18. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (58,551) | (22) | (32) | (58,605) | 0.04 | 0.05 |
| Purchases of Funds | (10,749) | – | – | (10,749) | 0.00 | 0.00 |
| | (69,300) | (22) | (32) | (69,354) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 58,001 | (30) | (2) | 57,969 | 0.05 | 0.00 |
| Sales of Funds | 9,977 | – | – | 9,977 | 0.00 | 0.00 |
| | 67,978 | (30) | (2) | 67,946 | | |
| Total | | (52) | (34) | | | |
| Percentage of Fund average net assets | | 0.08% | 0.05% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.04% (31.01.18: 0.03%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 4,919,859 | 265,904 | (522,470) | (17,602) | 4,645,691 |
| A-Class Accumulation GBP Hedged Shares | 15,683,277 | 735,998 | (2,181,238) | (96,330) | 14,141,707 |
| A-Class Income Shares | 4,045,087 | 279,704 | (519,177) | (42,775) | 3,762,839 |
| A-Class Income GBP Hedged Shares | 10,036,159 | 152,696 | (626,393) | (41,437) | 9,521,025 |
| B-Class Accumulation Shares | 99,250 | 842 | (5,249) | – | 94,843 |
| B-Class Income Shares | 93,582 | – | – | – | 93,582 |
| C-Class Accumulation Shares | 1,899,107 | 748,714 | (396,846) | 9,008 | 2,259,983 |
| C-Class Accumulation GBP Hedged Shares | 13,047,449 | 3,833,387 | (1,158,080) | 53,733 | 15,776,489 |
| C-Class Income Shares | 2,165,922 | 996,167 | (356,027) | 21,390 | 2,827,452 |
| C-Class Income GBP Hedged Shares | 8,742,103 | 2,877,114 | (778,517) | 6,632 | 10,847,332 |
| X-Class Accumulation Shares | 403,727 | – | – | – | 403,727 |

# Distribution tables

## Final distribution in pence per share

Group 1 - Shares purchased prior to 1 November 2018
Group 2 - Shares purchased 1 November 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.400000 | - | 0.400000 | 0.390000 |
| Group 2 | 0.141694 | 0.258306 | 0.400000 | 0.390000 |
| **A-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 0.320000 | - | 0.320000 | 0.330000 |
| Group 2 | 0.074601 | 0.245399 | 0.320000 | 0.330000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.310000 | - | 0.310000 | 0.320000 |
| Group 2 | 0.180181 | 0.129819 | 0.310000 | 0.320000 |
| **A-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.220000 | - | 0.220000 | 0.220000 |
| Group 2 | 0.155827 | 0.064173 | 0.220000 | 0.220000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.410000 | - | 0.410000 | 0.400000 |
| Group 2 | 0.410000 | 0.000000 | 0.410000 | 0.400000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.320000 | - | 0.320000 | 0.330000 |
| Group 2 | 0.320000 | 0.000000 | 0.320000 | 0.330000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 0.790000 | - | 0.790000 | 0.760000 |
| Group 2 | 0.222934 | 0.567066 | 0.790000 | 0.760000 |
| **C-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 0.680000 | - | 0.680000 | 0.680000 |
| Group 2 | 0.170620 | 0.509380 | 0.680000 | 0.680000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.640000 | - | 0.640000 | 0.630000 |
| Group 2 | 0.226110 | 0.413890 | 0.640000 | 0.630000 |
| **C-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.530000 | - | 0.530000 | 0.550000 |
| Group 2 | 0.288564 | 0.241436 | 0.530000 | 0.550000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 0.800000 | - | 0.800000 | 0.780000 |
| Group 2 | 0.800000 | 0.000000 | 0.800000 | 0.780000 |

# Distribution tables – continued

## Third interim distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 October 2019

| | Net revenue | Equalisation | Distribution paid 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.550000 | – | 0.550000 | 0.400000 |
| Group 2 | 0.282708 | 0.267292 | 0.550000 | 0.400000 |
| **A-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 0.440000 | – | 0.440000 | 0.330000 |
| Group 2 | 0.198030 | 0.241970 | 0.440000 | 0.330000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.440000 | – | 0.440000 | 0.330000 |
| Group 2 | 0.189724 | 0.250276 | 0.440000 | 0.330000 |
| **A-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.290000 | – | 0.290000 | 0.220000 |
| Group 2 | 0.134401 | 0.155599 | 0.290000 | 0.220000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.560000 | – | 0.560000 | 0.410000 |
| Group 2 | 0.560000 | 0.000000 | 0.560000 | 0.410000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.450000 | – | 0.450000 | 0.340000 |
| Group 2 | 0.450000 | 0.000000 | 0.450000 | 0.340000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.060000 | – | 1.060000 | 0.780000 |
| Group 2 | 0.456911 | 0.603089 | 1.060000 | 0.780000 |
| **C-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 0.950000 | – | 0.950000 | 0.690000 |
| Group 2 | 0.391568 | 0.558432 | 0.950000 | 0.690000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.870000 | – | 0.870000 | 0.660000 |
| Group 2 | 0.374781 | 0.495219 | 0.870000 | 0.660000 |
| **C-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.730000 | – | 0.730000 | 0.550000 |
| Group 2 | 0.308946 | 0.421054 | 0.730000 | 0.550000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 1.080000 | – | 1.080000 | 0.810000 |
| Group 2 | 1.080000 | 0.000000 | 1.080000 | 0.810000 |

# Distribution tables – continued

## Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 July 2018

| | Net revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.810000 | – | 0.810000 | 0.540000 |
| Group 2 | 0.302136 | 0.507864 | 0.810000 | 0.540000 |
| **A-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 0.680000 | – | 0.680000 | 0.450000 |
| Group 2 | 0.258892 | 0.421108 | 0.680000 | 0.450000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.650000 | – | 0.650000 | 0.450000 |
| Group 2 | 0.357141 | 0.292859 | 0.650000 | 0.450000 |
| **A-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.450000 | – | 0.450000 | 0.310000 |
| Group 2 | 0.196541 | 0.253459 | 0.450000 | 0.310000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.830000 | – | 0.830000 | 0.550000 |
| Group 2 | 0.830000 | 0.000000 | 0.830000 | 0.550000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.670000 | – | 0.670000 | 0.450000 |
| Group 2 | 0.670000 | 0.000000 | 0.670000 | 0.450000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.590000 | – | 1.590000 | 1.050000 |
| Group 2 | 0.708869 | 0.881131 | 1.590000 | 1.050000 |
| **C-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 1.420000 | – | 1.420000 | 0.940000 |
| Group 2 | 0.618922 | 0.801078 | 1.420000 | 0.940000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.320000 | – | 1.320000 | 0.890000 |
| Group 2 | 0.596629 | 0.723371 | 1.320000 | 0.890000 |
| **C-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 1.120000 | – | 1.120000 | 0.750000 |
| Group 2 | 0.419510 | 0.700490 | 1.120000 | 0.750000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 1.570000 | – | 1.570000 | 1.060000 |
| Group 2 | 1.570000 | 0.000000 | 1.570000 | 1.060000 |

# Distribution tables – continued

## First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 30 April 2018

| | Net revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 1.080000 | – | 1.080000 | 1.010000 |
| Group 2 | 0.635818 | 0.444182 | 1.080000 | 1.010000 |
| **A-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 0.930000 | – | 0.930000 | 0.810000 |
| Group 2 | 0.552008 | 0.377992 | 0.930000 | 0.810000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.880000 | – | 0.880000 | 0.840000 |
| Group 2 | 0.466526 | 0.413474 | 0.880000 | 0.840000 |
| **A-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.630000 | – | 0.630000 | 0.560000 |
| Group 2 | 0.203297 | 0.426703 | 0.630000 | 0.560000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.110000 | – | 1.110000 | 1.030000 |
| Group 2 | 0.938950 | 0.171050 | 1.110000 | 1.030000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.900000 | – | 0.900000 | 0.870000 |
| Group 2 | 0.900000 | 0.000000 | 0.900000 | 0.870000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 2.100000 | – | 2.100000 | 1.960000 |
| Group 2 | 1.404392 | 0.695608 | 2.100000 | 1.960000 |
| **C-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 1.960000 | – | 1.960000 | 1.700000 |
| Group 2 | 1.467756 | 0.492244 | 1.960000 | 1.700000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.750000 | – | 1.750000 | 1.680000 |
| Group 2 | 0.952109 | 0.797891 | 1.750000 | 1.680000 |
| **C-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 1.560000 | – | 1.560000 | 1.390000 |
| Group 2 | 1.326285 | 0.233715 | 1.560000 | 1.390000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 2.050000 | – | 2.050000 | 1.920000 |
| Group 2 | 2.050000 | 0.000000 | 2.050000 | 1.920000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0.22%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 165 | 0.22% |

## Concentration Data

### Collateral issuers

For the securities lending transactions, as at the balance sheet date, Fund had not received any non-cash collateral by way of title transfer.

## Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| Societe Generale | 165 |
| Total | 165 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Collateral Value £'000 |
|---|---|---|---|
| Cash | N/A | EUR | 166 |
| Total | | | 166 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| less than one day | 166 |
| | 166 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| Societe Generale | France |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Cash collateral received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus, however the Fund as at the period end has not reinvested cash collateral received in respect of securities lending transactions.

## Safekeeping of collateral

All collateral received (31.01.19: £166,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM Global (ex-UK) Bond Fund

## Investment objective and policy

To provide income with the prospect of capital growth from investment anywhere in the world, including Emerging Markets, in non-sterling denominated Bonds in any economic sector. The Fund may invest up to 100% in government and public securities (see 3.11(e) of the Prospectus).

This Bond Fund invests primarily in a broad range of Investment Grade government securities (outside the UK). The Fund may also invest in other Bonds including Below Investment Grade Bonds and corporate Bonds.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

The Fund may invest in onshore debt securities issued within the PRC through China-Hong Kong Bond Connect.

The Fund may invest in assets denominated in any currency and non-sterling currency exposure will be primarily hedged 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.

Bond funds may not behave like direct investments in the underlying Bonds themselves. By investing in Bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.

The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded.

Bond funds will normally distribute a combination of Coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.

A Fund investing in Contingent Convertible Securities may be adversely impacted should specific trigger events occur (as specified in the terms of the security) and may be at increased risk of capital loss. This maybe as a result of the security converting to Equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.

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 .

The Fund may invest in onshore debt securities issued within the PRC through China-Hong Kong Bond Connect which is subject to regulatory change and operational constraints which may result in increased counterparty risk.

To the extent that any underlying assets of the Fund are denominated in a currency other than sterling and are not hedged back to sterling, 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 Fund underperformed its benchmark by 4 basis points over the period, returning 2.25% versus 2.30% for the benchmark.

## Fund outlook

The underperformance was driven by the drawdowns in the last quarter of 2018. The Fund's short positioning in US duration, which contributed to performance for most the period, detracted from performance in the fourth quarter. US 10-year yields rose above 3.2% for a second time in November, but from the second week of November a risk-off environment, triggered by market concerns around trade wars, Federal Reserve over-tightening and diminishing prospects of additional fiscal stimulus in US, led to a rally in Treasuries. Towards the end of the period, we switched to long positioning in US duration by adding 10-year Treasury Inflation-Protected Securities (TIPS) given the attractive valuation. The long positioning in US inflation breakevens, which was initiated on the back of conviction that strong wages will feed through into higher inflation, detracted as the unexpected decline in oil prices in the fourth quarter – the largest quarterly decline since the financial crisis – hurt inflation prospects. Within the sector, the off-benchmark allocation to investment grade credit detracted from performance, with spreads widening over the period: the final quarter of 2018 was especially negative and volatile in the spreads and rates markets as the risk-off environment led to spreads widening and rates rallying in classic risk-off trade.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Global (ex-UK) Bond Fund** A-Class Gross Acc | **1.3%** | **1.8%** | **1.0%** | **0.2%** | **8.5%** |
| **JPM Global (ex-UK) Bond Fund** C-Class Gross Acc | **1.6%** | **2.1%** | **1.3%** | **0.5%** | **8.8%** |
| **JPM Global (ex-UK) Bond Fund** I-Class Gross Acc | **1.8%** | **2.3%** | **1.4%** | **0.7%** | **8.9%** |
| Benchmark Index | 2.3% | 1.1% | 0.1% | 1.7% | 8.9% |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

## Fund statistics

| | | | | |
|---|---|---|---|---|
| Risk and Reward Profile | | | | 3† (3 at 31 July 2018) |
| Fund size | | | | £52.1m |
| Benchmark Index | | | | J.P. Morgan GBI Global ex UK Hedged to GBP |
| Fund charges and expenses | A-Class | B-Class | C-Class | I-Class |
| Initial charge (max.) | Nil | Nil | Nil | Nil |
| Exit charge | Nil | Nil | Nil | Nil |
| Fund expenses (comprises) | | | | |
| Annual management fee | 0.75% | 0.50% | 0.40% | 0.45% |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% | – |

## Comparative tables

| A-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 261.80 | 256.91 | 254.62 |
| Return before operating charges* | 5.47 | 7.32 | 4.92 |
| Operating charges | (2.24) | (2.43) | (2.45) |
| Return after operating charges* | 3.23 | 4.89 | 2.47 |
| Distributions | (2.27) | (1.19) | (1.66) |
| Retained distributions on accumulation shares | 2.27 | 1.19 | 1.48 |
| Closing net asset value per share | 265.03 | 261.80 | 256.91 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | 1.23% | 1.90% | 0.97% |
| **Other information** | | | |
| Closing net asset value (£'000) | 27,458 | 31,815 | 47,980 |
| Closing number of shares | 10,360,384 | 12,152,582 | 18,675,933 |
| % Operating charges | 0.86% | 0.93% | 0.93% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 265.3 | 264.2 | 270.1 |
| Lowest share price | 257.8 | 256.3 | 255.0 |

| A-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 203.12 | 200.24 | 199.58 |
| Return before operating charges* | 4.23 | 5.68 | 3.89 |
| Operating charges | (1.82) | (1.89) | (1.92) |
| Return after operating charges* | 2.41 | 3.79 | 1.97 |
| Distributions | (1.68) | (0.91) | (1.31) |
| Closing net asset value per share | 203.85 | 203.12 | 200.24 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | 1.19% | 1.89% | 0.99% |
| **Other information** | | | |
| Closing net asset value (£'000) | 833 | 906 | 2,738 |
| Closing number of shares | 408,553 | 446,035 | 1,367,608 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 205.0 | 205.6 | 211.7 |
| Lowest share price | 199.2 | 199.8 | 199.9 |

| C-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 115.61 | 113.06 | 111.68 |
| Return before operating charges* | 2.43 | 3.22 | 2.18 |
| Operating charges | (0.64) | (0.67) | (0.67) |
| Return after operating charges* | 1.79 | 2.55 | 1.51 |
| Distributions | (1.36) | (0.93) | (1.16) |
| Retained distributions on accumulation shares | 1.36 | 0.93 | 1.03 |
| Closing net asset value per share | 117.40 | 115.61 | 113.06 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | 1.55% | 2.26% | 1.35% |
| **Other information** | | | |
| Closing net asset value (£'000) | 12,691 | 11,097 | 24,911 |
| Closing number of shares | 10,809,854 | 9,598,315 | 22,033,943 |
| % Operating charges | 0.55% | 0.58% | 0.58% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 117.5 | 116.7 | 118.6 |
| Lowest share price | 114.1 | 112.8 | 111.8 |

† 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

## Comparative tables – continued

| C-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 109.36 | 107.80 | 107.45 |
| Return before operating charges* | 2.28 | 3.08 | 2.10 |
| Operating charges | (0.60) | (0.64) | (0.64) |
| Return after operating charges* | 1.68 | 2.44 | 1.46 |
| Distributions | (1.29) | (0.88) | (1.11) |
| Closing net asset value per share | 109.75 | 109.36 | 107.80 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | 1.54% | 2.26% | 1.36% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,360 | 1,521 | 5,315 |
| Closing number of shares | 1,238,898 | 1,391,365 | 4,930,511 |
| % Operating charges | 0.55% | 0.58% | 0.58% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 110.5 | 110.9 | 114.1 |
| Lowest share price | 107.3 | 107.6 | 107.6 |

| I-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 169.02 | 165.08 | 162.87 |
| Return before operating charges* | 3.54 | 4.69 | 3.17 |
| Operating charges | (0.76) | (0.75) | (0.76) |
| Return after operating charges* | 2.78 | 3.94 | 2.41 |
| Distributions | (2.16) | (1.58) | (1.90) |
| Retained distributions on accumulation shares | 2.16 | 1.58 | 1.70 |
| Closing net asset value per share | 171.80 | 169.02 | 165.08 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | 1.64% | 2.39% | 1.48% |
| **Other information** | | | |
| Closing net asset value (£'000) | 9,766 | 8,747 | 149 |
| Closing number of shares | 5,684,368 | 5,175,145 | 90,046 |
| % Operating charges | 0.45% | 0.45% | 0.45% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 172.0 | 170.5 | 173.1 |
| Lowest share price | 166.9 | 164.8 | 163.1 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
‡ Net share class was renamed Gross at close of business 2 June 2017.
‡‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Asset breakdown

| | % |
|---|---|
| Government Bonds | 72.01 |
| Corporate Bonds | 22.90 |
| Forward Currency Contracts | 2.82 |
| Supranationals | 2.59 |
| Futures | 0.44 |
| Swaps | 0.10 |
| Net other liabilities | (0.86) |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Corporate Bonds 22.90% (27.92%)** | | | |
| **Belgium 0.71% (0.00%)** | | | |
| Anheuser-Busch InBev Worldwide, Inc. 4.00% 13/04/2028 | $489,000 | 369 | 0.71 |
| | | **369** | **0.71** |
| **Canada 0.00% (0.59%)** | | | |
| **China 6.88% (8.76%)** | | | |
| Bank of China Ltd. 2.38% 14/02/2020 | $926,000 | 699 | 1.34 |
| China Development Bank 2.63% 24/01/2022 | $632,000 | 474 | 0.91 |
| China Development Bank Corp. 0.13% 03/11/2019 | €229,000 | 200 | 0.39 |
| China Development Bank Corp. 0.38% 24/01/2022 | €115,000 | 100 | 0.19 |
| China Development Bank Corp., FRN 3.29% 06/03/2020 | $1,078,000 | 820 | 1.58 |
| Export-Import Bank of China (The) 0.25% 02/12/2019 | €1,200,000 | 1,049 | 2.01 |
| Export-Import Bank of China (The) 2.75% 28/11/2022 | $324,000 | 241 | 0.46 |
| | | **3,583** | **6.88** |
| **France 1.48% (1.36%)** | | | |
| BPCE SA 4.00% 15/04/2024 | $500,000 | 386 | 0.74 |
| Credit Agricole SA 3.88% 15/04/2024 | $500,000 | 383 | 0.74 |
| | | **769** | **1.48** |
| **Japan 0.80% (0.81%)** | | | |
| Mitsubishi UFJ Financial Group, Inc. 3.00% 22/02/2022 | $555,000 | 419 | 0.80 |
| | | **419** | **0.80** |
| **Mexico 0.00% (0.37%)** | | | |
| **New Zealand 1.90% (1.71%)** | | | |
| ANZ New Zealand Int'l Ltd. 2.88% 25/01/2022 | $600,000 | 448 | 0.86 |
| BNZ International Funding Ltd. 2.10% 14/09/2021 | $740,000 | 545 | 1.04 |
| | | **993** | **1.90** |
| **Singapore 0.62% (0.00%)** | | | |
| Temasek Financial I Ltd. 3.63% 01/08/2028 | $414,000 | 321 | 0.62 |
| | | **321** | **0.62** |
| **South Korea 5.51% (7.45%)** | | | |
| Export-Import Bank of Korea 2.25% 21/01/2020 | $959,000 | 724 | 1.39 |
| Export-Import Bank of Korea 2.13% 25/01/2020 | $1,223,000 | 923 | 1.77 |
| Export-Import Bank of Korea 3.50% 27/11/2021 | $224,000 | 172 | 0.33 |
| Korea Development Bank (The) 2.25% 18/05/2020 | $1,400,000 | 1,055 | 2.02 |
| | | **2,874** | **5.51** |
| **United Kingdom 0.29% (0.26%)** | | | |
| Nationwide Building Society 2.45% 27/07/2021 | $200,000 | 149 | 0.29 |
| | | **149** | **0.29** |
| **United States of America 4.71% (6.61%)** | | | |
| Allergan Funding SCS 3.80% 15/03/2025 | $477,000 | 360 | 0.69 |
| Bank of America Corp. 4.25% 22/10/2026 | $400,000 | 306 | 0.59 |
| CVS Health Corp. 4.30% 25/03/2028 | $489,000 | 374 | 0.72 |
| Goldman Sachs Group, Inc. (The) 2.63% 19/08/2020 | €172,000 | 156 | 0.30 |
| Morgan Stanley 3.88% 29/04/2024 | $230,000 | 178 | 0.34 |
| Morgan Stanley 4.35% 08/09/2026 | $400,000 | 306 | 0.59 |
| PPL Capital Funding, Inc. 3.50% 01/12/2022 | $130,000 | 99 | 0.19 |
| Synchrony Financial 3.75% 15/08/2021 | $250,000 | 189 | 0.36 |
| Verizon Communications, Inc. 3.38% 15/02/2025 | $139,000 | 105 | 0.20 |
| Wells Fargo & Co. 2.63% 16/08/2022 | €407,000 | 382 | 0.73 |
| | | **2,455** | **4.71** |
| **Corporate Bonds total** | | **11,932** | **22.90** |
| **Government Bonds 72.01% (65.51%)** | | | |
| **Australia 1.54% (0.67%)** | | | |
| Australia Government Bond 5.50% 21/04/2023 | AUD 130,000 | 83 | 0.16 |
| Australia Government Bond 3.75% 21/04/2037 | AUD 107,000 | 69 | 0.13 |
| Australia Government Bond 2.75% 21/05/2041 | AUD 1,098,000 | 612 | 1.17 |
| Australia Government Bond 3.00% 21/03/2047 | AUD 68,000 | 39 | 0.08 |
| | | **803** | **1.54** |
| **Belgium 2.33% (1.47%)** | | | |
| Belgium Government Bond 2.60% 22/06/2024 | €110,000 | 110 | 0.21 |
| Belgium Government Bond 1.00% 22/06/2026 | €59,107 | 54 | 0.10 |
| Belgium Government Bond 5.50% 28/03/2028 | €12,750 | 16 | 0.03 |
| Belgium Government Bond 0.80% 22/06/2028 | €258,370 | 230 | 0.44 |
| Belgium Government Bond 1.00% 22/06/2031 | €109,000 | 96 | 0.19 |
| Belgium Government Bond 1.25% 22/04/2033 | €103,000 | 92 | 0.18 |
| Belgium Government Bond 1.45% 22/06/2037 | €152,000 | 136 | 0.26 |
| Belgium Government Bond 1.90% 22/06/2038 | €19,000 | 18 | 0.04 |
| Belgium Government Bond 1.60% 22/06/2047 | €34,000 | 30 | 0.06 |
| Belgium Government Bond 1.70% 22/06/2050 | €460,115 | 402 | 0.77 |
| Belgium Government Bond 2.25% 22/06/2057 | €28,000 | 27 | 0.05 |
| | | **1,211** | **2.33** |
| **Canada 0.91% (1.25%)** | | | |
| Canada Government Bond 3.50% 01/06/2020 | CAD 270,000 | 160 | 0.31 |
| Canada Government Bond 0.75% 01/03/2021 | CAD 240,000 | 136 | 0.26 |
| Canada Government Bond 5.75% 01/06/2033 | CAD 47,000 | 40 | 0.07 |
| Canada Government Bond 5.00% 01/06/2037 | CAD 26,000 | 21 | 0.04 |
| Canada Government Bond 4.00% 01/06/2041 | CAD 95,000 | 73 | 0.14 |
| Canada Government Bond 2.75% 01/12/2048 | CAD 55,000 | 36 | 0.07 |
| Canada Government Bond 2.75% 01/12/2064 | CAD 15,000 | 10 | 0.02 |
| | | **476** | **0.91** |
| **Chile 0.54% (0.53%)** | | | |
| Chile Government Bond 1.44% 01/02/2029 | €325,000 | 282 | 0.54 |
| | | **282** | **0.54** |
| **Colombia 0.00% (0.99%)** | | | |
| **Denmark 0.39% (0.59%)** | | | |
| Denmark Government Bond 1.75% 15/11/2025 | DKK 586,000 | 77 | 0.15 |
| Denmark Government Bond 0.50% 15/11/2027 | DKK 205,000 | 25 | 0.05 |
| Denmark Government Bond 4.50% 15/11/2039 | DKK 493,000 | 102 | 0.19 |
| | | **204** | **0.39** |
| **France 2.76% (3.19%)** | | | |
| France Government Bond OAT 1.75% 25/05/2023 | €92,000 | 87 | 0.17 |
| France Government Bond OAT 1.00% 25/11/2025 | €68,000 | 63 | 0.12 |
| France Government Bond OAT 5.75% 25/10/2032 | €347,000 | 496 | 0.95 |
| France Government Bond OAT 2.50% 25/05/2034 | €78,000 | 71 | 0.14 |
| France Government Bond OAT 1.75% 25/06/2039 | €315,000 | 300 | 0.57 |
| France Government Bond OAT 3.25% 25/05/2045 | €130,000 | 159 | 0.30 |
| France Government Bond OAT 2.00% 25/05/2048 | €100,901 | 98 | 0.19 |
| France Government Bond OAT 4.00% 25/04/2055 | €39,600 | 57 | 0.11 |
| France Government Bond OAT 4.00% 25/04/2060 | €62,000 | 92 | 0.18 |
| France Government Bond OAT 1.75% 25/05/2066 | €17,000 | 15 | 0.03 |
| | | **1,438** | **2.76** |
| **Germany 0.86% (0.43%)** | | | |
| Bundesrepublik Deutschland 1.00% 15/08/2025 | €87,000 | 82 | 0.16 |
| Bundesrepublik Deutschland 4.00% 04/01/2037 | €79,000 | 111 | 0.21 |
| Bundesrepublik Deutschland 2.50% 15/08/2046 | €188,700 | 238 | 0.46 |
| Bundesrepublik Deutschland 1.25% 15/08/2048 | €19,607 | 19 | 0.03 |
| | | **450** | **0.86** |
| **Indonesia 1.09% (1.60%)** | | | |
| Indonesia Government Bond 2.15% 18/07/2024 | €631,000 | 570 | 1.09 |
| | | **570** | **1.09** |
| **Italy 3.53% (5.23%)** | | | |
| Italy Buoni Poliennali Del Tesoro 0.10% 15/05/2022 | €665,000 | 602 | 1.15 |
| Italy Buoni Poliennali Del Tesoro 5.50% 01/11/2022 | €56,000 | 57 | 0.11 |
| Italy Buoni Poliennali Del Tesoro 2.45% 01/10/2023 | €60,000 | 55 | 0.11 |
| Italy Buoni Poliennali Del Tesoro 0.25% 20/11/2023 | €165,000 | 139 | 0.27 |
| Italy Buoni Poliennali Del Tesoro 3.00% 01/06/2025 | €159,000 | 136 | 0.26 |
| Italy Buoni Poliennali Del Tesoro 1.65% 01/03/2032 | €369,000 | 283 | 0.54 |
| Italy Buoni Poliennali Del Tesoro 5.00% 01/08/2034 | €205,000 | 222 | 0.43 |
| Italy Buoni Poliennali Del Tesoro 5.00% 01/09/2040 | €123,000 | 134 | 0.26 |
| Italy Buoni Poliennali Del Tesoro 3.45% 01/03/2048 | €220,000 | 193 | 0.37 |
| Italy Buoni Poliennali Del Tesoro 2.80% 01/03/2067 | €23,000 | 17 | 0.03 |
| | | **1,838** | **3.53** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Japan 24.25% (23.71%)** | | | |
| Japan Government Five Year Bond 0.10% 20/03/2020 | JPY 108,800,000 | 765 | 1.47 |
| Japan Government Five Year Bond 0.10% 20/06/2020 | JPY 55,200,000 | 388 | 0.74 |
| Japan Government Five Year Bond 0.10% 20/03/2021 | JPY 85,000,000 | 599 | 1.15 |
| Japan Government Five Year Bond 0.20% 20/06/2021 | JPY 64,050,000 | 452 | 0.87 |
| Japan Government Forty Year Bond 2.20% 20/03/2051 | JPY 32,250,000 | 325 | 0.62 |
| Japan Government Forty Year Bond 0.80% 20/03/2056 | JPY 38,750,000 | 243 | 0.47 |
| Japan Government Forty Year Bond 0.90% 20/03/2057 | JPY 18,050,000 | 133 | 0.26 |
| Japan Government Ten Year Bond 0.80% 20/06/2022 | JPY 215,700,000 | 1,562 | 3.00 |
| Japan Government Ten Year Bond 0.90% 20/06/2022 | JPY 43,400,000 | 315 | 0.60 |
| Japan Government Ten Year Bond 0.80% 20/09/2023 | JPY 7,500,000 | 55 | 0.11 |
| Japan Government Ten Year Bond 0.60% 20/03/2024 | JPY 155,700,000 | 1,134 | 2.18 |
| Japan Government Ten Year Bond 0.50% 20/09/2024 | JPY 57,200,000 | 416 | 0.80 |
| Japan Government Ten Year Bond 0.10% 20/12/2026 | JPY 49,650,000 | 354 | 0.68 |
| Japan Government Ten Year Bond 0.10% 20/06/2027 | JPY 114,950,000 | 819 | 1.57 |
| Japan Government Thirty Year Bond 1.70% 20/03/2044 | JPY 32,450,000 | 288 | 0.55 |
| Japan Government Thirty Year Bond 1.70% 20/09/2044 | JPY 22,750,000 | 202 | 0.39 |
| Japan Government Thirty Year Bond 1.40% 20/12/2045 | JPY 24,700,000 | 207 | 0.40 |
| Japan Government Thirty Year Bond 0.80% 20/12/2047 | JPY 3,350,000 | 25 | 0.05 |
| Japan Government Twenty Year Bond 2.10% 20/09/2024 | JPY 53,450,000 | 423 | 0.81 |
| Japan Government Twenty Year Bond 1.60% 20/06/2030 | JPY 63,400,000 | 521 | 1.00 |
| Japan Government Twenty Year Bond 2.00% 20/06/2030 | JPY 48,900,000 | 418 | 0.80 |
| Japan Government Twenty Year Bond 1.70% 20/09/2031 | JPY 58,250,000 | 488 | 0.94 |
| Japan Government Twenty Year Bond 1.70% 20/09/2032 | JPY 47,050,000 | 397 | 0.76 |
| Japan Government Twenty Year Bond 1.40% 20/09/2034 | JPY 34,600,000 | 284 | 0.54 |
| Japan Government Twenty Year Bond 1.20% 20/12/2034 | JPY 49,050,000 | 393 | 0.75 |
| Japan Government Twenty Year Bond 0.50% 20/09/2036 | JPY 119,750,000 | 859 | 1.65 |
| Japan Government Twenty Year Bond 0.70% 20/03/2037 | JPY 76,950,000 | 570 | 1.09 |
| | | **12,635** | **24.25** |
| **Kuwait 2.04% (1.82%)** | | | |
| Kuwait Government Bond 2.75% 20/03/2022 | $1,415,000 | 1,063 | 2.04 |
| | | **1,063** | **2.04** |
| **Mexico 1.34% (2.43%)** | | | |
| Mexico Government Bond 2.75% 22/04/2023 | €420,000 | 392 | 0.75 |
| Mexico Government Bond 1.63% 06/03/2024 | €349,000 | 308 | 0.59 |
| | | **700** | **1.34** |
| **Qatar 4.72% (4.59%)** | | | |
| Qatar Government Bond 6.55% 09/04/2019 | $740,000 | 567 | 1.09 |
| Qatar Government Bond 5.25% 20/01/2020 | $920,000 | 714 | 1.37 |
| Qatar Government Bond 2.38% 02/06/2021 | $200,000 | 149 | 0.29 |
| Qatar Government Bond 4.50% 20/01/2022 | $1,100,000 | 866 | 1.66 |
| Qatar Government Bond 3.88% 23/04/2023 | $210,000 | 163 | 0.31 |
| | | **2,459** | **4.72** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Saudi Arabia 2.66% (2.62%)** | | | |
| Saudi Government Bond 2.38% 26/10/2021 | $1,871,000 | 1,384 | 2.66 |
| | | **1,384** | **2.66** |
| **Slovenia 1.66% (0.00%)** | | | |
| Slovenia Government Bond 1.19% 14/03/2029 | €980,000 | 867 | 1.66 |
| | | **867** | **1.66** |
| **South Korea 1.09% (1.05%)** | | | |
| Korea Government Bond 2.13% 10/06/2024 | €600,000 | 568 | 1.09 |
| | | **568** | **1.09** |
| **Spain 4.99% (6.29%)** | | | |
| Spain Government Bond 1.15% 30/07/2020 | €255,000 | 228 | 0.44 |
| Spain Government Bond 0.10% 31/01/2021 | €384,000 | 337 | 0.65 |
| Spain Government Bond 0.40% 30/04/2022 | €434,000 | 385 | 0.74 |
| Spain Government Bond 0.45% 31/10/2022 | €114,000 | 101 | 0.19 |
| Spain Government Bond 3.80% 30/04/2024 | €67,000 | 69 | 0.13 |
| Spain Government Bond 3.20% 30/04/2025 | €261,000 | 243 | 0.47 |
| Spain Government Bond 1.45% 31/10/2027 | €87,000 | 79 | 0.15 |
| Spain Government Bond 1.40% 30/07/2028 | €287,000 | 256 | 0.49 |
| Spain Government Bond 1.45% 30/04/2029 | €286,000 | 253 | 0.49 |
| Spain Government Bond 5.75% 30/07/2032 | €116,000 | 153 | 0.29 |
| Spain Government Bond 2.35% 30/07/2033 | €232,000 | 219 | 0.42 |
| Spain Government Bond 4.70% 30/07/2041 | €78,000 | 99 | 0.19 |
| Spain Government Bond 5.15% 31/10/2044 | €52,000 | 71 | 0.14 |
| Spain Government Bond 2.90% 31/10/2046 | €59,000 | 58 | 0.11 |
| Spain Government Bond 2.70% 31/10/2048 | €23,000 | 21 | 0.04 |
| Spain Government Bond 3.45% 30/07/2066 | €26,000 | 27 | 0.05 |
| | | **2,599** | **4.99** |
| **United States of America 15.31% (7.05%)** | | | |
| US Treasury 4.50% 15/02/2036 | $600,000 | 562 | 1.08 |
| US Treasury 9.00% 15/08/2039 | $626,000 | 592 | 1.14 |
| US Treasury 3.13% 15/11/2041 | $215,000 | 167 | 0.32 |
| US Treasury 2.75% 15/08/2042 | $75,000 | 55 | 0.11 |
| US Treasury 2.75% 15/11/2042 | $781,000 | 566 | 1.09 |
| US Treasury 3.38% 15/05/2044 | $310,000 | 250 | 0.48 |
| US Treasury 3.00% 15/11/2044 | $1,033,000 | 781 | 1.50 |
| US Treasury 2.50% 15/02/2045 | $591,000 | 406 | 0.78 |
| US Treasury 2.50% 15/05/2046 | $208,000 | 142 | 0.27 |
| US Treasury 2.25% 15/08/2046 | $83,000 | 54 | 0.10 |
| US Treasury 3.00% 15/02/2047 | $147,000 | 111 | 0.21 |
| US Treasury Inflation Indexed 0.75% 15/07/2028 | $4,540,000 | 3,452 | 6.62 |
| US Treasury Inflation Indexed 1.00% 15/02/2048 | $1,119,000 | 841 | 1.61 |
| | | **7,979** | **15.31** |
| **Government Bonds total** | | **37,526** | **72.01** |
| **Supranationals 2.59% (1.59%)** | | | |
| Corp. Andina de Fomento 4.38% 15/06/2022 | $202,000 | 159 | 0.30 |
| Corp. Andina de Fomento 2.75% 06/01/2023 | $730,000 | 546 | 1.05 |
| Corp. Andina de Fomento 3.75% 23/11/2023 | $315,000 | 244 | 0.47 |
| European Investment Bank 1.25% 12/05/2025 | SEK 2,200,000 | 192 | 0.37 |
| Inter-American Development Bank 4.40% 26/01/2026 | CAD 321,000 | 209 | 0.40 |
| | | **1,350** | **2.59** |
| **Supranationals total** | | **1,350** | **2.59** |
| **Swaps 0.10% (0.13%)** | | | |
| Interest Rate Swap Citigroup Pay fixed 3.06% Receive floating LIBOR 3 Month 13/12/2020 | (4,700,000) | (25) | (0.05) |
| Interest Rate Swap Citigroup Pay fixed 2.55% Receive floating LIBOR 3 Month 15/11/2043 | (760,000) | 32 | 0.06 |
| Interest Rate Swap Citigroup Pay fixed 2.58% Receive floating LIBOR 3 Month 15/11/2043 | (1,200,000) | 46 | 0.09 |
| **Swaps total** | | **53** | **0.10** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Forward Currency Contracts 2.82% (2.62%)** | | | |
| Buy AUD 780,000 sell GBP 438,380 dated 05/02/2019 | | (6) | (0.01) |
| Buy EUR 2,929,453 sell GBP 2,639,201 dated 05/02/2019 | | (76) | (0.15) |
| Buy EUR 562,165 sell GBP 492,202 dated 05/03/2019 | | – | – |
| Buy GBP 1,111,653 sell AUD 2,011,097 dated 05/02/2019 | | (3) | (0.01) |
| Buy GBP 62,016 sell AUD 112,000 dated 05/03/2019 | | – | – |
| Buy GBP 21,704 sell AUD 40,000 dated 05/03/2019 | | – | – |
| Buy GBP 24,423 sell CAD 41,474 dated 05/02/2019 | | – | – |
| Buy GBP 663,022 sell CAD 1,145,395 dated 05/02/2019 | | (1) | – |
| Buy GBP 188,585 sell DKK 1,558,055 dated 05/02/2019 | | 6 | 0.01 |
| Buy GBP 15,405,915 sell EUR 17,066,248 dated 05/02/2019 | | 474 | 0.91 |
| Buy GBP 104,070 sell EUR 119,844 dated 05/03/2019 | | (1) | – |
| Buy GBP 14,194,983 sell JPY 1,985,544,701 dated 05/02/2019 | | 275 | 0.53 |
| Buy GBP 52,120 sell JPY 7,502,119 dated 05/03/2019 | | (1) | – |
| Buy GBP 186,483 sell SEK 2,108,841 dated 05/02/2019 | | 9 | 0.02 |
| Buy GBP 26,049,111 sell USD 33,020,124 dated 05/02/2019 | | 902 | 1.73 |
| Buy GBP 528,708 sell USD 694,644 dated 05/03/2019 | | – | – |
| Buy JPY 232,807,514 sell GBP 1,691,552 dated 05/02/2019 | | (59) | (0.11) |
| Buy USD 2,111,413 sell GBP 1,658,617 dated 05/02/2019 | | (51) | (0.10) |
| Buy USD 61,866 sell GBP 46,908 dated 05/03/2019 | | – | – |
| **Forward Currency Contracts total** | | **1,468** | **2.82** |
| **Futures 0.44% ((0.05)%)** | | | |
| Australia 3 Year Bond 15/03/2019 | 2 | 1 | – |
| Australia 10 Year Bond 15/03/2019 | (12) | (10) | (0.02) |
| Canada 10 Year Bond 20/03/2019 | (16) | (19) | (0.04) |
| Euro-Bobl 07/03/2019 | 2 | 1 | – |
| Euro-BTP 07/03/2019 | 10 | 55 | 0.11 |
| Euro-Bund 07/03/2019 | (16) | (13) | (0.02) |
| Euro-OAT 07/03/2019 | 11 | 16 | 0.03 |
| Euro-Schatz 07/03/2019 | 17 | (1) | – |
| Japan 10 Year Bond 13/03/2019 | (1) | (4) | (0.01) |
| Japan 10 Year Bond Mini 12/03/2019 | 5 | 1 | – |
| Short-Term Euro-BTP 07/03/2019 | 9 | 10 | 0.02 |
| US 2 Year Note 29/03/2019 | (96) | (29) | (0.06) |
| US 5 Year Note 29/03/2019 | 31 | 28 | 0.05 |
| US 10 Year Note 20/03/2019 | 55 | 42 | 0.08 |
| US 10 Year Ultra Bond 20/03/2019 | 20 | 34 | 0.07 |
| US Ultra Bond 20/03/2019 | 20 | 117 | 0.23 |
| **Futures total** | | **229** | **0.44** |
| Investment assets (including investment liabilities) | | 52,558 | 100.86 |
| Net other liabilities | | (450) | (0.86) |
| **Net assets** | | **52,108** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital gains (Note 2) | | 175 | | 1,503 |
| Revenue (Note 3) | 903 | | 1,080 | |
| Expenses (Note 4) | (376) | | (604) | |
| Net revenue before taxation | 527 | | 476 | |
| Taxation (Note 5) | – | | – | |
| Net revenue after taxation | | 527 | | 476 |
| **Total return before distributions** | | **702** | | **1,979** |
| Distributions (Note 6) | | (526) | | (478) |
| **Change in net assets attributable to shareholders from investment activities** | | **176** | | **1,501** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **54,091** | | **100,053** |
| Amounts receivable on issue of shares | 9,525 | | 15,183 | |
| Amounts payable on cancellation of shares | (12,200) | | (63,045) | |
| | | (2,675) | | (47,862) |
| Dilution adjustment | | 12 | | 33 |
| Change in net assets attributable to shareholders from investment activities (see above) | | 176 | | 1,501 |
| Retained distributions on accumulation shares | | 504 | | 366 |
| **Closing net assets attributable to shareholders** | | **52,108** | | **54,091** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 52,857 | 53,094 |
| **Current assets:** | | |
| Debtors (Note 8) | 1,303 | 5,030 |
| Cash and bank balances (Note 9) | 463 | 1,839 |
| **Total assets** | **54,623** | **59,963** |
| **Liabilities:** | | |
| Investment liabilities | (299) | (236) |
| **Creditors:** | | |
| Distribution payable | (12) | (10) |
| Other creditors (Note 10) | (2,204) | (5,626) |
| **Total liabilities** | **(2,515)** | **(5,872)** |
| **Net assets attributable to shareholders** | **52,108** | **54,091** |

The notes to these financial statements are shown on pages 121 to 124.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Global (ex-UK) Bond Fund are disclosed on pages 12 and 13.

## 2. Net capital gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains | 237 | 520 |
| Derivative contracts | 30 | 373 |
| Forward currency contracts | (2,899) | 3,950 |
| Non-derivative securities | 2,807 | (3,340) |
| Net capital gains | 175 | 1,503 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Interest on bank and term deposits | 3 | 1 |
| Interest on derivatives | 40 | (281) |
| Interest on fixed-interest securities | 860 | 1,360 |
| Total revenue | 903 | 1,080 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 322 | 479 |
| Operating expenses | 51 | 122 |
| | 373 | 601 |
| Interest payable | 3 | 3 |
| Total expenses | 376 | 604 |

The fees paid to the auditor for the year ended 31 January 2019 are £6,194 (31.01.18: £6,194), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|

**a) Analysis of charge in the year**

There is no corporation tax charge in the current year or prior year.

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is nil. This is different than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 527 | 476 |
| Corporation tax at 20% | 105 | 95 |
| Effects of: | | |
| Interest distributions deductible for tax purposes | (105) | (95) |
| | (105) | (95) |
| Current year tax charge (Note 5a) | – | – |

No deferred tax asset has been recognised in the financial statements.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Interim interest distribution | 237 | 182 |
| Final interest distribution | 292 | 206 |
| Add: Amounts payable on cancellation of shares | 31 | 104 |
| Deduct: Amounts receivable on issue of shares | (34) | (14) |
| Distributions for the year | 526 | 478 |

Details of the distribution per share are set out on pages 125 and 126.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 527 | 476 |
| Add: Undistributed revenue brought forward | 1 | 3 |
| Deduct: Undistributed revenue carried forward | (2) | (1) |
| | 526 | 478 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 284 | 342 |
| Due from the ACD for shares issued | 8 | 330 |
| Sales awaiting settlement | 1,011 | 4,358 |
| Total debtors | 1,303 | 5,030 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 32 | 144 |
| Cash and bank balances | 431 | 1,695 |
| Total cash and bank balances | 463 | 1,839 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 32 | 40 |
| Derivative income payable | – | 1 |
| Due to the ACD for shares cancelled | 123 | 5,050 |
| Purchases awaiting settlement | 2,049 | 535 |
| Total other creditors | 2,204 | 5,626 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £146,050 (31.01.18: £4,758,874) Details of related party transactions are given under the note on page 13.

The following parties held a material interest in the Fund at the year end date:
- Chase Nominees Ltd 43.23% (31.01.18: 49.13%)
- Legal & General Asset Management (Pension Management) Ltd 17.34% (31.01.18: 0.00%)

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current year or prior year.

## 14. Financial instruments

**Value at risk**

The Fund enters into derivative transactions in the form of forward currency contracts, futures and swaps for the and/or investment purposes of efficient portfolio management. The Historical VaR methodology approach has been used to calculate the global exposure.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using historical simulation methodology. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days of history.

The VaR calculated for the year ended 31 January 2019 was as follows:

| As at | 2019 | 2018 |
|---|---|---|
| As at 31 January, the Fund's value at risk is | 2.07% | 2.00% |
| During the financial year, the highest utilisation of value at risk was | 61.25% | 56.00% |
| During the financial year, the average utilisation of value at risk was | 48.29% | 49.00% |
| During the financial year, the lowest utilisation of value at risk was | 43.90% | 40.00% |

Further information on the derivative risks can be found in the accounting policies on page 13.

**Leverage**

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 January 2019 the average leverage was 252.61% (31.01.18: 473.00%).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Debt security credit analysis

| | Market value £'000 | Total net assets % |
|---|---|---|
| **31.01.19** | | |
| Investment grade | 50,808 | 97.50 |
| **31.01.18** | | |
| Investment grade | 49,266 | 91.08 |
| Below investment grade | 2,130 | 3.94 |
| | 51,396 | 95.02 |

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

## 16. Share classes

The Fund currently has three share classes; Class A Shares, Class C Shares and Class I Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 0.75% | 0.15% |
| Class C Shares: | 0.40% | 0.15% |
| Class I Shares: | 0.45% | 0.00% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 115 to 116. All classes have the same rights on winding up.

## 17. Counterparty exposure

Financial derivative exposure

| Counterparty | Forward currency contracts £'000 | Futures contracts £'000 | Swaps £'000 | Total £'000 |
|---|---|---|---|---|
| **31.01.19** | | | | |
| ANZ Banking Group | (57) | – | – | (57) |
| Barclays | 844 | – | – | 844 |
| BNP Paribas | 290 | – | – | 290 |
| Citibank | – | 305 | 78 | 383 |
| HSBC | 465 | – | – | 465 |
| Morgan Stanley | (42) | – | – | (42) |
| National Australia Bank | 1 | – | – | 1 |
| Royal Bank of Canada | 4 | – | – | 4 |
| Societe Generale | (3) | – | – | (3) |
| Standard Chartered | 14 | – | – | 14 |
| State Street | (40) | – | – | (40) |
| Toronto Dominion Bank | (7) | – | – | (7) |
| UBS | (1) | – | – | (1) |
| | 1,468 | 305 | 78 | 1,851 |
| **31.01.18** | | | | |
| ANZ Banking Group | 3 | – | – | 3 |
| Barclays | 1,216 | – | – | 1,216 |
| BNP Paribas | 13 | – | – | 13 |
| Citibank | – | – | 71 | 71 |
| Deutsche Bank | (1) | – | – | (1) |
| HSBC | 4 | – | – | 4 |
| JP Morgan | – | 149 | | 149 |
| Morgan Stanley | 1 | – | – | 1 |
| Societe Generale | 185 | – | – | 185 |
| Standard Chartered | (3) | – | – | (3) |
| State Street | (3) | – | – | (3) |
| | 1,415 | 149 | 71 | 1,635 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts it is only the positive mark to market values that are reported.

## 18. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 305 | (76) | 149 | (173) |
| Level 2: Observable market data | 52,552 | (223) | 52,945 | (63) |
| Total | 52,857 | (299) | 53,094 | (236) |

## 19. Direct transaction costs

No portfolio transactions costs were incurred during the current or prior year.

There is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

**Dealing spread**

As at the balance sheet date, the average portfolio dealing spread was 0.18% (31.01.18: 0.18%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 20. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Gross Accumulation Shares | 12,152,582 | 627,243 | (2,420,189) | 748 | 10,360,384 |
| A-Class Gross Income Shares | 446,035 | 2,598 | (38,876) | (1,204) | 408,553 |
| B-Class Gross Accumulation Shares* | 1,855 | - | (1,855) | - | - |
| C-Class Gross Accumulation Shares | 9,598,315 | 4,729,220 | (3,511,132) | (6,549) | 10,809,854 |
| C-Class Gross Income Shares | 1,391,365 | 350,925 | (510,807) | 7,415 | 1,238,898 |
| I-Class Gross Accumulation Shares | 5,175,145 | 1,203,288 | (694,065) | - | 5,684,368 |

* B-Class Gross Accumulation Shares closed on 29 August 2018.

# Distribution tables

## Final interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 January 2019

| | Gross revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.280000 | – | 1.280000 | 0.790000 |
| Group 2 | 0.586064 | 0.693936 | 1.280000 | 0.790000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.930000 | – | 0.930000 | 0.600000 |
| Group 2 | 0.523418 | 0.406582 | 0.930000 | 0.600000 |
| **B-Class Gross Accumulation Shares*** | | | | |
| Group 1 | – | – | – | 1.140000 |
| Group 2 | – | – | – | 1.140000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.740000 | – | 0.740000 | 0.550000 |
| Group 2 | 0.263129 | 0.476871 | 0.740000 | 0.550000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 0.700000 | – | 0.700000 | 0.520000 |
| Group 2 | 0.590599 | 0.109401 | 0.700000 | 0.520000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.170000 | – | 1.170000 | 0.920000 |
| Group 2 | 0.509086 | 0.660914 | 1.170000 | 0.920000 |

* B-Class Gross Accumulation Shares closed on 29 August 2018.

# Distribution tables – continued

## Interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 July 2018

| | Net revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.990000 | – | 0.990000 | 0.400000 |
| Group 2 | 0.519864 | 0.470136 | 0.990000 | 0.400000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.750000 | – | 0.750000 | 0.310000 |
| Group 2 | 0.348197 | 0.401803 | 0.750000 | 0.310000 |
| **B-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.240000 | – | 1.240000 | 0.730000 |
| Group 2 | 1.240000 | 0.000000 | 1.240000 | 0.730000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.620000 | – | 0.620000 | 0.380000 |
| Group 2 | 0.210656 | 0.409344 | 0.620000 | 0.380000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 0.590000 | – | 0.590000 | 0.360000 |
| Group 2 | 0.208849 | 0.381151 | 0.590000 | 0.360000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.990000 | – | 0.990000 | 0.660000 |
| Group 2 | 0.498012 | 0.491988 | 0.990000 | 0.660000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# JPM Global Financials Fund

## Important information

The merger JPM Global Financials Fund into the JPM Global Unconstrained Equity Fund was approved at Extraordinary General Meeting held on 27 November 2017 and its effective date was 16 December 2017.

## Investment objective and policy

The Fund sought to provide capital growth over the long term by investing throughout the world primarily in financial services sectors.

The Fund primarily invested in shares of financial services sector companies globally and would have had exposure to Emerging Markets. Smaller company investments may have been held on an ancillary basis.

Financial Derivative Instruments may have been used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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

The Fund may have invested in assets denominated in any currency and non-sterling currency exposure may have been hedged back to sterling or may have been managed by reference to the currency exposure of its benchmark.

The Fund sought to assess the impact of environmental, social and governance factors (including accounting and tax policies, disclosure and investor communication, shareholder rights and remuneration policies) on the cash flows of many companies in which it invested to identify issuers that the Investment Manager believed would be negatively impacted by such factors relative to other issuers. These determinations may not have been conclusive and securities of such issuers may have been purchased and retained by the Fund.

## Risk profile

Investment risks have been removed as this Fund closed 15 December 2017 as part of a merger effective on 16 December 2017.

## Fund update

The Fund closed on 15 December 2017.

## 12 month performance^ to 31 January

| | 2018 to closure | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| **JPM Global Financials Fund** A-Class Acc | **15.5%** | **43.4%** | **-8.0%** | **11.9%** |
| **JPM Global Financials Fund** B-Class Acc | **16.0%** | **44.1%** | **-7.5%** | **12.4%** |
| **JPM Global Financials Fund** C-Class Acc | **16.2%** | **44.4%** | **-7.3%** | **12.8%** |
| Benchmark Index | 12.7% | 41.2% | -2.8% | 11.9% |

## Fund statistics

| | |
|---|---|
| Fund size | **£0.0m** |
| Benchmark Index | **MSCI ACWI Financials Index (Net)** |

## Comparative tables

| **A-Class Accumulation Shares** | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 947.18 | 660.64 |
| Return before operating charges* | - | (932.47) | 299.54 |
| Operating charges | - | (14.71) | (13.00) |
| Return after operating charges* | - | (947.18) | 286.54 |
| Distributions | - | (6.92) | (11.04) |
| Retained distributions on accumulation shares | - | 6.92 | 11.04 |
| Closing net asset value per share | - | - | 947.18 |
| * after direct transaction costs of | - | (2.52) | (1.23) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 43.37% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 109,697 |
| Closing number of shares | - | - | 11,581,421 |
| % Operating charges | - | - | 1.68% |
| % Direct transaction costs | - | - | 0.16% |
| **Prices** | | | |
| Highest share price | - | 1,086 | 972.0 |
| Lowest share price | - | 925.7 | 588.1 |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.
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.

## Comparative tables – continued

| A-Class Income Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | – | 52.66 | 37.16 |
| Return before operating charges* | – | (51.46) | 16.85 |
| Operating charges | – | (0.82) | (0.73) |
| Return after operating charges* | – | (52.28) | 16.12 |
| Distributions | – | (0.38) | (0.62) |
| Closing net asset value per share | – | – | 52.66 |
| * after direct transaction costs of | – | (0.14) | (0.07) |
| **Performance** | | | |
| % Return after operating charges^^ | – | – | 43.38% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | – | 2,670 |
| Closing number of shares | – | – | 5,069,204 |
| % Operating charges | – | – | 1.68% |
| % Direct transaction costs | – | – | 0.16% |
| **Prices** | | | |
| Highest share price | – | 60.36 | 54.68 |
| Lowest share price | – | 51.46 | 33.08 |

| B-Class Accumulation Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | – | 967.41 | 671.31 |
| Return before operating charges* | – | (956.82) | 305.37 |
| Operating charges | – | (10.59) | (9.27) |
| Return after operating charges* | – | (967.41) | 296.10 |
| Distributions | – | (11.57) | (15.18) |
| Retained distributions on accumulation shares | – | 11.57 | 15.18 |
| Closing net asset value per share | – | – | 967.41 |
| * after direct transaction costs of | – | (2.58) | (1.25) |
| **Performance** | | | |
| % Return after operating charges^^ | – | – | 44.11% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | – | 216 |
| Closing number of shares | – | – | 22,346 |
| % Operating charges | – | – | 1.18% |
| % Direct transaction costs | – | – | 0.16% |
| **Prices** | | | |
| Highest share price | – | 1,114 | 992.5 |
| Lowest share price | – | 946.5 | 597.8 |

| C-Class Accumulation Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | – | 195.94 | 135.62 |
| Return before operating charges* | – | (194.24) | 61.82 |
| Operating charges | – | (1.70) | (1.50) |
| Return after operating charges* | – | (195.94) | 60.32 |
| Distributions | – | (2.80) | (3.47) |
| Retained distributions on accumulation shares | – | 2.80 | 3.47 |
| Closing net asset value per share | – | – | 195.94 |
| * after direct transaction costs of | – | (0.52) | (0.26) |
| **Performance** | | | |
| % Return after operating charges^^ | – | – | 44.48% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | – | 26,715 |
| Closing number of shares | – | – | 13,634,052 |
| % Operating charges | – | – | 0.93% |
| % Direct transaction costs | – | – | 0.16% |
| **Prices** | | | |
| Highest share price | – | 226.1 | 201.0 |
| Lowest share price | – | 191.8 | 120.8 |

## Comparative tables – continued

| C-Class Income Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 180.81 | 127.41 |
| Return before operating charges* | - | (176.67) | 58.15 |
| Operating charges | - | (1.57) | (1.48) |
| Return after operating charges* | - | (178.24) | 56.67 |
| Distributions | - | (2.57) | (3.27) |
| Closing net asset value per share | - | - | 180.81 |
| * after direct transaction costs of | - | (0.48) | (0.25) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 44.48% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 1,416 |
| Closing number of shares | - | - | 783,168 |
| % Operating charges | | - | 0.93% |
| % Direct transaction costs | - | - | 0.16% |
| **Prices** | | | |
| Highest share price | - | 208.5 | 188.8 |
| Lowest share price | - | 176.9 | 113.5 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 133 and 133, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 15 December 2017.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Portfolio Statement

As the Fund closed on 15 December 2017 there were no investments as at 31 January 2019.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital gains (Note 2) | | 1 | | 17,424 |
| Revenue (Note 3) | 3 | | 3,436 | |
| Expenses (Note 4) | - | | (1,945) | |
| Net revenue before taxation | 3 | | 1,491 | |
| Taxation (Note 5) | (21) | | (220) | |
| Net (expense)/revenue after taxation | | (18) | | 1,271 |
| **Total return before distributions** | | **(17)** | | **18,695** |
| Distributions (Note 6) | | - | | (1,291) |
| **Change in net assets attributable to shareholders from investment activities** | | **(17)** | | **17,404** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| **Current assets:** | | |
| Debtors (Note 8) | - | 32 |
| Cash and bank balances (Note 9) | 3 | 42 |
| **Total assets** | **3** | **74** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | - | (41) |
| Other creditors (Note 10) | (3) | (33) |
| **Total liabilities** | **(3)** | **(74)** |
| **Net assets attributable to shareholders** | **-** | **-** |

The notes to these financial statements are shown on pages 131 to 133.

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **-** | | **140,714** |
| Amounts transferred to JPM Global Unconstrained Equity Fund | | - | | (151,771) |
| Amounts receivable on issue of shares | - | | 15,229 | |
| Amounts payable on cancellation of shares | - | | (22,745) | |
| | | - | | (7,516) |
| Dilution adjustment | | - | | 20 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (17) | | 17,404 |
| Retained distributions on accumulation shares | | - | | 1,154 |
| Gain/(Loss) accumulated following Fund closure | | 17 | | (5) |
| **Closing net assets attributable to shareholders** | | **-** | | **-** |

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Global Financials Fund are disclosed on pages 12 and 13.

## 2. Net capital gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains/(losses) | 1 | (206) |
| Forward currency contracts | - | 597 |
| Non-derivative securities | - | 17,078 |
| Stamp provision correction relates to Merger | - | (45) |
| Net capital gains | 1 | 17,424 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | - | 327 |
| Income from Liquidity Funds | - | 2 |
| Income from overseas equity investments | - | 3,072 |
| Interest on bank and term deposits | - | 12 |
| Interest on Fokus reclaims | - | 23 |
| VAT recovered | 3 | - |
| Total revenue | 3 | 3,436 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | - | 1,711 |
| Operating expenses | - | 232 |
| | - | 1,943 |
| Interest payable | - | 2 |
| Total expenses | - | 1,945 |

The fees paid to the auditor for the year ended 31 January 2019 are £3,500 (31.01.18: £6,496), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 21 | 220 |
| Current year tax charge (Note 5b) | 21 | 220 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is greater than (2018: lower) the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 3 | 1,491 |
| Corporation tax at 20% | 1 | 298 |
| Effects of: | | |
| Dividends not subject to corporation tax | - | (670) |
| Excess expenses for which no relief taken | - | 372 |
| Expenses not deductible for tax purposes | (1) | - |
| Overseas tax suffered | 21 | 220 |
| | 20 | (78) |
| Current year tax charge (Note 5a) | 21 | 220 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £3,453,448 (31.01.18: £3,453,448) in relation to £17,267,239 (31.01.18: £17,267,239) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | - | 1,195 |
| Add: Amounts payable on cancellation of shares | - | 157 |
| Deduct: Amounts receivable on issue of shares | - | (61) |
| Distributions for the year | - | 1,291 |

Details of the distribution per share are set out on page 133.

## 7. Movement between net (expense)/revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net (expense)/revenue after taxation | (18) | 1,271 |
| Add: Deficit taken to capital | 18 | (1) |
| Add: RDR transfer equalisation (capital) | - | 19 |
| Add: Undistributed revenue brought forward | - | 2 |
| | - | 1,291 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Overseas tax recoverable | - | 32 |
| Total debtors | - | 32 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 3 | 42 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 3 | 33 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due from the ACD and their associates at the year end date in respect of related party transactions was £nil (31.01.18: £Nil). Details of related party transactions are given under the note on page 13.

Revenue from investments considered to be related parties was £nil (31.01.18: £2,200).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £nil (31.01.18: £19,180). Commission was paid to the associated company JPMorgan Securities Ltd.

## 13. Financial instruments

### Currency exposures

As the Fund closed on 15 December 2017, there were no investments as at 31 January 2019.

| | | Net foreign currency assets | |
|---|---|---|---|
| Currency | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.18** | | | |
| Euro | 32 | 32 | - |

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 14. Direct transaction costs

As the Fund closed on 15 December 2017, there were no transaction costs for the year ended 31.01.19.

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (230,876) | (92) | (120) | (231,088) | 0.04 | 0.05 |
| Purchases of Funds | (27,315) | - | - | (27,315) | 0.00 | 0.00 |
| | (258,191) | (92) | (120) | (258,403) | | |
| **Sales*** | | | | | | |
| Sales of Equity stocks | 240,996 | (120) | (34) | 240,842 | 0.05 | 0.01 |
| Sales of Funds | 29,214 | - | - | 29,214 | 0.00 | 0.00 |
| **In-specie sales** | | | | | | |
| Sales of Equity stocks | 145,690 | - | - | 145,690 | 0.00 | 0.00 |
| | 415,900 | (120) | (34) | 415,746 | | |
| Total | | (212) | (154) | | | |
| Percentage of Fund average net assets | | 0.14% | 0.11% | | | |

* Excluding in specie and corporate action activity

## 15. Shares in issue

As the Fund closed on 15 December 2017, there were no outstanding shares as at 31 January 2019.

# Distribution table

The Fund closed on 15 December 2017 therefore no distribution has been made with respect to the year ended 31 January 2019.

# JPM Global High Yield Bond Fund

## Investment objective and policy

To provide a high return from a diversified portfolio of Bond and other Debt Securities. The Fund will invest primarily in Bond and other Debt Securities (mainly Below Investment Grade securities or Unrated securities) of issuers in developed countries, primarily corporations and banks. The Fund may also invest in Bond and other Debt Securities of issuers of Emerging countries.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

The Fund may invest in assets denominated in any currency and the Fund will aim to hedge non-sterling securities 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.

Bond funds may not behave like direct investments in the underlying Bonds themselves. By investing in Bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.

The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below Investment Grade and certain Unrated securities, which may also be subject to higher volatility and be more difficult to sell than Investment Grade securities.

Bonds and other Debt Securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.

A Fund investing in Contingent Convertible Securities may be adversely impacted should specific trigger events occur (as specified in the terms of the security) and may be at increased risk of capital loss. This may be as a result of the security converting to Equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.

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.

The capital growth of an investment in a monthly Share Class may be constrained when compared to the equivalent quarterly Share Class of the same Fund. This is a result of quarterly Share Classes effectively investing more in the Fund than monthly Share Classes due to the less frequent payment of income.

Monthly Share Classes may receive less income than equivalent quarterly Share Classes of the same Fund. This is a result of the monthly Share Classes effectively investing less in the Fund due to the more frequent payment of income, which means that they will receive a smaller proportion of any income received by the Fund during any given quarterly period.

Bond funds will normally distribute a combination of Coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.

To the extent that any underlying assets of the Fund are denominated in a currency other than sterling and are not hedged back to sterling, 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.

The Fund may invest in Structured Products which will involve additional risks including the movements in the value of the underlying asset and the risk of the issuer of the Structured Product becoming insolvent.

The Fund may invest in Credit Linked Notes which involve the risk of the underlying credit instrument decreasing in value or defaulting and the risk of the issuer of the Credit Linked Note becoming insolvent.

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

Risk assets continued to benefit from the current environment of supportive fundamentals and low global risk-free rates, and have fully recovered from the December sell-off as volatility has subdued.

The Fund outperformed its benchmark for the 12-month period on a gross of fees basis. Relative contributions from security selection within the healthcare and pharmaceuticals sectors, as well as an underweight to oilfield services, enhanced fund performance. Specifically, relative weightings in Bausch Health Companies, Intelsat, HCA Healthcare, Weatherford International and SoftBank Group (Sprint) contributed positively to annual results. Conversely, security selection within consumer products, gaming and independent energy detracted from relative performance. The largest negative contributions came from relative weightings in DISH Network, Halcon Resources, iHeartMedia, Caesars Entertainment Corporation and EP Energy.

## Fund outlook

Whilst global growth has decelerated, it remains supportive of credit fundamentals. Corporate earnings and cash flows remain strong, though are expected to slow from peak levels. Corporate balance sheets remain sound as improved cash flow and modest spending plans keep leverage stable. Defaults are likely to trend lower and remain between 1-2% until economic activity weakens. We also expect an increase in merger-and-acquisition activity, which should be a net positive for high-yield issuers. Technicals are supportive as low net issuance has offset muted demand. Broader market high yield spreads and yields are at the wider end of their recent range. Although volatility has increased due to concerns surrounding trade and the longevity of the current profit cycle, we believe the asset class represents attractive value relative to current and expected defaults, as well as other financial assets. Our fundamental research, bottom-up security selection style should allow us to continue to capitalise on market opportunities.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Global High Yield Bond Fund** | | | | | |
| A-Class Gross Acc | -0.4% | 4.8% | 16.7% | -8.5% | 0.7% |
| **JPM Global High Yield Bond Fund** | | | | | |
| B-Class Gross Acc | -0.1% | 5.2% | 17.0% | -8.1% | 1.0% |
| **JPM Global High Yield Bond Fund** | | | | | |
| C-Class Gross Acc | 0.2% | 5.3% | 17.4% | -8.0% | 1.3% |
| **JPM Global High Yield Bond Fund** | | | | | |
| I-Class Gross Acc | 0.4% | 5.7% | 17.6% | -7.7% | 1.5% |
| **JPM Global High Yield Bond Fund** | | | | | |
| X-Class Gross Acc | 0.8% | 6.1% | 18.9% | -6.5% | 2.8% |
| Benchmark Index | -0.3% | 5.4% | 20.3% | -7.0% | 2.7% |

## Fund statistics

| | | | | | |
|---|---|---|---|---|---|
| Risk and Reward Profile | | | | | 4[†] (4 at 31 July 2018) |
| Fund size | | | | | £113.3m |
| Benchmark Index | | | | | ICE BofAML US High Yield Master II Constrained Index Hedged to GBP |
| Fund charges and expenses | A-Class | B-Class | C-Class | I-Class | X-Class |
| Initial charge (max.) | Nil | Nil | Nil | Nil | Nil |
| Exit charge | Nil | Nil | Nil | Nil | Nil |
| Fund expenses (comprises) | | | | | |
| Annual management fee | 1.10% | 0.75% | 0.55% | 0.45% | –[A] |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% | – | 0.06% |

## Comparative tables

| A-Class Gross Accumulation Shares[‡] | 2019[‡‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 111.00 | 105.80 | 90.66 |
| Return before operating charges* | 0.92 | 6.60 | 17.40 |
| Operating charges | (1.33) | (1.40) | (1.29) |
| Return after operating charges* | (0.41) | 5.20 | 16.11 |
| Distributions | (6.58) | (6.10) | (6.24) |
| Retained distributions on accumulation shares | 6.58 | 6.10 | 5.27 |
| Closing net asset value per share | 110.59 | 111.00 | 105.80 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (0.37)% | 4.91% | 17.77% |
| **Other information** | | | |
| Closing net asset value (£'000) | 18,076 | 30,551 | 42,702 |
| Closing number of shares | 16,345,136 | 27,524,307 | 40,360,904 |
| % Operating charges | 1.20% | 1.28% | 1.28% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 113.1 | 112.2 | 106.4 |
| Lowest share price | 105.8 | 105.6 | 87.58 |

[†] 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

[A] The Ongoing charge will vary in accordance to the annual management fee agreed between the ACD and the relevant JPMorgan Chase & Co. entity.

## Comparative tables – continued

| A-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 37.11 | 37.39 | 33.74 |
| Return before operating charges* | 0.30 | 2.32 | 6.39 |
| Operating charges | (0.43) | (0.49) | (0.47) |
| Return after operating charges* | (0.13) | 1.83 | 5.92 |
| Distributions | (2.15) | (2.11) | (2.27) |
| Closing net asset value per share | 34.83 | 37.11 | 37.39 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (0.35)% | 4.89% | 17.55% |
| **Other information** | | | |
| Closing net asset value (£'000) | 27,697 | 34,360 | 37,384 |
| Closing number of shares | 79,509,753 | 92,594,281 | 99,971,820 |
| % Operating charges | 1.19% | 1.28% | 1.28% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 37.30 | 38.58 | 38.23 |
| Lowest share price | 33.83 | 36.90 | 32.59 |

| A-Class Monthly Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 37.13 | 37.41 | 33.78 |
| Return before operating charges* | 0.29 | 2.28 | 6.40 |
| Operating charges | (0.45) | (0.48) | (0.47) |
| Return after operating charges* | (0.16) | 1.80 | 5.93 |
| Distributions | (2.13) | (2.08) | (2.30) |
| Closing net asset value per share | 34.84 | 37.13 | 37.41 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (0.43)% | 4.81% | 17.55% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,261 | 1,199 | 807 |
| Closing number of shares | 3,619,635 | 3,228,458 | 2,156,570 |
| % Operating charges | 1.25% | 1.28% | 1.28% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 37.31 | 38.22 | 37.93 |
| Lowest share price | 33.69 | 36.91 | 32.63 |

| B-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 112.81 | 107.16 | 91.50 |
| Return before operating charges* | 0.94 | 6.68 | 17.59 |
| Operating charges | (1.01) | (1.03) | (0.95) |
| Return after operating charges* | (0.07) | 5.65 | 16.64 |
| Distributions | (6.64) | (6.19) | (6.31) |
| Retained distributions on accumulation shares | 6.64 | 6.19 | 5.33 |
| Closing net asset value per share | 112.74 | 112.81 | 107.16 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (0.06)% | 5.27% | 18.19% |
| **Other information** | | | |
| Closing net asset value (£'000) | 341 | 397 | 432 |
| Closing number of shares | 302,492 | 352,160 | 403,251 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 115.2 | 114.0 | 107.8 |
| Lowest share price | 107.9 | 107.0 | 88.40 |

| B-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 104.71 | 105.15 | 94.54 |
| Return before operating charges* | 0.87 | 6.50 | 17.97 |
| Operating charges | (0.92) | (0.99) | (0.96) |
| Return after operating charges* | (0.05) | 5.51 | 17.01 |
| Distributions | (6.03) | (5.95) | (6.40) |
| Closing net asset value per share | 98.63 | 104.71 | 105.15 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (0.05)% | 5.24% | 17.99% |
| **Other information** | | | |
| Closing net asset value (£'000) | 812 | 914 | 1,174 |
| Closing number of shares | 823,498 | 873,010 | 1,116,414 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 105.2 | 108.6 | 107.4 |
| Lowest share price | 95.75 | 104.1 | 91.33 |

## Comparative tables – continued

| C-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 126.08 | 119.52 | 101.86 |
| Return before operating charges* | 1.07 | 7.47 | 19.58 |
| Operating charges | (0.88) | (0.91) | (0.83) |
| Return after operating charges* | 0.19 | 6.56 | 18.75 |
| Distributions | (7.43) | (6.91) | (7.02) |
| Retained distributions on accumulation shares | 7.43 | 6.91 | 5.93 |
| Closing net asset value per share | 126.27 | 126.08 | 119.52 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | 0.15% | 5.49% | 18.41% |
| **Other information** | | | |
| Closing net asset value (£'000) | 22,772 | 33,242 | 33,484 |
| Closing number of shares | 18,034,227 | 26,366,354 | 28,014,833 |
| % Operating charges | 0.70% | 0.73% | 0.73% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 129.0 | 127.4 | 120.2 |
| Lowest share price | 120.8 | 119.4 | 98.40 |

| C-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 94.16 | 94.36 | 84.67 |
| Return before operating charges* | 0.78 | 5.84 | 16.09 |
| Operating charges | (0.64) | (0.70) | (0.68) |
| Return after operating charges* | 0.14 | 5.14 | 15.41 |
| Distributions | (5.43) | (5.34) | (5.72) |
| Closing net asset value per share | 88.87 | 94.16 | 94.36 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | 0.15% | 5.45% | 18.20% |
| **Other information** | | | |
| Closing net asset value (£'000) | 18,205 | 20,095 | 20,695 |
| Closing number of shares | 20,484,364 | 21,341,108 | 21,930,832 |
| % Operating charges | 0.70% | 0.73% | 0.73% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 94.64 | 97.59 | 96.31 |
| Lowest share price | 86.26 | 93.53 | 81.81 |

| C-Class Monthly Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 94.14 | 94.33 | 84.71 |
| Return before operating charges* | 0.75 | 5.77 | 16.07 |
| Operating charges | (0.64) | (0.70) | (0.67) |
| Return after operating charges* | 0.11 | 5.07 | 15.40 |
| Distributions | (5.40) | (5.26) | (5.78) |
| Closing net asset value per share | 88.85 | 94.14 | 94.33 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | 0.12% | 5.37% | 18.18% |
| **Other information** | | | |
| Closing net asset value (£'000) | 135 | 97 | 42 |
| Closing number of shares | 151,214 | 103,151 | 44,786 |
| % Operating charges | 0.70% | 0.73% | 0.73% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 94.61 | 96.64 | 95.50 |
| Lowest share price | 85.86 | 93.51 | 81.84 |

| I-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 201.29 | 190.27 | 161.74 |
| Return before operating charges* | 1.73 | 11.91 | 31.12 |
| Operating charges | (0.90) | (0.89) | (0.81) |
| Return after operating charges* | 0.83 | 11.02 | 30.31 |
| Distributions | (12.18) | (11.37) | (11.50) |
| Retained distributions on accumulation shares | 12.18 | 11.37 | 9.72 |
| Closing net asset value per share | 202.12 | 201.29 | 190.27 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | 0.41% | 5.79% | 18.74% |
| **Other information** | | | |
| Closing net asset value (£'000) | 15,006 | 3,094 | 1,303 |
| Closing number of shares | 7,424,520 | 1,536,871 | 685,068 |
| % Operating charges | 0.45% | 0.45% | 0.45% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 206.3 | 203.4 | 191.4 |
| Lowest share price | 193.3 | 190.2 | 156.3 |

## Comparative tables – continued

| I-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 92.67 | 92.79 | 83.17 |
| Return before operating charges* | 0.78 | 5.74 | 15.83 |
| Operating charges | (0.41) | (0.43) | (0.41) |
| Return after operating charges* | 0.37 | 5.31 | 15.42 |
| Distributions | (5.48) | (5.43) | (5.80) |
| Closing net asset value per share | 87.56 | 92.67 | 92.79 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | 0.40% | 5.72% | 18.54% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,196 | 1,268 | 1,518 |
| Closing number of shares | 1,365,573 | 1,367,995 | 1,636,172 |
| % Operating charges | 0.45% | 0.45% | 0.45% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 93.14 | 96.06 | 94.71 |
| Lowest share price | 84.99 | 92.04 | 80.37 |

| X-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 149.83 | 141.20 | 118.65 |
| Return before operating charges* | 1.24 | 8.72 | 22.63 |
| Operating charges | (0.09) | (0.09) | (0.08) |
| Return after operating charges* | 1.15 | 8.63 | 22.55 |
| Distributions | (8.99) | (8.24) | (8.14) |
| Retained distributions on accumulation shares | 8.99 | 8.24 | 8.14 |
| Closing net asset value per share | 150.98 | 149.83 | 141.20 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | 0.77% | 6.11% | 19.01% |
| **Other information** | | | |
| Closing net asset value (£'000) | 7,803 | 820 | 19,958 |
| Closing number of shares | 5,168,430 | 547,126 | 14,134,456 |
| % Operating charges | 0.06% | 0.06% | 0.06% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 153.9 | 151.4 | 141.9 |
| Lowest share price | 144.4 | 141.1 | 114.7 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
‡ Net share class was renamed Gross at close of business 2 June 2017.
‡‡ To 31 January 2019.
The Opening net asset value per share given is equal to the launch price of the shares.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.
From 6 April 2017, Funds will pay all interest distributions gross (without deducting income tax). This measure was announced in the 2016 Budget and was enacted in Finance Bill 2017. All relevant figures and disclosures relating to this change have been adjusted where required.

## Sector breakdown

| | % |
|---|---|
| Communication Services | 24.74 |
| Health Care | 13.17 |
| Consumer Discretionary | 12.14 |
| Energy | 10.84 |
| Information Technology | 8.41 |
| Industrials | 8.00 |
| Materials | 6.75 |
| Real Estate | 4.47 |
| Consumer Staples | 3.00 |
| Financials | 2.01 |
| Utilities | 0.50 |
| Forward Currency Contracts | (0.37) |
| Net other assets | 6.34 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 3.39% (3.24%)** | | | |
| **Consumer Discretionary 0.36% (0.33%)** | | | |
| **Hotels, Restaurants & Leisure 0.17% (0.33%)** | | | |
| Caesars Entertainment Corp. | 28,297 | 192 | 0.17 |
| | | **192** | **0.17** |
| **Specialty Retail 0.19% (0.00%)** | | | |
| Claire's Stores, Inc. Preference | 176 | 218 | 0.19 |
| | | **218** | **0.19** |
| **Consumer Discretionary total** | | **410** | **0.36** |
| **Energy 0.04% (0.16%)** | | | |
| **Oil, Gas & Consumable Fuels 0.04% (0.16%)** | | | |
| Halcon Resources Corp. | 34,995 | 45 | 0.04 |
| | | **45** | **0.04** |
| **Energy total** | | **45** | **0.04** |
| **Financials 0.54% (0.29%)** | | | |
| **Banks 0.17% (0.00%)** | | | |
| Claires Holdings^ | 307 | 187 | 0.17 |
| | | **187** | **0.17** |
| **Diversified Financial Services 0.37% (0.29%)** | | | |
| UCI International.^ | 28,525 | 424 | 0.37 |
| | | **424** | **0.37** |
| **Financials total** | | **611** | **0.54** |
| **Health Care 0.03% (0.00%)** | | | |
| **Health Care Providers & Services 0.03% (0.00%)** | | | |
| 21st Century Oncology Holdings, Inc.^ | 1,077 | 30 | 0.03 |
| | | **30** | **0.03** |
| **Health Care total** | | **30** | **0.03** |
| **Industrials 0.05% (0.00%)** | | | |
| **Aerospace & Defense 0.05% (0.00%)** | | | |
| Remington Outdoor Co., Inc. | 8,735 | 55 | 0.05 |
| Remington Outdoor Co., Inc.^ | 850,000 | – | – |
| Remington Outdoor Co., Inc. Warrant 15/05/2022^ | 8,808 | – | – |
| | | **55** | **0.05** |
| **Commercial Services & Supplies 0.00% (0.00%)** | | | |
| **Road & Rail 0.00% (0.00%)** | | | |
| Jack Cooper Enterprises, Inc. Warrant 26/04/2027^ | 1,514 | – | – |
| Jack Cooper Enterprises, Inc. Warrant 29/10/2027^ | 684 | – | – |
| | | **–** | **–** |
| **Industrials total** | | **55** | **0.05** |
| **Information Technology 0.25% (0.19%)** | | | |
| **IT Services 0.25% (0.19%)** | | | |
| 21st Oncology Preferred^ | 1,365 | 281 | 0.25 |
| | | **281** | **0.25** |
| **Information Technology total** | | **281** | **0.25** |
| **Materials 0.87% (0.73%)** | | | |
| **Chemicals 0.87% (0.73%)** | | | |
| Reichhold , Inc.^ | 1,498 | 987 | 0.87 |
| | | **987** | **0.87** |
| **Materials total** | | **987** | **0.87** |
| **Real Estate 1.25% (1.54%)** | | | |
| **Equity Real Estate Investment Trusts (REITs) 1.25% (1.54%)** | | | |
| VICI Properties, Inc. | 87,213 | 1,421 | 1.25 |
| | | **1,421** | **1.25** |
| **Real Estate total** | | **1,421** | **1.25** |
| **Equities total** | | **3,840** | **3.39** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Corporate Bonds 90.44% (89.37%)** | | | |
| **Communication Services 24.58% (23.96%)** | | | |
| **Diversified Telecommunication Services 9.48% (9.44%)** | | | |
| Altice France SA 7.38% 01/05/2026 | $365,000 | 265 | 0.23 |
| Altice France SA 8.13% 01/02/2027 | $210,000 | 156 | 0.14 |
| CCO Holdings LLC 5.88% 01/04/2024 | $1,255,000 | 975 | 0.86 |
| CCO Holdings LLC 5.75% 15/02/2026 | $1,530,000 | 1,173 | 1.04 |
| CCO Holdings LLC 5.50% 01/05/2026 | $305,000 | 229 | 0.20 |
| CCO Holdings LLC 5.13% 01/05/2027 | $1,595,000 | 1,163 | 1.03 |
| CCO Holdings LLC 5.00% 01/02/2028 | $275,000 | 197 | 0.17 |
| CenturyLink, Inc. 6.75% 01/12/2023 | $565,000 | 430 | 0.38 |
| Cogent Communications Finance, Inc. 5.63% 15/04/2021 | $265,000 | 203 | 0.18 |
| Frontier Communications Corp. 6.88% 15/01/2025 | $560,000 | 220 | 0.19 |
| Frontier Communications Corp. 11.00% 15/09/2025 | $685,000 | 333 | 0.29 |
| Frontier Communications Corp. 8.50% 01/04/2026 | $250,000 | 171 | 0.15 |
| Intelsat Jackson Holdings SA 5.50% 01/08/2023 | $310,000 | 211 | 0.19 |
| Intelsat Jackson Holdings SA 8.00% 15/02/2024 | $200,000 | 158 | 0.14 |
| Intelsat Jackson Holdings SA 8.50% 15/10/2024 | $905,000 | 691 | 0.61 |
| Intelsat Jackson Holdings SA 9.75% 15/07/2025 | $525,000 | 412 | 0.36 |
| Level 3 Financing, Inc. 5.63% 01/02/2023 | $290,000 | 221 | 0.20 |
| Level 3 Financing, Inc. 5.38% 15/01/2024 | $260,000 | 197 | 0.17 |
| Level 3 Financing, Inc. 5.38% 01/05/2025 | $210,000 | 158 | 0.14 |
| Level 3 Parent LLC 5.75% 01/12/2022 | $365,000 | 279 | 0.25 |
| Qwest Capital Funding, Inc. 7.75% 15/02/2031 | $190,000 | 123 | 0.11 |
| Sprint Capital Corp. 8.75% 15/03/2032 | $1,375,000 | 1,144 | 1.01 |
| Telecom Italia Capital SA 6.38% 15/11/2033 | $340,000 | 232 | 0.20 |
| Telecom Italia Capital SA 6.00% 30/09/2034 | $100,000 | 66 | 0.06 |
| Virgin Media Secured Finance plc 5.25% 15/01/2026 | $700,000 | 521 | 0.46 |
| Windstream Services LLC 9.00% 30/06/2025 | $1,432,000 | 812 | 0.72 |
| | | **10,740** | **9.48** |
| **Entertainment 0.76% (0.57%)** | | | |
| AMC Entertainment Holdings, Inc. 5.75% 15/06/2025 | $255,000 | 179 | 0.16 |
| AMC Entertainment Holdings, Inc. 5.88% 15/11/2026 | $10,000 | 7 | 0.01 |
| Live Nation Entertainment, Inc. 4.88% 01/11/2024 | $75,000 | 56 | 0.05 |
| Netflix, Inc. 4.88% 15/04/2028 | $540,000 | 388 | 0.34 |
| Netflix, Inc. 5.88% 15/11/2028 | $300,000 | 229 | 0.20 |
| | | **859** | **0.76** |
| **Media 9.72% (10.21%)** | | | |
| Altice Financing SA 7.50% 15/05/2026 | $655,000 | 468 | 0.41 |
| Altice Luxembourg SA 7.75% 15/05/2022 | $750,000 | 549 | 0.48 |
| AMC Networks, Inc. 5.00% 01/04/2024 | $280,000 | 211 | 0.19 |
| CBS Radio, Inc. 7.25% 01/11/2024 | $195,000 | 140 | 0.12 |
| Clear Channel Worldwide Holdings, Inc. 7.63% 15/03/2020 | $1,085,000 | 829 | 0.73 |
| Clear Channel Worldwide Holdings, Inc. 6.50% 15/11/2022 | $1,240,000 | 967 | 0.85 |
| Clear Channel Worldwide Holdings, Inc., Series A 6.50% 15/11/2022 | $925,000 | 722 | 0.64 |
| CSC Holdings LLC 10.13% 15/01/2023 | $280,000 | 230 | 0.20 |
| CSC Holdings LLC 10.88% 15/10/2025 | $853,000 | 747 | 0.66 |
| CSC Holdings LLC 6.50% 01/02/2029 | $200,000 | 154 | 0.14 |
| DISH DBS Corp. 5.88% 15/07/2022 | $280,000 | 202 | 0.18 |
| DISH DBS Corp. 5.00% 15/03/2023 | $1,105,000 | 724 | 0.64 |
| DISH DBS Corp. 5.88% 15/11/2024 | $2,395,000 | 1,494 | 1.32 |
| DISH DBS Corp. 7.75% 01/07/2026 | $170,000 | 110 | 0.10 |
| Gray Television, Inc. 7.00% 15/05/2027 | $240,000 | 189 | 0.17 |
| iHeartCommunications, Inc. 9.00% 01/03/2021 | $585,000 | 297 | 0.26 |
| iHeartCommunications, Inc. 10.63% 15/03/2023§ | $325,000 | 166 | 0.15 |
| Meredith Corp. 6.88% 01/02/2026 | $230,000 | 179 | 0.16 |
| Quebecor Media, Inc. 5.75% 15/01/2023 | $580,000 | 455 | 0.40 |
| Sinclair Television Group, Inc. 6.13% 01/10/2022 | $410,000 | 318 | 0.28 |
| Sinclair Television Group, Inc. 5.63% 01/08/2024 | $100,000 | 73 | 0.06 |
| Sinclair Television Group, Inc. 5.13% 15/02/2027 | $155,000 | 107 | 0.09 |
| Sirius XM Radio, Inc. 6.00% 15/07/2024 | $725,000 | 572 | 0.51 |
| Sirius XM Radio, Inc. 5.38% 15/04/2025 | $620,000 | 476 | 0.42 |
| Sirius XM Radio, Inc. 5.38% 15/07/2026 | $40,000 | 30 | 0.03 |
| Sirius XM Radio, Inc. 5.00% 01/08/2027 | $60,000 | 44 | 0.04 |
| TEGNA, Inc. 6.38% 15/10/2023 | $205,000 | 158 | 0.14 |
| UPCB Finance IV Ltd. 5.38% 15/01/2025 | $550,000 | 402 | 0.35 |
| | | **11,013** | **9.72** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Wireless Telecommunication Services 4.62% (3.74%)** | | | |
| Hughes Satellite Systems Corp. 6.63% 01/08/2026 | $90,000 | 66 | 0.06 |
| Sprint Corp. 7.88% 15/09/2023 | $1,350,000 | 1,092 | 0.96 |
| Sprint Corp. 7.63% 15/02/2025 | $1,655,000 | 1,300 | 1.15 |
| Sprint Corp. 7.63% 01/03/2026 | $875,000 | 686 | 0.60 |
| T-Mobile USA, Inc. 6.50% 15/01/2024 | $115,000 | 91 | 0.08 |
| T-Mobile USA, Inc. 6.38% 01/03/2025 | $130,000 | 103 | 0.09 |
| T-Mobile USA, Inc. 6.50% 15/01/2026 | $1,415,000 | 1,140 | 1.01 |
| T-Mobile USA, Inc. 4.75% 01/02/2028 | $260,000 | 188 | 0.17 |
| United States Cellular Corp. 6.70% 15/12/2033 | $410,000 | 322 | 0.28 |
| Wind Tre SpA 5.00% 20/01/2026 | $400,000 | 250 | 0.22 |
| | | **5,238** | **4.62** |
| **Communication Services total** | | **27,850** | **24.58** |
| **Consumer Discretionary 11.78% (10.81%)** | | | |
| **Auto Components 2.77% (2.82%)** | | | |
| Adient Global Holdings Ltd. 4.88% 15/08/2026 | $485,000 | 274 | 0.24 |
| Allison Transmission, Inc. 5.00% 01/10/2024 | $115,000 | 86 | 0.08 |
| Allison Transmission, Inc. 4.75% 01/10/2027 | $140,000 | 99 | 0.09 |
| American Axle & Manufacturing, Inc. 6.63% 15/10/2022 | $32,000 | 25 | 0.02 |
| American Axle & Manufacturing, Inc. 6.25% 01/04/2025 | $690,000 | 505 | 0.45 |
| American Axle & Manufacturing, Inc. 6.25% 15/03/2026 | $210,000 | 152 | 0.13 |
| American Axle & Manufacturing, Inc. 6.50% 01/04/2027 | $100,000 | 73 | 0.06 |
| Cooper-Standard Automotive, Inc. 5.63% 15/11/2026 | $590,000 | 403 | 0.36 |
| Dana Financing Luxembourg Sarl 6.50% 01/06/2026 | $685,000 | 520 | 0.45 |
| Delphi Technologies plc 5.00% 01/10/2025 | $675,000 | 433 | 0.38 |
| IHO Verwaltungs GmbH 4.50% 15/09/2023 | $400,000 | 290 | 0.26 |
| Tenneco, Inc. 5.00% 15/07/2026 | $440,000 | 284 | 0.25 |
| | | **3,144** | **2.77** |
| **Automobiles 0.14% (0.24%)** | | | |
| Fiat Chrysler Automobiles NV 5.25% 15/04/2023 | $200,000 | 154 | 0.14 |
| | | **154** | **0.14** |
| **Distributors 0.05% (0.00%)** | | | |
| Core & Main LP 6.13% 15/08/2025 | $85,000 | 61 | 0.05 |
| | | **61** | **0.05** |
| **Diversified Consumer Services 0.75% (0.68%)** | | | |
| Service Corp. International 7.50% 01/04/2027 | $1,020,000 | 845 | 0.75 |
| | | **845** | **0.75** |
| **Hotels, Restaurants & Leisure 4.97% (4.13%)** | | | |
| Boyd Gaming Corp. 6.00% 15/08/2026 | $180,000 | 137 | 0.12 |
| Boyne USA, Inc. 7.25% 01/05/2025 | $80,000 | 64 | 0.06 |
| Constellation Merger Sub, Inc. 8.50% 15/09/2025 | $305,000 | 223 | 0.19 |
| ESH Hospitality, Inc. 5.25% 01/05/2025 | $180,000 | 134 | 0.12 |
| Hilton Domestic Operating Co., Inc. 5.13% 01/05/2026 | $347,000 | 265 | 0.23 |
| Hilton Grand Vacations Borrower LLC 6.13% 01/12/2024 | $355,000 | 273 | 0.24 |
| Hilton Worldwide Finance LLC 4.63% 01/04/2025 | $160,000 | 119 | 0.11 |
| Hilton Worldwide Finance LLC 4.88% 01/04/2027 | $80,000 | 60 | 0.05 |
| International Game Technology plc 6.50% 15/02/2025 | $200,000 | 158 | 0.14 |
| International Game Technology plc 6.25% 15/01/2027 | $200,000 | 154 | 0.14 |
| Jack Ohio Finance LLC 6.75% 15/11/2021 | $465,000 | 365 | 0.32 |
| LTF Merger Sub, Inc. 8.50% 15/06/2023 | $605,000 | 469 | 0.41 |
| Marriott Ownership Resorts, Inc. 6.50% 15/09/2026 | $315,000 | 243 | 0.21 |
| MGM Resorts International 7.75% 15/03/2022 | $290,000 | 240 | 0.21 |
| MGM Resorts International 6.00% 15/03/2023 | $1,140,000 | 896 | 0.79 |
| MGM Resorts International 5.75% 15/06/2025 | $835,000 | 637 | 0.57 |
| MGM Resorts International 4.63% 01/09/2026 | $220,000 | 156 | 0.14 |
| Sabre GLBL, Inc. 5.38% 15/04/2023 | $230,000 | 177 | 0.16 |
| Sabre GLBL, Inc. 5.25% 15/11/2023 | $210,000 | 162 | 0.14 |
| Six Flags Entertainment Corp. 4.88% 31/07/2024 | $145,000 | 108 | 0.10 |
| Stars Group Holdings BV 7.00% 15/07/2026 | $136,000 | 105 | 0.09 |
| Wynn Las Vegas LLC 5.50% 01/03/2025 | $670,000 | 492 | 0.43 |
| | | **5,637** | **4.97** |
| **Household Durables 0.42% (0.56%)** | | | |
| Tempur Sealy International, Inc. 5.63% 15/10/2023 | $325,000 | 245 | 0.22 |
| Tempur Sealy International, Inc. 5.50% 15/06/2026 | $320,000 | 232 | 0.20 |
| | | **477** | **0.42** |
| **Leisure Products 0.83% (0.63%)** | | | |
| Mattel, Inc. 6.75% 31/12/2025 | $660,000 | 472 | 0.42 |
| Vista Outdoor, Inc. 5.88% 01/10/2023 | $655,000 | 464 | 0.41 |
| | | **936** | **0.83** |
| **Multiline Retail 0.46% (0.43%)** | | | |
| JC Penney Corp., Inc. 6.38% 15/10/2036 | $380,000 | 96 | 0.09 |
| Neiman Marcus Group Ltd. LLC 8.00% 15/10/2021 | $475,000 | 156 | 0.14 |
| Neiman Marcus Group Ltd. LLC 8.65% 15/10/2021 | $793,628 | 264 | 0.23 |
| | | **516** | **0.46** |
| **Specialty Retail 1.23% (1.32%)** | | | |
| L Brands, Inc. 6.75% 01/07/2036 | $270,000 | 173 | 0.15 |
| PetSmart, Inc. 7.13% 15/03/2023 | $725,000 | 343 | 0.30 |
| PetSmart, Inc. 5.88% 01/06/2025 | $485,000 | 286 | 0.25 |
| PetSmart, Inc. 8.88% 01/06/2025 | $270,000 | 128 | 0.12 |
| Staples, Inc. 8.50% 15/09/2025 | $645,000 | 468 | 0.41 |
| | | **1,398** | **1.23** |
| **Textiles, Apparel & Luxury Goods 0.16% (0.00%)** | | | |
| Hanesbrands, Inc. 4.88% 15/05/2026 | $245,000 | 178 | 0.16 |
| | | **178** | **0.16** |
| **Consumer Discretionary total** | | **13,346** | **11.78** |
| **Consumer Staples 3.00% (1.99%)** | | | |
| **Food & Staples Retailing 0.52% (0.51%)** | | | |
| Albertsons Cos. LLC 5.75% 15/03/2025 | $235,000 | 166 | 0.15 |
| Rite Aid Corp. 6.13% 01/04/2023 | $660,000 | 422 | 0.37 |
| | | **588** | **0.52** |
| **Food Products 0.61% (0.54%)** | | | |
| Post Holdings, Inc. 5.50% 01/03/2025 | $310,000 | 234 | 0.21 |
| Post Holdings, Inc. 5.75% 01/03/2027 | $60,000 | 44 | 0.04 |
| Post Holdings, Inc. 5.63% 15/01/2028 | $155,000 | 113 | 0.10 |
| TreeHouse Foods, Inc. 12.00% 15/02/2024 | $385,000 | 301 | 0.26 |
| | | **692** | **0.61** |
| **Household Products 1.36% (0.81%)** | | | |
| Central Garden & Pet Co. 6.13% 15/11/2023 | $360,000 | 281 | 0.25 |
| Central Garden & Pet Co. 5.13% 01/02/2028 | $485,000 | 344 | 0.30 |
| Energizer Holdings, Inc. 5.50% 15/06/2025 | $375,000 | 270 | 0.24 |
| Energizer Holdings, Inc. 6.38% 15/07/2026 | $125,000 | 92 | 0.08 |
| Energizer Holdings, Inc. 7.75% 15/01/2027 | $150,000 | 116 | 0.10 |
| Kronos Acquisition Holdings, Inc. 18.00% 15/08/2023 | $225,000 | 143 | 0.13 |
| Spectrum Brands, Inc. 5.75% 15/07/2025 | $390,000 | 291 | 0.26 |
| | | **1,537** | **1.36** |
| **Personal Products 0.51% (0.13%)** | | | |
| Coty, Inc. 6.50% 15/04/2026 | $420,000 | 286 | 0.25 |
| High Ridge Brands Co. 8.88% 15/03/2025 | $285,000 | 93 | 0.08 |
| Prestige Brands, Inc. 6.38% 01/03/2024 | $270,000 | 203 | 0.18 |
| | | **582** | **0.51** |
| **Consumer Staples total** | | **3,399** | **3.00** |
| **Energy 10.76% (10.31%)** | | | |
| **Energy Equipment & Services 1.07% (0.59%)** | | | |
| Calfrac Holdings LP 8.50% 15/06/2026 | $185,000 | 104 | 0.09 |
| Nabors Industries, Inc. 5.75% 01/02/2025 | $270,000 | 177 | 0.16 |
| Precision Drilling Corp. 6.50% 15/12/2021 | $27,732 | 20 | 0.02 |
| Precision Drilling Corp. 7.75% 15/12/2023 | $235,000 | 171 | 0.14 |
| Precision Drilling Corp. 7.13% 15/01/2026 | $260,000 | 179 | 0.16 |
| Transocean Guardian Ltd. 5.88% 15/01/2024 | $160,650 | 122 | 0.11 |
| Transocean Pontus Ltd. 6.13% 01/08/2025 | $71,000 | 54 | 0.05 |
| Transocean, Inc. 7.25% 01/11/2025 | $195,000 | 138 | 0.12 |
| Transocean, Inc. 7.50% 15/01/2026 | $230,000 | 166 | 0.15 |
| Weatherford International Ltd. 9.88% 15/02/2024 | $160,000 | 79 | 0.07 |
| | | **1,210** | **1.07** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Oil, Gas & Consumable Fuels 9.69% (9.72%)** | | | |
| Andeavor Logistics LP 6.38% 01/05/2024 | $160,000 | 127 | 0.11 |
| Antero Midstream Partners LP 5.38% 15/09/2024 | $200,000 | 149 | 0.13 |
| Antero Resources Corp. 5.13% 01/12/2022 | $330,000 | 250 | 0.22 |
| Blue Racer Midstream LLC 6.13% 15/11/2022 | $525,000 | 403 | 0.36 |
| Carrizo Oil & Gas, Inc. 6.25% 15/04/2023 | $225,000 | 169 | 0.15 |
| Carrizo Oil & Gas, Inc. 8.25% 15/07/2025 | $120,000 | 94 | 0.08 |
| Cheniere Corpus Christi Holdings LLC 5.87% 31/03/2025 | $310,000 | 247 | 0.22 |
| Cheniere Corpus Christi Holdings LLC 5.13% 30/06/2027 | $230,000 | 176 | 0.16 |
| Chesapeake Energy Corp. 8.00% 15/01/2025 | $470,000 | 356 | 0.31 |
| Chesapeake Energy Corp. 7.50% 01/10/2026 | $150,000 | 107 | 0.09 |
| Chesapeake Energy Corp. 8.00% 15/06/2027 | $315,000 | 229 | 0.20 |
| Covey Park Energy LLC 7.50% 15/05/2025 | $310,000 | 218 | 0.19 |
| Crestwood Midstream Partners LP 6.18% 01/04/2023 | $390,000 | 298 | 0.26 |
| DCP Midstream Operating LP 5.38% 15/07/2025 | $90,000 | 70 | 0.06 |
| Denbury Resources, Inc. 9.25% 31/03/2022 | $477,000 | 354 | 0.31 |
| Diamondback Energy, Inc. 5.38% 31/05/2025 | $35,000 | 27 | 0.02 |
| EnLink Midstream Partners LP 4.40% 01/04/2024 | $210,000 | 152 | 0.13 |
| EnLink Midstream Partners LP 4.85% 15/07/2026 | $110,000 | 78 | 0.07 |
| EP Energy LLC 9.38% 01/05/2024 | $756,000 | 299 | 0.26 |
| EP Energy LLC 8.00% 29/11/2024 | $80,000 | 48 | 0.04 |
| EP Energy LLC 7.75% 15/05/2026 | $790,000 | 550 | 0.49 |
| Gulfport Energy Corp. 6.63% 01/05/2023 | $40,000 | 30 | 0.03 |
| Gulfport Energy Corp. 6.00% 15/10/2024 | $215,000 | 153 | 0.14 |
| Gulfport Energy Corp. 6.38% 15/05/2025 | $60,000 | 43 | 0.04 |
| Halcon Resources Corp. 6.75% 15/02/2025 | $460,000 | 265 | 0.23 |
| Hess Infrastructure Partners LP 5.63% 15/02/2026 | $140,000 | 106 | 0.09 |
| Jagged Peak Energy LLC 5.88% 01/05/2026 | $80,000 | 59 | 0.05 |
| Laredo Petroleum, Inc. 5.63% 15/01/2022 | $246,000 | 181 | 0.16 |
| MEG Energy Corp. 6.38% 30/01/2023 | $90,000 | 60 | 0.05 |
| MEG Energy Corp. 7.00% 31/03/2024 | $835,000 | 557 | 0.50 |
| MEG Energy Corp. 6.50% 15/01/2025 | $405,000 | 301 | 0.26 |
| NGPL PipeCo LLC 4.88% 15/08/2027 | $60,000 | 45 | 0.04 |
| Oasis Petroleum, Inc. 6.88% 15/03/2022 | $64,000 | 48 | 0.04 |
| Oasis Petroleum, Inc. 6.88% 15/01/2023 | $550,000 | 413 | 0.36 |
| Oasis Petroleum, Inc. 6.25% 01/05/2026 | $190,000 | 136 | 0.12 |
| Parsley Energy LLC 5.38% 15/01/2025 | $75,000 | 56 | 0.05 |
| Parsley Energy LLC 5.25% 15/08/2025 | $180,000 | 133 | 0.12 |
| Parsley Energy LLC 5.63% 15/10/2027 | $135,000 | 102 | 0.09 |
| Range Resources Corp. 5.00% 15/08/2022 | $60,000 | 44 | 0.04 |
| Range Resources Corp. 5.00% 15/03/2023 | $60,000 | 43 | 0.04 |
| Range Resources Corp. 4.88% 15/05/2025 | $365,000 | 249 | 0.22 |
| SM Energy Co. 6.13% 15/11/2022 | $83,000 | 63 | 0.06 |
| SM Energy Co. 5.63% 01/06/2025 | $220,000 | 159 | 0.14 |
| SM Energy Co. 6.63% 15/01/2027 | $150,000 | 111 | 0.10 |
| Southwestern Energy Co. 6.20% 23/01/2025 | $287,000 | 211 | 0.19 |
| Southwestern Energy Co. 7.50% 01/04/2026 | $130,000 | 100 | 0.09 |
| Southwestern Energy Co. 7.75% 01/10/2027 | $130,000 | 101 | 0.09 |
| Summit Midstream Holdings LLC 5.75% 15/04/2025 | $205,000 | 144 | 0.13 |
| Tallgrass Energy Partners LP 5.50% 15/01/2028 | $385,000 | 283 | 0.25 |
| Targa Resources Partners LP 4.25% 15/11/2023 | $50,000 | 37 | 0.03 |
| Targa Resources Partners LP 6.75% 15/03/2024 | $865,000 | 685 | 0.60 |
| Targa Resources Partners LP 5.88% 15/04/2026 | $230,000 | 175 | 0.16 |
| Targa Resources Partners LP 6.50% 15/07/2027 | $113,000 | 88 | 0.08 |
| Targa Resources Partners LP 5.00% 15/01/2028 | $200,000 | 142 | 0.13 |
| Targa Resources Partners LP 6.88% 15/01/2029 | $188,000 | 147 | 0.13 |
| Whiting Petroleum Corp. 6.25% 01/04/2023 | $290,000 | 216 | 0.19 |
| Whiting Petroleum Corp. 6.63% 15/01/2026 | $210,000 | 155 | 0.14 |
| WildHorse Resource Development Corp. 6.88% 01/02/2025 | $360,000 | 276 | 0.24 |
| WPX Energy, Inc. 6.00% 15/01/2022 | $43,000 | 33 | 0.03 |
| WPX Energy, Inc. 8.25% 01/08/2023 | $335,000 | 282 | 0.25 |
| WPX Energy, Inc. 5.25% 15/09/2024 | $70,000 | 52 | 0.05 |
| WPX Energy, Inc. 5.75% 01/06/2026 | $126,000 | 95 | 0.08 |
| | | **10,980** | **9.69** |
| **Energy total** | | **12,190** | **10.76** |
| **Financials 1.47% (2.19%)** | | | |
| **Banks 0.19% (0.92%)** | | | |
| Citigroup, Inc., FRN 5.80% Perpetual | $120,000 | 92 | 0.08 |
| Citigroup, Inc., FRN 5.87% Perpetual | $135,000 | 103 | 0.09 |
| Citigroup, Inc., FRN 5.95% Perpetual | $25,000 | 19 | 0.02 |
| | | **214** | **0.19** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Capital Markets 0.13% (0.00%)** | | | |
| MSCI, Inc. 5.38% 15/05/2027 | $190,000 | 147 | 0.13 |
| | | **147** | **0.13** |
| **Consumer Finance 1.01% (1.03%)** | | | |
| Ally Financial, Inc. 4.13% 13/02/2022 | $65,000 | 50 | 0.04 |
| Ally Financial, Inc. 4.63% 19/05/2022 | $350,000 | 270 | 0.24 |
| Ally Financial, Inc. 4.62% 30/03/2025 | $530,000 | 405 | 0.36 |
| Ally Financial, Inc. 5.75% 20/11/2025 | $250,000 | 196 | 0.17 |
| Ford Motor Credit Co. LLC 4.69% 09/06/2025 | $315,000 | 221 | 0.20 |
| | | **1,142** | **1.01** |
| **Diversified Financial Services 0.14% (0.24%)** | | | |
| CFX Escrow Corp. 6.00% 15/02/2024 | $25,000 | 19 | 0.01 |
| CFX Escrow Corp. 6.38% 15/02/2026 | $55,000 | 43 | 0.04 |
| Refinitiv US Holdings, Inc. 6.25% 15/05/2026 | $140,000 | 104 | 0.09 |
| | | **166** | **0.14** |
| **Financials total** | | **1,669** | **1.47** |
| **Health Care 13.14% (11.68%)** | | | |
| **Health Care Equipment & Supplies 2.11% (1.83%)** | | | |
| Avantor, Inc. 6.00% 01/10/2024 | $320,000 | 249 | 0.22 |
| DJO Finance LLC 8.13% 15/06/2021 | $920,000 | 728 | 0.64 |
| Hill-Rom Holdings, Inc. 5.75% 01/09/2023 | $380,000 | 297 | 0.26 |
| Hill-Rom Holdings, Inc. 5.00% 15/02/2025 | $210,000 | 159 | 0.14 |
| Hologic, Inc. 4.38% 15/10/2025 | $440,000 | 327 | 0.29 |
| Kinetic Concepts, Inc. 7.88% 15/02/2021 | $390,000 | 304 | 0.27 |
| Mallinckrodt International Finance SA 5.63% 15/10/2023 | $175,000 | 112 | 0.10 |
| Mallinckrodt International Finance SA 5.50% 15/04/2025 | $365,000 | 213 | 0.19 |
| | | **2,389** | **2.11** |
| **Health Care Providers & Services 7.46% (6.37%)** | | | |
| 21st Century Oncology, Inc., FRN 0.00% 30/04/2023 | $279,034 | 173 | 0.15 |
| Air Medical Group Holdings, Inc. 6.38% 15/05/2023 | $540,000 | 358 | 0.32 |
| Community Health Systems, Inc. 8.63% 15/01/2024 | $185,000 | 145 | 0.13 |
| DaVita, Inc. 5.13% 15/07/2024 | $35,000 | 26 | 0.02 |
| DaVita, Inc. 5.00% 01/05/2025 | $590,000 | 431 | 0.38 |
| Encompass Health Corp. 5.75% 01/11/2024 | $475,000 | 366 | 0.32 |
| Encompass Health Corp. 5.75% 15/09/2025 | $65,000 | 50 | 0.04 |
| Envision Healthcare Corp. 8.75% 15/10/2026 | $475,000 | 326 | 0.29 |
| HCA, Inc. 5.38% 01/02/2025 | $2,840,000 | 2,225 | 1.96 |
| HCA, Inc. 5.88% 15/02/2026 | $1,465,000 | 1,166 | 1.03 |
| HCA, Inc. 5.25% 15/06/2026 | $20,000 | 16 | 0.02 |
| HCA, Inc. 5.38% 01/09/2026 | $342,000 | 265 | 0.23 |
| HCA, Inc. 5.63% 01/09/2028 | $544,000 | 424 | 0.38 |
| HCA, Inc. 5.88% 01/02/2029 | $133,000 | 105 | 0.09 |
| Syneos Health, Inc. 7.50% 01/10/2024 | $287,000 | 230 | 0.20 |
| Tenet Healthcare Corp. 7.50% 01/01/2022 | $160,000 | 127 | 0.11 |
| Tenet Healthcare Corp. 8.13% 01/04/2022 | $325,000 | 258 | 0.23 |
| Tenet Healthcare Corp. 6.75% 15/06/2023 | $1,235,000 | 918 | 0.81 |
| Tenet Healthcare Corp. 4.63% 15/07/2024 | $785,000 | 584 | 0.52 |
| Tenet Healthcare Corp. 6.25% 01/02/2027 | $338,000 | 259 | 0.23 |
| | | **8,452** | **7.46** |
| **Health Care Technology 0.29% (0.13%)** | | | |
| IQVIA, Inc. 5.00% 15/10/2026 | $435,000 | 332 | 0.29 |
| | | **332** | **0.29** |
| **Pharmaceuticals 3.28% (3.35%)** | | | |
| Bausch Health Cos., Inc. 5.88% 15/05/2023 | $1,100,000 | 815 | 0.72 |
| Bausch Health Cos., Inc. 7.00% 15/03/2024 | $350,000 | 279 | 0.25 |
| Bausch Health Cos., Inc. 6.13% 15/04/2025 | $2,355,000 | 1,673 | 1.47 |
| Bausch Health Cos., Inc. 5.50% 01/11/2025 | $185,000 | 139 | 0.12 |
| Bausch Health Cos., Inc. 9.00% 15/12/2025 | $365,000 | 293 | 0.26 |
| Endo Dac 6.00% 15/07/2023 | $645,000 | 399 | 0.35 |
| Valeant Pharmaceuticals International, Inc. 8.50% 31/01/2027 | $151,000 | 119 | 0.11 |
| | | **3,717** | **3.28** |
| **Health Care total** | | **14,890** | **13.14** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Industrials 7.95% (8.24%)** | | | |
| **Aerospace & Defense 1.12% (1.63%)** | | | |
| Arconic, Inc. 5.90% 01/02/2027 | $320,000 | 241 | 0.21 |
| Bombardier, Inc. 7.50% 15/03/2025 | $445,000 | 322 | 0.28 |
| BWX Technologies, Inc. 5.38% 15/07/2026 | $105,000 | 81 | 0.07 |
| Kratos Defense & Security Solutions, Inc. 6.50% 30/11/2025 | $70,000 | 55 | 0.05 |
| TransDigm, Inc. 6.50% 15/05/2025 | $285,000 | 210 | 0.19 |
| Triumph Group, Inc. 4.88% 01/04/2021 | $240,000 | 170 | 0.15 |
| Triumph Group, Inc. 7.75% 15/08/2025 | $290,000 | 188 | 0.17 |
| | | **1,267** | **1.12** |
| **Air Freight & Logistics 0.25% (0.51%)** | | | |
| XPO Logistics, Inc. 6.50% 15/06/2022 | $139,000 | 108 | 0.09 |
| XPO Logistics, Inc. 6.13% 01/09/2023 | $230,000 | 176 | 0.16 |
| | | **284** | **0.25** |
| **Building Products 0.95% (0.50%)** | | | |
| American Woodmark Corp. 4.88% 15/03/2026 | $285,000 | 200 | 0.18 |
| James Hardie International Finance DAC 4.75% 15/01/2025 | $285,000 | 207 | 0.18 |
| JELD-WEN, Inc. 4.63% 15/12/2025 | $150,000 | 103 | 0.09 |
| JELD-WEN, Inc. 4.88% 15/12/2027 | $150,000 | 100 | 0.09 |
| PGT Escrow Issuer, Inc. 6.75% 01/08/2026 | $145,000 | 112 | 0.10 |
| Standard Industries, Inc. 4.75% 15/01/2028 | $515,000 | 354 | 0.31 |
| | | **1,076** | **0.95** |
| **Commercial Services & Supplies 0.63% (0.73%)** | | | |
| ACCO Brands Corp. 5.25% 15/12/2024 | $370,000 | 275 | 0.24 |
| Aramark Services, Inc. 5.00% 01/02/2028 | $180,000 | 134 | 0.12 |
| Nielsen Co. Luxembourg SARL (The) 5.50% 01/10/2021 | $35,000 | 27 | 0.02 |
| Nielsen Finance LLC 5.00% 15/04/2022 | $375,000 | 283 | 0.25 |
| | | **719** | **0.63** |
| **Construction & Engineering 0.00% (0.13%)** | | | |
| **Electrical Equipment 0.10% (0.42%)** | | | |
| Sensata Technologies BV 4.88% 15/10/2023 | $145,000 | 111 | 0.10 |
| | | **111** | **0.10** |
| **Machinery 1.62% (1.20%)** | | | |
| EnPro Industries, Inc. 5.75% 15/10/2026 | $206,000 | 156 | 0.14 |
| Hillman Group, Inc. (The) 6.38% 15/07/2022 | $630,000 | 392 | 0.35 |
| Novelis Corp. 6.25% 15/08/2024 | $160,000 | 122 | 0.10 |
| Novelis Corp. 5.88% 30/09/2026 | $215,000 | 157 | 0.14 |
| RBS Global, Inc. 4.88% 15/12/2025 | $115,000 | 84 | 0.07 |
| SPX FLOW, Inc. 5.63% 15/08/2024 | $125,000 | 93 | 0.08 |
| SPX FLOW, Inc. 5.88% 15/08/2026 | $270,000 | 202 | 0.18 |
| Stevens Holding Co., Inc. 6.13% 01/10/2026 | $130,000 | 100 | 0.09 |
| Terex Corp. 5.63% 01/02/2025 | $310,000 | 228 | 0.20 |
| TriMas Corp. 4.88% 15/10/2025 | $210,000 | 155 | 0.14 |
| Wabash National Corp. 5.50% 01/10/2025 | $210,000 | 146 | 0.13 |
| | | **1,835** | **1.62** |
| **Road & Rail 2.15% (2.10%)** | | | |
| Ashtead Capital, Inc. 4.38% 15/08/2027 | $235,000 | 170 | 0.15 |
| Avis Budget Car Rental LLC 6.38% 01/04/2024 | $975,000 | 735 | 0.65 |
| Herc Rentals, Inc. 7.50% 01/06/2022 | $158,000 | 126 | 0.11 |
| Herc Rentals, Inc. 7.75% 01/06/2024 | $388,000 | 316 | 0.28 |
| Hertz Corp. (The) 7.63% 01/06/2022 | $555,000 | 418 | 0.37 |
| Hertz Corp. (The) 5.50% 15/10/2024 | $1,075,000 | 666 | 0.59 |
| | | **2,431** | **2.15** |
| **Trading Companies & Distributors 1.13% (1.02%)** | | | |
| United Rentals North America, Inc. 5.75% 15/11/2024 | $205,000 | 159 | 0.14 |
| United Rentals North America, Inc. 4.63% 15/10/2025 | $495,000 | 356 | 0.31 |
| United Rentals North America, Inc. 5.88% 15/09/2026 | $260,000 | 200 | 0.18 |
| United Rentals North America, Inc. 6.50% 15/12/2026 | $335,000 | 263 | 0.23 |
| United Rentals North America, Inc. 5.50% 15/05/2027 | $125,000 | 93 | 0.08 |
| United Rentals North America, Inc. 4.88% 15/01/2028 | $295,000 | 210 | 0.19 |
| | | **1,281** | **1.13** |
| **Industrials total** | | **9,004** | **7.95** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Information Technology 8.16% (9.93%)** | | | |
| **Communications Equipment 0.59% (0.71%)** | | | |
| CommScope Technologies LLC 6.00% 15/06/2025 | $940,000 | 666 | 0.59 |
| | | **666** | **0.59** |
| **Electronic Equipment, Instruments & Components 0.39% (0.22%)** | | | |
| Anixter, Inc. 6.00% 01/12/2025 | $145,000 | 113 | 0.10 |
| CDW LLC 5.00% 01/09/2025 | $438,000 | 330 | 0.29 |
| | | **443** | **0.39** |
| **Internet Services & Infrastructure 0.00% (0.99%)** | | | |
| **IT Services 3.10% (1.86%)** | | | |
| Cogent Communications Group, Inc. 5.38% 01/03/2022 | $625,000 | 481 | 0.42 |
| First Data Corp. 5.38% 15/08/2023 | $1,149,000 | 892 | 0.79 |
| First Data Corp. 5.75% 15/01/2024 | $1,430,000 | 1,122 | 0.99 |
| Gartner, Inc. 5.13% 01/04/2025 | $175,000 | 132 | 0.12 |
| GCI LLC 6.75% 01/06/2021 | $435,000 | 333 | 0.29 |
| GCI LLC 6.88% 15/04/2025 | $320,000 | 242 | 0.21 |
| Zayo Group LLC 6.38% 15/05/2025 | $420,000 | 312 | 0.28 |
| | | **3,514** | **3.10** |
| **Semiconductors & Semiconductor Equipment 1.83% (2.95%)** | | | |
| Amkor Technology, Inc. 6.38% 01/10/2022 | $775,000 | 593 | 0.52 |
| Entegris, Inc. 4.63% 10/02/2026 | $315,000 | 233 | 0.21 |
| MagnaChip Semiconductor Corp. 6.63% 15/07/2021 | $440,000 | 318 | 0.28 |
| NXP BV 4.63% 01/06/2023 | $375,000 | 289 | 0.25 |
| Sensata Technologies UK Financing Co. plc 6.25% 15/02/2026 | $820,000 | 646 | 0.57 |
| | | **2,079** | **1.83** |
| **Software 1.86% (1.63%)** | | | |
| ACI Worldwide, Inc. 5.75% 15/08/2026 | $221,000 | 172 | 0.15 |
| Ascend Learning LLC 6.88% 01/08/2025 | $140,000 | 106 | 0.09 |
| Fair Isaac Corp. 5.25% 15/05/2026 | $121,000 | 92 | 0.08 |
| Infor Software Parent LLC 7.13% 01/05/2021 | $465,000 | 358 | 0.32 |
| Infor US, Inc. 6.50% 15/05/2022 | $1,320,000 | 1,023 | 0.90 |
| Informatica LLC 7.13% 15/07/2023 | $470,000 | 359 | 0.32 |
| | | **2,110** | **1.86** |
| **Technology Hardware, Storage & Peripherals 0.39% (1.57%)** | | | |
| Dell International LLC 6.02% 15/06/2026 | $555,000 | 439 | 0.39 |
| | | **439** | **0.39** |
| **Information Technology total** | | **9,251** | **8.16** |
| **Materials 5.88% (6.34%)** | | | |
| **Chemicals 3.29% (3.72%)** | | | |
| Axalta Coating Systems LLC 4.88% 15/08/2024 | $300,000 | 222 | 0.20 |
| Chemours Co. (The) 6.63% 15/05/2023 | $330,000 | 259 | 0.23 |
| Gates Global LLC 6.00% 15/07/2022 | $255,000 | 195 | 0.17 |
| GCP Applied Technologies, Inc. 5.50% 15/04/2026 | $395,000 | 300 | 0.26 |
| Hexion, Inc. 6.63% 15/04/2020 | $485,000 | 293 | 0.26 |
| INEOS Group Holdings SA 5.63% 01/08/2024 | $1,165,000 | 845 | 0.75 |
| NOVA Chemicals Corp. 4.88% 01/06/2024 | $200,000 | 144 | 0.13 |
| NOVA Chemicals Corp. 5.25% 01/06/2027 | $160,000 | 109 | 0.10 |
| Rain CII Carbon LLC 7.25% 01/04/2025 | $410,000 | 274 | 0.24 |
| Reichhold Industries, Inc. 9.13% 08/05/2017^ | $958,288 | - | - |
| Scotts Miracle-Gro Co. (The) 6.00% 15/10/2023 | $615,000 | 478 | 0.42 |
| Scotts Miracle-Gro Co. (The) 5.25% 15/12/2026 | $200,000 | 143 | 0.13 |
| Starfruit Finco BV 8.00% 01/10/2026 | $150,000 | 113 | 0.10 |
| Trinseo Materials Operating SCA 5.38% 01/09/2025 | $335,000 | 227 | 0.20 |
| Venator Finance Sarl 5.75% 15/07/2025 | $190,000 | 120 | 0.10 |
| | | **3,722** | **3.29** |
| **Construction Materials 0.00% (0.44%)** | | | |
| **Containers & Packaging 1.75% (1.39%)** | | | |
| Ardagh Packaging Finance plc 7.25% 15/05/2024 | $395,000 | 310 | 0.28 |
| Ardagh Packaging Finance plc 6.00% 15/02/2025 | $955,000 | 703 | 0.62 |
| BWAY Holding Co. 5.50% 15/04/2024 | $560,000 | 414 | 0.36 |
| Greif, Inc. 6.50% 01/03/2027 | $145,000 | 111 | 0.10 |
| Reynolds Group Issuer, Inc. 5.75% 15/10/2020 | $237,431 | 181 | 0.16 |
| Reynolds Group Issuer, Inc. 6.73% 15/02/2021 | $140,348 | 107 | 0.10 |
| Reynolds Group Issuer, Inc., FRN 6.29% 15/07/2021 | $200,000 | 153 | 0.13 |
| | | **1,979** | **1.75** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Metals & Mining 0.84% (0.76%)** | | | |
| Alcoa Nederland Holding BV 6.75% 30/09/2024 | $200,000 | 158 | 0.14 |
| Constellium NV 5.75% 15/05/2024 | $250,000 | 185 | 0.16 |
| Freeport-McMoRan, Inc. 3.88% 15/03/2023 | $645,000 | 466 | 0.41 |
| Freeport-McMoRan, Inc. 4.55% 14/11/2024 | $205,000 | 148 | 0.13 |
| | | 957 | 0.84 |
| **Paper & Forest Products 0.00% (0.03%)** | | | |
| **Materials total** | | 6,658 | 5.88 |
| **Real Estate 3.22% (3.12%)** | | | |
| **Equity Real Estate Investment Trusts (REITs) 3.22% (3.12%)** | | | |
| CoreCivic, Inc. 4.63% 01/05/2023 | $300,000 | 213 | 0.19 |
| Equinix, Inc. 5.88% 15/01/2026 | $505,000 | 394 | 0.35 |
| GEO Group, Inc. (The) 5.88% 15/01/2022 | $345,000 | 256 | 0.22 |
| GEO Group, Inc. (The) 5.13% 01/04/2023 | $20,000 | 14 | 0.01 |
| GEO Group, Inc. (The) 5.88% 15/10/2024 | $310,000 | 214 | 0.19 |
| GLP Capital LP 5.25% 01/06/2025 | $200,000 | 155 | 0.14 |
| GLP Capital LP 5.75% 01/06/2028 | $255,000 | 200 | 0.18 |
| MGM Growth Properties Operating Partnership LP 5.63% 01/05/2024 | $105,000 | 82 | 0.07 |
| MGM Growth Properties Operating Partnership LP 4.50% 01/09/2026 | $90,000 | 64 | 0.06 |
| MGM Growth Properties Operating Partnership LP 5.75% 01/02/2027 | $123,000 | 94 | 0.08 |
| MGM Growth Properties Operating Partnership LP 4.50% 15/01/2028 | $60,000 | 42 | 0.04 |
| RHP Hotel Properties LP 5.00% 15/04/2023 | $555,000 | 424 | 0.37 |
| Sabra Health Care LP 5.13% 15/08/2026 | $285,000 | 202 | 0.18 |
| SBA Communications Corp. 4.88% 01/09/2024 | $390,000 | 295 | 0.26 |
| Uniti Group LP 6.00% 15/04/2023 | $170,000 | 123 | 0.11 |
| Uniti Group LP 8.25% 15/10/2023 | $665,000 | 469 | 0.41 |
| VICI Properties 1 LLC 8.00% 15/10/2023 | $499,892 | 411 | 0.36 |
| | | 3,652 | 3.22 |
| **Real Estate total** | | 3,652 | 3.22 |
| **Utilities 0.50% (0.80%)** | | | |
| **Gas Utilities 0.35% (0.20%)** | | | |
| AmeriGas Partners LP 5.50% 20/05/2025 | $290,000 | 216 | 0.19 |
| AmeriGas Partners LP 5.88% 20/08/2026 | $250,000 | 187 | 0.16 |
| | | 403 | 0.35 |
| **Independent Power and Renewable Electricity Producers 0.15% (0.51%)** | | | |
| AES Corp. 6.00% 15/05/2026 | $55,000 | 44 | 0.04 |
| Calpine Corp. 5.25% 01/06/2026 | $170,000 | 122 | 0.11 |
| | | 166 | 0.15 |
| **Water Utilities 0.00% (0.09%)** | | | |
| **Utilities total** | | 569 | 0.50 |
| **Corporate Bonds total** | | 102,478 | 90.44 |
| **Convertible Bonds 0.20% (0.23%)** | | | |
| **Communication Services 0.16% (0.17%)** | | | |
| **Media 0.16% (0.17%)** | | | |
| DISH Network Corp. 3.38% 15/08/2026 | $280,000 | 179 | 0.16 |
| | | 179 | 0.16 |
| **Communication Services total** | | 179 | 0.16 |
| **Energy 0.04% (0.06%)** | | | |
| **Oil, Gas & Consumable Fuels 0.04% (0.06%)** | | | |
| Chesapeake Energy Corp. 5.47% 15/09/2026 | $75,000 | 51 | 0.04 |
| | | 51 | 0.04 |
| **Energy total** | | 51 | 0.04 |
| **Convertible Bonds total** | | 230 | 0.20 |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Forward Currency Contracts (0.37)% ((0.60)%)** | | | |
| Buy GBP 1,706,960 sell USD 2,233,715 dated 28/02/2019 | | 8 | 0.01 |
| Buy GBP 113,655,841 sell USD 149,965,789 dated 28/02/2019 | | (430) | (0.38) |
| Buy USD 1,536,842 sell GBP 1,164,361 dated 28/02/2019 | | 5 | – |
| Buy USD 932,071 sell GBP 715,342 dated 28/02/2019 | | (7) | – |
| **Forward Currency Contracts total** | | (424) | (0.37) |
| Investment assets (including investment liabilities) | | 106,124 | 93.66 |
| Net other assets | | 7,180 | 6.34 |
| **Net assets** | | 113,304 | 100.00 |

The comparative percentage figures in brackets are as at 31 January 2018.
Comparatives have been restated to align to the latest sector information.
^ Unlisted, suspended or delisted security.
§ Security is currently in default.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (6,281) | | 784 |
| Revenue (Note 3) | 6,949 | | 8,354 | |
| Expenses (Note 4) | (1,025) | | (1,413) | |
| Net revenue before taxation | 5,924 | | 6,941 | |
| Taxation (Note 5) | – | | – | |
| Net revenue after taxation | | 5,924 | | 6,941 |
| **Total return before distributions** | | **(357)** | | **7,725** |
| Distributions (Note 6) | | (6,824) | | (8,110) |
| **Change in net assets attributable to shareholders from investment activities** | | **(7,181)** | | **(385)** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **126,037** | | **166,803** |
| Amounts receivable on issue of shares | 41,215 | | 16,648 | |
| Amounts payable on cancellation of shares | (50,609) | | (61,606) | |
| | | (9,394) | | (44,958) |
| Dilution adjustment | | 261 | | 125 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (7,181) | | (385) |
| Retained distributions on accumulation shares | | 3,574 | | 4,442 |
| Unclaimed distributions | | 7 | | 10 |
| **Closing net assets attributable to shareholders** | | **113,304** | | **126,037** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 106,561 | 117,019 |
| **Current assets:** | | |
| Debtors (Note 8) | 2,193 | 2,070 |
| Cash and bank balances (Note 9) | 6,289 | 9,070 |
| **Total assets** | **115,043** | **128,159** |
| **Liabilities:** | | |
| Investment liabilities | (437) | (758) |
| **Creditors:** | | |
| Distribution payable | (706) | (767) |
| Other creditors (Note 10) | (596) | (597) |
| **Total liabilities** | **(1,739)** | **(2,122)** |
| **Net assets attributable to shareholders** | **113,304** | **126,037** |

The notes to these financial statements are shown on pages 145 to 147.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Global High Yield Bond Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains/(losses) | 5,890 | (1,606) |
| Forward currency contracts | (16,798) | 16,590 |
| Non-derivative securities | 4,627 | (14,200) |
| Net capital (losses)/gains | (6,281) | 784 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Income from overseas equity investments | 48 | - |
| Interest on bank and term deposits | 17 | 8 |
| Interest on fixed-interest securities | 6,884 | 8,346 |
| Total revenue | 6,949 | 8,354 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 901 | 1,171 |
| Operating expenses | 123 | 242 |
| | 1,024 | 1,413 |
| Interest payable | 1 | - |
| Total expenses | 1,025 | 1,413 |

The fees paid to the auditor for the year ended 31 January 2019 are £8,484 (31.01.18: £8,484), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|

**a) Analysis of charge in the year**

There is no corporation tax charge in the current year or prior year.

**b) Factors affecting the tax charge for the year**

TThe tax assessed for the year is nil. This is different than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 5,924 | 6,941 |
| Corporation tax at 20% | 1,185 | 1,388 |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | 234 |
| Interest distributions deductible for tax purposes | (1,185) | (1,622) |
| | (1,185) | (1,388) |
| Current year tax charge (Note 5a) | - | - |

No deferred tax asset has been recognised in the financial statements.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First monthly interest distribution | 6 | 3 |
| Second monthly interest distribution | 7 | 5 |
| Third monthly interest distribution | 7 | 4 |
| Fourth monthly interest distribution | 8 | 6 |
| Fifth monthly interest distribution | 7 | 5 |
| Sixth monthly interest distribution | 8 | 5 |
| Seventh monthly interest distribution | 7 | 6 |
| Eighth monthly interest distribution | 6 | 4 |
| Ninth monthly interest distribution | 7 | 7 |
| Tenth monthly interest distribution | 7 | 5 |
| Eleventh monthly interest distribution | 8 | 6 |
| Final monthly interest distribution | 6 | 6 |
| First quarterly interest distribution | 1,658 | 2,171 |
| Second quarterly interest distribution | 1,698 | 1,966 |
| Third quarterly interest distribution | 1,689 | 1,977 |
| Final quarterly interest distribution | 1,622 | 1,668 |
| Add: Amounts payable on cancellation of shares | 425 | 422 |
| Deduct: Amounts receivable on issue of shares | (352) | (156) |
| Distributions for the year | 6,824 | 8,110 |

Details of the distribution per share are set out on pages 148 to 155.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 5,924 | 6,941 |
| Add: ACD fee paid from capital | 901 | 1,171 |
| Add: Undistributed revenue brought forward | 11 | 9 |
| Deduct: Undistributed revenue carried forward | (12) | (11) |
| | 6,824 | 8,110 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 1,791 | 1,975 |
| Due from the ACD for shares issued | 220 | 32 |
| Sales awaiting settlement | 182 | 63 |
| Total debtors | 2,193 | 2,070 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 6,289 | 9,070 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 83 | 110 |
| Due to the ACD for shares cancelled | 84 | 423 |
| Purchases awaiting settlement | 429 | 64 |
| Total other creditors | 596 | 597 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £52,761 (31.01.18: £499,999). Details of related party transactions are given under the note on page 13.

The following party held a material interest in the Fund at the year end date:
– Minster Nominees Limited 16.24% (31.01.18: 6.95%)

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current year or prior year.

## 14. Financial instruments

### Value at risk

The Fund enters into derivative transactions in the form of forward currency contracts for investment purposes and/or efficient portfolio management. The Historical VaR methodology approach has been used to calculate the global exposure.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using historical simulation methodology. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days of history.

The VaR calculated for the year ended 31 January 2019 was as follows:

| As at | 2019 | 2018 |
|---|---|---|
| As at 31 January, the Fund's value at risk is | 2.39% | 2.00% |
| During the financial year, the highest utilisation of value at risk was | 62.65% | 85.00% |
| During the financial year, the average utilisation of value at risk was | 53.54% | 65.00% |
| During the financial year, the lowest utilisation of value at risk was | 45.59% | 49.00% |

Further information on the derivative risks can be found in the accounting policies on page 13.

### Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 January 2019 the average leverage was 133.00% (31.01.18: 156.00%).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Debt security credit analysis

| | Market value £'000 | Total net assets % |
|---|---|---|
| **31.01.19** | | |
| Investment grade | 2,459 | 2.18 |
| Below investment grade | 99,613 | 87.90 |
| Unrated | 636 | 0.56 |
| | 102,708 | 90.64 |
| **31.01.18** | | |
| Investment grade | 735 | 0.59 |
| Below investment grade | 111,779 | 88.68 |
| Unrated | 417 | 0.33 |
| | 112,931 | 89.60 |

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

## 16. Share classes

The Fund currently has five share classes; Class A Shares, Class B Shares, Class C Shares, Class I Shares and Class X Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.10% | 0.15% |
| Class B Shares: | 0.75% | 0.15% |
| Class C Shares: | 0.55% | 0.15% |
| Class I Shares: | 0.45% | 0.00% |
| Class X Shares: | 0.00% | 0.06% |

The X share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 135 to 138. All classes have the same rights on winding up.

## 17. Counterparty exposure

### Financial derivative exposure

| Counterparty | Forward currency contracts £'000 | Total £'000 |
|---|---|---|
| **31.01.19** | | |
| Barclays | (3) | (3) |
| HSBC | 2 | 2 |
| State Street Bank | 3 | 3 |
| UBS | (426) | (426) |
| | (424) | (424) |
| **31.01.18** | | |
| Barclays | 1 | 1 |
| Credit Suisse | (754) | (754) |
| State Street Bank | (1) | (1) |
| | (754) | (754) |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values.

## 18. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 1,658 | – | 2,556 | – |
| Level 2: Observable market data | 102,721 | (437) | 112,905 | (758) |
| Level 3: Unobservable data | 2,182 | – | 1,558 | – |
| Total | 106,561 | (437) | 117,019 | (758) |

## 19. Direct transaction costs

No portfolio transactions costs were incurred during the current or prior year.

There is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

**Dealing spread**

As at the balance sheet date, the average portfolio dealing spread was 0.76% (31.01.18: 0.71%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 20. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Gross Accumulation Shares | 27,524,307 | 780,567 | (12,035,525) | 75,787 | 16,345,136 |
| A-Class Gross Income Shares | 92,594,281 | 1,296,093 | (13,893,134) | (487,487) | 79,509,753 |
| A-Class Monthly Gross Income Shares | 3,228,458 | 467,207 | (76,030) | – | 3,619,635 |
| B-Class Gross Accumulation Shares | 352,160 | – | (49,668) | – | 302,492 |
| B-Class Gross Income Shares | 873,010 | 6,959 | (56,457) | (14) | 823,498 |
| C-Class Gross Accumulation Shares | 26,366,354 | 8,215,150 | (16,417,899) | (129,378) | 18,034,227 |
| C-Class Gross Income Shares | 21,341,108 | 4,603,443 | (5,581,675) | 121,488 | 20,484,364 |
| C-Class Monthly Gross Income Shares | 103,151 | 53,281 | (5,218) | – | 151,214 |
| I-Class Gross Accumulation Shares | 1,536,871 | 7,835,071 | (2,018,749) | 71,327 | 7,424,520 |
| I-Class Gross Income Shares | 1,367,995 | 177,741 | (180,179) | 16 | 1,365,573 |
| X-Class Gross Accumulation Shares | 547,126 | 6,322,540 | (1,701,236) | – | 5,168,430 |

# Distribution tables

## Final quarterly interest distribution in pence per share

Group 1 - Shares purchased prior to 1 November 2018
Group 2 - Shares purchased 1 November 2018 to 31 January 2019

| | Gross revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.590000 | - | 1.590000 | 1.480000 |
| Group 2 | 0.756265 | 0.833735 | 1.590000 | 1.480000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.510000 | - | 0.510000 | 0.500000 |
| Group 2 | 0.214777 | 0.295223 | 0.510000 | 0.500000 |
| **B-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.610000 | - | 1.610000 | 1.500000 |
| Group 2 | 1.610000 | 0.000000 | 1.610000 | 1.500000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 1.430000 | - | 1.430000 | 1.410000 |
| Group 2 | 0.001429 | 1.428571 | 1.430000 | 1.410000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.800000 | - | 1.800000 | 1.670000 |
| Group 2 | 0.837345 | 0.962655 | 1.800000 | 1.670000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 1.290000 | - | 1.290000 | 1.260000 |
| Group 2 | 0.621889 | 0.668111 | 1.290000 | 1.260000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 2.960000 | - | 2.960000 | 2.770000 |
| Group 2 | 0.524661 | 2.435339 | 2.960000 | 2.770000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 1.300000 | - | 1.300000 | 1.290000 |
| Group 2 | 0.304990 | 0.995010 | 1.300000 | 1.290000 |
| **X-Class Gross Accumulation Shares** | | | | |
| Group 1 | 2.190000 | - | 2.190000 | 2.040000 |
| Group 2 | 2.190000 | 0.000000 | 2.190000 | 2.040000 |

# Distribution tables – continued

## Third quarterly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 October 2018

| | Gross revenue | Equalisation | Distribution paid 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.640000 | – | 1.640000 | 1.590000 |
| Group 2 | 0.700123 | 0.939877 | 1.640000 | 1.590000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.530000 | – | 0.530000 | 0.550000 |
| Group 2 | 0.281179 | 0.248821 | 0.530000 | 0.550000 |
| **B-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.660000 | – | 1.660000 | 1.620000 |
| Group 2 | 1.660000 | 0.000000 | 1.660000 | 1.620000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 1.490000 | – | 1.490000 | 1.540000 |
| Group 2 | 0.022111 | 1.467889 | 1.490000 | 1.540000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.850000 | – | 1.850000 | 1.810000 |
| Group 2 | 0.690045 | 1.159955 | 1.850000 | 1.810000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 1.340000 | – | 1.340000 | 1.390000 |
| Group 2 | 0.537537 | 0.802463 | 1.340000 | 1.390000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 3.040000 | – | 3.040000 | 2.970000 |
| Group 2 | 1.751231 | 1.288769 | 3.040000 | 2.970000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 1.360000 | – | 1.360000 | 1.410000 |
| Group 2 | 0.604094 | 0.755906 | 1.360000 | 1.410000 |
| **X-Class Gross Accumulation Shares** | | | | |
| Group 1 | 2.250000 | – | 2.250000 | 2.180000 |
| Group 2 | 2.250000 | 0.000000 | 2.250000 | 2.180000 |

# Distribution tables – continued

## Second quarterly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 July 2018

| | Gross revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.750000 | – | 1.750000 | 1.550000 |
| Group 2 | 1.147722 | 0.602278 | 1.750000 | 1.550000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.580000 | – | 0.580000 | 0.540000 |
| Group 2 | 0.370145 | 0.209855 | 0.580000 | 0.540000 |
| **B-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.770000 | – | 1.770000 | 1.570000 |
| Group 2 | 1.770000 | 0.000000 | 1.770000 | 1.570000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 1.620000 | – | 1.620000 | 1.520000 |
| Group 2 | 1.285492 | 0.334508 | 1.620000 | 1.520000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.970000 | – | 1.970000 | 1.750000 |
| Group 2 | 0.847573 | 1.122427 | 1.970000 | 1.750000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 1.450000 | – | 1.450000 | 1.360000 |
| Group 2 | 0.641218 | 0.808782 | 1.450000 | 1.360000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 3.240000 | – | 3.240000 | 2.870000 |
| Group 2 | 2.419127 | 0.820873 | 3.240000 | 2.870000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 1.470000 | – | 1.470000 | 1.390000 |
| Group 2 | 0.851679 | 0.618321 | 1.470000 | 1.390000 |
| **X-Class Gross Accumulation Shares** | | | | |
| Group 1 | 2.380000 | – | 2.380000 | 2.120000 |
| Group 2 | 2.380000 | 0.000000 | 2.380000 | 2.120000 |

# Distribution tables – continued

## First quarterly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 30 April 2018

| | Gross revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.600000 | – | 1.600000 | 1.480000 |
| Group 2 | 0.641368 | 0.958632 | 1.600000 | 1.480000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.530000 | – | 0.530000 | 0.520000 |
| Group 2 | 0.203370 | 0.326630 | 0.530000 | 0.520000 |
| **B-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.600000 | – | 1.600000 | 1.500000 |
| Group 2 | 1.600000 | 0.000000 | 1.600000 | 1.500000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 1.490000 | – | 1.490000 | 1.480000 |
| Group 2 | 0.652443 | 0.837557 | 1.490000 | 1.480000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.810000 | – | 1.810000 | 1.680000 |
| Group 2 | 0.886920 | 0.923080 | 1.810000 | 1.680000 |
| **C-Class Gross Accumulation Shares*** | | | | |
| Group 1 | – | – | – | 1.630000 |
| Group 2 | – | – | – | 1.630000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 1.350000 | – | 1.350000 | 1.330000 |
| Group 2 | 0.558483 | 0.791517 | 1.350000 | 1.330000 |
| **C-Class Gross Income Shares*** | | | | |
| Group 1 | – | – | – | 1.240000 |
| Group 2 | – | – | – | 1.240000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 2.940000 | – | 2.940000 | 2.760000 |
| Group 2 | 2.842718 | 0.097282 | 2.940000 | 2.760000 |
| **I-Class Gross Accumulation Shares*** | | | | |
| Group 1 | – | – | – | 2.560000 |
| Group 2 | – | – | – | 2.560000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 1.350000 | – | 1.350000 | 1.340000 |
| Group 2 | 0.515542 | 0.834458 | 1.350000 | 1.340000 |
| **I-Class Gross Income Shares*** | | | | |
| Group 1 | – | – | – | 1.340000 |
| Group 2 | – | – | – | 1.340000 |
| **X-Class Gross Accumulation Shares** | | | | |
| Group 1 | 2.170000 | – | 2.170000 | 1.900000 |
| Group 2 | 0.483413 | 1.686587 | 2.170000 | 1.900000 |

* Net share classes were renamed Gross at close of business 2 June 2017, subsequently, C-Class Gross Accumulation Shares, C-Class Gross Income Shares, I-Class Gross Accumulation Shares and I-Class Gross Income Shares closed on 2 June 2017.

# Distribution tables – continued

## Final monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 January 2019
Group 2 – Shares purchased 1 January 2019 to 31 January 2019

| | Gross revenue | Equalisation | Distribution payable 28.02.19 | Distribution paid 28.02.18 |
|---|---|---|---|---|
| **A-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.160000 | – | 0.160000 | 0.160000 |
| Group 2 | 0.071442 | 0.088558 | 0.160000 | 0.160000 |
| **C-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.410000 | – | 0.410000 | 0.430000 |
| Group 2 | 0.224583 | 0.185417 | 0.410000 | 0.430000 |

## Eleventh monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 December 2018
Group 2 – Shares purchased 1 December 2018 to 31 December 2018

| | Gross revenue | Equalisation | Distribution paid 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **A-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.190000 | – | 0.190000 | 0.170000 |
| Group 2 | 0.155626 | 0.034374 | 0.190000 | 0.170000 |
| **C-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.470000 | – | 0.470000 | 0.430000 |
| Group 2 | 0.250556 | 0.219444 | 0.470000 | 0.430000 |

## Tenth monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2018
Group 2 – Shares purchased 1 November 2018 to 30 November 2018

| | Gross revenue | Equalisation | Distribution paid 31.12.18 | Distribution paid 31.12.17 |
|---|---|---|---|---|
| **A-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.160000 | – | 0.160000 | 0.160000 |
| Group 2 | 0.074974 | 0.085026 | 0.160000 | 0.160000 |
| **C-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.410000 | – | 0.410000 | 0.410000 |
| Group 2 | 0.388495 | 0.021505 | 0.410000 | 0.410000 |

# Distribution tables – continued

## Ninth monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 October 2018
Group 2 – Shares purchased 1 October 2018 to 31 October 2018

| | Gross revenue | Equalisation | Distribution paid 30.11.18 | Distribution paid 30.11.17 |
|---|---|---|---|---|
| **A-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.190000 | – | 0.190000 | 0.220000 |
| Group 2 | 0.087812 | 0.102188 | 0.190000 | 0.220000 |
| **C-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.490000 | – | 0.490000 | 0.530000 |
| Group 2 | 0.066155 | 0.423845 | 0.490000 | 0.530000 |

## Eighth monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 September 2018
Group 2 – Shares purchased 1 September 2018 to 30 September 2018

| | Gross revenue | Equalisation | Distribution paid 30.10.18 | Distribution paid 30.10.17 |
|---|---|---|---|---|
| **A-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.150000 | – | 0.150000 | 0.140000 |
| Group 2 | 0.055876 | 0.094124 | 0.150000 | 0.140000 |
| **C-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.370000 | – | 0.370000 | 0.370000 |
| Group 2 | 0.326714 | 0.043286 | 0.370000 | 0.370000 |

## Seventh monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 August 2018

| | Gross revenue | Equalisation | Distribution paid 30.09.18 | Distribution paid 30.09.17 |
|---|---|---|---|---|
| **A-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.180000 | – | 0.180000 | 0.190000 |
| Group 2 | 0.127526 | 0.052474 | 0.180000 | 0.190000 |
| **C-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.470000 | – | 0.470000 | 0.480000 |
| Group 2 | 0.194668 | 0.275332 | 0.470000 | 0.480000 |

# Distribution tables – continued

## Sixth monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 July 2018
Group 2 – Shares purchased 1 July 2018 to 31 July 2018

| | Gross revenue | Equalisation | Distribution paid 31.08.18 | Distribution paid 31.08.17 |
|---|---|---|---|---|
| **A-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.190000 | – | 0.190000 | 0.170000 |
| Group 2 | 0.029053 | 0.160947 | 0.190000 | 0.170000 |
| **C-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.480000 | – | 0.480000 | 0.430000 |
| Group 2 | 0.115623 | 0.364377 | 0.480000 | 0.430000 |

## Fifth monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 June 2018
Group 2 – Shares purchased 1 June 2018 to 30 June 2018

| | Gross revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.180000 | – | 0.180000 | 0.170000 |
| Group 2 | 0.039607 | 0.140393 | 0.180000 | 0.170000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.460000 | – | 0.460000 | 0.430000 |
| Group 2 | 0.415267 | 0.044733 | 0.460000 | 0.430000 |

## Fourth monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 May 2018

| | Gross revenue | Equalisation | Distribution paid 30.06.18 | Distribution paid 30.06.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.200000 | – | 0.200000 | 0.200000 |
| Group 2 | 0.172925 | 0.027075 | 0.200000 | 0.200000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.510000 | – | 0.510000 | 0.490000 |
| Group 2 | 0.165056 | 0.344944 | 0.510000 | 0.490000 |

# Distribution tables – continued

## Third monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 April 2018
Group 2 – Shares purchased 1 April 2018 to 30 April 2018

| | Gross revenue | Equalisation | Distribution paid 31.05.18 | Distribution paid 31.05.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.180000 | – | 0.180000 | 0.150000 |
| Group 2 | 0.055621 | 0.124379 | 0.180000 | 0.150000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.460000 | – | 0.460000 | 0.380000 |
| Group 2 | 0.299318 | 0.160682 | 0.460000 | 0.380000 |

## Second monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 March 2018
Group 2 – Shares purchased 1 March 2018 to 31 March 2018

| | Gross revenue | Equalisation | Distribution paid 30.04.18 | Distribution paid 30.04.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.180000 | – | 0.180000 | 0.190000 |
| Group 2 | 0.041126 | 0.138874 | 0.180000 | 0.190000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.440000 | – | 0.440000 | 0.480000 |
| Group 2 | 0.086496 | 0.353504 | 0.440000 | 0.480000 |

## First monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 28 February 2018

| | Gross revenue | Equalisation | Distribution paid 31.03.18 | Distribution paid 31.03.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.170000 | – | 0.170000 | 0.130000 |
| Group 2 | 0.133730 | 0.036270 | 0.170000 | 0.130000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.430000 | – | 0.430000 | 0.330000 |
| Group 2 | 0.180813 | 0.249187 | 0.430000 | 0.330000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# JPM Global Macro Fund

(previously JPM Global Macro Balanced Fund)

## Important information

With effect 31 October 2018 the name of the Fund changed to JPM Global Macro Fund.

## Investment objective and policy

The Fund aims to provide positive investment returns over a rolling 3 year period in all market conditions by investing in securities globally, using Financial Derivative Instruments where appropriate, with a volatility level typically lower than two-thirds of the MSCI All Country World Index (Total Return Net). A positive return is not guaranteed over this or any time period and a capital loss may occur.

The Fund uses an investment process based on macroeconomic research to identify global investment themes and opportunities. The Fund has a flexible approach, using a broad range of asset classes, instruments and techniques. Allocations may vary significantly and exposure to certain asset classes, markets, sectors or currencies may be concentrated from time to time, in response to market conditions and opportunities.

The Fund will invest, directly or through the use of Financial Derivative Instruments (derivatives), in global Equity securities (including smaller capitalisation companies), Bonds, (including government and public securities (see Section 3.11 (e) of the Prospectus), below investment grade and unrated debt securities), Commodity Index Instruments, currencies, Convertible Securities, collective investment schemes, which may be managed by the Investment Adviser or any other member of JPMorgan Chase & co., and cash and cash equivalents.

The Fund may have net Long or net Short Position exposure to asset classes, industry sectors, markets and/or currencies depending upon market conditions and opportunities. This may result in a net Short Position at the overall Fund level. Long Positions will be achieved directly or through the use of Financial Derivative Instruments, and Short Positions will be achieved via the use of Financial Derivative Instruments only.

The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate (see Section 11.16 of the Prospectus for Risk Warnings on derivatives). These instruments may include futures, options, contracts for difference, Total Return Swaps, selected OTC derivatives and other Financial Derivative Instruments.

Issuers of securities may be located in any country, including Emerging Markets. Although most of the non-sterling securities will be hedged back into sterling, the Fund will also use opportunities in the foreign exchange market to maximise returns.

## Risk profile

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

The Fund aims to provide a positive return in any market conditions over a rolling 3 year period, although this is not guaranteed.

The Fund can use sophisticated investment techniques that differ from those used in traditional Equity funds.

The Fund should not be used as a substitute for liquidity funds or cash accounts.

The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below Investment Grade and certain Unrated securities which may also be subject to higher volatility and be more difficult to sell than Investment Grade securities.

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

The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

Some Financial Derivative Instruments (derivatives) traded on an exchange may be illiquid, and as a result, may need to be held until the derivative contract position expires. This may have an adverse impact on the return of the Fund.

The Fund invests opportunistically and exposure to the markets may vary substantially over a short period of time depending on market conditions. Therefore the Fund may not be fully invested in rising markets; conversely the Fund could be more than fully invested in a falling market. In both circumstances the performance of the Fund would suffer.

The value of securities in which the Fund invests may be influenced by movements in commodity prices which can be very volatile.

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 possible loss from taking a Short Position on a security (using Financial Derivative Instruments) may be unlimited as there is no restriction on the price to which a security may rise. The Short Selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.

The Fund may be concentrated in a limited number of securities, industry sectors or countries and as a result, may be more volatile than more broadly diversified funds.

Under exceptional market conditions the Fund may be unable to meet the volatility level stated in the investment objective and the realised volatility may be greater than intended.

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.

To the extent that any underlying assets of the Fund are denominated in a currency other than sterling and are not hedged back to sterling, 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.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

## Fund review

The year from 1 February 2018 to 31 January 2019 was challenging for investors as markets were buffeted by disappointing global data and political tension. However, it ended on a more positive note as global equity markets rebounded in the first month of 2019 amidst greater optimism over US-China trade and more accommodative US monetary policy.

With global growth continuing to disappoint, our outlook shifted to the downside throughout 2018 and we reduced risk within the portfolio. In particular, we reduced our net equity exposure and shifted the composition of our remaining physical equity towards more defensive areas within healthcare and information technology. Meanwhile, we sought to tactically add protection strategies through equity derivatives and currency. For the period under review, our physical equity detracted most from performance, while other asset classes delivered modest negative returns. As at 31 October 2018, we changed the investment strategy from Global Macro Balanced to Global Macro and moved from an asset-based to a cash benchmark.

## Fund outlook

A low inflation environment alongside trend-like global growth allows for dovish central bank policy, which should continue to provide support to risk assets. This leads us to maintain a modest level of net equity exposure, focused on quality areas.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Global Macro Fund** A-Class Acc | **-9.0%** | **10.7%** | **-2.1%** | **1.5%** | **10.5%** |
| **JPM Global Macro Fund** B-Class Acc | **-8.7%** | **11.2%** | **-1.7%** | **1.9%** | **10.9%** |
| **JPM Global Macro Fund** C-Class Acc | **-8.4%** | **11.4%** | **-1.6%** | **2.0%** | **10.9%** |
| **JPM Global Macro Fund** I-Class Acc | **-8.3%** | **11.6%** | **-1.5%** | **2.1%** | **11.2%** |
| **JPM Global Macro Fund** X-Class Acc | **-7.9%** | **9.6%** | – | – | – |
| Benchmark Index[A] | -1.5% | 6.6% | 5.0% | 0.3% | 10.6% |

## Fund statistics

| | | | | | |
|---|---|---|---|---|---|
| Risk and Reward Profile | | | | | **3[†] (3 at 31 July 2018)** |
| Fund size | | | | | **£102.7m** |
| Benchmark Index[A] | | | | | **ICE 1 Month GBP Libor** |
| Fund charges and expenses | A-Class | B-Class | C-Class | I-Class | X-Class |
| Initial charge (max.) | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | | | |
| Annual management fee | **1.25%** | **0.80%** | **0.60%** | **0.60%** | **–[A]** |
| Operating expenses (max.) | **0.15%** | **0.15%** | **0.15%** | **0.15%** | **0.06%** |

## Comparative tables

| **A-Class Accumulation Shares** | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 73.99 | 66.83 | 68.22 |
| Return before operating charges* | (5.70) | 8.16 | (0.35) |
| Operating charges | (0.94) | (1.00) | (0.99) |
| Return after operating charges* | (6.64) | 7.16 | (1.34) |
| Distributions | (0.35) | (0.03) | (0.25) |
| Retained distributions on accumulation shares | 0.35 | 0.03 | 0.20 |
| Closing net asset value per share | 67.35 | 73.99 | 66.83 |
| * after direct transaction costs of | (0.07) | (0.10) | (0.11) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.97)% | 10.71% | (1.96)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 49,976 | 76,357 | 84,270 |
| Closing number of shares | 74,208,639 | 103,194,947 | 126,094,697 |
| % Operating charges | 1.33% | 1.43% | 1.43% |
| % Direct transaction costs | 0.10% | 0.14% | 0.16% |
| **Prices** | | | |
| Highest share price | 74.10 | 74.90 | 71.49 |
| Lowest share price | 67.35 | 66.37 | 66.41 |

[†] 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

[A] The Ongoing charge will vary in accordance to the annual management fee agreed between the ACD and the relevant JPMorgan Chase & Co. entity.

## Comparative tables – continued

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 64.86 | 58.60 | 59.99 |
| Return before operating charges* | (4.98) | 7.16 | (0.26) |
| Operating charges | (0.87) | (0.88) | (0.88) |
| Return after operating charges* | (5.85) | 6.28 | (1.14) |
| Distributions | (0.28) | (0.02) | (0.25) |
| Closing net asset value per share | 58.73 | 64.86 | 58.60 |
| * after direct transaction costs of | (0.06) | (0.09) | (0.10) |
| **Performance** | | | |
| % Return after operating charges^^ | (9.02)% | 10.72% | (1.90)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,311 | 1,810 | 2,006 |
| Closing number of shares | 2,232,519 | 2,790,363 | 3,422,814 |
| % Operating charges | 1.40% | 1.43% | 1.43% |
| % Direct transaction costs | 0.10% | 0.14% | 0.16% |
| **Prices** | | | |
| Highest share price | 64.95 | 65.66 | 62.86 |
| Lowest share price | 58.73 | 58.21 | 58.24 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 75.58 | 67.96 | 69.10 |
| Return before operating charges* | (5.83) | 8.32 | (0.36) |
| Operating charges | (0.69) | (0.70) | (0.69) |
| Return after operating charges* | (6.52) | 7.62 | (1.05) |
| Distributions | (0.57) | (0.36) | (0.56) |
| Retained distributions on accumulation shares | 0.57 | 0.36 | 0.47 |
| Closing net asset value per share | 69.06 | 75.58 | 67.96 |
| * after direct transaction costs of | (0.07) | (0.10) | (0.11) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.63)% | 11.21% | (1.52)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 75 | 82 | 93 |
| Closing number of shares | 108,978 | 108,978 | 137,306 |
| % Operating charges | 0.95% | 0.98% | 0.98% |
| % Direct transaction costs | 0.10% | 0.14% | 0.16% |
| **Prices** | | | |
| Highest share price | 75.69 | 76.51 | 72.53 |
| Lowest share price | 69.06 | 67.52 | 67.49 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 137.32 | 123.22 | 125.09 |
| Return before operating charges* | (10.61) | 15.11 | (0.65) |
| Operating charges | (0.95) | (1.01) | (1.02) |
| Return after operating charges* | (11.56) | 14.10 | (1.67) |
| Distributions | (1.27) | (0.91) | (1.24) |
| Retained distributions on accumulation shares | 1.27 | 0.91 | 1.04 |
| Closing net asset value per share | 125.76 | 137.32 | 123.22 |
| * after direct transaction costs of | (0.13) | (0.18) | (0.20) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.42)% | 11.44% | (1.34)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 43,835 | 57,967 | 60,756 |
| Closing number of shares | 34,856,470 | 42,213,407 | 49,308,270 |
| % Operating charges | 0.72% | 0.78% | 0.78% |
| % Direct transaction costs | 0.10% | 0.14% | 0.16% |
| **Prices** | | | |
| Highest share price | 137.5 | 139.0 | 131.4 |
| Lowest share price | 125.8 | 122.4 | 122.3 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 119.44 | 107.91 | 110.47 |
| Return before operating charges* | (9.18) | 13.21 | (0.57) |
| Operating charges | (0.86) | (0.89) | (0.90) |
| Return after operating charges* | (10.04) | 12.32 | (1.47) |
| Distributions | (1.07) | (0.79) | (1.09) |
| Closing net asset value per share | 108.33 | 119.44 | 107.91 |
| * after direct transaction costs of | (0.11) | (0.16) | (0.18) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.41)% | 11.42% | (1.33)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 6,736 | 8,584 | 8,759 |
| Closing number of shares | 6,217,162 | 7,186,542 | 8,116,728 |
| % Operating charges | 0.75% | 0.78% | 0.78% |
| % Direct transaction costs | 0.10% | 0.14% | 0.16% |
| **Prices** | | | |
| Highest share price | 119.6 | 121.1 | 115.9 |
| Lowest share price | 108.3 | 107.2 | 107.4 |

## Comparative tables – continued

| I-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 80.26 | 71.89 | 72.87 |
| Return before operating charges* | (6.21) | 8.82 | (0.38) |
| Operating charges | (0.46) | (0.45) | (0.46) |
| Return after operating charges* | (6.67) | 8.37 | (0.84) |
| Distributions | (0.81) | (0.66) | (0.86) |
| Retained distributions on accumulation shares | 0.81 | 0.66 | 0.72 |
| Closing net asset value per share | 73.59 | 80.26 | 71.89 |
| * after direct transaction costs of | (0.08) | (0.11) | (0.12) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.31)% | 11.64% | (1.15)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 278 | 420 | 503 |
| Closing number of shares | 378,214 | 523,285 | 699,106 |
| % Operating charges | 0.60% | 0.60% | 0.60% |
| % Direct transaction costs | 0.10% | 0.14% | 0.16% |
| **Prices** | | | |
| Highest share price | 80.37 | 81.23 | 76.58 |
| Lowest share price | 73.59 | 71.44 | 71.35 |

| I-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 64.83 | 58.58 | 59.97 |
| Return before operating charges* | (4.99) | 7.15 | (0.28) |
| Operating charges | (0.37) | (0.37) | (0.38) |
| Return after operating charges* | (5.36) | 6.78 | (0.66) |
| Distributions | (0.66) | (0.53) | (0.73) |
| Closing net asset value per share | 58.81 | 64.83 | 58.58 |
| * after direct transaction costs of | (0.06) | (0.09) | (0.10) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.27)% | 11.57% | (1.10)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 165 | 188 | 204 |
| Closing number of shares | 279,946 | 289,983 | 348,390 |
| % Operating charges | 0.60% | 0.60% | 0.60% |
| % Direct transaction costs | 0.10% | 0.14% | 0.16% |
| **Prices** | | | |
| Highest share price | 64.93 | 65.75 | 62.92 |
| Lowest share price | 58.81 | 58.22 | 58.29 |

| X-Class Accumulation Shares | 2019‡ pps | 2018‡‡ pps |
|---|---|---|
| **Change in net asset value per share** | | |
| Opening net asset value per share | 131.75 | 120.31 |
| Return before operating charges* | (10.22) | 11.50 |
| Operating charges | (0.08) | (0.06) |
| Return after operating charges* | (10.30) | 11.44 |
| Distributions | (1.92) | (1.24) |
| Retained distributions on accumulation shares | 1.92 | 1.24 |
| Closing net asset value per share | 121.45 | 131.75 |
| * after direct transaction costs of | (0.13) | (0.18) |
| **Performance** | | |
| % Return after operating charges^^ | (7.82)% | 9.51% |
| **Other information** | | |
| Closing net asset value (£'000) | 345 | 537 |
| Closing number of shares | 284,177 | 407,309 |
| % Operating charges | 0.06% | 0.06% |
| % Direct transaction costs | 0.10% | 0.14% |
| **Prices** | | |
| Highest share price | 131.9 | 133.3 |
| Lowest share price | 121.4 | 120.3 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 165 and 166, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 31 January 2019.
‡‡ X-Class Accumulation Shares were launched on 2 May 2017.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Geographical breakdown

| | % |
|---|---|
| Japan | 32.64 |
| United States of America | 25.81 |
| France | 24.06 |
| Liquidity Funds | 8.97 |
| Forward Currency Contracts | 1.90 |
| Germany | 0.87 |
| China | 0.74 |
| United Kingdom | 0.33 |
| Switzerland | 0.32 |
| Netherlands | 0.30 |
| Options | 0.01 |
| Futures | (0.37) |
| Net other assets | 4.42 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 12.67% (26.18%)** | | | |
| **Australia 0.00% (0.14%)** | | | |
| **Brazil 0.00% (0.14%)** | | | |
| **Canada 0.00% (1.17%)** | | | |
| **China 0.74% (2.96%)** | | | |
| China Mobile Ltd. | 30,500 | 244 | 0.24 |
| Ping An Insurance Group Co. of China Ltd. 'H' | 70,500 | 519 | 0.50 |
| | | **763** | **0.74** |
| **France 0.12% (0.74%)** | | | |
| Capgemini SE | 1,495 | 126 | 0.12 |
| | | **126** | **0.12** |
| **Germany 0.87% (1.38%)** | | | |
| SAP SE | 11,447 | 896 | 0.87 |
| | | **896** | **0.87** |
| **Hong Kong 0.00% (0.80%)** | | | |
| **Italy 0.00% (0.51%)** | | | |
| **Japan 0.00% (5.02%)** | | | |
| **Netherlands 0.30% (0.61%)** | | | |
| Unilever NV, CVA | 7,556 | 303 | 0.30 |
| | | **303** | **0.30** |
| **Russia 0.00% (0.36%)** | | | |
| **Singapore 0.00% (0.43%)** | | | |
| **South Korea 0.00% (2.32%)** | | | |
| **Switzerland 0.32% (0.00%)** | | | |
| Nestle SA | 4,961 | 328 | 0.32 |
| | | **328** | **0.32** |
| **Taiwan 0.00% (0.86%)** | | | |
| **United Kingdom 0.33% (0.95%)** | | | |
| Diageo plc | 11,506 | 333 | 0.33 |
| | | **333** | **0.33** |
| **United States of America 9.99% (7.79%)** | | | |
| Abbott Laboratories | 2,859 | 156 | 0.15 |
| AbbVie, Inc. | 1,350 | 81 | 0.08 |
| Accenture plc 'A' | 1,743 | 204 | 0.20 |
| Alexion Pharmaceuticals, Inc. | 1,387 | 128 | 0.12 |
| Alphabet, Inc. 'A' | 1,165 | 974 | 0.95 |
| Amgen, Inc. | 1,276 | 180 | 0.18 |
| Becton Dickinson and Co. | 1,785 | 334 | 0.33 |
| Biogen, Inc. | 1,084 | 271 | 0.26 |
| Cognizant Technology Solutions Corp. 'A' | 2,368 | 126 | 0.12 |
| Gilead Sciences, Inc. | 2,381 | 127 | 0.12 |
| Global Payments, Inc. | 13,411 | 1,161 | 1.13 |
| Illumina, Inc. | 565 | 117 | 0.11 |
| Johnson & Johnson | 12,402 | 1,243 | 1.21 |
| Mastercard, Inc. 'A' | 1,290 | 200 | 0.19 |
| Medtronic plc | 10,783 | 721 | 0.70 |
| Microsoft Corp. | 17,872 | 1,447 | 1.41 |
| PayPal Holdings, Inc. | 3,445 | 243 | 0.24 |
| Procter & Gamble Co. (The) | 4,262 | 307 | 0.30 |
| Regeneron Pharmaceuticals, Inc. | 466 | 149 | 0.15 |
| Stryker Corp. | 2,246 | 307 | 0.30 |
| Thermo Fisher Scientific, Inc. | 7,787 | 1,453 | 1.41 |
| Vertex Pharmaceuticals, Inc. | 1,001 | 143 | 0.14 |
| Visa, Inc. 'A' | 1,842 | 193 | 0.19 |
| | | **10,265** | **9.99** |
| **Equities total** | | **13,014** | **12.67** |
| **Government Bonds 72.40% (64.96%)** | | | |
| **Canada 0.00% (9.03%)** | | | |
| **France 23.94% (4.53%)** | | | |
| France Treasury Bill BTF 0.00% 06/02/2019 | €5,700,000 | 4,987 | 4.86 |
| France Treasury Bill BTF 0.00% 20/02/2019 | €5,800,000 | 5,076 | 4.94 |
| France Treasury Bill BTF 0.00% 27/02/2019 | €1,100,000 | 963 | 0.94 |
| France Treasury Bill BTF 0.00% 06/03/2019 | €6,000,000 | 5,252 | 5.11 |
| France Treasury Bill BTF 0.00% 27/03/2019 | €4,097,516 | 3,588 | 3.49 |
| France Treasury Bill BTF 0.00% 10/04/2019 | €3,100,000 | 2,715 | 2.64 |
| France Treasury Bill BTF 0.00% 25/04/2019 | €2,300,000 | 2,014 | 1.96 |
| | | **24,595** | **23.94** |
| **Italy 0.00% (2.80%)** | | | |
| **Japan 32.64% (7.16%)** | | | |
| Japan Treasury Bill 0.00% 04/02/2019 | JPY 700,000,000 | 4,907 | 4.78 |
| Japan Treasury Bill 0.00% 18/02/2019 | JPY 770,000,000 | 5,398 | 5.25 |
| Japan Treasury Bill 0.00% 25/02/2019 | JPY 250,000,000 | 1,753 | 1.71 |
| Japan Treasury Bill 0.00% 11/03/2019 | JPY 742,000,000 | 5,203 | 5.06 |
| Japan Treasury Bill 0.00% 04/04/2019 | JPY 700,000,000 | 4,909 | 4.78 |
| Japan Treasury Bill 0.00% 08/04/2019 | JPY 695,000,000 | 4,874 | 4.74 |
| Japan Treasury Bill 0.00% 15/04/2019 | JPY 76,000,000 | 533 | 0.52 |
| Japan Treasury Bill 0.00% 22/04/2019 | JPY 139,000,000 | 975 | 0.95 |
| Japan Treasury Bill 0.00% 09/05/2019 | JPY 710,000,000 | 4,980 | 4.85 |
| | | **33,532** | **32.64** |
| **Spain 0.00% (7.32%)** | | | |
| **United Kingdom 0.00% (11.95%)** | | | |
| **United States of America 15.82% (22.17%)** | | | |
| US Treasury Bill 0.00% 07/03/2019 | $3,400,000 | 2,583 | 2.51 |
| US Treasury Bill 0.00% 14/03/2019 | $5,200,000 | 3,950 | 3.85 |
| US Treasury Bill 0.00% 21/03/2019 | $6,400,000 | 4,859 | 4.73 |
| US Treasury Bill 0.00% 28/03/2019 | $6,400,000 | 4,856 | 4.73 |
| | | **16,248** | **15.82** |
| **Government Bonds total** | | **74,375** | **72.40** |
| **Options 0.01% (0.04%)** | | | |
| Foreign Exchange JPY/USD, Put, 109.35, 22/02/2019 | 16,670,000 | 124 | 0.12 |
| Foreign Exchange JPY/USD, Put, 110.6, 22/02/2019 | (8,335,000) | (116) | (0.11) |
| **Options total** | | **8** | **0.01** |
| **Forward Currency Contracts 1.90% (2.04%)** | | | |
| Buy AUD 1,250,000 sell USD 908,991 dated 19/02/2019 | | 1 | – |
| Buy EUR 817,324 sell GBP 731,255 dated 19/02/2019 | | (16) | (0.01) |
| Buy GBP 196,386 sell CHF 244,777 dated 19/02/2019 | | 9 | 0.01 |
| Buy GBP 38,452,564 sell EUR 42,689,070 dated 19/02/2019 | | 1,087 | 1.06 |
| Buy GBP 1,982,499 sell HKD 19,782,667 dated 19/02/2019 | | 62 | 0.06 |
| Buy GBP 20,213,445 sell JPY 2,797,704,497 dated 19/02/2019 | | 592 | 0.58 |
| Buy GBP 938,980 sell JPY 134,958,312 dated 19/02/2019 | | (8) | (0.01) |
| Buy GBP 2,248,081 sell MXN 55,841,232 dated 19/02/2019 | | 30 | 0.03 |
| Buy GBP 36,874,359 sell USD 47,060,114 dated 19/02/2019 | | 1,059 | 1.03 |
| Buy GBP 4,760,748 sell ZAR 85,342,915 dated 19/02/2019 | | (117) | (0.11) |
| Buy HKD 9,882,816 sell GBP 979,842 dated 19/02/2019 | | (21) | (0.02) |
| Buy JPY 928,709,232 sell EUR 7,494,580 dated 19/02/2019 | | (47) | (0.04) |
| Buy JPY 72,989,724 sell GBP 507,496 dated 19/02/2019 | | 4 | – |
| Buy JPY 699,379,381 sell GBP 5,045,798 dated 19/02/2019 | | (141) | (0.14) |
| Buy JPY 71,240,566 sell USD 663,798 dated 19/02/2019 | | (6) | (0.01) |
| Buy KRW 749,878,920 sell USD 674,000 dated 19/02/2019 | | – | – |
| Buy USD 10,343,342 sell AUD 14,596,482 dated 19/02/2019 | | (213) | (0.21) |
| Buy USD 6,060,972 sell EUR 5,309,000 dated 19/02/2019 | | (34) | (0.03) |
| Buy USD 8,781,956 sell GBP 6,885,939 dated 19/02/2019 | | (202) | (0.20) |
| Buy USD 10,103,550 sell KRW 11,302,639,838 dated 19/02/2019 | | (46) | (0.04) |
| Buy USD 663,798 sell ZAR 9,683,050 dated 19/02/2019 | | (48) | (0.05) |
| Buy ZAR 12,021,608 sell USD 899,000 dated 19/02/2019 | | 3 | – |
| **Forward Currency Contracts total** | | **1,948** | **1.90** |
| **Futures (0.37)% ((0.04)%)** | | | |
| EURO STOXX 50 Index 15/03/2019 | (145) | (139) | (0.13) |
| FTSE 100 Index 15/03/2019 | (10) | (27) | (0.03) |
| MSCI Emerging Markets Index 15/03/2019 | (21) | (72) | (0.07) |
| NASDAQ 100 Emini Index 15/03/2019 | (9) | (73) | (0.07) |
| STOXX 600 Hlth Equity Index 15/03/2019 | 49 | 9 | 0.01 |
| XAF Financial Index 15/03/2019 | (16) | (74) | (0.07) |
| XAU Utilities Index 15/03/2019 | (18) | 25 | 0.02 |
| XAY Consumer Discretionary Index 15/03/2019 | (11) | (48) | (0.05) |
| Yen Denominated Nikkei 225 Index 07/03/2019 | (13) | 21 | 0.02 |
| **Futures total** | | **(378)** | **(0.37)** |
| **Liquidity Funds 8.97% (0.00%)** | | | |
| JPM EUR Liquidity LVNAV Fund X (flex dist.)[ø] | 10,535,043 | 9,217 | 8.97 |
| **Liquidity Funds total** | | **9,217** | **8.97** |
| Investment assets (including investment liabilities) | | 98,184 | 95.58 |
| Net other assets | | 4,537 | 4.42 |
| **Net assets** | | **102,721** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

[ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (12,196) | | 15,125 |
| Revenue (Note 3) | 2,095 | | 2,253 | |
| Expenses (Note 4) | (1,296) | | (1,696) | |
| Net revenue before taxation | 799 | | 557 | |
| Taxation (Note 5) | (56) | | (29) | |
| Net revenue after taxation | | 743 | | 528 |
| **Total return before distributions** | | **(11,453)** | | **15,653** |
| Distributions (Note 6) | | (933) | | (528) |
| **Change in net assets attributable to shareholders from investment activities** | | **(12,386)** | | **15,125** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **145,945** | | **161,514** |
| Amounts receivable on issue of shares | 4,936 | | 4,093 | |
| Amounts payable on cancellation of shares | (36,607) | | (35,235) | |
| | | (31,671) | | (31,142) |
| Dilution adjustment | | 31 | | - |
| Change in net assets attributable to shareholders from investment activities (see above) | | (12,386) | | 15,125 |
| Retained distributions on accumulation shares | | 802 | | 447 |
| Unclaimed distributions | | - | | 1 |
| **Closing net assets attributable to shareholders** | | **102,721** | | **145,945** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 99,632 | 136,977 |
| **Current assets:** | | |
| Debtors (Note 8) | 101 | 2,751 |
| Cash and bank balances (Note 9) | 12,353 | 11,225 |
| **Total assets** | **112,086** | **150,953** |
| **Liabilities:** | | |
| Investment liabilities | (1,448) | (987) |
| **Creditors:** | | |
| Distribution payable | - | (15) |
| Other creditors (Note 10) | (7,917) | (4,006) |
| **Total liabilities** | **(9,365)** | **(5,008)** |
| **Net assets attributable to shareholders** | **102,721** | **145,945** |

The notes to these financial statements are shown on pages 162 to 166.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Global Macro Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Compensation items | - | 4 |
| Currency gains/(losses) | 719 | (65) |
| Derivative contracts | (1,291) | (1,276) |
| Forward currency contracts | (8,048) | 7,213 |
| Non-derivative securities | (3,576) | 9,249 |
| Net capital (losses)/gains | (12,196) | 15,125 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 52 | 188 |
| Income from Liquidity Funds | (10) | - |
| Income from overseas equity investments | 893 | 1,132 |
| Interest on bank and term deposits | 42 | 15 |
| Interest on Captal | 11 | - |
| Interest on derivatives | (27) | (163) |
| Interest on fixed-interest securities | 1,128 | 1,065 |
| Interest on Fokus reclaims | 6 | 16 |
| Total revenue | 2,095 | 2,253 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 1,166 | 1,425 |
| Operating expenses | 125 | 269 |
| | 1,291 | 1,694 |
| Interest payable | 5 | 2 |
| Total expenses | 1,296 | 1,696 |

The fees paid to the auditor for the year ended 31 January 2019 are £8,987 (31.01.18: £8,987), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 56 | 29 |
| Current year tax charge (Note 5b) | 56 | 29 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 799 | 557 |
| Corporation tax at 20% | 160 | 111 |
| Effects of: | | |
| Dividends not subject to corporation tax | (189) | (264) |
| Excess expenses for which no relief taken | 29 | 153 |
| Overseas tax suffered | 56 | 29 |
| | (104) | (82) |
| Current year tax charge (Note 5a) | 56 | 29 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £1,028,770 (31.01.18: £999,345) in relation to £5,143,851 (31.01.18: £4,996,725) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First interim interest distribution | 179 | 113 |
| Second interim interest distribution | 451 | 111 |
| Third interim interest distribution | 253 | 168 |
| Final interest distribution | - | 114 |
| Add: Amounts payable on cancellation of shares | 54 | 25 |
| Deduct: Amounts receivable on issue of shares | (4) | (3) |
| Distributions for the year | 933 | 528 |

Details of the distribution per share are set out on pages 167 to 170.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 743 | 528 |
| Add: Deficit taken to capital | 180 | - |
| Add: Undistributed revenue brought forward | 10 | 9 |
| Deduct: RDR transfer equalisation (capital) | - | 1 |
| Deduct: Undistributed revenue carried forward | - | (10) |
| | 933 | 528 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 2 | 698 |
| Due from the ACD for shares issued | 1 | 371 |
| Overseas tax recoverable | 15 | 13 |
| Sales awaiting settlement | 83 | 1,669 |
| Total debtors | 101 | 2,751 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 2,971 | 888 |
| Cash and bank balances | 9,382 | 10,337 |
| Total cash and bank balances | 12,353 | 11,225 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 95 | 140 |
| Due to the ACD for shares cancelled | 428 | 413 |
| Purchases awaiting settlement | 7,394 | 3,453 |
| Total other creditors | 7,917 | 4,006 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £521,776 (31.01.18: £182,055). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on page 160 and the revenue from these investments was £(9,906) (31.01.18: £nil).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £10,201 (31.01.18: £24,757). Commission was paid to the associated company JPMorgan Securities Ltd.

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current year or prior year.

## 14. Financial instruments

**Value at risk**

The Fund enters into derivative transactions in the form of forward currency contracts, futures and options for investment purposes and/or efficient portfolio management. The Historical VaR methodology approach has been used to calculate the global exposure.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using historical simulation methodology. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days (31.01.18: 250 days) of history.

The VaR calculated for the year ended 31 January 2019 was as follows:

| As at | For the period from 1 February 2018 to 30 October 2018 | For the period from 30 October 2018 to 31 January 2019 | 2018 |
|---|---|---|---|
| As at 31 January, the Fund's value at risk is | 4.06% | 1.34% | 1.00% |
| During the financial year, the highest utilisation of value at risk was | 65.37% | 13.78% | 83.00% |
| During the financial year, the average utilisation of value at risk was | 56.13% | 8.81% | 58.00% |
| During the financial year, the lowest utilisation of value at risk was | 30.77% | 6.70% | 34.00% |

Further information on the derivative risks can be found in the accounting policies on page 13.

**Leverage**

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. The Average leverage for the period from 1 February 2018 to 30 October 2018 was 192.18% and from 31 October 2018 to 31 January 2019 was 334.82% (31.01.18: 237.00%).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Debt security credit analysis

| | Market value £'000 | Total net assets % |
|---|---|---|
| **31.01.19** | | |
| Investment grade | 74,375 | 72.40 |
| **31.01.18** | | |
| Investment grade | 94,812 | 64.96 |

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

## 16. Share classes

The Fund currently has five share classes; Class A Shares, Class B Shares, Class C Shares, Class I Shares and Class X Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.25% | 0.15% |
| Class B Shares: | 0.80% | 0.15% |
| Class C Shares: | 0.60% | 0.15% |
| Class I Shares: | 0.60% | 0.00% |
| Class X Shares: | 0.00% | 0.06% |

The X share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 157 to 159. All classes have the same rights on winding up.

## 17. Counterparty exposure

**Financial derivative exposure**

| Counterparty | Forward currency contracts £'000 | Futures contracts £'000 | Options contracts £'000 | Total £'000 |
|---|---|---|---|---|
| **31.01.19** | | | | |
| Barclays | 11 | - | - | 11 |
| BNP Paribas | 505 | - | - | 505 |
| Citibank | 870 | - | - | 870 |
| Goldman Sachs | 17 | 55 | 124 | 196 |
| HSBC | (74) | - | - | (74) |
| Merrill Lynch | (75) | - | - | (75) |
| Societe Generale | (46) | - | - | (46) |
| Standard Chartered | (89) | - | - | (89) |
| State Street | 3 | - | - | 3 |
| Toronto Dominion Bank | (226) | - | - | (226) |
| UBS | 1,052 | - | - | 1,052 |
| | 1,948 | 55 | 124 | 2,127 |
| **31.01.18** | | | | |
| ANZ Banking Group | 37 | - | - | 37 |
| Barclays | (34) | - | - | (34) |
| BNP Paribas | (19) | - | - | (19) |
| Citibank | (76) | - | - | (76) |
| Credit Suisse | (84) | - | - | (84) |
| Deutsche Bank | 258 | - | - | 258 |
| Goldman Sachs | 118 | 209 | 55 | 382 |
| HSBC | 174 | - | - | 174 |
| Merrill Lynch | (41) | - | - | (41) |
| Royal Bank of Canada | 2,626 | - | - | 2,626 |
| Standard Chartered | (9) | - | - | (9) |
| State Street | 25 | - | - | 25 |
| | 2,975 | 209 | 55 | 3,239 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts and options contracts it is only the positive mark to market values that are reported.

## 18. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 13,069 | (433) | 38,478 | (275) |
| Level 2: Observable market data | 86,563 | (1,015) | 98,499 | (712) |
| Total | 99,632 | (1,448) | 136,977 | (987) |

## 19. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (69,688) | (19) | (40) | (69,747) | 0.03 | 0.06 |
| Purchases of Bond stocks | (224,274) | - | - | (224,274) | 0.00 | 0.00 |
| Purchases of Funds | (20,365) | - | - | (20,365) | 0.00 | 0.00 |
| | (314,327) | (19) | (40) | (314,386) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 88,136 | (28) | (35) | 88,073 | 0.03 | 0.04 |
| Sales of Bond stocks | 247,707 | - | - | 247,707 | 0.00 | 0.00 |
| Sales of Funds | 11,076 | - | - | 11,076 | 0.00 | 0.00 |
| | 346,919 | (28) | (35) | 346,856 | | |
| Derivative purchases and sales | | (4) | - | | | |
| Total | | (51) | (75) | | | |
| Percentage of Fund average net assets | | 0.04% | 0.06% | | | |

## 19. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (82,591) | (48) | (51) | (82,690) | 0.06 | 0.06 |
| Purchases of Bond stocks | (53,388) | - | - | (53,388) | 0.00 | 0.00 |
| | (135,979) | (48) | (51) | (136,078) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 115,424 | (69) | (45) | 115,310 | 0.06 | 0.04 |
| Sales of Bond stocks | 47,459 | - | - | 47,459 | 0.00 | 0.00 |
| | 162,883 | (69) | (45) | 162,769 | | |
| Derivative purchases and sales | | (4) | - | | | |
| Total | | (121) | (96) | | | |
| Percentage of Fund average net assets | | 0.08% | 0.06% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.00% (31.01.18: 0.05%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 20. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 103,194,947 | 2,605,924 | (31,483,793) | (108,439) | 74,208,639 |
| A-Class Income Shares | 2,790,363 | 28,332 | (500,396) | (85,780) | 2,232,519 |
| B-Class Accumulation Shares | 108,978 | - | (19,190) | 19,190 | 108,978 |
| C-Class Accumulation Shares | 42,213,407 | 1,859,129 | (9,252,971) | 36,905 | 34,856,470 |
| C-Class Income Shares | 7,186,542 | 424,128 | (1,439,188) | 45,680 | 6,217,162 |
| I-Class Accumulation Shares | 523,285 | 57,063 | (221,731) | 19,597 | 378,214 |
| I-Class Income Shares | 289,983 | 1,549 | (11,586) | - | 279,946 |
| X-Class Accumulation Shares | 407,309 | - | (123,132) | - | 284,177 |

# Distribution tables

## Final interest distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2018
Group 2 – Shares purchased 1 November 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.000000 | – | 0.000000 | 0.090000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 0.090000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 0.000000 | – | 0.000000 | 0.230000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 0.230000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.000000 | – | 0.000000 | 0.200000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 0.200000 |
| **I-Class Accumulation Shares** | | | | |
| Group 1 | 0.000000 | – | 0.000000 | 0.170000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 0.170000 |
| **I-Class Income Shares** | | | | |
| Group 1 | 0.000000 | – | 0.000000 | 0.130000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 0.130000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 0.070000 | – | 0.070000 | 0.390000 |
| Group 2 | 0.070000 | 0.000000 | 0.070000 | 0.390000 |

The A Class Accumulation Shares and A Class Income Shares have made no distributions during the period.

# Distribution tables – continued

## Third interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 October 2018

| | Net revenue | Equalisation | Distribution paid 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.100000 | – | 0.100000 | 0.030000 |
| Group 2 | 0.017743 | 0.082257 | 0.100000 | 0.030000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.080000 | – | 0.080000 | 0.020000 |
| Group 2 | 0.030598 | 0.049402 | 0.080000 | 0.020000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.170000 | – | 0.170000 | 0.110000 |
| Group 2 | 0.170000 | 0.000000 | 0.170000 | 0.110000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 0.400000 | – | 0.400000 | 0.270000 |
| Group 2 | 0.186863 | 0.213137 | 0.400000 | 0.270000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.330000 | – | 0.330000 | 0.240000 |
| Group 2 | 0.185621 | 0.144379 | 0.330000 | 0.240000 |
| **I-Class Accumulation Shares** | | | | |
| Group 1 | 0.260000 | – | 0.260000 | 0.190000 |
| Group 2 | 0.186100 | 0.073900 | 0.260000 | 0.190000 |
| **I-Class Income Shares** | | | | |
| Group 1 | 0.210000 | – | 0.210000 | 0.160000 |
| Group 2 | 0.210000 | 0.000000 | 0.210000 | 0.160000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 0.590000 | – | 0.590000 | 0.460000 |
| Group 2 | 0.590000 | 0.000000 | 0.590000 | 0.460000 |

# Distribution tables – continued

## Second interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 July 2018

| | Net revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.210000 | – | 0.210000 | 0.000000 |
| Group 2 | 0.066885 | 0.143115 | 0.210000 | 0.000000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.170000 | – | 0.170000 | 0.000000 |
| Group 2 | 0.097809 | 0.072191 | 0.170000 | 0.000000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.290000 | – | 0.290000 | 0.080000 |
| Group 2 | 0.290000 | 0.000000 | 0.290000 | 0.080000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 0.590000 | – | 0.590000 | 0.210000 |
| Group 2 | 0.360252 | 0.229748 | 0.590000 | 0.210000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.510000 | – | 0.510000 | 0.180000 |
| Group 2 | 0.257314 | 0.252686 | 0.510000 | 0.180000 |
| **I-Class Accumulation Shares** | | | | |
| Group 1 | 0.370000 | – | 0.370000 | 0.150000 |
| Group 2 | 0.146003 | 0.223997 | 0.370000 | 0.150000 |
| **I-Class Income Shares** | | | | |
| Group 1 | 0.300000 | – | 0.300000 | 0.120000 |
| Group 2 | 0.300000 | 0.000000 | 0.300000 | 0.120000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 0.790000 | – | 0.790000 | 0.390000 |
| Group 2 | 0.790000 | 0.000000 | 0.790000 | 0.390000 |

# Distribution tables – continued

## First interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 30 April 2018

| | Net revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.040000 | – | 0.040000 | 0.000000 |
| Group 2 | 0.036845 | 0.003155 | 0.040000 | 0.000000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.030000 | – | 0.030000 | 0.000000 |
| Group 2 | 0.007107 | 0.022893 | 0.030000 | 0.000000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.110000 | – | 0.110000 | 0.080000 |
| Group 2 | 0.110000 | 0.000000 | 0.110000 | 0.080000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 0.280000 | – | 0.280000 | 0.200000 |
| Group 2 | 0.167969 | 0.112031 | 0.280000 | 0.200000 |
| **C-Class Gross Accumulation Shares*** | | | | |
| Group 1 | – | – | – | 0.200000 |
| Group 2 | – | – | – | 0.200000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.230000 | – | 0.230000 | 0.170000 |
| Group 2 | 0.135948 | 0.094052 | 0.230000 | 0.170000 |
| **I-Class Accumulation Shares** | | | | |
| Group 1 | 0.180000 | – | 0.180000 | 0.150000 |
| Group 2 | 0.078866 | 0.101134 | 0.180000 | 0.150000 |
| **I-Class Gross Accumulation Shares*** | | | | |
| Group 1 | – | – | – | 0.280000 |
| Group 2 | – | – | – | 0.280000 |
| **I-Class Income Shares** | | | | |
| Group 1 | 0.150000 | – | 0.150000 | 0.120000 |
| Group 2 | 0.093971 | 0.056029 | 0.150000 | 0.120000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 0.470000 | – | 0.470000 | – |
| Group 2 | 0.470000 | 0.000000 | 0.470000 | – |
| **X-Class Gross Accumulation Shares*** | | | | |
| Group 1 | – | – | – | 0.370000 |
| Group 2 | – | – | – | 0.370000 |

* C-Class Gross Accumulation Shares, I-Class Gross Accumulation Shares and X-Class Gross Accumulation Shares closed on 2 June 2017.

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# JPM Global Macro Opportunities Fund

## Investment objective and policy

The Fund aims to provide positive investment returns over a rolling 3 year period in all market conditions by investing in securities globally, using financial derivative instruments where appropriate. A positive return is not guaranteed over this or any time period and a capital loss may occur.

The investment Adviser uses an investment process based on macroeconomic research to identify global investment themes and opportunities. The Investment Adviser uses a flexible asset allocation approach, using a broad range of asset classes, instruments and techniques. Allocations may vary significantly and exposure to certain asset classes, markets, sectors or currencies may be concentrated from time to time, in response to market conditions and opportunities.

The Investment Adviser will invest, directly or through the use of Financial Derivative Instruments (derivatives), in global Equity securities (including smaller capitalisation companies), Bonds, (including government and public securities (see Section 3.11 (e) of the Prospectus), below investment grade and unrated debt securities), Commodity Index Instruments, currencies, Convertible Securities, collective investment schemes and cash and cash equivalents. Issuers of securities may be located in any country, including Emerging Markets.

The Investment Adviser may have net Long or net Short Position exposure to asset classes, industry sectors, markets and/or currencies depending upon market conditions and opportunities. This may result in a net short position at the overall Fund level. Long Positions will be achieved directly or through the use of Financial Derivative Instruments, and Short Positions will be achieved via the use of Financial Derivative Instruments only.

**The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate (see Section 11.16 of the Prospectus for Risk Warnings on derivatives).** These instruments may include, but are not limited to, futures, options, contracts for difference, total return swaps, selected OTC derivatives and other financial derivative instruments.

Although most of the non-sterling securities will be hedged back into sterling, the Investment Adviser will also use opportunities in the foreign exchange market to maximise returns.

The Fund may invest in China A-Shares via the China-Hong Kong Stock Connect Programmes.

## Risk profile

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

The Fund aims to provide a positive return in any market conditions over a rolling 3 year period, although this is not guaranteed.

The Fund can use sophisticated investment techniques that differ from those used in traditional Equity funds.

The Fund should not be used as a substitute for Liquidity Funds or cash accounts.

The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

Some Financial Derivative Instruments (derivatives) traded on an exchange may be illiquid, and as a result, may need to be held until the derivative contract position expires. This may have an adverse impact on the return of the Fund.

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

The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below Investment Grade and certain Unrated securities, which may also be subject to higher volatility and be more difficult to sell than Investment Grade securities.

The Fund invests opportunistically and exposure to the markets may vary substantially over a short period of time depending on market conditions. Therefore the Fund may not be fully invested in rising markets; conversely the Fund could be more than fully invested in a falling market. In both circumstances the performance of the Fund would suffer.

To the extent that any underlying assets of the Fund are denominated in a currency other than sterling and are not hedged back to sterling, 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.

The value of securities in which the Fund invests may be influenced by movements in commodity prices which can be very volatile.

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.

The Fund may invest in China A-Shares through the China-Hong Kong Stock Connect Programmes which is subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.

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 possible loss from taking a Short Position on a security (using Financial Derivative Instruments) may be unlimited as there is no restriction on the price to which a security may rise. The Short Selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.

The Fund may be concentrated in a limited number of securities, industry sectors or countries and as a result, may be more volatile than more broadly diversified funds.

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.

For any Fund specific changes that took place during the year please see the ACD report from page 6.

## Fund review

The year from 1 February 2018 to 31 January 2019 was challenging for investors as markets were buffeted by disappointing global data and political tension. However, it ended on a more positive note as global equity markets rebounded in the first month of 2019 amidst greater optimism over US-China trade and more accommodative US monetary policy.

With global growth continuing to disappoint, our outlook shifted to the downside throughout 2018 and we reduced risk within the portfolio. In particular, we reduced our net equity exposure and shifted the composition of our remaining physical equity towards more defensive areas within healthcare and information technology. Meanwhile, we sought to tactically add protection strategies, such long US volatility, long US and Europe large cap put options, and long Japanese yen. For the period under review, our physical equity detracted from performance. However, our equity futures, fixed income and advanced derivative strategies offset much of this with strong positive returns. Whilst currency was flat for the year, our long Japanese yen exposure was particularly helpful in December when equity markets sold off aggressively.

## Fund outlook

A low inflation environment alongside trend-like global growth allows for dovish central bank policy, which should continue to provide support to risk assets. This leads us to maintain a modest level of net equity exposure, focused on quality areas.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Global Macro Opportunities Fund** A-Class Acc | **-6.7%** | **20.7%** | **-7.1%** | **9.6%** | **12.0%** |
| **JPM Global Macro Opportunities Fund** B-Class Acc | **-6.1%** | **21.5%** | **-6.5%** | **10.1%** | **12.5%** |
| **JPM Global Macro Opportunities Fund** C-Class Acc | **-6.1%** | **21.6%** | **-6.5%** | **10.2%** | **12.6%** |
| Benchmark Index | 0.6% | 0.3% | 0.4% | 0.5% | 0.5% |

## Fund statistics

| | | | |
|---|---|---|---|
| Risk and Reward Profile | | | **5† (6 at 31 July 2018)** |
| Fund size | | | **£1,422.3m** |
| Benchmark Index | | | **ICE 1 Month GBP LIBOR** |
| Fund charges and expenses | A-Class | B-Class | C-Class |
| Initial charge (max.) | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | |
| Annual management fee | **1.25%** | **0.60%** | **0.60%** |
| Operating expenses (max.) | **0.15%** | **0.15%** | **0.15%** |

## Comparative tables

| **A-Class Accumulation Shares** | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 75.14 | 62.13 | 66.89 |
| Return before operating charges* | (4.15) | 13.96 | (3.81) |
| Operating charges | (1.01) | (0.95) | (0.95) |
| Return after operating charges* | (5.16) | 13.01 | (4.76) |
| Distributions | 0.00 | (0.21) | (0.36) |
| Retained distributions on accumulation shares | 0.00 | 0.21 | 0.36 |
| Closing net asset value per share | 69.98 | 75.14 | 62.13 |
| * after direct transaction costs of | (0.11) | (0.19) | (0.16) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.87)% | 20.94% | (7.12)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 8,352 | 5,926 | 11,175 |
| Closing number of shares | 11,934,981 | 7,887,020 | 17,986,876 |
| % Operating charges | 1.40% | 1.43% | 1.43% |
| % Direct transaction costs | 0.15% | 0.29% | 0.25% |
| **Prices** | | | |
| Highest share price | 76.58 | 76.95 | 68.16 |
| Lowest share price | 69.52 | 60.69 | 61.32 |

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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

## Comparative tables – continued

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 74.41 | 61.79 | 66.90 |
| Return before operating charges* | (4.08) | 13.77 | (3.81) |
| Operating charges | (1.00) | (0.94) | (0.96) |
| Return after operating charges* | (5.08) | 12.83 | (4.77) |
| Distributions | 0.00 | (0.21) | (0.34) |
| Closing net asset value per share | 69.33 | 74.41 | 61.79 |
| * after direct transaction costs of | (0.11) | (0.19) | (0.16) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.83)% | 20.76% | (7.13)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 51 | 22 | 56 |
| Closing number of shares | 73,269 | 30,261 | 90,632 |
| % Operating charges | 1.40% | 1.43% | 1.43% |
| % Direct transaction costs | 0.15% | 0.29% | 0.25% |
| **Prices** | | | |
| Highest share price | 75.85 | 76.40 | 68.16 |
| Lowest share price | 68.88 | 60.38 | 61.33 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 154.31 | 126.73 | 135.57 |
| Return before operating charges* | (8.51) | 28.65 | (7.82) |
| Operating charges | (1.11) | (1.07) | (1.02) |
| Return after operating charges* | (9.62) | 27.58 | (8.84) |
| Distributions | (0.72) | (1.34) | (1.61) |
| Retained distributions on accumulation shares | 0.72 | 1.34 | 1.61 |
| Closing net asset value per share | 144.69 | 154.31 | 126.73 |
| * after direct transaction costs of | (0.22) | (0.40) | (0.33) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.23)% | 21.76% | (6.52)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,453 | 469 | 441 |
| Closing number of shares | 1,004,230 | 303,677 | 347,778 |
| % Operating charges | 0.75% | 0.78% | 0.78% |
| % Direct transaction costs | 0.15% | 0.29% | 0.25% |
| **Prices** | | | |
| Highest share price | 157.4 | 158.0 | 138.2 |
| Lowest share price | 143.4 | 123.9 | 125.0 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 155.05 | 127.34 | 136.19 |
| Return before operating charges* | (8.56) | 28.79 | (7.82) |
| Operating charges | (0.98) | (1.08) | (1.03) |
| Return after operating charges* | (9.54) | 27.71 | (8.85) |
| Distributions | (0.86) | (1.35) | (1.62) |
| Retained distributions on accumulation shares | 0.86 | 1.35 | 1.62 |
| Closing net asset value per share | 145.51 | 155.05 | 127.34 |
| * after direct transaction costs of | (0.22) | (0.40) | (0.33) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.15)% | 21.76% | (6.50)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 997,368 | 641,183 | 603,585 |
| Closing number of shares | 685,448,187 | 413,540,621 | 474,011,891 |
| % Operating charges | 0.66% | 0.78% | 0.78% |
| % Direct transaction costs | 0.15% | 0.29% | 0.25% |
| **Prices** | | | |
| Highest share price | 158.2 | 158.8 | 138.9 |
| Lowest share price | 144.2 | 124.5 | 125.5 |

## Comparative tables – continued

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 150.31 | 124.54 | 134.92 |
| Return before operating charges* | (8.30) | 28.15 | (7.75) |
| Operating charges | (0.97) | (1.06) | (1.02) |
| Return after operating charges* | (9.27) | 27.09 | (8.77) |
| Distributions | (0.81) | (1.32) | (1.61) |
| Closing net asset value per share | 140.23 | 150.31 | 124.54 |
| * after direct transaction costs of | (0.22) | (0.39) | (0.33) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.17)% | 21.75% | (6.50)% |
| **Other information** | | | |
| Closing net asset value (£'000) | 415,038 | 305,766 | 249,870 |
| Closing number of shares | 295,959,193 | 203,422,960 | 200,637,083 |
| % Operating charges | 0.67% | 0.78% | 0.78% |
| % Direct transaction costs | 0.15% | 0.29% | 0.25% |
| **Prices** | | | |
| Highest share price | 153.3 | 155.3 | 137.6 |
| Lowest share price | 139.8 | 121.7 | 124.4 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 180 and 181, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Geographic breakdown %

| | |
|---|---|
| United States of America | 27.33 |
| Japan | 26.46 |
| France | 22.10 |
| Liquidity Funds | 8.95 |
| Germany | 1.40 |
| China | 1.19 |
| United Kingdom | 0.52 |
| Switzerland | 0.51 |
| Netherlands | 0.47 |
| Options | 0.01 |
| Futures | (0.61) |
| Forward Currency Contracts | (1.89) |
| Net other assets | 13.56 |

In line with current accounting practice the sector breakdown includes the unrealised profit or loss on derivative holdings and consequently the economic market exposure of the Fund cannot be fully determined from the above disclosure.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 20.28% (55.20%)** | | | |
| **Australia 0.00% (0.30%)** | | | |
| **Brazil 0.00% (0.30%)** | | | |
| **Canada 0.00% (2.47%)** | | | |
| **China 1.19% (6.25%)** | | | |
| China Mobile Ltd. | 672,500 | 5,369 | 0.38 |
| Ping An Insurance Group Co. of China Ltd. 'H' | 1,561,500 | 11,505 | 0.81 |
| | | **16,874** | **1.19** |
| **France 0.20% (1.55%)** | | | |
| Capgemini SE | 33,112 | 2,782 | 0.20 |
| | | **2,782** | **0.20** |
| **Germany 1.40% (2.91%)** | | | |
| SAP SE | 253,937 | 19,882 | 1.40 |
| | | **19,882** | **1.40** |
| **Hong Kong 0.00% (1.70%)** | | | |
| **Italy 0.00% (1.08%)** | | | |
| **Japan 0.00% (10.57%)** | | | |
| **Netherlands 0.47% (1.30%)** | | | |
| Unilever NV, CVA | 167,435 | 6,719 | 0.47 |
| | | **6,719** | **0.47** |
| **Russia 0.00% (0.76%)** | | | |
| **Singapore 0.00% (0.91%)** | | | |
| **South Korea 0.00% (4.86%)** | | | |
| **Switzerland 0.51% (0.00%)** | | | |
| Nestle SA | 109,968 | 7,273 | 0.51 |
| | | **7,273** | **0.51** |
| **Taiwan 0.00% (1.81%)** | | | |
| **United Kingdom 0.52% (1.99%)** | | | |
| Diageo plc | 254,974 | 7,380 | 0.52 |
| | | **7,380** | **0.52** |
| **United States of America 15.99% (16.44%)** | | | |
| Abbott Laboratories | 63,370 | 3,459 | 0.24 |
| AbbVie, Inc. | 29,914 | 1,801 | 0.13 |
| Accenture plc 'A' | 38,620 | 4,532 | 0.32 |
| Alexion Pharmaceuticals, Inc. | 30,755 | 2,842 | 0.20 |
| Alphabet, Inc. 'A' | 25,813 | 21,578 | 1.52 |
| Amgen, Inc. | 28,265 | 3,987 | 0.28 |
| Becton Dickinson and Co. | 39,560 | 7,396 | 0.52 |
| Biogen, Inc. | 24,018 | 5,995 | 0.42 |
| Cognizant Technology Solutions Corp. 'A' | 52,467 | 2,789 | 0.20 |
| Gilead Sciences, Inc. | 52,813 | 2,809 | 0.20 |
| Global Payments, Inc. | 297,289 | 25,744 | 1.81 |
| Illumina, Inc. | 12,526 | 2,600 | 0.18 |
| Johnson & Johnson | 274,859 | 27,551 | 1.94 |
| Mastercard, Inc. 'A' | 28,587 | 4,443 | 0.31 |
| Medtronic plc | 238,973 | 15,982 | 1.12 |
| Microsoft Corp. | 396,076 | 32,066 | 2.25 |
| PayPal Holdings, Inc. | 76,343 | 5,377 | 0.38 |
| Procter & Gamble Co. (The) | 94,458 | 6,799 | 0.48 |
| Regeneron Pharmaceuticals, Inc. | 10,338 | 3,308 | 0.23 |
| Stryker Corp. | 49,769 | 6,800 | 0.48 |
| Thermo Fisher Scientific, Inc. | 172,575 | 32,204 | 2.26 |
| Vertex Pharmaceuticals, Inc. | 22,186 | 3,160 | 0.22 |
| Visa, Inc. 'A' | 40,808 | 4,277 | 0.30 |
| | | **227,499** | **15.99** |
| **Equities total** | | **288,409** | **20.28** |
| **Government Bonds 59.70% (27.73%)** | | | |
| **France 21.90% (0.00%)** | | | |
| France Treasury Bill BTF 0.00% 06/02/2019 | €43,000,000 | 37,623 | 2.64 |
| France Treasury Bill BTF 0.00% 20/02/2019 | €72,000,000 | 63,010 | 4.43 |
| France Treasury Bill BTF 0.00% 06/03/2019 | €75,000,000 | 65,649 | 4.62 |
| France Treasury Bill BTF 0.00% 13/03/2019 | €55,250,000 | 48,366 | 3.40 |
| France Treasury Bill BTF 0.00% 27/03/2019 | €51,598,343 | 45,179 | 3.18 |
| France Treasury Bill BTF 0.00% 10/04/2019 | €34,000,000 | 29,776 | 2.09 |
| France Treasury Bill BTF 0.00% 25/04/2019 | €25,000,000 | 21,899 | 1.54 |
| | | **311,502** | **21.90** |
| **Japan 26.46% (27.73%)** | | | |
| Japan Treasury Bill 0.00% 04/02/2019 | JPY 3,300,000,000 | 23,134 | 1.63 |
| Japan Treasury Bill 0.00% 18/02/2019 | JPY 3,800,000,000 | 26,641 | 1.87 |
| Japan Treasury Bill 0.00% 25/02/2019 | JPY 6,680,000,000 | 46,833 | 3.29 |
| Japan Treasury Bill 0.00% 11/03/2019 | JPY 9,700,000,000 | 68,012 | 4.78 |
| Japan Treasury Bill 0.00% 18/03/2019 | JPY 8,085,900,000 | 56,697 | 3.99 |
| Japan Treasury Bill 0.00% 08/04/2019 | JPY 8,800,000,000 | 61,713 | 4.34 |
| Japan Treasury Bill 0.00% 15/04/2019 | JPY 9,300,000,000 | 65,223 | 4.59 |
| Japan Treasury Bill 0.00% 09/05/2019 | JPY 4,000,000,000 | 28,058 | 1.97 |
| | | **376,311** | **26.46** |
| **United States of America 11.34% (0.00%)** | | | |
| US Treasury Bill 0.00% 14/03/2019 | $47,000,000 | 35,698 | 2.51 |
| US Treasury Bill 0.00% 21/03/2019 | $82,700,000 | 62,784 | 4.42 |
| US Treasury Bill 0.00% 28/03/2019 | $82,700,000 | 62,753 | 4.41 |
| | | **161,235** | **11.34** |
| **Government Bonds total** | | **849,048** | **59.70** |
| **Options 0.01% (0.28%)** | | | |
| Foreign Exchange JPY/USD, Put, 109.35, 22/02/2019 | 333,076,000 | 2,473 | 0.17 |
| Foreign Exchange JPY/USD, Put, 110.6 22/02/2019 | (166,538,000) | (2,325) | (0.16) |
| **Options total** | | **148** | **0.01** |
| **Forward Currency Contracts (1.89)% (2.68%)** | | | |
| Buy AUD 76,355,417 sell USD 55,538,512 dated 19/02/2019 | | 27 | – |
| Buy EUR 1,361,193 sell GBP 1,188,399 dated 19/02/2019 | | 3 | – |
| Buy EUR 94,865,508 sell GBP 85,335,612 dated 19/02/2019 | | (2,299) | (0.16) |
| Buy EUR 2,949,870 sell USD 3,376,023 dated 19/02/2019 | | 13 | – |
| Buy GBP 179,987 sell AUD 322,306 dated 19/02/2019 | | 1 | – |
| Buy GBP 6,706,293 sell CHF 8,408,179 dated 19/02/2019 | | 254 | 0.02 |
| Buy GBP 297,604,321 sell EUR 332,295,598 dated 19/02/2019 | | 6,744 | 0.47 |
| Buy GBP 295,303,453 sell EUR 337,576,929 dated 19/02/2019 | | (180) | (0.01) |
| Buy GBP 47,332,676 sell HKD 482,989,640 dated 19/02/2019 | | 451 | 0.03 |
| Buy GBP 117,273,636 sell JPY 16,592,886,548 dated 19/02/2019 | | 900 | 0.06 |
| Buy GBP 282,527,996 sell JPY 41,635,768,441 dated 19/02/2019 | | (9,484) | (0.67) |
| Buy GBP 49,166,658 sell MXN 1,221,275,890 dated 19/02/2019 | | 659 | 0.05 |
| Buy GBP 540,888,654 sell USD 689,656,463 dated 19/02/2019 | | 16,017 | 1.13 |
| Buy GBP 511,516,548 sell USD 673,771,476 dated 19/02/2019 | | (1,265) | (0.09) |
| Buy GBP 103,594,569 sell ZAR 1,857,074,258 dated 19/02/2019 | | (2,553) | (0.18) |
| Buy HKD 323,812,334 sell GBP 32,201,565 dated 19/02/2019 | | (771) | (0.05) |
| Buy JPY 21,902,217,118 sell EUR 176,682,314 dated 19/02/2019 | | (1,040) | (0.07) |
| Buy JPY 1,637,720,470 sell GBP 11,313,152 dated 19/02/2019 | | 173 | 0.01 |
| Buy JPY 47,739,621,599 sell GBP 344,605,406 dated 19/02/2019 | | (9,784) | (0.69) |
| Buy JPY 1,882,541,604 sell USD 17,540,945 dated 19/02/2019 | | (147) | (0.01) |
| Buy KRW 16,969,070,160 sell USD 15,252,000 dated 19/02/2019 | | 5 | – |
| Buy KRW 33,920,730,722 sell USD 30,503,980 dated 19/02/2019 | | (2) | – |
| Buy USD 232,076,130 sell AUD 327,393,276 dated 19/02/2019 | | (4,729) | (0.33) |
| Buy USD 120,000,000 sell EUR 105,109,090 dated 19/02/2019 | | (675) | (0.05) |
| Buy USD 4,778,113 sell GBP 3,623,046 dated 19/02/2019 | | 13 | – |
| Buy USD 785,384,216 sell GBP 614,724,151 dated 19/02/2019 | | (16,998) | (1.19) |
| Buy USD 229,412,625 sell KRW 256,723,806,996 dated 19/02/2019 | | (1,092) | (0.08) |
| Buy USD 17,540,945 sell ZAR 255,875,908 dated 19/02/2019 | | (1,276) | (0.09) |
| Buy ZAR 855,149,378 sell USD 64,058,372 dated 19/02/2019 | | 127 | 0.01 |
| **Forward Currency Contracts total** | | **(26,908)** | **(1.89)** |
| **Futures (0.61)% ((0.69)%)** | | | |
| EURO STOXX 50 Index 15/03/2019 | (3276) | (3,149) | (0.22) |
| FTSE 100 Index 15/03/2019 | (231) | (603) | (0.04) |
| MSCI Emerging Markets Index 15/03/2019 | (469) | (1,573) | (0.11) |
| NASDAQ 100 Emini Index 15/03/2019 | (208) | (1,654) | (0.12) |
| STOXX 600 Hlth Equity Index 15/03/2019 | 1110 | 187 | 0.01 |
| XAF Financial Index 15/03/2019 | (360) | (1,642) | (0.12) |
| XAU Utilities Index 15/03/2019 | (412) | 496 | 0.04 |
| XAY Consumer Discretionary Index 15/03/2019 | (258) | (1,111) | (0.08) |
| Yen Denominated Nikkei 225 Index 07/03/2019 | (296) | 473 | 0.03 |
| **Futures total** | | **(8,576)** | **(0.61)** |
| **Liquidity Funds 8.95% (0.00%)** | | | |
| JPM EUR Liquidity LVNAV Fund X (flex dist.)[Ø] | 145,518,485 | 127,312 | 8.95 |
| **Liquidity Funds total** | | **127,312** | **8.95** |
| Investment assets (including investment liabilities) | | 1,229,433 | 86.44 |
| Net other assets | | 192,829 | 13.56 |
| **Net assets** | | **1,422,262** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

[Ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (83,330) | | 155,446 |
| Revenue (Note 3) | 15,692 | | 15,914 | |
| Expenses (Note 4) | (8,105) | | (6,615) | |
| Net revenue before taxation | 7,587 | | 9,299 | |
| Taxation (Note 5) | (1,284) | | (1,295) | |
| Net revenue after taxation | | 6,303 | | 8,004 |
| **Total return before distributions** | | **(77,027)** | | **163,450** |
| Distributions (Note 6) | | (6,258) | | (8,023) |
| **Change in net assets attributable to shareholders from investment activities** | | **(83,285)** | | **155,427** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **953,366** | | **865,127** |
| Amounts receivable on issue of shares | 617,820 | | 177,140 | |
| Amounts payable on cancellation of shares | (71,615) | | (250,026) | |
| | | 546,205 | | (72,886) |
| Dilution adjustment | | 74 | | 95 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (83,285) | | 155,427 |
| Retained distributions on accumulation shares | | 5,902 | | 5,603 |
| **Closing net assets attributable to shareholders** | | **1,422,262** | | **953,366** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 1,293,785 | 897,928 |
| **Current assets:** | | |
| Debtors (Note 8) | 32,159 | 27,206 |
| Cash and bank balances (Note 9) | 245,811 | 165,453 |
| **Total assets** | **1,571,755** | **1,090,587** |
| **Liabilities:** | | |
| Investment liabilities | (64,352) | (85,618) |
| **Creditors:** | | |
| Distribution payable | (2,397) | (2,685) |
| Other creditors (Note 10) | (82,744) | (48,918) |
| **Total liabilities** | **(149,493)** | **(137,221)** |
| **Net assets attributable to shareholders** | **1,422,262** | **953,366** |

The notes to these financial statements are shown on pages 177 to 181.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Global Macro Opportunities Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains | 17,568 | 11,563 |
| Derivative contracts | 30,823 | (58,474) |
| Forward currency contracts | (54,573) | 46,938 |
| Non-derivative securities | (77,148) | 155,419 |
| Net capital (losses)/gains | (83,330) | 155,446 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 666 | 2,118 |
| Income from Liquidity Funds | (404) | - |
| Income from overseas equity investments | 11,753 | 13,571 |
| Interest on bank and term deposits | 710 | 85 |
| Interest on derivatives | 553 | (181) |
| Interest on fixed-interest securities | 2,260 | 321 |
| Interest on capital | 154 | - |
| Total revenue | 15,692 | 15,914 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 7,254 | 5,075 |
| Operating expenses | 703 | 1,507 |
| | 7,957 | 6,582 |
| Interest payable | 148 | 33 |
| Total expenses | 8,105 | 6,615 |

The fees paid to the auditor for the year ended 31 January 2019 are £12,190 (31.01.18: £12,190), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 1,284 | 1,295 |
| Current year tax charge (Note 5b) | 1,284 | 1,295 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 7,587 | 9,299 |
| Corporation tax at 20% | 1,517 | 1,860 |
| Effects of: | | |
| Dividends not subject to corporation tax | (2,483) | (3,138) |
| Excess expenses for which no relief taken | 971 | 1,278 |
| Overseas tax expensed | (5) | - |
| Overseas tax suffered | 1,284 | 1,295 |
| | (233) | (565) |
| Current year tax charge (Note 5a) | 1,284 | 1,295 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £3,095,767 (31.01.18: £2,124,627) in relation to £15,478,836 (31.01.18: £10,623,137) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 8,299 | 8,288 |
| Add: Amounts payable on cancellation of shares | 399 | 977 |
| Deduct: Amounts receivable on issue of shares | (2,440) | (1,242) |
| Distributions for the year | 6,258 | 8,023 |

Details of the distribution per share are set out on page 182.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 6,303 | 8,004 |
| Add: Deficit taken to capital | 15 | - |
| Add: Undistributed revenue brought forward | 22 | 41 |
| Deduct: Undistributed revenue carried forward | (82) | (22) |
| | 6,258 | 8,023 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 46 | 812 |
| Due from the ACD for shares issued | 30,089 | 2,932 |
| Overseas tax recoverable | 190 | 146 |
| Sales awaiting settlement | 1,834 | 23,316 |
| Total debtors | 32,159 | 27,206 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 62,030 | 37,780 |
| Cash and bank balances | 183,781 | 127,673 |
| Total cash and bank balances | 245,811 | 165,453 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 895 | 630 |
| Due to the ACD for shares cancelled | 275 | – |
| Purchases awaiting settlement | 81,574 | 48,288 |
| Total other creditors | 82,744 | 48,918 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due from the ACD and their associates at the year end date in respect of related party transactions was £28,918,693 (31.01.18: £2,301,984). Details of related party transactions are given under note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on page 175 and the revenue from these investments was £(403,959) (31.01.18: £nil).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £149,889 (31.01.18: £202,871). Commission was paid to the associated company JPMorgan Securities Ltd.

The following parties held a material interest in the Fund at the year end date:
- FNZ (UK) Nominees Ltd 18.12% (31.01.18: 18.03%)
- Pershing Nominees Ltd 13.32% (31.01.18: 7.98%)
- Clearstream Banking S.A. 10.62% (31.01.18: 9.01%)

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current or prior year.

## 14. Financial instruments

**Value at risk**

The Fund enters into derivative transactions in the form of forward currency contracts, futures and options for the purpose and/or efficient portfolio management. The Historical VaR methodology approach has been used to calculate the global exposure.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using historical simulation methodology. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days of history.

The VaR calculated for the year ended 31 January 2019 was as follows:

| As at | 2019 | 2018 |
|---|---|---|
| As at 31 January, the Fund's value at risk is | 2.12% | 3.00% |
| During the financial year, the highest utilisation of value at risk was | 31.32% | 53.00% |
| During the financial year, the average utilisation of value at risk was | 15.98% | 30.00% |
| During the financial year, the lowest utilisation of value at risk was | 9.52% | 17.00% |

Further information on the derivative risks can be found in the accounting policies on page 13.

**Leverage**

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 January 2019 the average leverage was 381.18% (31.01.18: 532.00%).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Debt security credit analysis

| | Market value £'000 | Total net assets % |
|---|---|---|
| **31.01.19** | | |
| Investment grade | 849,048 | 59.70 |
| **31.01.18** | | |
| Investment grade | 264,333 | 27.73 |

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

## 16. Share classes

The Fund currently has three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.25% | 0.15% |
| Class B Shares: | 0.60% | 0.15% |
| Class C Shares: | 0.60% | 0.15% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 172 to 174. All classes have the same rights on winding up.

## 17. Counterparty exposure

### Financial derivative exposure

| Counterparty | Forward currency contracts £'000 | Futures contracts £'000 | Options contracts £'000 | Total £'000 |
|---|---|---|---|---|
| **31.01.19** | | | | |
| ANZ Banking Group | (125) | – | – | (125) |
| Barclays | 239 | – | – | 239 |
| BNP Paribas | (9,498) | – | – | (9,498) |
| Citibank | (1,447) | – | – | (1,447) |
| Deutsche Bank | 3,125 | – | – | 3,125 |
| Goldman Sachs | 470 | 1,156 | 2,473 | 4,099 |
| HSBC | (10,867) | – | – | (10,867) |
| Merrill Lynch | 3,933 | – | – | 3,933 |
| Morgan Stanley | (2,770) | – | – | (2,770) |
| National Australia Bank | 1,745 | – | – | 1,745 |
| Royal Bank of Canada | 1,511 | – | – | 1,511 |
| Societe Generale | (3,045) | – | – | (3,045) |
| Standard Chartered | (2,173) | – | – | (2,173) |
| State Street | (2,826) | – | – | (2,826) |
| Toronto Dominion Bank | (4,035) | – | – | (4,035) |
| UBS | (1,145) | – | – | (1,145) |
| | (26,908) | 1,156 | 2,473 | (23,279) |
| **31.01.18** | | | | |
| ANZ Banking Group | 3,287 | – | – | 3,287 |
| Barclays | 19,080 | – | – | 19,080 |
| BNP Paribas | (754) | – | – | (754) |
| Citibank | (1,516) | – | – | (1,516) |
| Credit Suisse | (814) | – | – | (814) |
| Deutsche Bank | (6,929) | – | – | (6,929) |
| Goldman Sachs | (969) | 3,563 | 3,081 | 5,675 |
| HSBC | 22,989 | – | – | 22,989 |
| JP Morgan | (867) | – | – | (867) |
| Merrill Lynch | (8,938) | – | – | (8,938) |
| National Australia Bank | 1,105 | – | – | 1,105 |
| Royal Bank of Canada | (1,916) | – | – | (1,916) |
| Societe Generale | 3,581 | – | – | 3,581 |
| Standard Chartered | 709 | – | – | 709 |
| State Street | (2,272) | – | – | (2,272) |
| UBS | (218) | – | – | (218) |
| | 25,558 | 3,563 | 3,081 | 32,202 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts, options contracts and swaps it is only the positive mark to market values that are reported.

## 18. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 289,565 | (9,732) | 797,255 | (10,503) |
| Level 2: Observable market data | 1,004,220 | (54,620) | 100,673 | (75,115) |
| Total | 1,293,785 | (64,352) | 897,928 | (85,618) |

## 19. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (888,486) | (247) | (532) | (889,265) | 0.03 | 0.06 |
| Purchases of Bond stocks | (2,234,715) | - | - | (2,234,715) | 0.00 | 0.00 |
| Purchases of Funds | (137,942) | - | - | (137,942) | 0.00 | 0.00 |
| | (3,261,143) | (247) | (532) | (3,261,922) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 1,031,502 | (347) | (418) | 1,030,737 | 0.03 | 0.04 |
| Sales of Bond stocks | 1,668,673 | - | - | 1,668,673 | 0.00 | 0.00 |
| Sales of Funds | 10,440 | - | - | 10,440 | 0.00 | 0.00 |
| | 2,710,615 | (347) | (418) | 2,709,850 | | |
| **Derivative purchases and sales** | | (250) | - | | | |
| Total | | (844) | (950) | | | |
| Percentage of Fund average net assets | | 0.07 | 0.08 | | | |

## 19. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (993,279) | (572) | (588) | (994,439) | 0.06 | 0.06 |
| Purchases of Bond stocks | (540,675) | - | - | (540,675) | 0.00 | 0.00 |
| Purchases of Funds | (16,914) | - | - | (16,914) | 0.00 | 0.00 |
| | (1,550,868) | (572) | (588) | (1,552,028) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 1,262,391 | (776) | (472) | 1,261,143 | 0.06 | 0.04 |
| Sales of Bond stocks | 443,871 | - | - | 443,871 | 0.00 | 0.00 |
| Sales of Funds | 17,022 | - | - | 17,022 | 0.00 | 0.00 |
| | 1,723,284 | (776) | (472) | 1,722,036 | | |
| **Derivative purchases and sales** | | (147) | - | | | |
| Total | | (1,495) | (1,060) | | | |
| Percentage of Fund average net assets | | 0.18% | 0.13% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.01% (31.01.18: 0.05%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 20. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 7,887,020 | 6,462,298 | (2,414,337) | - | 11,934,981 |
| A-Class Income Shares | 30,261 | 47,483 | (4,475) | - | 73,269 |
| B-Class Accumulation Shares | 303,677 | 728,150 | (27,597) | - | 1,004,230 |
| C-Class Accumulation Shares | 413,540,621 | 303,267,657 | (30,641,958) | (718,133) | 685,448,187 |
| C-Class Income Shares | 203,422,960 | 109,900,716 | (18,105,298) | 740,815 | 295,959,193 |

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased on 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.000000 | – | 0.000000 | 0.210000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 0.210000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.000000 | – | 0.000000 | 0.210000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 0.210000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.720000 | – | 0.720000 | 1.340000 |
| Group 2 | 0.138527 | 0.581473 | 0.720000 | 1.340000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 0.860000 | – | 0.860000 | 1.350000 |
| Group 2 | 0.245237 | 0.614763 | 0.860000 | 1.350000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.810000 | – | 0.810000 | 1.320000 |
| Group 2 | 0.241222 | 0.568778 | 0.810000 | 1.320000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# JPM Global Property Securities Fund

## Important information

The merger of JPM Global Property Securities Fund into the JPM Global Unconstrained Equity Fund was approved at Extraordinary General Meeting held on 27 November 2017 and its effective date was 16 December 2017.

## Investment objective and policy

The Fund sought 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, were significant owners, developers or financiers of real estate or that provide real estate related services.

The Fund invested in smaller companies and may have invested in Emerging Markets on an ancillary basis.

Financial Derivative Instruments may have been used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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

The Fund may have invested in China A-Shares via the China-Hong Kong Stock Connect Programmes.

The Fund may have invested in assets denominated in any currency and the Fund would have aimed to hedge non-sterling currency exposure back to sterling.

The Fund sought to assess the impact of environmental, social and governance factors (including accounting and tax policies, disclosure and investor communication, shareholder rights and remuneration policies) on the cash flows of many companies in which it may have invested to identify issuers that the Investment Manager believed would have been negatively impacted by such factors relative to other issuers. These determinations may not have been conclusive and securities of such issuers may have been purchased and retained by the Fund.

## Risk profile

Investment risks have been removed as this Fund closed 15 December 2017 as part of a merger effective on 16 December 2017.

## Fund update

The Fund closed on 15 December 2017.

## 12 month performance^ to 31 January

| | 2018 to closure | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| **JPM Global Property Securities Fund** A-Class Acc | **9.0%** | **5.8%** | **-11.4%** | **29.4%** |
| **JPM Global Property Securities Fund** B-Class Acc | **9.0%** | **6.4%** | **-11.0%** | **29.9%** |
| **JPM Global Property Securities Fund** C-Class Acc | **9.0%** | **6.6%** | **-10.8%** | **30.3%** |
| **JPM Global Property Securities Fund** X-Class Acc | **12.4%** | **7.6%** | **-10.1%** | **31.1%** |
| Benchmark Index | 8.5% | 8.5% | -7.0% | 28.2% |

## Fund statistics

| | |
|---|---|
| Fund size | **£0.0m** |
| Benchmark Index | **FTSE EPRA/NAREIT Developed Index (Net) Hedged to GBP** |

## Comparative tables

| **A-Class Accumulation Shares** | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 58.42 | 55.30 |
| Return before operating charges* | - | (57.53) | 4.12 |
| Operating charges | - | (0.89) | (1.00) |
| Return after operating charges* | - | (58.42) | 3.12 |
| Distributions | - | (0.44) | (0.58) |
| Retained distributions on accumulation shares | - | 0.44 | 0.58 |
| Closing net asset value per share | - | - | 58.42 |
| * after direct transaction costs of | - | (0.12) | (0.04) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 5.64% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 9,608 |
| Closing number of shares | - | - | 16,446,983 |
| % Operating charges | - | - | 1.68% |
| % Direct transaction costs | - | - | 0.06% |
| **Prices** | | | |
| Highest share price | - | 63.61 | 63.93 |
| Lowest share price | - | 57.87 | 51.65 |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Source: J.P. Morgan.

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## Comparative tables – continued

| A-Class Income Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | – | 49.67 | 47.47 |
| Return before operating charges* | – | (48.55) | 3.56 |
| Operating charges | – | (0.75) | (0.85) |
| Return after operating charges* | – | (49.30) | 2.71 |
| Distributions | – | (0.37) | (0.51) |
| Closing net asset value per share | – | – | 49.67 |
| * after direct transaction costs of | – | (0.10) | (0.03) |
| **Performance** | | | |
| % Return after operating charges^^ | – | – | 5.71% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | – | 253 |
| Closing number of shares | – | – | 508,841 |
| % Operating charges | – | – | 1.68% |
| % Direct transaction costs | – | – | 0.06% |
| **Prices** | | | |
| Highest share price | – | 53.70 | 54.62 |
| Lowest share price | – | 49.22 | 44.44 |

| B-Class Accumulation Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | – | 59.43 | 56.01 |
| Return before operating charges* | – | (58.79) | 4.13 |
| Operating charges | – | (0.64) | (0.71) |
| Return after operating charges* | – | (59.43) | 3.42 |
| Distributions | – | (0.70) | (0.85) |
| Retained distributions on accumulation shares | – | 0.70 | 0.85 |
| Closing net asset value per share | – | – | 59.43 |
| * after direct transaction costs of | – | (0.12) | (0.04) |
| **Performance** | | | |
| % Return after operating charges^^ | – | – | 6.11% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | – | 65 |
| Closing number of shares | – | – | 109,473 |
| % Operating charges | – | – | 1.18% |
| % Direct transaction costs | – | – | 0.06% |
| **Prices** | | | |
| Highest share price | – | 65.00 | 64.89 |
| Lowest share price | – | 58.89 | 52.28 |

| C-Class Accumulation Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | – | 140.00 | 131.67 |
| Return before operating charges* | – | (138.82) | 9.65 |
| Operating charges | – | (1.18) | (1.32) |
| Return after operating charges* | – | (140.00) | 8.33 |
| Distributions | – | (2.03) | (2.33) |
| Retained distributions on accumulation shares | – | 2.03 | 2.33 |
| Closing net asset value per share | – | – | 140.00 |
| * after direct transaction costs of | – | (0.28) | (0.08) |
| **Performance** | | | |
| % Return after operating charges^^ | – | – | 6.33% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | – | 21,713 |
| Closing number of shares | – | – | 15,509,672 |
| % Operating charges | – | – | 0.93% |
| % Direct transaction costs | – | – | 0.06% |
| **Prices** | | | |
| Highest share price | – | 153.5 | 152.7 |
| Lowest share price | – | 138.8 | 122.8 |

| C-Class Income Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | – | 130.59 | 124.76 |
| Return before operating charges* | – | (127.58) | 9.27 |
| Operating charges | – | (1.10) | (1.25) |
| Return after operating charges* | – | (128.68) | 8.02 |
| Distributions | – | (1.91) | (2.19) |
| Closing net asset value per share | – | – | 130.59 |
| * after direct transaction costs of | – | (0.26) | (0.08) |
| **Performance** | | | |
| % Return after operating charges^^ | – | – | 6.43% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | – | 1,355 |
| Closing number of shares | – | – | 1,038,064 |
| % Operating charges | – | – | 0.93% |
| % Direct transaction costs | – | – | 0.06% |
| **Prices** | | | |
| Highest share price | – | 141.8 | 144.0 |
| Lowest share price | – | 129.5 | 116.8 |

## Comparative tables – continued

| X-Class Accumulation Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | – | 126.85 | 118.39 |
| Return before operating charges* | – | (126.78) | 8.54 |
| Operating charges | – | (0.07) | (0.08) |
| Return after operating charges* | – | (126.85) | 8.46 |
| Distributions | – | (6.81) | (3.09) |
| Retained distributions on accumulation shares | – | 6.81 | 3.09 |
| Closing net asset value per share | – | – | 126.85 |
| * after direct transaction costs of | – | (0.25) | (0.08) |
| **Performance** | | | |
| % Return after operating charges^^ | – | – | 7.15% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | – | 19,847 |
| Closing number of shares | – | – | 15,645,568 |
| % Operating charges | – | – | 0.06% |
| % Direct transaction costs | – | – | 0.06% |
| **Prices** | | | |
| Highest share price | – | 144.3 | 137.8 |
| Lowest share price | – | 125.8 | 110.3 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 189 and 189, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 15 December 2017.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Portfolio Statement

As the Fund closed on 15 December 2017 there were no investments as at 31 January 2019.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (6) | | 2,769 |
| Revenue (Note 3) | 4 | | 849 | |
| Expenses (Note 4) | - | | (328) | |
| Net revenue before taxation | 4 | | 521 | |
| Taxation (Note 5) | - | | (89) | |
| Net revenue after taxation | | 4 | | 432 |
| **Total return before distributions** | | **(2)** | | **3,201** |
| Distributions (Note 6) | | - | | (436) |
| **Change in net assets attributable to shareholders from investment activities** | | **(2)** | | **2,765** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| **Current assets:** | | |
| Debtors (Note 8) | 1 | 30 |
| Cash and bank balances (Note 9) | 7 | 3 |
| **Total assets** | **8** | **33** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | - | (4) |
| Other creditors (Note 10) | (8) | (29) |
| **Total liabilities** | **(8)** | **(33)** |
| **Net assets attributable to shareholders** | **-** | **-** |

The notes to these financial statements are shown on pages 187 to 189.

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **-** | | **52,841** |
| Amounts transferred to JPM Global Unconstrained Equity Fund | | - | | (26,138) |
| Amounts receivable on issue of shares | - | | 2,348 | |
| Amounts payable on cancellation of shares | - | | (32,227) | |
| | | - | | (29,879) |
| Dilution adjustment | | - | | 37 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (2) | | 2,765 |
| Retained distributions on accumulation shares | | - | | 375 |
| Gain/(loss) accumulated following Fund closure | | 2 | | (1) |
| **Closing net assets attributable to shareholders** | | **-** | | **-** |

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Global Property Securities Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency (losses)/gains | (5) | 94 |
| Forward currency contracts | - | 1,670 |
| Non-derivative securities | (1) | 1,013 |
| Stamp duty provision correction relates to Merger | - | (8) |
| Net capital (losses)/gains | (6) | 2,769 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | - | 23 |
| Income from Liquidity Funds | - | 1 |
| Income from overseas equity investments | 1 | 808 |
| Property income distributions | - | 17 |
| VAT recovered | 3 | - |
| Total revenue | 4 | 849 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | - | 276 |
| Operating expenses | - | 52 |
| Total expenses | - | 328 |

The fees paid to the auditor for the year ended 31 January 2019 are £3,500 (31.01.18: £6,848), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of (credit)/charge in the year** | | |
| Corporation tax at 20% | - | 67 |
| Double tax relief | - | (67) |
| Overseas tax suffered | - | 90 |
| Prior year adjustments | - | (1) |
| Current year tax (credit)/charge (Note 5b) | - | 89 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 4 | 521 |
| Corporation tax at 20% | 1 | 104 |
| Effects of: | | |
| Dividends not subject to corporation tax | (1) | (56) |
| Double tax relief | - | (67) |
| Overseas tax suffered | - | 90 |
| Prior year adjustments | - | (1) |
| Revenue taxable in different periods | - | 19 |
| | (1) | (15) |
| Current year tax (credit)/charge (Note 5a) | - | 89 |

No deferred tax asset has been recognised in the financial statements.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Interim dividend distribution | - | 320 |
| Final dividend distribution | - | 76 |
| Add: Amounts payable on cancellation of shares | - | 50 |
| Deduct: Amounts receivable on issue of shares | - | (10) |
| Distributions for the year | - | 436 |

Details of the distribution per share are set out on page 189.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 4 | 432 |
| Add: Deficit taken to capital | - | 2 |
| Add: Undistributed revenue brought forward | - | 2 |
| Deduct: Undistributed revenue carried forward | (4) | - |
| | - | 436 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | - | 23 |
| Income tax recoverable | 1 | - |
| Overseas tax recoverable | - | 3 |
| Property income tax recoverable | - | 4 |
| Total debtors | 1 | 30 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 7 | 3 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 8 | 29 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Revenue from investments considered to be related parties was £nil (31.01.18: £1,007).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £nil (31.01.18: £2,279). Commission was paid to the associated company JPMorgan Securities Ltd.

## 13. Direct transaction costs

As the Fund closed 15 December 2017, there were no transaction costs for the year ended 31.01.19.

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (39,110) | (13) | (24) | (39,147) | 0.03 | 0.06 |
| Purchases of Funds | (5,955) | - | - | (5,955) | 0.00 | 0.00 |
| | (45,065) | (13) | (24) | (45,102) | | |
| **Sales*** | | | | | | |
| Sales of Equity stocks | 66,132 | (23) | (6) | 66,103 | 0.03 | 0.01 |
| Sales of Funds | 7,246 | - | - | 7,246 | 0.00 | 0.00 |
| **In-specie sales** | | | | | | |
| Sales of Equity stocks | 25,155 | - | - | 25,155 | 0.00 | 0.00 |
| | 98,533 | (23) | (6) | 98,504 | | |
| Total | | (36) | (30) | | | |
| Percentage of Fund average net assets | | 0.10% | 0.09% | | | |

* Excluding in specie and corporate action activity.

## 19. Shares in issue

As the Fund closed on 15 December 2017, there were no outstanding shares as at 31 January 2019.

# Distribution tables

The Fund closed on 15 December 2017 therefore no distribution has been made with respect to the year ended 31 January 2019.

# JPM Global Unconstrained Equity Fund

## 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.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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 may invest in assets denominated in any currency and non-sterling currency exposure may be hedged 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.

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 over the 12-month period to the end of December. Underperformance was driven by stock selection in the information technology and energy sectors. NVIDIA, the US-based computer chip manufacturer, detracted from performance. The stock fell as management issued lower guidance for its gaming division, which has been impacted by a slowdown in demand for chips used to mine cryptocurrencies. Renesas Electronics, the global auto semiconductor supplier, detracted from performance this year. Semiconductor producers faced a challenging quarter as concerns rose about a softening in the market for memory chips and more muted growth for industrial and automotive semiconductors. Stock selection in the financials, materials and industrials sectors contributed to returns. Amazon, the internet retailing giant, contributed positively to performance this year as the company consistently reported strong earnings results. This highlighted the rapid growth and greater profitability advertisements are having on the business as well as operating efficiency improvements. Amazon continues to disrupt large markets while executing well, with a pace of innovation that does not appear to be slowing. Coca-Cola, the global beverage maker, also contributed to returns as investors approved of the company's new direction in sugar-free drinks and the diversification of the business by purchasing UK-based coffee shop chain Costa. The company also issues an attractive dividend. At the regional level, stock selection in Europe excluding the UK contributed to returns, whilst it detracted in North America. .

## Fund outlook

2018 was a negative year for equity markets. Despite economic growth remaining above trend and strong corporate earnings growth over the year, politics, global trade tensions, tightening monetary policy and moderating economic growth have dominated the market narrative. As we move into 2019, these issues still remain, leaving the key question for investors: does this spell an inflection point for the current cycle or merely a correction? There is no doubt we are later in the economic cycle and investors should be increasingly selective, especially given signs of high levels of debt building up in many parts of the US corporate sector and the rate of technological change and disruption facing many industries. However, our work suggests corporate profitability remains healthy, and although economic momentum has certainly slowed, it remains broad-based enough to support earnings globally - and for the first time in many years, valuations are both below historic averages and attractive relative to cash and bonds. A key risk is that geopolitical uncertainty, which has already started to weigh on corporate investment and hiring decisions, escalates further, and investors will be monitoring statements from company management teams in the upcoming corporate earnings season for signs of an impact. Valuation spreads (the gap between the most expensive and cheapest stocks), within both sectors and countries, continue to be at historical extremes. While this does not suggest investors make a call on buying value, it is a message that should not be ignored.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Global Unconstrained Equity Fund** | | | | | |
| A-Class Acc | **-4.7%** | **9.3%** | **36.8%** | **-3.5%** | **16.3%** |
| **JPM Global Unconstrained Equity Fund** | | | | | |
| B-Class Acc | **-4.3%** | **9.7%** | **37.5%** | **-3.0%** | **16.9%** |
| **JPM Global Unconstrained Equity Fund** | | | | | |
| C-Class Acc | **-4.0%** | **10.1%** | **37.8%** | **-2.7%** | **17.1%** |
| Benchmark Index | 0.0% | 12.8% | 33.0% | -1.3% | 16.9% |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

## Fund statistics

| | | | |
|---|---|---|---|
| Risk and Reward Profile | | | 5† (5 at 31 July 2018) |
| Fund size | | | £375.5m |
| Benchmark Index | | | MSCI All Country World Index (Net) |
| Fund charges and expenses | A-Class | B-Class | C-Class |
| Initial charge (max.) | Nil | Nil | Nil |
| Exit charge | Nil | Nil | Nil |
| Fund expenses (comprises) | | | |
| Annual management fee | 1.50% | 1.00% | 0.75% |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% |

## Comparative tables

| A-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 1,392.26 | 1,274.58 | 963.12 |
| Return before operating charges* | (44.30) | 140.20 | 330.00 |
| Operating charges | (21.62) | (22.52) | (18.54) |
| Return after operating charges* | (65.92) | 117.68 | 311.46 |
| Distributions | (2.57) | (0.04) | - |
| Retained distributions on accumulation shares | 2.57 | 0.04 | - |
| Closing net asset value per share | 1,326.34 | 1,392.26 | 1,274.58 |
| * after direct transaction costs of | (1.36) | (1.60) | (1.76) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.73)% | 9.23% | 32.34% |
| **Other information** | | | |
| Closing net asset value (£'000) | 282,213 | 317,898 | 199,314 |
| Closing number of shares | 21,277,609 | 22,833,237 | 15,637,543 |
| % Operating charges | 1.59% | 1.68% | 1.68% |
| % Direct transaction costs | 0.10% | 0.12% | 0.16% |
| **Prices** | | | |
| Highest share price | 1,461 | 1,420 | 1,322 |
| Lowest share price | 1,246 | 1,259 | 853.3 |

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 103.40 | 94.66 | 71.53 |
| Return before operating charges* | (3.29) | 10.42 | 24.51 |
| Operating charges | (1.67) | (1.68) | (1.38) |
| Return after operating charges* | (4.96) | 8.74 | 23.13 |
| Distributions | (0.13) | - | - |
| Closing net asset value per share | 98.31 | 103.40 | 94.66 |
| * after direct transaction costs of | (0.10) | (0.12) | (0.13) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.80)% | 9.23% | 32.34% |
| **Other information** | | | |
| Closing net asset value (£'000) | 6,190 | 5,972 | 2,862 |
| Closing number of shares | 6,296,506 | 5,776,005 | 3,023,274 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.10% | 0.12% | 0.16% |
| **Prices** | | | |
| Highest share price | 108.5 | 105.5 | 98.15 |
| Lowest share price | 92.52 | 93.52 | 63.37 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 1,429.49 | 1,302.17 | 978.93 |
| Return before operating charges* | (45.61) | 143.48 | 336.35 |
| Operating charges | (16.10) | (16.16) | (13.11) |
| Return after operating charges* | (61.71) | 127.32 | 323.24 |
| Distributions | (8.76) | (6.84) | (5.51) |
| Retained distributions on accumulation shares | 8.76 | 6.84 | 5.51 |
| Closing net asset value per share | 1,367.78 | 1,429.49 | 1,302.17 |
| * after direct transaction costs of | (1.40) | (1.64) | (1.76) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.32)% | 9.78% | 33.02% |
| **Other information** | | | |
| Closing net asset value (£'000) | 793 | 990 | 803 |
| Closing number of shares | 57,990 | 69,270 | 61,677 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.10% | 0.12% | 0.16% |
| **Prices** | | | |
| Highest share price | 1,504 | 1,458 | 1,350 |
| Lowest share price | 1,280 | 1,287 | 867.6 |

† 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

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## Comparative tables – continued

| B-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 176.59 | 161.65 | 122.06 |
| Return before operating charges* | (5.64) | 17.79 | 41.94 |
| Operating charges | (1.99) | (2.00) | (1.66) |
| Return after operating charges* | (7.63) | 15.79 | 40.28 |
| Distributions | (1.08) | (0.85) | (0.69) |
| Closing net asset value per share | 167.88 | 176.59 | 161.65 |
| * after direct transaction costs of | (0.17) | (0.20) | (0.22) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.32)% | 9.77% | 33.00% |
| **Other information** | | | |
| Closing net asset value (£'000) | 48 | 56 | 93 |
| Closing number of shares | 28,578 | 31,704 | 57,689 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.10% | 0.12% | 0.16% |
| **Prices** | | | |
| Highest share price | 185.8 | 181.0 | 168.3 |
| Lowest share price | 158.1 | 159.7 | 108.2 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 208.61 | 189.55 | 142.13 |
| Return before operating charges* | (6.66) | 20.93 | 48.94 |
| Operating charges | (1.72) | (1.87) | (1.52) |
| Return after operating charges* | (8.38) | 19.06 | 47.42 |
| Distributions | (1.91) | (1.50) | (1.21) |
| Retained distributions on accumulation shares | 1.91 | 1.50 | 1.21 |
| Closing net asset value per share | 200.23 | 208.61 | 189.55 |
| * after direct transaction costs of | (0.20) | (0.24) | (0.26) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.02)% | 10.06% | 33.36% |
| **Other information** | | | |
| Closing net asset value (£'000) | 77,973 | 110,087 | 60,018 |
| Closing number of shares | 38,942,211 | 52,771,600 | 31,662,620 |
| % Operating charges | 0.84% | 0.93% | 0.93% |
| % Direct transaction costs | 0.10% | 0.12% | 0.16% |
| **Prices** | | | |
| Highest share price | 219.8 | 212.8 | 196.5 |
| Lowest share price | 186.9 | 187.3 | 126.0 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 197.96 | 181.19 | 136.77 |
| Return before operating charges* | (6.32) | 19.97 | 47.04 |
| Operating charges | (1.75) | (1.77) | (1.45) |
| Return after operating charges* | (8.07) | 18.20 | 45.59 |
| Distributions | (1.69) | (1.43) | (1.17) |
| Closing net asset value per share | 188.20 | 197.96 | 181.19 |
| * after direct transaction costs of | (0.19) | (0.23) | (0.25) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.08)% | 10.04% | 33.33% |
| **Other information** | | | |
| Closing net asset value (£'000) | 8,274 | 12,293 | 13,547 |
| Closing number of shares | 4,396,794 | 6,209,553 | 7,476,911 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.10% | 0.12% | 0.16% |
| **Prices** | | | |
| Highest share price | 208.5 | 203.4 | 189.0 |
| Lowest share price | 177.4 | 179.0 | 121.2 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 197 and 198, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Geographical breakdown

| | % |
|---|---|
| United States of America | 53.13 |
| China | 5.67 |
| United Kingdom | 5.63 |
| Switzerland | 5.42 |
| Japan | 5.28 |
| India | 4.30 |
| France | 4.07 |
| Hong Kong | 2.02 |
| Indonesia | 1.99 |
| Germany | 1.94 |
| Netherlands | 1.84 |
| Canada | 1.58 |
| Spain | 1.58 |
| Sweden | 1.53 |
| Australia | 1.51 |
| Austria | 1.37 |
| South Korea | 1.10 |
| Liquidity Funds | 0.06 |
| Net other liabilities | (0.02) |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 99.96% (97.47%)** | | | |
| **Australia 1.51% (0.00%)** | | | |
| BGP Holdings plc^ | 577,927 | - | - |
| BHP Group plc | 334,677 | 5,689 | 1.51 |
| | | **5,689** | **1.51** |
| **Austria 1.37% (2.21%)** | | | |
| Erste Group Bank AG | 193,324 | 5,150 | 1.37 |
| | | **5,150** | **1.37** |
| **Brazil 0.00% (1.65%)** | | | |
| **Canada 1.58% (0.00%)** | | | |
| Toronto-Dominion Bank (The) | 138,417 | 5,915 | 1.58 |
| | | **5,915** | **1.58** |
| **China 5.67% (7.53%)** | | | |
| Beauty China Holdings Ltd.^ | 133,000 | - | - |
| China Hongxing Sports^ | 22,764,000 | - | - |
| Ping An Insurance Group Co. of China Ltd. 'H' | 983,500 | 7,246 | 1.93 |
| Tencent Holdings Ltd. | 418,200 | 14,038 | 3.74 |
| Tencent Music Entertainment Group, ADR | 107 | 1 | - |
| | | **21,285** | **5.67** |
| **France 4.07% (7.67%)** | | | |
| Airbus SE | 85,888 | 7,497 | 2.00 |
| Safran SA | 77,888 | 7,796 | 2.07 |
| | | **15,293** | **4.07** |
| **Germany 1.94% (3.97%)** | | | |
| Delivery Hero SE | 262,629 | 7,284 | 1.94 |
| | | **7,284** | **1.94** |
| **Hong Kong 2.02% (2.38%)** | | | |
| AIA Group Ltd. | 1,111,400 | 7,600 | 2.02 |
| | | **7,600** | **2.02** |
| **India 4.30% (2.16%)** | | | |
| HDFC Bank Ltd. | 432,189 | 9,591 | 2.56 |
| IndusInd Bank Ltd. | 407,023 | 6,549 | 1.74 |
| | | **16,140** | **4.30** |
| **Indonesia 1.99% (0.00%)** | | | |
| Telekomunikasi Indonesia Persero Tbk. PT | 35,199,300 | 7,464 | 1.99 |
| | | **7,464** | **1.99** |
| **Italy 0.00% (1.01%)** | | | |
| **Japan 5.28% (3.92%)** | | | |
| Keyence Corp. | 13,700 | 5,353 | 1.43 |
| Shin-Etsu Chemical Co. Ltd. | 122,300 | 7,863 | 2.09 |
| SMC Corp. | 26,400 | 6,605 | 1.76 |
| | | **19,821** | **5.28** |
| **Luxembourg 0.00% (1.32%)** | | | |
| **Netherlands 1.84% (0.00%)** | | | |
| Unilever NV, CVA | 171,899 | 6,898 | 1.84 |
| | | **6,898** | **1.84** |
| **Singapore 0.00% (2.34%)** | | | |
| **South Africa 0.00% (1.85%)** | | | |
| **South Korea 1.10% (0.00%)** | | | |
| Samsung Electronics Co. Ltd. | 130,738 | 4,131 | 1.10 |
| | | **4,131** | **1.10** |
| **Spain 1.58% (0.00%)** | | | |
| Industria de Diseno Textil SA | 282,274 | 5,929 | 1.58 |
| | | **5,929** | **1.58** |
| **Sweden 1.53% (0.00%)** | | | |
| Lundin Petroleum AB | 237,322 | 5,761 | 1.53 |
| | | **5,761** | **1.53** |
| **Switzerland 5.42% (4.60%)** | | | |
| Nestle SA | 197,172 | 13,041 | 3.47 |
| Novartis AG | 110,203 | 7,302 | 1.95 |
| | | **20,343** | **5.42** |
| **Thailand 0.00% (2.09%)** | | | |
| **United Kingdom 5.63% (7.02%)** | | | |
| GlaxoSmithKline plc | 926,693 | 13,648 | 3.64 |
| Linde plc | 60,508 | 7,486 | 1.99 |
| | | **21,134** | **5.63** |
| **United States of America 53.13% (45.75%)** | | | |
| Activision Blizzard, Inc. | 119,906 | 4,228 | 1.13 |
| Alphabet, Inc. 'C' | 22,679 | 18,817 | 5.01 |
| Amazon.com, Inc. | 15,318 | 19,494 | 5.19 |
| BioMarin Pharmaceutical, Inc. | 84,315 | 6,227 | 1.66 |
| Boston Scientific Corp. | 276,775 | 7,888 | 2.10 |
| Coca-Cola Co. (The) | 202,201 | 7,369 | 1.96 |
| Cognizant Technology Solutions Corp. 'A' | 70,975 | 3,773 | 1.01 |
| Comcast Corp. 'A' | 418,379 | 11,286 | 3.01 |
| Exxon Mobil Corp. | 134,661 | 7,415 | 1.97 |
| First Republic Bank | 140,078 | 10,356 | 2.76 |
| Microsoft Corp. | 210,454 | 17,038 | 4.54 |
| NIKE, Inc. 'B' | 131,035 | 8,110 | 2.16 |
| Northern Trust Corp. | 108,796 | 7,410 | 1.97 |
| NVIDIA Corp. | 32,617 | 3,413 | 0.91 |
| Parsley Energy, Inc. 'A' | 257,956 | 3,695 | 0.98 |
| Pioneer Natural Resources Co. | 64,806 | 6,985 | 1.86 |
| Raytheon Co. | 55,835 | 7,295 | 1.94 |
| ServiceNow, Inc. | 32,253 | 4,762 | 1.27 |
| Stanley Black & Decker, Inc. | 63,232 | 5,995 | 1.60 |
| Twenty-First Century Fox, Inc. 'A' | 89,953 | 3,359 | 0.89 |
| UnitedHealth Group, Inc. | 63,835 | 13,145 | 3.50 |
| Universal Display Corp. | 54,165 | 4,247 | 1.13 |
| Visa, Inc. 'A' | 90,625 | 9,498 | 2.53 |
| Willis Towers Watson plc | 62,731 | 7,694 | 2.05 |
| | | **199,499** | **53.13** |
| **Equities total** | | **375,336** | **99.96** |
| **Liquidity Funds 0.06% (0.77%)** | | | |
| JPM USD Liquidity LVNAV Fund X (dist.)[ø] | 283,278 | 216 | 0.06 |
| **Liquidity Funds total** | | **216** | **0.06** |
| Investment assets | | 375,552 | 100.02 |
| Net other liabilities | | (61) | (0.02) |
| **Net assets** | | **375,491** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

^ Unlisted, suspended or delisted security.

[ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (20,804) | | 30,063 |
| Revenue (Note 3) | 7,624 | | 5,022 | |
| Expenses (Note 4) | (5,703) | | (4,375) | |
| Net revenue before taxation | 1,921 | | 647 | |
| Taxation (Note 5) | (308) | | (285) | |
| Net revenue after taxation | | 1,613 | | 362 |
| **Total return before distributions** | | **(19,191)** | | **30,425** |
| Distributions (Note 6) | | (1,614) | | (392) |
| **Change in net assets attributable to shareholders from investment activities** | | **(20,805)** | | **30,033** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **447,296** | | **276,637** |
| Amounts transferred from JPM Global Property Securities Fund | | - | | 26,138 |
| Amounts transferred from JPM Global Financials Fund | | - | | 151,771 |
| Amounts receivable on issue of shares | 3,911 | | 1,176 | |
| Amounts payable on cancellation of shares | (56,207) | | (39,264) | |
| | | (52,296) | | (38,088) |
| Change in net assets attributable to shareholders from investment activities (see above) | | (20,805) | | 30,033 |
| Retained distributions on accumulation shares | | 1,296 | | 805 |
| **Closing net assets attributable to shareholders** | | **375,491** | | **447,296** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 375,552 | 439,440 |
| **Current assets:** | | |
| Debtors (Note 8) | 117 | 13,538 |
| Cash and bank balances (Note 9) | 1,413 | 307 |
| **Total assets** | **377,082** | **453,285** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | (83) | (89) |
| Other creditors (Note 10) | (1,508) | (5,900) |
| **Total liabilities** | **(1,591)** | **(5,989)** |
| **Net assets attributable to shareholders** | **375,491** | **447,296** |

The notes to these financial statements are shown on pages 195 to 198.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Global Unconstrained Equity Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains | 57 | 36 |
| Non-derivative securities | (20,861) | 30,018 |
| Stamp duty relating to merger activity | - | 9 |
| Net capital (losses)/gains | (20,804) | 30,063 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 1,164 | 1,181 |
| Income from Liquidity Funds | 173 | 155 |
| Income from overseas equity investments | 6,112 | 3,648 |
| Interest on bank and term deposits | 1 | 27 |
| Interest on capital | 59 | - |
| Interest on Fokus reclaims | 80 | 11 |
| Stock lending income | 35 | - |
| Total revenue | 7,624 | 5,022 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 5,327 | 3,845 |
| Operating expenses | 370 | 530 |
| Stock lending fees | 5 | - |
| | 5,702 | 4,375 |
| Interest payable | 1 | - |
| Total expenses | 5,703 | 4,375 |

The fees paid to the auditor for the year ended 31 January 2019 are £5,746 (31.01.18: £7,246), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 308 | 285 |
| Current year tax charge (Note 5b) | 308 | 285 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than (2018: greater than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 1,921 | 647 |
| Corporation tax at 20% | 384 | 129 |
| Effects of: | | |
| Dividends not subject to corporation tax | (1,455) | (935) |
| Excess expenses for which no relief taken | 1,073 | 810 |
| Overseas tax expensed | (2) | (4) |
| Overseas tax suffered | 308 | 285 |
| | (76) | 156 |
| Current year tax charge (Note 5a) | 308 | 285 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £8,901,307 (31.01.18: £7,828,808) in relation to £44,506,534 (31.01.18: £39,144,038) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 1,379 | 894 |
| Add: Amounts payable on cancellation of shares | 252 | 173 |
| Deduct: Amounts receivable on issue of shares | (17) | (675) |
| Distributions for the year | 1,614 | 392 |

Details of the distribution per share are set out on page 199.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 1,613 | 362 |
| Add: RDR transfer equalisation (capital) | 4 | 29 |
| Add: Undistributed revenue brought forward | 2 | 3 |
| Deduct: Undistributed revenue carried forward | (5) | (2) |
| | 1,614 | 392 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 16 | 302 |
| Overseas tax recoverable | 96 | 68 |
| Property income tax recoverable | 3 | 3 |
| Sales awaiting settlement | 2 | 13,165 |
| Total debtors | 117 | 13,538 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 1,413 | 307 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 468 | 567 |
| Due to the ACD for shares cancelled | 1,040 | 973 |
| Purchases awaiting settlement | - | 4,360 |
| Total other creditors | 1,508 | 5,900 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £1,508,063 (31.01.18: £1,539,849). Details of related party transactions are given under note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on page 193 and the revenue from these investments was £173,015 (31.01.18: £155,411).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £7,777 (31.01.18: £23,320). Commission was paid to the associated company JPMorgan Securities Ltd.

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £552 securities on loan (31.01.18: £nil) and consequently £564 collateral was held (31.01.18: £nil). The nature of the collateral was 100% cash.

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 35 | - |
| Fees paid to the lending agent[Ø] | (5) | - |
| Net stock lending income | 30 | - |

[Ø] A related party to the Fund

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 201.

## 14. Financial instruments

**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | Net foreign currency assets | | |
|---|---|---|---|
| Currency | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | |
| US Dollar | 200,183 | 467 | 199,716 |
| Euro | 48,126 | 86 | 48,040 |
| Hong Kong Dollar | 28,884 | - | 28,884 |
| Swiss Franc | 20,343 | - | 20,343 |
| Japanese Yen | 19,821 | - | 19,821 |
| Indian Rupee | 16,277 | 137 | 16,140 |
| Indonesian Rupiah | 7,464 | - | 7,464 |
| Canadian Dollar | 5,961 | 46 | 5,915 |
| Swedish Krona | 5,762 | 1 | 5,761 |
| South Korean Won | 4,131 | - | 4,131 |
| Taiwan Dollar | 25 | 25 | - |
| Danish Krone | 20 | 20 | - |
| **31.01.18** | | | |
| US Dollar | 243,185 | 8,838 | 234,347 |
| Euro | 72,469 | 52 | 72,417 |
| Hong Kong Dollar | 29,873 | 12 | 29,861 |
| Swiss Franc | 20,604 | 46 | 20,558 |
| Japanese Yen | 17,545 | 23 | 17,522 |
| Singapore Dollar | 10,479 | - | 10,479 |
| Thailand Baht | 9,346 | - | 9,346 |
| South African Rand | 8,267 | - | 8,267 |
| Brazilian Real | 7,411 | 28 | 7,383 |
| Indian Rupee | 5,940 | 142 | 5,798 |
| Taiwan Dollar | 24 | 24 | - |
| Danish Krone | 21 | 21 | - |

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £35,700,000 (31.01.18: £42,516,000).

**Interest rate risk**

At the year end date, 0.43% (31.01.18: 0.84%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £37,555,000 (31.01.18: £43,944,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 191 and 192. All classes have the same rights on winding up.

## 16. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 375,336 | - | 436,008 | - |
| Level 2: Observable market data | 216 | - | 3,432 | - |
| Level 3: Unobservable data | - | - | - | - |
| Total | 375,552 | - | 439,440 | - |

## 17. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (323,100) | (96) | (145) | (323,341) | 0.03 | 0.04 |
| Purchases of Funds | (163,913) | - | - | (163,913) | 0.00 | 0.00 |
| | (487,013) | (96) | (145) | (487,254) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 362,640 | (131) | (24) | 362,485 | 0.04 | 0.01 |
| Sales of Funds | 167,764 | - | - | 167,764 | 0.00 | 0.00 |
| | 530,404 | (131) | (24) | 530,249 | | |
| Total | | (227) | (169) | | | |
| Percentage of Fund average net assets | | 0.06% | 0.04% | | | |

## 17. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (246,665) | (141) | (93) | (246,899) | 0.06 | 0.04 |
| Purchases of Funds | (107,030) | - | - | (107,030) | 0.00 | 0.00 |
| **In-specie purchases** | | | | | | |
| Purchases of Equity stocks | (170,846) | - | - | (170,846) | 0.00 | 0.00 |
| | (524,541) | (141) | (93) | (524,775) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 272,887 | (110) | (13) | 272,764 | 0.04 | 0.00 |
| Sales of Funds | 120,593 | - | - | 120,593 | 0.00 | 0.00 |
| | 393,480 | (110) | (13) | 393,357 | | |
| Total | | (251) | (106) | | | |
| Percentage of Fund average net assets | | 0.08% | 0.04% | | | |

* Excluding in specie and corporate action activity

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.05% (31.01.18: 0.05%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 18. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 22,833,237 | 21,751 | (1,479,410) | (97,969) | 21,277,609 |
| A-Class Income Shares | 5,776,005 | 2,083,653 | (1,672,642) | 109,490 | 6,296,506 |
| B-Class Accumulation Shares | 69,270 | 533 | (11,813) | - | 57,990 |
| B-Class Income Shares | 31,704 | 771 | (3,897) | - | 28,578 |
| C-Class Accumulation Shares | 52,771,600 | 739,164 | (15,065,526) | 496,973 | 38,942,211 |
| C-Class Income Shares | 6,209,553 | 75,633 | (1,994,634) | 106,242 | 4,396,794 |

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 2.570000 | – | 2.570000 | 0.040000 |
| Group 2 | 0.000000 | 2.570000 | 2.570000 | 0.040000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.130000 | – | 0.130000 | 0.000000 |
| Group 2 | 0.000000 | 0.130000 | 0.130000 | 0.000000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 8.760000 | – | 8.760000 | 6.840000 |
| Group 2 | 4.047339 | 4.712661 | 8.760000 | 6.840000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 1.080000 | – | 1.080000 | 0.850000 |
| Group 2 | 0.496118 | 0.583882 | 1.080000 | 0.850000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.910000 | – | 1.910000 | 1.500000 |
| Group 2 | 0.862234 | 1.047766 | 1.910000 | 1.500000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.690000 | – | 1.690000 | 1.430000 |
| Group 2 | 0.405978 | 1.284022 | 1.690000 | 1.430000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0.00%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 1 | 0.00% |

## Concentration Data

### Collateral issuers

For the securities lending transactions, as at the balance sheet date, Fund had not received any non-cash collateral by way of title transfer.

## Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| Wells Fargo | 1 |
| Total | 1 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions, as at the balance sheet date.

| Type | Quality | Currency | Value £'000 |
|---|---|---|---|
| Cash | N/A | USD | 1 |
| Total | | | 1 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| less than one day | 1 |
| Total | 1 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| Wells Fargo | United States |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Cash collateral received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus, however the Fund as at the period end has not reinvested cash collateral received in respect of securities lending transactions.

## Safekeeping of collateral

All collateral received (31.01.19: £1,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM Japan Fund

## Investment objective and policy

To provide capital growth over the long term by investing primarily in the shares of Japanese companies.

Japanese companies are companies that are incorporated under the laws of, and have their registered office in, Japan, or that derive the predominant part of their economic activity from Japan, even if listed elsewhere.

The Fund may have exposure to smaller companies.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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 invest predominantly in assets denominated in Japanese Yen. However, assets may be denominated in other currencies and non-sterling currency exposures will not normally be hedged back to sterling.

The Fund seeks to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund.

## 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.

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 single market in which the Fund primarily invests, in this case Japan, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

The Fund may be concentrated in a limited number of securities and, as a result, may be more volatile than more broadly diversified funds.

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.

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 the investor from participating in an increase in the value of the currency. In addition, in the unlikely event that some of the assets in the Fund chosen by the Investment Adviser are not denominated in Japanese Yen, the impact of the currency hedging from Japanese Yen to GBP will mean that some over hedging will occur leading to some currency exposure. Please refer to Section 1.3 of the Prospectus for more information on Hedged Share Classes.

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 the benchmark index over the period.

After strong performance until summer 2018, the portfolio has sharply underperformed since September, and gave up all its gains by the end of the period. Volatility in performance is an inevitable part of the way the strategy is managed: a best-ideas, unconstrained approach, with high active share and a large growth tilt. This has not, however, altered our conviction that we should focus on long-term growth opportunities and avoid structurally-challenged companies in 'value' areas, particularly banks and autos. At the sector level, underweighting the banks sector added value.

At the individual stock level, the largest positive contribution came from our overweight position in Shiseido, a major cosmetic company in Japan. Shiseido continued to deliver much stronger business results than the consensus, with strong demand from Asia, resulting in a strong share price rise. Our overweight positions in MonotaRO (online retailer for industrial supply products) also added value. MonotaRO continued to advance on the back of strong business momentum.

Our overweight positions in Mercari (online flea market platform provider) and SUMCO (semiconductors), on the other hand, detracted value. The share price of Mercari declined after a period of strong performance. We see no changes in the strong fundamentals and growth prospects of the company. Share prices of semiconductor-related names, including SUMCO, corrected on the back of investors' concerns over the technology cycle.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Japan Fund** A-Class Acc | **-9.2%** | **22.0%** | **25.5%** | **12.4%** | **12.0%** |
| **JPM Japan Fund** B-Class Acc | **-8.8%** | **22.6%** | **26.2%** | **13.0%** | **12.5%** |
| **JPM Japan Fund** C-Class Acc | **-8.5%** | **22.9%** | **26.5%** | **13.3%** | **12.8%** |
| Benchmark Index | -5.7% | 12.1% | 31.3% | 5.7% | 12.0% |
| **JPM Japan Fund** C-Class Acc (GBP Hedged) | **-15.0%** | **34.3%** | **3.4%** | **10.0%** | **18.7%** |
| Hedged Benchmark Index | -13.3% | 23.0% | 6.1% | 2.0% | 18.2% |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

## Fund statistics

| | | | |
|---|---|---|---|
| Risk and Reward Profile | | | 6† (6 at 31 July 2018) |
| Fund size | | | £836.0m |
| Benchmark Index<br>Hedged Benchmark Index | | | TOPIX (Net)<br>TOPIX (Net) Hedged to GBP |
| Fund charges and expenses | A-Class | B-Class | C-Class |
| Initial charge (max.) | Nil | Nil | Nil |
| Exit charge | Nil | Nil | Nil |
| Fund expenses (comprises) | | | |
| Annual management fee | 1.50% | 1.00% | 0.75% |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% |
| Stocklending fees | 0.01% | 0.01% | 0.01% |

## Comparative tables

| A-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 457.51 | 375.13 | 298.38 |
| Return before operating charges* | (35.10) | 89.32 | 82.72 |
| Operating charges | (7.47) | (6.94) | (5.97) |
| Return after operating charges* | (42.57) | 82.38 | 76.75 |
| Distributions | - | - | - |
| Retained distributions on accumulation shares | - | - | - |
| Closing net asset value per share | 414.94 | 457.51 | 375.13 |
| * after direct transaction costs of | (0.14) | (0.25) | (0.32) |
| **Performance** | | | |
| % Return after operating charges^^ | (9.30)% | 21.96% | 25.72% |
| **Other information** | | | |
| Closing net asset value (£'000) | 72,470 | 86,245 | 78,754 |
| Closing number of shares | 17,465,009 | 18,851,040 | 20,993,634 |
| % Operating charges | 1.60% | 1.69% | 1.68% |
| % Direct transaction costs | 0.03% | 0.06% | 0.09% |
| **Prices** | | | |
| Highest share price | 509.4 | 480.4 | 402.4 |
| Lowest share price | 407.4 | 372.2 | 269.4 |

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 110.16 | 90.32 | 71.83 |
| Return before operating charges* | (8.44) | 21.52 | 19.93 |
| Operating charges | (1.86) | (1.68) | (1.44) |
| Return after operating charges* | (10.30) | 19.84 | 18.49 |
| Distributions | - | - | - |
| Closing net asset value per share | 99.86 | 110.16 | 90.32 |
| * after direct transaction costs of | (0.03) | (0.06) | (0.08) |
| **Performance** | | | |
| % Return after operating charges^^ | (9.35)% | 21.97% | 25.74% |
| **Other information** | | | |
| Closing net asset value (£'000) | 429 | 461 | 338 |
| Closing number of shares | 429,914 | 418,772 | 373,999 |
| % Operating charges | 1.66% | 1.69% | 1.68% |
| % Direct transaction costs | 0.03% | 0.06% | 0.09% |
| **Prices** | | | |
| Highest share price | 122.6 | 115.7 | 96.87 |
| Lowest share price | 98.05 | 89.62 | 64.84 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 469.05 | 382.69 | 302.71 |
| Return before operating charges* | (36.19) | 91.36 | 84.28 |
| Operating charges | (5.55) | (5.00) | (4.30) |
| Return after operating charges* | (41.74) | 86.36 | 79.98 |
| Distributions | (0.19) | (0.35) | (0.10) |
| Retained distributions on accumulation shares | 0.19 | 0.35 | 0.10 |
| Closing net asset value per share | 427.31 | 469.05 | 382.69 |
| * after direct transaction costs of | (0.14) | (0.25) | (0.33) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.90)% | 22.57% | 26.42% |
| **Other information** | | | |
| Closing net asset value (£'000) | 137 | 245 | 211 |
| Closing number of shares | 32,087 | 52,215 | 55,059 |
| % Operating charges | 1.16% | 1.19% | 1.18% |
| % Direct transaction costs | 0.03% | 0.06% | 0.09% |
| **Prices** | | | |
| Highest share price | 523.8 | 492.5 | 409.9 |
| Lowest share price | 419.5 | 379.7 | 273.4 |

† 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

## Comparative tables – continued

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 253.00 | 205.91 | 162.41 |
| Return before operating charges* | (19.62) | 49.24 | 45.33 |
| Operating charges | (2.12) | (2.15) | (1.83) |
| Return after operating charges* | (21.74) | 47.09 | 43.50 |
| Distributions | (0.97) | (0.75) | (0.56) |
| Retained distributions on accumulation shares | 0.97 | 0.75 | 0.56 |
| Closing net asset value per share | 231.26 | 253.00 | 205.91 |
| * after direct transaction costs of | (0.08) | (0.14) | (0.18) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.59)% | 22.87% | 26.78% |
| **Other information** | | | |
| Closing net asset value (£'000) | 485,162 | 350,956 | 122,034 |
| Closing number of shares | 209,787,963 | 138,719,360 | 59,265,457 |
| % Operating charges | 0.82% | 0.94% | 0.93% |
| % Direct transaction costs | 0.03% | 0.06% | 0.09% |
| **Prices** | | | |
| Highest share price | 283.1 | 265.6 | 220.4 |
| Lowest share price | 227.0 | 204.3 | 146.7 |

| C-Class Accumulation GBP Hedged Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 205.30 | 152.83 | 147.49 |
| Return before operating charges* | (29.53) | 54.11 | 6.73 |
| Operating charges | (1.65) | (1.64) | (1.39) |
| Return after operating charges* | (31.18) | 52.47 | 5.34 |
| Distributions | (0.76) | (0.56) | (0.40) |
| Retained distributions on accumulation shares | 0.76 | 0.56 | 0.40 |
| Closing net asset value per share | 174.12 | 205.30 | 152.83 |
| * after direct transaction costs of | (0.06) | (0.10) | (0.13) |
| **Performance** | | | |
| % Return after operating charges^^ | (15.19)% | 34.33% | 3.62% |
| **Other information** | | | |
| Closing net asset value (£'000) | 138,472 | 128,089 | 72,946 |
| Closing number of shares | 79,527,388 | 62,389,720 | 47,731,135 |
| % Operating charges | 0.83% | 0.94% | 0.93% |
| % Direct transaction costs | 0.03% | 0.06% | 0.09% |
| **Prices** | | | |
| Highest share price | 221.2 | 215.3 | 155.8 |
| Lowest share price | 163.9 | 149.6 | 125.9 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 264.43 | 215.88 | 170.75 |
| Return before operating charges* | (20.51) | 51.63 | 47.60 |
| Operating charges | (2.25) | (2.28) | (1.90) |
| Return after operating charges* | (22.76) | 49.35 | 45.70 |
| Distributions | (0.96) | (0.80) | (0.57) |
| Closing net asset value per share | 240.71 | 264.43 | 215.88 |
| * after direct transaction costs of | (0.08) | (0.15) | (0.18) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.61)% | 22.86% | 26.76% |
| **Other information** | | | |
| Closing net asset value (£'000) | 139,293 | 57,935 | 11,313 |
| Closing number of shares | 57,866,497 | 21,909,396 | 5,240,661 |
| % Operating charges | 0.84% | 0.94% | 0.93% |
| % Direct transaction costs | 0.03% | 0.06% | 0.09% |
| **Prices** | | | |
| Highest share price | 295.9 | 278.5 | 231.7 |
| Lowest share price | 237.2 | 214.2 | 154.2 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 211 and 212, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Sector breakdown

| | % |
|---|---|
| Industrials | 18.39 |
| Information Technology | 15.26 |
| Consumer Discretionary | 14.81 |
| Consumer Staples | 12.38 |
| Communication Services | 11.70 |
| Health Care | 9.83 |
| Financials | 9.21 |
| Materials | 2.59 |
| Real Estate | 1.47 |
| Forward Currency Contracts[ø] | 0.47 |
| Net other assets | 3.89 |

[ø] The forward currency contracts are only entered into by the C-Class Accumulation GBP Hedged Shares.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 95.64% (99.43%)** | | | |
| **Communication Services 11.70% (13.16%)** | | | |
| **Diversified Telecommunication Services 0.00% (0.83%)** | | | |
| **Entertainment 5.88% (4.48%)** | | | |
| Nexon Co. Ltd. | 1,470,400 | 17,111 | 2.05 |
| Nintendo Co. Ltd. | 74,800 | 17,724 | 2.12 |
| Square Enix Holdings Co. Ltd. | 567,200 | 14,295 | 1.71 |
| | | **49,130** | **5.88** |
| **Media 3.75% (4.02%)** | | | |
| CyberAgent, Inc. | 907,000 | 22,255 | 2.66 |
| Zenrin Co. Ltd. | 470,450 | 9,063 | 1.09 |
| | | **31,318** | **3.75** |
| **Wireless Telecommunication Services 2.07% (3.83%)** | | | |
| SoftBank Group Corp. | 290,700 | 17,357 | 2.07 |
| | | **17,357** | **2.07** |
| **Communication Services total** | | **97,805** | **11.70** |
| **Consumer Discretionary 14.81% (9.81%)** | | | |
| **Auto Components 0.32% (0.89%)** | | | |
| Nifco, Inc. | 145,100 | 2,686 | 0.32 |
| | | **2,686** | **0.32** |
| **Automobiles 2.27% (1.95%)** | | | |
| Suzuki Motor Corp. | 477,700 | 18,998 | 2.27 |
| | | **18,998** | **2.27** |
| **Household Durables 0.00% (1.27%)** | | | |
| **Internet & Direct Marketing Retail 3.04% (1.85%)** | | | |
| Istyle, Inc. | 642,500 | 3,716 | 0.44 |
| Mercari, Inc. | 551,900 | 8,880 | 1.06 |
| ZOZO, Inc. | 837,700 | 12,861 | 1.54 |
| | | **25,457** | **3.04** |
| **Leisure Products 0.45% (0.35%)** | | | |
| Tomy Co. Ltd. | 466,600 | 3,752 | 0.45 |
| | | **3,752** | **0.45** |
| **Multiline Retail 2.81% (2.51%)** | | | |
| Don Quijote Holdings Co. Ltd. | 530,600 | 23,472 | 2.81 |
| | | **23,472** | **2.81** |
| **Specialty Retail 5.92% (0.99%)** | | | |
| Fast Retailing Co. Ltd. | 55,000 | 19,213 | 2.30 |
| Hikari Tsushin, Inc. | 248,400 | 30,248 | 3.62 |
| | | **49,461** | **5.92** |
| **Consumer Discretionary total** | | **123,826** | **14.81** |
| **Consumer Staples 12.38% (11.40%)** | | | |
| **Food & Staples Retailing 0.49% (0.62%)** | | | |
| Cosmos Pharmaceutical Corp. | 28,400 | 4,137 | 0.49 |
| | | **4,137** | **0.49** |
| **Household Products 1.99% (1.98%)** | | | |
| Pigeon Corp. | 558,300 | 16,595 | 1.99 |
| | | **16,595** | **1.99** |
| **Personal Products 9.90% (8.80%)** | | | |
| Kao Corp. | 750,900 | 40,355 | 4.83 |
| Milbon Co. Ltd. | 130,500 | 3,984 | 0.47 |
| Shiseido Co. Ltd. | 847,300 | 38,438 | 4.60 |
| | | **82,777** | **9.90** |
| **Consumer Staples total** | | **103,509** | **12.38** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Financials 9.21% (9.47%)** | | | |
| **Banks 0.00% (3.62%)** | | | |
| **Capital Markets 4.01% (1.94%)** | | | |
| Japan Exchange Group, Inc. | 1,572,400 | 21,054 | 2.52 |
| SBI Holdings, Inc. | 607,800 | 9,873 | 1.18 |
| Uzabase, Inc. | 193,100 | 2,588 | 0.31 |
| | | **33,515** | **4.01** |
| **Insurance 4.60% (3.91%)** | | | |
| Tokio Marine Holdings, Inc. | 1,033,800 | 38,455 | 4.60 |
| | | **38,455** | **4.60** |
| **Thrifts & Mortgage Finance 0.60% (0.00%)** | | | |
| Aruhi Corp. | 312,300 | 5,029 | 0.60 |
| | | **5,029** | **0.60** |
| **Financials total** | | **76,999** | **9.21** |
| **Health Care 9.83% (9.11%)** | | | |
| **Biotechnology 3.27% (2.58%)** | | | |
| PeptiDream, Inc. | 541,700 | 17,564 | 2.10 |
| SanBio Co. Ltd. | 193,300 | 9,770 | 1.17 |
| | | **27,334** | **3.27** |
| **Health Care Equipment & Supplies 2.07% (1.22%)** | | | |
| Asahi Intecc Co. Ltd. | 275,600 | 9,110 | 1.09 |
| Sysmex Corp. | 193,400 | 8,197 | 0.98 |
| | | **17,307** | **2.07** |
| **Health Care Technology 3.77% (3.61%)** | | | |
| M3, Inc. | 2,870,400 | 31,492 | 3.77 |
| | | **31,492** | **3.77** |
| **Pharmaceuticals 0.72% (1.70%)** | | | |
| Tsumura & Co. | 274,100 | 6,072 | 0.72 |
| | | **6,072** | **0.72** |
| **Health Care total** | | **82,205** | **9.83** |
| **Industrials 18.39% (24.85%)** | | | |
| **Building Products 1.49% (3.50%)** | | | |
| Daikin Industries Ltd. | 151,300 | 12,473 | 1.49 |
| | | **12,473** | **1.49** |
| **Commercial Services & Supplies 0.00% (0.52%)** | | | |
| **Electrical Equipment 1.69% (3.22%)** | | | |
| Nidec Corp. | 154,300 | 14,078 | 1.69 |
| | | **14,078** | **1.69** |
| **Machinery 4.67% (9.25%)** | | | |
| Makita Corp. | 370,500 | 9,987 | 1.19 |
| MISUMI Group, Inc. | 258,500 | 4,492 | 0.54 |
| Miura Co. Ltd. | 581,700 | 10,998 | 1.32 |
| Shima Seiki Manufacturing Ltd. | 158,000 | 3,916 | 0.47 |
| SMC Corp. | 38,600 | 9,658 | 1.15 |
| | | **39,051** | **4.67** |
| **Professional Services 7.93% (5.45%)** | | | |
| en-japan, Inc. | 121,700 | 3,468 | 0.41 |
| Nihon M&A Center, Inc. | 972,400 | 18,481 | 2.21 |
| Recruit Holdings Co. Ltd. | 2,173,600 | 44,373 | 5.31 |
| | | **66,322** | **7.93** |
| **Trading Companies & Distributors 2.61% (2.91%)** | | | |
| MonotaRO Co. Ltd. | 1,347,200 | 21,836 | 2.61 |
| | | **21,836** | **2.61** |
| **Industrials total** | | **153,760** | **18.39** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Information Technology 15.26% (17.46%)** | | | |
| **Electronic Equipment, Instruments & Components 6.65% (6.08%)** | | | |
| Keyence Corp. | 118,900 | 46,453 | 5.56 |
| Murata Manufacturing Co. Ltd. | 84,500 | 9,129 | 1.09 |
| | | **55,582** | **6.65** |
| **Internet Services & Infrastructure 0.00% (0.38%)** | | | |
| **IT Services 5.50% (3.96%)** | | | |
| Digital Garage, Inc. | 465,100 | 8,500 | 1.02 |
| GMO Payment Gateway, Inc. | 472,900 | 18,599 | 2.23 |
| Obic Co. Ltd. | 262,000 | 18,845 | 2.25 |
| | | **45,944** | **5.50** |
| **Semiconductors & Semiconductor Equipment 0.45% (5.51%)** | | | |
| Lasertec Corp. | 149,200 | 3,718 | 0.45 |
| | | **3,718** | **0.45** |
| **Software 2.66% (1.53%)** | | | |
| Infomart Corp. | 1,080,300 | 8,725 | 1.04 |
| Money Forward, Inc. | 159,400 | 3,442 | 0.41 |
| Trend Micro, Inc. | 249,900 | 10,108 | 1.21 |
| | | **22,275** | **2.66** |
| **Information Technology total** | | **127,519** | **15.26** |
| **Materials 2.59% (3.58%)** | | | |
| **Chemicals 2.59% (3.58%)** | | | |
| Kureha Corp. | 110,700 | 5,293 | 0.64 |
| Shin-Etsu Chemical Co. Ltd. | 253,900 | 16,324 | 1.95 |
| | | **21,617** | **2.59** |
| **Materials total** | | **21,617** | **2.59** |
| **Real Estate 1.47% (0.59%)** | | | |
| **Real Estate Management & Development 1.47% (0.59%)** | | | |
| Relo Group, Inc. | 613,000 | 12,295 | 1.47 |
| | | **12,295** | **1.47** |
| **Real Estate total** | | **12,295** | **1.47** |
| **Equities total** | | **799,535** | **95.64** |
| **Forward Currency Contracts 0.47% (0.09%)** | | | |
| **GBP Hedged Share Class 0.47% (0.09%)^** | | | |
| Buy GBP 131,888,839 sell JPY 18,225,193,044 dated 19/02/2019 | | 4,067 | 0.48 |
| Buy GBP 3,759,627 sell JPY 541,490,064 dated 19/02/2019 | | (38) | – |
| Buy JPY 342,041,081 sell GBP 2,391,181 dated 19/02/2019 | | 8 | – |
| Buy JPY 710,741,231 sell GBP 5,099,791 dated 19/02/2019 | | (115) | (0.01) |
| **GBP Hedged Share Class total** | | **3,922** | **0.47** |
| **Forward Currency Contracts total** | | **3,922** | **0.47** |
| Investment assets (including investment liabilities) | | 803,457 | 96.11 |
| Net other assets | | 32,506 | 3.89 |
| **Net assets** | | **835,963** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.
Comparatives have been restated to align to the latest sector information.
^ The forward currency contracts are only entered into by the C-Class Accumulation GBP Hedged Shares.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (101,949) | | 99,582 |
| Revenue (Note 3) | 10,476 | | 5,768 | |
| Expenses (Note 4) | (7,259) | | (4,820) | |
| Net revenue before taxation | 3,217 | | 948 | |
| Taxation (Note 5) | (997) | | (547) | |
| Net revenue/(expense) after taxation | | 2,220 | | 401 |
| **Total return before distributions** | | **(99,729)** | | **99,983** |
| Distributions (Note 6) | | (2,556) | | (723) |
| **Change in net assets attributable to shareholders from investment activities** | | **(102,285)** | | **99,260** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **623,931** | | **285,596** |
| Amounts receivable on issue of shares | 370,277 | | 344,918 | |
| Amounts payable on cancellation of shares | (58,647) | | (107,429) | |
| | | 311,630 | | 237,489 |
| Dilution adjustment | | 48 | | 196 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (102,285) | | 99,260 |
| Retained distributions on accumulation shares | | 2,639 | | 1,390 |
| **Closing net assets attributable to shareholders** | | **835,963** | | **623,931** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 803,610 | 620,983 |
| **Current assets:** | | |
| Debtors (Note 8) | 12,378 | 3,492 |
| Cash and bank balances (Note 9) | 21,639 | 6,476 |
| **Total assets** | **837,627** | **630,951** |
| **Liabilities:** | | |
| Investment liabilities | (153) | (54) |
| **Creditors:** | | |
| Distribution payable | (556) | (175) |
| Other creditors (Note 10) | (955) | (6,791) |
| **Total liabilities** | **(1,664)** | **(7,020)** |
| **Net assets attributable to shareholders** | **835,963** | **623,931** |

The notes to these financial statements are shown on pages 208 to 212.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Japan Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains | 10,616 | 1,216 |
| Forward currency contracts | (21,504) | 6,258 |
| Non-derivative securities | (91,061) | 92,108 |
| Net capital (losses)/gains | (101,949) | 99,582 |

The forward currency contracts are only entered into by the C-Class Accumulation GBP Hedged Shares.

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Income from overseas equity investments | 9,971 | 5,474 |
| Interest on bank and term deposits | 1 | 1 |
| Stock lending income | 504 | 293 |
| Total revenue | 10,476 | 5,768 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 6,612 | 3,987 |
| Operating expenses | 559 | 781 |
| Stock lending fees | 75 | 44 |
| | 7,246 | 4,812 |
| Interest payable | 13 | 8 |
| Total expenses | 7,259 | 4,820 |

The fees paid to the auditor for the year ended 31 January 2019 are £4,705 (31.01.18: £4,705), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 997 | 547 |
| Current year tax charge (Note 5b) | 997 | 547 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is greater than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 3,217 | 948 |
| Corporation tax at 20% | 643 | 190 |
| Effects of: | | |
| Dividends not subject to corporation tax | (1,994) | (1,086) |
| Excess expenses for which no relief taken | 1,348 | 887 |
| Non-trade deficit set against current year income | 3 | - |
| Overseas tax suffered | 997 | 547 |
| Revenue taxable in different periods | - | 9 |
| | 354 | 357 |
| Current year tax charge (Note 5a) | 997 | 547 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £11,989,002 (31.01.18: £10,640,758) in relation to £59,945,011 (31.01.18: £53,203,788) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 3,195 | 1,565 |
| Add: Amounts payable on cancellation of shares | 81 | (57) |
| Deduct: Amounts receivable on issue of shares | (720) | (785) |
| Distributions for the year | 2,556 | 723 |

Details of the distribution per share are set out on page 213.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 2,220 | 401 |
| Add: Deficit taken to capital | 336 | 327 |
| Add: RDR transfer equalisation (capital) | - | 5 |
| Add: Undistributed revenue brought forward | 13 | 3 |
| Deduct: Undistributed revenue carried forward | (13) | (13) |
| | 2,556 | 723 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 1,011 | 594 |
| Due from the ACD for shares issued | 10,740 | 2,898 |
| Sales awaiting settlement | 627 | - |
| Total debtors | 12,378 | 3,492 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 21,639 | 6,476 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 674 | 532 |
| Due to the ACD for shares cancelled | 281 | 152 |
| Purchases awaiting settlement | – | 6,107 |
| Total other creditors | 955 | 6,791 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due from the ACD and their associates at the year end date in respect of related party transactions was £9,786,923 (31.01.18: £2,214,015). Details of related party transactions are given under the note on page 13.

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £1,709 (31.01.18: £14,306). Commission was paid to the associated company JPMorgan Securities Ltd.

The following party held a material interest in the Fund at the year end date:
– Minster Nominees Limited 12.66% (31.01.18: 12.52%)

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £100,134,766 securities on loan (31.01.18: £25,993,860) and consequently £108,550,605 collateral was held (31.01.18: £28,022,666). The nature of the collateral was 3.11% cash and 96.89% bonds.

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 504 | 293 |
| Fees paid to the lending agent[Ø] | (75) | (44) |
| Net stock lending income | 429 | 249 |

[Ø] A related party to the Fund

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 215.

## 14. Financial instruments

**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | Net foreign currency assets | | | |
|---|---|---|---|---|
| Currency | Total £'000 | Forward currency contracts £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | | |
| Japanese Yen | 699,970 | (124,236) | 24,671 | 799,535 |
| **31.01.18** | | | | |
| Japanese Yen | 490,745 | (129,128) | (501) | 620,374 |

The forward currency contracts are only entered into by the C-Class Accumulation GBP Hedged Shares.

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £69,997,000 (31.01.18: £49,075,000).

**Interest rate risk**

At the year end date, 2.59% (31.01.18: 1.04%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £80,346,000 (31.01.18: £62,093,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 203 and 204. All classes have the same rights on winding up.

## 16. Counterparty exposure

Financial derivative exposure

| Counterparty | Forward currency contracts £'000 | Total £'000 |
|---|---|---|
| **31.01.19** | | |
| ANZ Banking Group | (3) | (3) |
| Citibank | 2 | 2 |
| Deutsche Bank | (89) | (89) |
| Goldman Sachs | 53 | 53 |
| HSBC | (10) | (10) |
| Merrill Lynch | 3,878 | 3,878 |
| Royal Bank of Canada | 53 | 53 |
| State Street | 39 | 39 |
| Toronto Dominion Bank | (1) | (1) |
| | 3,922 | 3,922 |
| **31.01.18** | | |
| ANZ Banking Group | 2 | 2 |
| Barclays | 45 | 45 |
| BNP Paribas | 2 | 2 |
| Credit Suisse | 485 | 485 |
| Goldman Sachs | 26 | 26 |
| HSBC | 5 | 5 |
| Merrill Lynch | (5) | (5) |
| RBC | (16) | (16) |
| State Street | 11 | 11 |
| Toronto Dominion Bank | 1 | 1 |
| UBS | (1) | (1) |
| | 555 | 555 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 799,535 | - | 620,374 | - |
| Level 2: Observable market data | 4,075 | (153) | 609 | (54) |
| Total | 803,610 | (153) | 620,983 | (54) |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (504,772) | (191) | - | (504,963) | 0.04 | 0.00 |
| | (504,772) | (191) | - | (504,963) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 234,825 | (84) | - | 234,741 | 0.04 | 0.00 |
| | 234,825 | (84) | - | 234,741 | | |
| Total | | (275) | - | | | |
| Percentage of Fund average net assets | | 0.03% | 0.00% | | | |

## 18. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (386,611) | (194) | - | (386,805) | 0.05 | 0.00 |
| | (386,611) | (194) | - | (386,805) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 140,494 | (67) | - | 140,427 | 0.05 | 0.00 |
| | 140,494 | (67) | - | 140,427 | | |
| Total | | (261) | - | | | |
| Percentage of Fund average net assets | | 0.06% | 0.00% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.21% (31.01.18: 0.20%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 18,851,040 | 2,843,541 | (4,137,341) | (92,231) | 17,465,009 |
| A-Class Income Shares | 418,772 | 85,933 | (63,610) | (11,181) | 429,914 |
| B-Class Accumulation Shares | 52,215 | 1,147 | (21,275) | - | 32,087 |
| C-Class Accumulation Shares | 138,719,360 | 77,854,081 | (6,916,548) | 131,070 | 209,787,963 |
| C-Class Accumulation GBP Hedged Shares | 62,389,720 | 26,240,115 | (9,102,447) | - | 79,527,388 |
| C-Class Income Shares | 21,909,396 | 37,609,645 | (1,690,886) | 38,342 | 57,866,497 |

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.000000 | – | 0.000000 | 0.000000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.000000 | – | 0.000000 | 0.000000 |
| Group 2 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.190000 | – | 0.190000 | 0.350000 |
| Group 2 | 0.000000 | 0.190000 | 0.190000 | 0.350000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 0.970000 | – | 0.970000 | 0.750000 |
| Group 2 | 0.445299 | 0.524701 | 0.970000 | 0.750000 |
| **C-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 0.760000 | – | 0.760000 | 0.560000 |
| Group 2 | 0.304790 | 0.455210 | 0.760000 | 0.560000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.960000 | – | 0.960000 | 0.800000 |
| Group 2 | 0.351662 | 0.608338 | 0.960000 | 0.800000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities and commodities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 12.52%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 100,135 | 11.98% |

## Concentration Data

### Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date:

| Issuer | Value £'000 |
|---|---|
| United Kingdom Treasury | 60,439 |
| French Republic Government | 27,420 |
| United States of America Treasury | 8,411 |
| Kingdom of Netherlands Government | 2,751 |
| Republic of Austria Government | 2,733 |
| Kingdom of Belgium Government | 1,745 |
| Federal Republic of Germany Government | 1,656 |
| Republic of Finland Government | 22 |
| Total | 105,177 |

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

### Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| Credit Suisse | 57,134 |
| Citigroup | 17,215 |
| Societe Generale | 16,273 |
| UBS | 5,451 |
| Merrill Lynch | 3,439 |
| HSBC | 623 |
| Total | 100,135 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Collateral Value £'000 |
|---|---|---|---|
| Bonds | Investment grade | GBP | 60,439 |
| Bonds | Investment grade | EUR | 36,327 |
| Bonds | Investment grade | USD | 8,411 |
| Cash | N/A | USD | 3,374 |
| Total | | | 108,551 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| less than one day | 3,374 |
| 1 to 3 months | 2,699 |
| 3 to 12 months | 1,530 |
| more than 1 year | 100,948 |
| Total | 108,551 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| Citigroup | United States |
| Credit Suisse | Switzerland |
| HSBC | United Kingdom |
| Merrill Lynch | United States |
| Societe Generale | France |
| UBS | Switzerland |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

Cash collateral received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus, however the Fund as at the period end has not reinvested cash collateral received in respect of securities lending transactions.

## Safekeeping of collateral

All collateral received (31.01.19: £108,551,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM Multi-Asset Income Fund

## Investment objective and policy

To provide income by investing primarily in a global portfolio of income generating securities.

The Fund will predominantly invest in fixed and floating rate Debt Securities and Equity and Equity Linked Securities to generate income. The Fund may invest in High-Yield Bonds, Convertible Bonds, Investment Grade, Below-Investment Grade and Unrated securities, Real Estate Investment Trusts ("REITS"), smaller companies and collective investment schemes as the Investment Adviser deems appropriate. Issuers of securities may be located in any country, including Emerging Markets and the Fund may invest in assets denominated in any currency. Non-sterling currency exposure (excluding Emerging Markets local currency) will be hedged back to sterling. **The Fund may use Financial Derivative Instruments (derivatives) and forward transactions for investment purposes and Efficient Portfolio Management, including hedging.**

The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect Programmes.

## 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 Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below-Investment Grade Bonds which may also be subject to higher volatility and be more difficult to sell than Investment Grade Bonds.

The Fund may have a significant exposure to Asset and Mortgage Backed Securities (ABS and MBS). ABS/MBS may be difficult to sell, subject to adverse changes to interest rates and to the risk that the payment obligations of the underlying asset are not met.

The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

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.

The Fund may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect Programmes which is subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.

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.

A Fund investing in Contingent Convertible Securities may be adversely impacted should specific trigger events occur (as specified in the terms of the security) and may be at increased risk of capital loss. This may be as a result of the security converting to Equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.

The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.

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.

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.

The capital growth of an investment in a monthly Share Class may be constrained when compared to the equivalent quarterly Share Class of the same Fund. This is a result of quarterly Share Classes effectively investing more in the Fund than monthly Share Classes due to the less frequent payment of income.

Monthly Share Classes may receive less income than equivalent quarterly Share Classes of the same Fund. This is a result of the monthly Share Classes effectively investing less in the Fund due to the more frequent payment of income, which means that they will receive a smaller proportion of any income received by the Fund during any given quarterly period.

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

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.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

## Fund review

It was a challenging period for investors, as markets were buffeted by disappointing global data and political tension. In this environment, we were helped by the fact that we began to meaningfully derisk the portfolio from the beginning of the year – most visibly by reducing our equity allocation and by increasing duration. This exercise helped us to mitigate the impact from volatile markets significantly towards the end of the year.

Equity allocations detracted over the year – in particular, our exposure to Europe and emerging markets, which underperformed the traditionally higher quality and more defensive US market. Within equities, the income approach faced headwinds over the first half of the year as markets were driven higher by high-quality growth stocks. This underperformance of value relative to growth resulted in traditional dividend-paying stocks lagging global equity indices until the fourth quarter. As we entered October, this trend reversed. The defensive characteristics of our dividend-paying stocks exhibited a lower beta to the equity market during this period. Our high yield credit allocations suffered alongside equities over the year. We saw negative contributions from our emerging market debt and US investment grade allocations. Opportunistic fixed income provided diversification in terms of risk and yield, with both our non-agency mortgage and US agency mortgage allocations finishing the year in positive territory. The fourth quarter was a positive period for US agency mortgages as developed market sovereign bonds rallied amidst the risk-off environment and given market expectations for a moderated pace of monetary tightening in 2019.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Multi-Asset Income Fund** A-Class Acc | **-3.7%** | **7.7%** | **10.5%** | **-5.4%** | **9.2%** |
| **JPM Multi-Asset Income Fund** B-Class Acc | **-3.3%** | **8.1%** | **10.9%** | **-5.1%** | **9.6%** |
| **JPM Multi-Asset Income Fund** C-Class Acc | **-3.2%** | **8.3%** | **11.1%** | **-4.9%** | **9.7%** |
| **JPM Multi-Asset Income Fund** G-Class Acc | **-3.1%** | **8.4%** | **11.1%** | **–** | **–** |
| **JPM Multi-Asset Income Fund** X-Class Acc | **-2.6%** | **9.0%** | **11.9%** | **-4.4%** | **10.5%** |
| Benchmark Index | -2.1% | 10.7% | 14.5% | -3.7% | 8.2% |

## Fund statistics

| | |
|---|---|
| Risk and Reward Profile | **4† (4 at 31 July 2018)** |
| Fund size | **£367.1m** |
| Benchmark Index | **40% MSCI World Index (Net) – Hedged to GBP, 30% Bloomberg Barclays US High Yield 2% Issuer Cap Index (Gross) – Hedged to GBP, 30% Bloomberg Barclays Global Credit Index – Hedged to GBP** |

| Fund charges and expenses | A-Class | B-Class | C-Class | G-Class | X-Class |
|---|---|---|---|---|---|
| Initial charge (max.) | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | | | |
| Annual management fee | **1.25%** | **0.80%** | **0.65%** | **0.56%** | **–[A]** |
| Operating expenses (max.) | **0.15%** | **0.15%** | **0.15%** | **0.15%** | **0.06%** |

## Comparative tables

| A-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 97.05 | 90.04 | 81.43 |
| Return before operating charges* | (2.29) | 8.35 | 9.85 |
| Operating charges | (1.32) | (1.34) | (1.24) |
| Return after operating charges* | (3.61) | 7.01 | 8.61 |
| Distributions | (3.77) | (3.36) | (3.49) |
| Retained distributions on accumulation shares | 3.77 | 3.36 | 3.49 |
| Closing net asset value per share | 93.44 | 97.05 | 90.04 |
| * after direct transaction costs of | (0.04) | (0.08) | (0.09) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.72)% | 7.79% | 10.57% |
| **Other information** | | | |
| Closing net asset value (£'000) | 14,693 | 18,432 | 24,970 |
| Closing number of shares | 15,723,890 | 18,991,563 | 27,732,401 |
| % Operating charges | 1.40% | 1.43% | 1.43% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 97.37 | 98.12 | 90.54 |
| Lowest share price | 89.88 | 90.14 | 78.13 |

† 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Blended benchmarks have been calculated by JPMAM.

Source: J.P. Morgan.

[A] The Ongoing charge will vary in accordance to the annual management fee agreed between the ACD and the relevant JPMorgan Chase & Co. entity.

Benchmark Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by JPMorgan Asset Management (UK) Ltd. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties 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.

## Comparative tables – continued

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 66.99 | 64.41 | 60.62 |
| Return before operating charges* | (1.56) | 5.90 | 7.26 |
| Operating charges | (0.90) | (0.95) | (0.91) |
| Return after operating charges* | (2.46) | 4.95 | 6.35 |
| Distributions | (2.56) | (2.37) | (2.56) |
| Closing net asset value per share | 61.97 | 66.99 | 64.41 |
| * after direct transaction costs of | (0.03) | (0.06) | (0.07) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.67)% | 7.69% | 10.48% |
| **Other information** | | | |
| Closing net asset value (£'000) | 7,761 | 9,221 | 11,193 |
| Closing number of shares | 12,523,597 | 13,763,224 | 17,379,215 |
| % Operating charges | 1.40% | 1.43% | 1.43% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 67.23 | 68.21 | 65.27 |
| Lowest share price | 60.07 | 64.48 | 58.17 |

| A-Class Monthly Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 66.97 | 64.39 | 60.63 |
| Return before operating charges* | (1.58) | 5.88 | 7.21 |
| Operating charges | (0.89) | (0.94) | (0.90) |
| Return after operating charges* | (2.47) | 4.94 | 6.31 |
| Distributions | (2.56) | (2.36) | (2.55) |
| Closing net asset value per share | 61.94 | 66.97 | 64.39 |
| * after direct transaction costs of | (0.03) | (0.06) | (0.07) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.69)% | 7.67% | 10.41% |
| **Other information** | | | |
| Closing net asset value (£'000) | 177 | 180 | 144 |
| Closing number of shares | 286,462 | 268,131 | 224,177 |
| % Operating charges | 1.40% | 1.43% | 1.43% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 67.20 | 67.85 | 64.91 |
| Lowest share price | 59.88 | 64.46 | 58.17 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 99.00 | 91.49 | 82.42 |
| Return before operating charges* | (2.40) | 8.45 | 9.93 |
| Operating charges | (0.92) | (0.94) | (0.86) |
| Return after operating charges* | (3.32) | 7.51 | 9.07 |
| Distributions | (3.85) | (3.43) | (3.53) |
| Retained distributions on accumulation shares | 3.85 | 3.43 | 3.53 |
| Closing net asset value per share | 95.68 | 99.00 | 91.49 |
| * after direct transaction costs of | (0.04) | (0.09) | (0.10) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.35)% | 8.21% | 11.00% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,680 | 1,716 | 1,931 |
| Closing number of shares | 1,755,368 | 1,733,045 | 2,110,440 |
| % Operating charges | 0.95% | 0.98% | 0.98% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 99.33 | 100.1 | 91.98 |
| Lowest share price | 92.01 | 91.60 | 79.09 |

| B-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 68.37 | 65.48 | 61.38 |
| Return before operating charges* | (1.64) | 5.97 | 7.32 |
| Operating charges | (0.62) | (0.66) | (0.63) |
| Return after operating charges* | (2.26) | 5.31 | 6.69 |
| Distributions | (2.62) | (2.42) | (2.59) |
| Closing net asset value per share | 63.49 | 68.37 | 65.48 |
| * after direct transaction costs of | (0.03) | (0.06) | (0.07) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.31)% | 8.11% | 10.90% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,158 | 1,432 | 1,289 |
| Closing number of shares | 1,824,544 | 2,094,892 | 1,969,434 |
| % Operating charges | 0.95% | 0.98% | 0.98% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 68.60 | 69.61 | 66.34 |
| Lowest share price | 61.51 | 65.55 | 58.90 |

## Comparative tables – continued

| B-Class Monthly Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 68.23 | 65.35 | 61.29 |
| Return before operating charges* | (1.65) | 5.95 | 7.27 |
| Operating charges | (0.62) | (0.66) | (0.63) |
| Return after operating charges* | (2.27) | 5.29 | 6.64 |
| Distributions | (2.60) | (2.41) | (2.58) |
| Closing net asset value per share | 63.36 | 68.23 | 65.35 |
| * after direct transaction costs of | (0.03) | (0.06) | (0.07) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.33)% | 8.09% | 10.83% |
| **Other information** | | | |
| Closing net asset value (£'000) | 312 | 273 | 73 |
| Closing number of shares | 492,385 | 400,557 | 111,557 |
| % Operating charges | 0.95% | 0.98% | 0.98% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 68.47 | 69.13 | 65.83 |
| Lowest share price | 61.22 | 65.42 | 58.81 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 117.89 | 112.76 | 105.57 |
| Return before operating charges* | (2.85) | 10.27 | 12.58 |
| Operating charges | (0.85) | (0.97) | (0.92) |
| Return after operating charges* | (3.70) | 9.30 | 11.66 |
| Distributions | (4.57) | (4.17) | (4.47) |
| Closing net asset value per share | 109.62 | 117.89 | 112.76 |
| * after direct transaction costs of | (0.05) | (0.10) | (0.12) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.14)% | 8.25% | 11.04% |
| **Other information** | | | |
| Closing net asset value (£'000) | 68,120 | 76,158 | 82,079 |
| Closing number of shares | 62,139,877 | 64,598,935 | 72,791,741 |
| % Operating charges | 0.75% | 0.83% | 0.83% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 118.3 | 120.0 | 114.2 |
| Lowest share price | 106.2 | 112.9 | 101.3 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 146.54 | 135.24 | 121.67 |
| Return before operating charges* | (3.59) | 12.48 | 14.66 |
| Operating charges | (1.06) | (1.18) | (1.09) |
| Return after operating charges* | (4.65) | 11.30 | 13.57 |
| Distributions | (5.77) | (5.06) | (5.23) |
| Retained distributions on accumulation shares | 5.77 | 5.06 | 5.23 |
| Closing net asset value per share | 141.89 | 146.54 | 135.24 |
| * after direct transaction costs of | (0.06) | (0.13) | (0.14) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.17)% | 8.36% | 11.15% |
| **Other information** | | | |
| Closing net asset value (£'000) | 98,063 | 119,304 | 119,849 |
| Closing number of shares | 69,110,414 | 81,413,190 | 88,617,512 |
| % Operating charges | 0.74% | 0.83% | 0.83% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 147.0 | 148.1 | 136.0 |
| Lowest share price | 136.4 | 135.4 | 116.8 |

| C-Class Monthly Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 117.82 | 112.71 | 105.57 |
| Return before operating charges* | (2.87) | 10.23 | 12.50 |
| Operating charges | (0.90) | (0.96) | (0.92) |
| Return after operating charges* | (3.77) | 9.27 | 11.58 |
| Distributions | (4.50) | (4.16) | (4.44) |
| Closing net asset value per share | 109.55 | 117.82 | 112.71 |
| * after direct transaction costs of | (0.04) | (0.10) | (0.12) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.20)% | 8.22% | 10.97% |
| **Other information** | | | |
| Closing net asset value (£'000) | 4,043 | 4,056 | 2,959 |
| Closing number of shares | 3,690,519 | 3,442,874 | 2,625,027 |
| % Operating charges | 0.80% | 0.83% | 0.83% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 118.2 | 119.4 | 113.5 |
| Lowest share price | 105.9 | 112.8 | 101.3 |

## Comparative tables – continued

| G-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 146.86 | 135.43 | 121.75 |
| Return before operating charges* | (3.59) | 12.48 | 14.65 |
| Operating charges | (1.02) | (1.05) | (0.97) |
| Return after operating charges* | (4.61) | 11.43 | 13.68 |
| Distributions | (5.72) | (5.08) | (5.23) |
| Retained distributions on accumulation shares | 5.72 | 5.08 | 5.23 |
| Closing net asset value per share | 142.25 | 146.86 | 135.43 |
| * after direct transaction costs of | (0.06) | (0.13) | (0.14) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.14)% | 8.44% | 11.24% |
| **Other information** | | | |
| Closing net asset value (£'000) | 14,281 | 16,997 | 17,559 |
| Closing number of shares | 10,039,529 | 11,573,523 | 12,964,716 |
| % Operating charges | 0.71% | 0.74% | 0.74% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 147.3 | 148.5 | 136.2 |
| Lowest share price | 136.7 | 135.6 | 116.8 |

| G-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 118.05 | 112.82 | 105.55 |
| Return before operating charges* | (2.86) | 10.26 | 12.56 |
| Operating charges | (0.80) | (0.86) | (0.82) |
| Return after operating charges* | (3.66) | 9.40 | 11.74 |
| Distributions | (4.53) | (4.17) | (4.47) |
| Closing net asset value per share | 109.86 | 118.05 | 112.82 |
| * after direct transaction costs of | (0.05) | (0.10) | (0.12) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.10)% | 8.33% | 11.12% |
| **Other information** | | | |
| Closing net asset value (£'000) | 7,704 | 9,588 | 8,667 |
| Closing number of shares | 7,012,313 | 8,121,639 | 7,682,660 |
| % Operating charges | 0.71% | 0.74% | 0.74% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 118.5 | 120.2 | 114.3 |
| Lowest share price | 106.4 | 113.0 | 101.3 |

| G-Class Monthly Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 117.95 | 112.74 | 105.52 |
| Return before operating charges* | (2.87) | 10.23 | 12.49 |
| Operating charges | (0.80) | (0.86) | (0.82) |
| Return after operating charges* | (3.67) | 9.37 | 11.67 |
| Distributions | (4.51) | (4.16) | (4.45) |
| Closing net asset value per share | 109.77 | 117.95 | 112.74 |
| * after direct transaction costs of | (0.05) | (0.10) | (0.12) |
| **Performance** | | | |
| % Return after operating charges^^ | (3.11)% | 8.31% | 11.06% |
| **Other information** | | | |
| Closing net asset value (£'000) | 609 | 919 | 750 |
| Closing number of shares | 554,864 | 778,879 | 665,622 |
| % Operating charges | 0.71% | 0.74% | 0.74% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 118.4 | 119.5 | 113.6 |
| Lowest share price | 106.0 | 112.9 | 101.3 |

## Comparative tables – continued

| X-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 136.50 | 125.14 | 111.82 |
| Return before operating charges* | (3.46) | 11.44 | 13.39 |
| Operating charges | (0.07) | (0.08) | (0.07) |
| Return after operating charges* | (3.53) | 11.36 | 13.32 |
| Distributions | (5.45) | (4.84) | (4.96) |
| Retained distributions on accumulation shares | 5.45 | 4.84 | 4.96 |
| Closing net asset value per share | 132.97 | 136.50 | 125.14 |
| * after direct transaction costs of | (0.05) | (0.12) | (0.13) |
| **Performance** | | | |
| % Return after operating charges^^ | (2.59)% | 9.08% | 11.91% |
| **Other information** | | | |
| Closing net asset value (£'000) | 134,095 | 137,665 | 126,869 |
| Closing number of shares | 100,843,538 | 100,852,071 | 101,380,810 |
| % Operating charges | 0.05% | 0.06% | 0.06% |
| % Direct transaction costs | 0.04% | 0.09% | 0.11% |
| **Prices** | | | |
| Highest share price | 137.0 | 138.0 | 125.8 |
| Lowest share price | 127.8 | 125.3 | 107.3 |

| X-Class Income Shares | 2019‡ pps | 2018 pps | 2017‡‡ pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 135.70 | - | 115.06 |
| Return before operating charges* | (2.69) | - | (110.98) |
| Operating charges | (0.04) | - | (0.06) |
| Return after operating charges* | (2.73) | - | (111.04) |
| Distributions | (2.13) | - | (4.02) |
| Closing net asset value per share | 130.84 | - | - |
| * after direct transaction costs of | (0.05) | - | - |
| **Performance** | | | |
| % Return after operating charges^^ | (2.01)% | - | - |
| **Other information** | | | |
| Closing net asset value (£'000) | 14,378 | - | - |
| Closing number of shares | 10,989,011 | - | - |
| % Operating charges | 0.06% | - | - |
| % Direct transaction costs | 0.04% | - | - |
| **Prices** | | | |
| Highest share price | 136.5 | - | 124.5 |
| Lowest share price | 126.7 | - | 110.4 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 246 and 247, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 31 January 2019.
‡‡ X-Class Income shares were closed on 23 Novemebr 2016 and re-launched on 6 August 2018. The Opening net asset value per share given is equal to the launch price of the shares.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Geographical breakdown

| | % |
|---|---|
| Corporate Bonds | 49.40 |
| Equities | 35.15 |
| Liquidity Funds | 7.07 |
| Forward Currency Contracts | 2.60 |
| Certificates of Deposit | 2.01 |
| Government Bonds | 1.91 |
| Convertible Bonds | 1.64 |
| Commercial Papers | 0.84 |
| Futures | 0.15 |
| Net other liabilities | (0.77) |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 35.15% (48.01%)** | | | |
| **Australia 0.59% (0.70%)** | | | |
| BHP Group plc | 15,132 | 257 | 0.07 |
| Dexus, REIT | 64,649 | 411 | 0.11 |
| Goodman Group, REIT | 154,219 | 997 | 0.27 |
| Goodman Private^ | 2,690 | – | – |
| Goodman Private Preference^ | 3,200 | – | – |
| Mirvac Group, REIT | 383,290 | 508 | 0.14 |
| | | **2,173** | **0.59** |
| **Austria 0.11% (0.00%)** | | | |
| Erste Group Bank AG | 14,768 | 393 | 0.11 |
| | | **393** | **0.11** |
| **Belgium 0.26% (0.23%)** | | | |
| Ageas | 2,491 | 89 | 0.03 |
| KBC Group NV | 3,113 | 162 | 0.04 |
| Proximus SADP | 3,933 | 82 | 0.02 |
| Shurgard Self Storage SA | 12,032 | 290 | 0.08 |
| Telenet Group Holding NV | 2,291 | 81 | 0.02 |
| Warehouses De Pauw CVA, REIT | 2,327 | 262 | 0.07 |
| | | **966** | **0.26** |
| **Brazil 0.29% (0.84%)** | | | |
| Ambev SA, ADR | 76,719 | 281 | 0.08 |
| BB Seguridade Participacoes SA | 42,949 | 274 | 0.07 |
| Cielo SA | 25,300 | 61 | 0.02 |
| Engie Brasil Energia SA | 14,793 | 131 | 0.04 |
| Itau Unibanco Holding SA Preference | 39,287 | 312 | 0.08 |
| Petrobras Distribuidora SA | 2,315 | 13 | – |
| | | **1,072** | **0.29** |
| **Canada 0.46% (0.31%)** | | | |
| Advanz Pharma Corp. | 6,578 | 93 | 0.03 |
| Allied Properties Real Estate Investment Trust | 20,818 | 566 | 0.15 |
| TransCanada Corp. | 32,123 | 1,036 | 0.28 |
| | | **1,695** | **0.46** |
| **Chile 0.03% (0.19%)** | | | |
| Banco Santander Chile, ADR | 3,830 | 93 | 0.03 |
| | | **93** | **0.03** |
| **China 1.01% (1.60%)** | | | |
| China Construction Bank Corp. 'H' | 495,000 | 337 | 0.09 |
| China Life Insurance Co. Ltd. 'H' | 48,000 | 90 | 0.03 |
| China Mobile Ltd. | 28,500 | 228 | 0.06 |
| China Overseas Land & Investment Ltd. | 124,000 | 354 | 0.10 |
| China Pacific Insurance Group Co. Ltd. 'H' | 105,800 | 282 | 0.08 |
| China Resources Power Holdings Co. Ltd. | 198,000 | 302 | 0.08 |
| CNOOC Ltd. | 140,000 | 178 | 0.05 |
| Fuyao Glass Industry Group Co. Ltd. | 107,400 | 283 | 0.08 |
| Guangdong Investment Ltd. | 56,000 | 81 | 0.02 |
| Henan Shuanghui Investment & Development Co. Ltd. 'A' | 18,647 | 53 | 0.01 |
| Huayu Automotive Systems Co. Ltd. 'A' | 101,985 | 234 | 0.06 |
| Inner Mongolia Yili Industrial Group Co. Ltd. 'A' | 81,199 | 223 | 0.06 |
| Jiangsu Yanghe Brewery Joint-Stock Co. Ltd. 'A' | 10,744 | 115 | 0.03 |
| Mandatory Exchangeable Trust Preference 5.75% | 574 | 82 | 0.02 |
| Midea Group Co. Ltd. 'A' | 51,800 | 256 | 0.07 |
| Ping An Insurance Group Co. of China Ltd. 'H' | 39,000 | 287 | 0.08 |
| SAIC Motor Corp. Ltd. 'A' | 50,100 | 151 | 0.04 |
| Sands China Ltd. | 48,800 | 176 | 0.05 |
| | | **3,712** | **1.01** |
| **Colombia 0.03% (0.01%)** | | | |
| Frontera Energy Corp. | 4,454 | 30 | 0.01 |
| Millicom International Cellular SA, SDR | 1,880 | 91 | 0.02 |
| | | **121** | **0.03** |
| **Czech Republic 0.06% (0.28%)** | | | |
| Komercni banka A/S | 6,487 | 199 | 0.05 |
| Moneta Money Bank A/S | 14,386 | 37 | 0.01 |
| | | **236** | **0.06** |
| **Denmark 0.21% (0.40%)** | | | |
| Novo Nordisk A/S 'B' | 19,053 | 678 | 0.19 |
| Tryg A/S | 4,402 | 87 | 0.02 |
| | | **765** | **0.21** |
| **Finland 0.42% (1.14%)** | | | |
| Elisa OYJ | 3,847 | 126 | 0.03 |
| Fortum OYJ | 8,127 | 142 | 0.04 |
| Konecranes OYJ | 12,097 | 324 | 0.09 |
| Metso OYJ | 4,856 | 110 | 0.03 |
| Nokia OYJ | 39,514 | 192 | 0.05 |
| Nordea Bank Abp | 26,662 | 185 | 0.05 |
| Orion OYJ 'B' | 3,312 | 91 | 0.03 |
| Sampo OYJ 'A' | 3,716 | 130 | 0.04 |
| Stora Enso OYJ 'R' | 10,300 | 106 | 0.03 |
| UPM-Kymmene OYJ | 5,611 | 126 | 0.03 |
| | | **1,532** | **0.42** |
| **France 3.26% (3.87%)** | | | |
| Airbus SE | 3,939 | 344 | 0.09 |
| AXA SA | 13,255 | 235 | 0.06 |
| Capgemini SE | 5,650 | 475 | 0.13 |
| Casino Guichard Perrachon SA | 2,587 | 95 | 0.03 |
| Cie de Saint-Gobain | 4,827 | 128 | 0.04 |
| Cie Generale des Etablissements Michelin SCA | 8,871 | 738 | 0.20 |
| CNP Assurances | 6,712 | 118 | 0.03 |
| Covivio, REIT | 6,302 | 494 | 0.13 |
| Credit Agricole SA | 12,997 | 114 | 0.03 |
| Engie SA | 13,968 | 171 | 0.05 |
| Eutelsat Communications SA | 7,172 | 117 | 0.03 |
| Gecina SA, REIT | 1,132 | 128 | 0.03 |
| ICADE, REIT | 1,717 | 112 | 0.03 |
| Klepierre SA, REIT | 3,860 | 102 | 0.03 |
| LVMH Moet Hennessy Louis Vuitton SE | 3,903 | 946 | 0.26 |
| Orange SA | 72,269 | 867 | 0.24 |
| Peugeot SA | 5,604 | 108 | 0.03 |
| Publicis Groupe SA | 3,183 | 149 | 0.04 |
| Renault SA | 2,657 | 144 | 0.04 |
| Sanofi | 22,057 | 1,461 | 0.40 |
| Schneider Electric SE | 21,294 | 1,162 | 0.32 |
| SCOR SE | 3,473 | 113 | 0.03 |
| Societe BIC SA | 938 | 71 | 0.02 |
| Suez | 9,237 | 90 | 0.02 |
| TOTAL SA | 48,605 | 2,037 | 0.56 |
| Veolia Environnement SA | 6,701 | 107 | 0.03 |
| Vinci SA | 19,868 | 1,336 | 0.36 |
| | | **11,962** | **3.26** |
| **Germany 1.61% (2.63%)** | | | |
| 1&1 Drillisch AG | 2,482 | 79 | 0.02 |
| Allianz SE | 10,423 | 1,687 | 0.46 |
| Aroundtown SA | 56,109 | 384 | 0.10 |
| Bayerische Motoren Werke AG | 2,763 | 177 | 0.05 |
| Daimler AG | 5,455 | 247 | 0.07 |
| Deutsche Lufthansa AG | 5,212 | 101 | 0.03 |
| Deutsche Telekom AG | 59,154 | 735 | 0.20 |
| E.ON SE | 18,502 | 156 | 0.04 |
| Evonik Industries AG | 3,091 | 65 | 0.02 |
| Hannover Rueck SE | 859 | 96 | 0.03 |
| HUGO BOSS AG | 1,663 | 91 | 0.03 |
| METRO AG | 6,406 | 83 | 0.02 |
| Muenchener Rueckversicherungs-Gesellschaft AG | 5,503 | 940 | 0.26 |
| RWE AG | 8,528 | 162 | 0.04 |
| Volkswagen AG Preference | 3,169 | 410 | 0.11 |
| Vonovia SE | 12,656 | 485 | 0.13 |
| | | **5,898** | **1.61** |
| **Hong Kong 0.43% (0.48%)** | | | |
| Hang Seng Bank Ltd. | 14,200 | 247 | 0.07 |
| HKT Trust & HKT Ltd. | 144,000 | 162 | 0.04 |
| Hong Kong Exchanges & Clearing Ltd. | 23,900 | 565 | 0.15 |
| New World Development Co. Ltd. | 204,000 | 244 | 0.07 |
| WH Group Ltd. | 162,500 | 106 | 0.03 |
| Wharf Real Estate Investment Co. Ltd. | 52,000 | 270 | 0.07 |
| | | **1,594** | **0.43** |
| **Hungary 0.09% (0.19%)** | | | |
| OTP Bank plc | 10,008 | 315 | 0.09 |
| | | **315** | **0.09** |
| **India 0.16% (0.43%)** | | | |
| Coal India Ltd. | 24,393 | 58 | 0.02 |
| Infosys Ltd., ADR | 25,128 | 203 | 0.06 |
| ITC Ltd. | 28,841 | 86 | 0.02 |
| Tata Consultancy Services Ltd. | 10,264 | 220 | 0.06 |
| | | **567** | **0.16** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Indonesia 0.08% (0.16%)** | | | |
| Telekomunikasi Indonesia Persero Tbk. PT | 1,334,100 | 283 | 0.08 |
| | | **283** | **0.08** |
| **Ireland 0.08% (0.11%)** | | | |
| AIB Group plc | 32,302 | 111 | 0.03 |
| Bank of Ireland Group plc | 15,982 | 74 | 0.02 |
| Smurfit Kappa Group plc | 4,084 | 93 | 0.03 |
| | | **278** | **0.08** |
| **Israel 0.00% (0.01%)** | | | |
| **Italy 0.57% (1.11%)** | | | |
| Assicurazioni Generali SpA | 13,652 | 184 | 0.05 |
| Enel SpA | 218,991 | 1,006 | 0.27 |
| Eni SpA | 18,478 | 240 | 0.06 |
| Intesa Sanpaolo SpA | 99,372 | 175 | 0.05 |
| Mediobanca Banca di Credito Finanziario SpA | 15,565 | 104 | 0.03 |
| Poste Italiane SpA | 19,885 | 131 | 0.04 |
| Snam SpA | 40,587 | 148 | 0.04 |
| Terna Rete Elettrica Nazionale SpA | 22,874 | 108 | 0.03 |
| | | **2,096** | **0.57** |
| **Japan 1.26% (1.14%)** | | | |
| Daiwa House REIT Investment Corp. | 111 | 199 | 0.06 |
| Invesco Office J-Reit, Inc., REIT | 1,679 | 193 | 0.05 |
| Japan Exchange Group, Inc. | 32,900 | 440 | 0.12 |
| Japan Hotel REIT Investment Corp. | 508 | 297 | 0.08 |
| JXTG Holdings, Inc. | 122,900 | 511 | 0.14 |
| Kenedix Office Investment Corp., REIT | 50 | 262 | 0.07 |
| Kenedix Retail REIT Corp. | 66 | 119 | 0.03 |
| Mitsubishi Electric Corp. | 41,800 | 400 | 0.11 |
| Mitsui Fudosan Logistics Park, Inc., REIT | 14 | 34 | 0.01 |
| Nippon Accommodations Fund, Inc., REIT | 58 | 235 | 0.06 |
| Nippon Prologis REIT, Inc. | 135 | 225 | 0.06 |
| Nippon Telegraph & Telephone Corp. | 15,300 | 501 | 0.14 |
| Orix JREIT, Inc., REIT | 149 | 199 | 0.05 |
| Sumitomo Mitsui Financial Group, Inc. | 9,500 | 269 | 0.07 |
| T&D Holdings, Inc. | 16,300 | 154 | 0.04 |
| Tokio Marine Holdings, Inc. | 10,400 | 387 | 0.11 |
| Toyota Motor Corp. | 4,500 | 210 | 0.06 |
| | | **4,635** | **1.26** |
| **Luxembourg 0.02% (0.00%)** | | | |
| SES SA, FDR | 5,217 | 82 | 0.02 |
| | | **82** | **0.02** |
| **Mexico 0.16% (0.36%)** | | | |
| Bolsa Mexicana de Valores SAB de CV | 33,971 | 51 | 0.01 |
| Fibra Uno Administracion SA de CV, REIT | 149,652 | 151 | 0.04 |
| Kimberly-Clark de Mexico SAB de CV 'A' | 135,956 | 171 | 0.05 |
| Wal-Mart de Mexico SAB de CV | 100,395 | 199 | 0.06 |
| | | **572** | **0.16** |
| **Netherlands 0.83% (1.76%)** | | | |
| ABN AMRO Group NV, CVA | 7,009 | 134 | 0.04 |
| Aegon NV | 29,318 | 116 | 0.03 |
| Eurocommercial Properties NV, REIT, CVA | 7,404 | 184 | 0.05 |
| ING Groep NV | 24,505 | 224 | 0.06 |
| Koninklijke Ahold Delhaize NV | 8,690 | 174 | 0.05 |
| Koninklijke KPN NV | 47,429 | 113 | 0.03 |
| NN Group NV | 4,402 | 143 | 0.04 |
| Royal Dutch Shell plc 'B' | 37,004 | 879 | 0.24 |
| Unilever NV, CVA | 27,010 | 1,084 | 0.29 |
| | | **3,051** | **0.83** |
| **Norway 0.40% (0.47%)** | | | |
| Aker BP ASA | 4,812 | 122 | 0.03 |
| DNB ASA | 11,781 | 161 | 0.04 |
| Gjensidige Forsikring ASA | 1,528 | 20 | 0.01 |
| MOWI ASA | 7,591 | 131 | 0.04 |
| Norsk Hydro ASA | 75,846 | 267 | 0.07 |
| Equinor ASA | 9,315 | 163 | 0.04 |
| Telenor ASA | 42,502 | 620 | 0.17 |
| | | **1,484** | **0.40** |
| **Portugal 0.06% (0.11%)** | | | |
| EDP – Energias de Portugal SA | 53,122 | 148 | 0.04 |
| Galp Energia SGPS SA | 6,683 | 79 | 0.02 |
| | | **227** | **0.06** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Russia 0.27% (0.71%)** | | | |
| Alrosa PJSC | 120,356 | 138 | 0.04 |
| Moscow Exchange MICEX-RTS PJSC | 204,788 | 223 | 0.06 |
| Sberbank of Russia PJSC | 218,854 | 555 | 0.15 |
| Severstal PJSC, GDR | 5,394 | 63 | 0.02 |
| | | **979** | **0.27** |
| **Saudi Arabia 0.08% (0.18%)** | | | |
| Al Rajhi Bank | 14,602 | 302 | 0.08 |
| | | **302** | **0.08** |
| **Singapore 0.30% (0.30%)** | | | |
| Ascendas Real Estate Investment Trust | 170,697 | 264 | 0.07 |
| City Developments Ltd. | 35,200 | 183 | 0.05 |
| DBS Group Holdings Ltd. | 49,300 | 667 | 0.18 |
| | | **1,114** | **0.30** |
| **South Africa 0.29% (0.65%)** | | | |
| Absa Group Ltd. | 20,182 | 214 | 0.06 |
| Anglo American plc | 10,735 | 208 | 0.06 |
| AVI Ltd. | 23,610 | 126 | 0.03 |
| Bid Corp. Ltd. | 6,865 | 114 | 0.03 |
| FirstRand Ltd. | 50,277 | 201 | 0.06 |
| SPAR Group Ltd. (The) | 6,130 | 70 | 0.02 |
| Vodacom Group Ltd. | 15,965 | 112 | 0.03 |
| | | **1,045** | **0.29** |
| **South Korea 0.22% (0.47%)** | | | |
| KT&G Corp. | 2,743 | 186 | 0.05 |
| Orange Life Insurance Ltd. | 1,258 | 26 | 0.01 |
| Samsung Electronics Co. Ltd. | 10,967 | 347 | 0.09 |
| Samsung Fire & Marine Insurance Co. Ltd. | 803 | 150 | 0.04 |
| SK Telecom Co. Ltd., ADR | 5,654 | 109 | 0.03 |
| | | **818** | **0.22** |
| **Spain 1.08% (1.69%)** | | | |
| ACS Actividades de Construccion y Servicios SA | 3,126 | 99 | 0.03 |
| ACS Actividades de Construccion y Servicios SA Rights 05/02/2019 | 3,126 | 1 | – |
| Aena SME SA | 864 | 113 | 0.03 |
| Bankinter SA | 14,749 | 88 | 0.02 |
| CaixaBank SA | 48,440 | 141 | 0.04 |
| Enagas SA | 5,934 | 132 | 0.04 |
| Endesa SA | 7,423 | 141 | 0.04 |
| Iberdrola SA | 275,725 | 1,731 | 0.47 |
| Iberdrola SA Rights 23/01/2019 | 275,725 | 38 | 0.01 |
| Industria de Diseno Textil SA | 15,635 | 328 | 0.09 |
| International Consolidated Airlines Group SA | 14,539 | 94 | 0.02 |
| Mapfre SA | 34,156 | 73 | 0.02 |
| Merlin Properties Socimi SA, REIT | 32,146 | 329 | 0.09 |
| Naturgy Energy Group SA | 6,727 | 142 | 0.04 |
| Red Electrica Corp. SA | 8,106 | 142 | 0.04 |
| Repsol SA | 13,366 | 179 | 0.05 |
| Telefonica SA | 30,075 | 200 | 0.05 |
| | | **3,971** | **1.08** |
| **Sweden 0.43% (1.12%)** | | | |
| Hennes & Mauritz AB 'B' | 10,329 | 120 | 0.03 |
| ICA Gruppen AB | 1,759 | 47 | 0.01 |
| Lundin Petroleum AB | 4,213 | 102 | 0.03 |
| Skandinaviska Enskilda Banken AB 'A' | 19,885 | 159 | 0.04 |
| Svenska Handelsbanken AB 'A' | 54,997 | 455 | 0.12 |
| Swedbank AB 'A' | 9,773 | 169 | 0.05 |
| Swedish Match AB | 3,812 | 130 | 0.04 |
| Tele2 AB 'B' | 14,413 | 139 | 0.04 |
| Telia Co. AB | 41,416 | 139 | 0.04 |
| Volvo AB 'B' | 11,528 | 127 | 0.03 |
| | | **1,587** | **0.43** |
| **Switzerland 1.71% (2.30%)** | | | |
| Novartis AG | 36,527 | 2,420 | 0.66 |
| Roche Holding AG | 11,808 | 2,376 | 0.65 |
| Swiss Life Holding AG | 357 | 113 | 0.03 |
| Swiss Re AG | 14,962 | 1,096 | 0.30 |
| Zurich Insurance Group AG | 1,049 | 253 | 0.07 |
| | | **6,258** | **1.71** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Taiwan 0.65% (1.33%)** | | | |
| Asustek Computer, Inc. | 22,634 | 132 | 0.04 |
| Chicony Electronics Co. Ltd. | 27,888 | 46 | 0.01 |
| Delta Electronics, Inc. | 36,470 | 136 | 0.04 |
| MediaTek, Inc. | 27,000 | 163 | 0.04 |
| Mega Financial Holding Co. Ltd. | 188,000 | 124 | 0.03 |
| Novatek Microelectronics Corp. | 43,000 | 168 | 0.05 |
| President Chain Store Corp. | 16,000 | 128 | 0.03 |
| Quanta Computer, Inc. | 136,000 | 188 | 0.05 |
| Taiwan Mobile Co. Ltd. | 90,000 | 244 | 0.07 |
| Taiwan Semiconductor Manufacturing Co. Ltd., ADR | 32,541 | 927 | 0.25 |
| Vanguard International Semiconductor Corp. | 81,000 | 134 | 0.04 |
| | | **2,390** | **0.65** |
| **Thailand 0.14% (0.34%)** | | | |
| Siam Cement PCL (The) | 15,300 | 174 | 0.05 |
| Siam Commercial Bank PCL (The) | 85,200 | 275 | 0.08 |
| Thai Oil PCL | 30,000 | 53 | 0.01 |
| | | **502** | **0.14** |
| **Turkey 0.03% (0.15%)** | | | |
| Tofas Turk Otomobil Fabrikasi A/S | 11,447 | 34 | 0.01 |
| Tupras Turkiye Petrol Rafinerileri A/S | 3,578 | 74 | 0.02 |
| | | **108** | **0.03** |
| **United Arab Emirates 0.05% (0.11%)** | | | |
| Emaar Development PJSC | 36,254 | 30 | 0.01 |
| First Abu Dhabi Bank PJSC | 53,719 | 163 | 0.04 |
| | | **193** | **0.05** |
| **United Kingdom 3.61% (6.34%)** | | | |
| 3i Group plc | 13,874 | 117 | 0.03 |
| Admiral Group plc | 5,979 | 126 | 0.03 |
| AstraZeneca plc | 6,157 | 340 | 0.09 |
| Aviva plc | 101,891 | 426 | 0.12 |
| BAE Systems plc | 103,941 | 536 | 0.15 |
| Barclays plc | 111,352 | 177 | 0.05 |
| Barratt Developments plc | 20,541 | 112 | 0.03 |
| Berkeley Group Holdings plc | 3,404 | 129 | 0.04 |
| BP plc | 212,548 | 1,107 | 0.30 |
| British American Tobacco plc | 10,747 | 281 | 0.08 |
| BT Group plc | 61,768 | 146 | 0.04 |
| Centrica plc | 81,176 | 113 | 0.03 |
| Compass Group plc | 10,960 | 179 | 0.05 |
| Diageo plc | 17,544 | 508 | 0.14 |
| Direct Line Insurance Group plc | 30,044 | 103 | 0.03 |
| easyJet plc | 6,608 | 84 | 0.02 |
| GlaxoSmithKline plc | 26,665 | 393 | 0.11 |
| Glencore plc | 225,395 | 695 | 0.19 |
| HSBC Holdings plc | 91,666 | 588 | 0.16 |
| Imperial Brands plc | 28,501 | 705 | 0.19 |
| J Sainsbury plc | 34,698 | 100 | 0.03 |
| John Wood Group plc | 11,901 | 64 | 0.02 |
| Legal & General Group plc | 64,888 | 170 | 0.05 |
| Lloyds Banking Group plc | 468,888 | 272 | 0.07 |
| Meggitt plc | 16,057 | 83 | 0.02 |
| Micro Focus International plc | 6,956 | 103 | 0.03 |
| Mondi plc | 4,704 | 88 | 0.02 |
| National Grid plc | 23,366 | 193 | 0.05 |
| NewRiver REIT plc | 66,938 | 150 | 0.04 |
| Next plc | 2,588 | 125 | 0.03 |
| Persimmon plc | 4,489 | 108 | 0.03 |
| Prudential plc | 49,809 | 744 | 0.20 |
| RELX plc | 12,532 | 211 | 0.06 |
| Rio Tinto plc | 28,433 | 1,193 | 0.32 |
| Safestore Holdings plc, REIT | 39,363 | 231 | 0.06 |
| Segro plc, REIT | 50,732 | 334 | 0.09 |
| Severn Trent plc | 6,473 | 129 | 0.04 |
| Taylor Wimpey plc | 523,245 | 874 | 0.24 |
| Tritax Big Box REIT plc | 137,866 | 195 | 0.05 |
| Tritax Big Box REIT plc (placing) | 21,075 | 27 | 0.01 |
| Tritax EuroBox plc, REIT | 42,870 | 40 | 0.01 |
| Unilever plc | 12,882 | 508 | 0.14 |
| UNITE Group plc (The), REIT | 30,588 | 282 | 0.08 |
| United Utilities Group plc | 12,115 | 101 | 0.03 |
| Workspace Group plc, REIT | 5,807 | 55 | 0.01 |
| | | **13,245** | **3.61** |
| **United States of America 13.81% (13.79%)** | | | |
| Altria Group, Inc. | 20,032 | 729 | 0.20 |
| American Tower Corp., REIT | 2,024 | 263 | 0.07 |
| Analog Devices, Inc. | 8,538 | 644 | 0.18 |
| AT&T, Inc. | 24,032 | 537 | 0.15 |
| Automatic Data Processing, Inc. | 6,579 | 698 | 0.19 |
| AvalonBay Communities, Inc., REIT | 9,796 | 1,426 | 0.39 |
| Avaya Holdings Corp. | 7,088 | 92 | 0.03 |
| Bank of America Corp. Preference 5.88% | 4,000 | 78 | 0.02 |
| Bank of America Corp. Preference 6.00% | 11,000 | 219 | 0.06 |
| Bank of America Corp. Preference 7.25% | 292 | 287 | 0.08 |
| BB&T Corp. Preference 5.20% | 17,000 | 313 | 0.09 |
| Becton Dickinson and Co. Preference 6.13% | 1,682 | 78 | 0.02 |
| Belden, Inc. Preference 6.75% | 1,440 | 79 | 0.02 |
| Brandywine Realty Trust, REIT | 25,478 | 295 | 0.08 |
| Bristol-Myers Squibb Co. | 11,899 | 443 | 0.12 |
| Brixmor Property Group, Inc., REIT | 25,707 | 334 | 0.09 |
| Bunge Ltd. Preference 4.88% | 776 | 59 | 0.02 |
| Caesars Entertainment Corp. | 11,558 | 79 | 0.02 |
| Camden Property Trust, REIT | 3,968 | 292 | 0.08 |
| Capital One Financial Corp. Preference 6.70% | 8,800 | 174 | 0.05 |
| Carnival plc | 2,584 | 112 | 0.03 |
| Cisco Systems, Inc. | 13,768 | 490 | 0.13 |
| Citigroup, Inc. | 15,393 | 753 | 0.21 |
| Claires Holdings^ | 190 | 116 | 0.03 |
| Claire's Stores, Inc. Preference | 108 | 134 | 0.04 |
| Coca-Cola Co. (The) | 69,575 | 2,535 | 0.69 |
| Comcast Corp. 'A' | 21,764 | 587 | 0.16 |
| Crown Castle International Corp., REIT Preference 6.88% | 149 | 123 | 0.03 |
| CVS Health Corp. | 7,699 | 387 | 0.11 |
| Diamondback Energy, Inc. | 3,903 | 304 | 0.08 |
| Digital Realty Trust, Inc., REIT | 12,211 | 999 | 0.27 |
| Dominion Energy, Inc. Preference 5.25% | 5,000 | 91 | 0.02 |
| Dominion Energy, Inc. Preference 6.75% | 4,069 | 146 | 0.04 |
| Douglas Emmett, Inc., REIT | 12,163 | 349 | 0.10 |
| DowDuPont, Inc. | 8,082 | 365 | 0.10 |
| DTE Energy Co. Preference 6.50% | 3,098 | 125 | 0.03 |
| Eaton Corp. plc | 8,906 | 494 | 0.13 |
| Eli Lilly & Co. | 4,240 | 387 | 0.11 |
| Energizer Holdings, Inc. Preference 7.50% | 800 | 61 | 0.02 |
| EOG Resources, Inc. | 4,157 | 315 | 0.09 |
| Equinix, Inc., REIT | 2,303 | 672 | 0.18 |
| Equity LifeStyle Properties, Inc., REIT | 5,389 | 427 | 0.12 |
| Essex Property Trust, Inc., REIT | 2,356 | 486 | 0.13 |
| Federal Realty Investment Trust, REIT | 4,015 | 402 | 0.11 |
| Ferguson plc | 13,985 | 724 | 0.20 |
| Gilead Sciences, Inc. | 8,863 | 471 | 0.13 |
| GMAC Capital Trust I Preference 8.40% | 4,175 | 84 | 0.02 |
| Goldman Sachs Group, Inc. (The) Preference 5.50% | 5,000 | 96 | 0.03 |
| Halcon Resources Corp. | 12,038 | 15 | – |
| Hartford Financial Services Group, Inc. (The) Preference 6.00% | 4,250 | 85 | 0.02 |
| Healthcare Trust of America, Inc., REIT 'A' | 19,339 | 414 | 0.11 |
| Highwoods Properties, Inc., REIT | 9,682 | 326 | 0.09 |
| Home Depot, Inc. (The) | 1,639 | 227 | 0.06 |
| International Business Machines Corp. | 9,546 | 977 | 0.27 |
| Invitation Homes, Inc., REIT | 25,318 | 430 | 0.12 |
| Iron Mountain, Inc., REIT | 18,037 | 506 | 0.14 |
| Kilroy Realty Corp., REIT | 7,681 | 410 | 0.11 |
| Marathon Petroleum Corp. | 15,094 | 751 | 0.20 |
| Medtronic plc | 5,696 | 381 | 0.10 |
| Merck & Co., Inc. | 37,472 | 2,094 | 0.57 |
| Microsoft Corp. | 5,147 | 417 | 0.11 |
| Mid-America Apartment Communities, Inc., REIT | 7,805 | 619 | 0.17 |
| Mondelez International, Inc. 'A' | 22,227 | 741 | 0.20 |
| Morgan Stanley | 23,800 | 776 | 0.21 |
| Morgan Stanley Preference 5.85% | 15,400 | 299 | 0.08 |
| Morgan Stanley Preference 6.38% | 15,000 | 303 | 0.08 |
| Nabors Industries Ltd. Preference 6.00% | 2,260 | 42 | 0.01 |
| NextEra Energy, Inc. | 7,089 | 937 | 0.26 |
| NextEra Energy, Inc. Preference 6.12% | 2,839 | 125 | 0.03 |
| NII Holdings, Inc. | 8,335 | 28 | 0.01 |
| Norfolk Southern Corp. | 5,065 | 650 | 0.18 |
| Occidental Petroleum Corp. | 7,695 | 392 | 0.11 |
| Park Hotels & Resorts, Inc., REIT | 28,445 | 644 | 0.18 |
| Penn Virginia Corp. | 407 | 16 | – |
| Penn Virginia Corp.^ | 212 | 8 | – |
| PepsiCo, Inc. | 6,210 | 524 | 0.14 |
| Pfizer, Inc. | 74,405 | 2,357 | 0.64 |
| Philip Morris International, Inc. | 25,491 | 1,446 | 0.39 |
| Principal Financial Group, Inc. | 8,505 | 312 | 0.09 |
| Procter & Gamble Co. (The) | 4,943 | 356 | 0.10 |
| Prologis, Inc., REIT | 31,860 | 1,659 | 0.45 |
| Public Storage, REIT | 4,795 | 768 | 0.21 |
| Rexford Industrial Realty, Inc., REIT | 14,652 | 377 | 0.10 |
| SCE Trust II Preference 5.10% | 1,400 | 21 | 0.01 |
| Sempra Energy Preference 6.75% | 865 | 66 | 0.02 |
| Southern Co. (The) Preference 5.25% | 4,800 | 87 | 0.02 |
| Stanley Black & Decker, Inc. Preference 5.38% | 1,950 | 141 | 0.04 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| State Street Corp. Preference 6.00% | 15,000 | 297 | 0.08 |
| State Street Corp. Preference, FRN 5.35% | 13,000 | 254 | 0.07 |
| State Street Corp. Preference, FRN 5.90% | 8,400 | 169 | 0.05 |
| Sunstone Hotel Investors, Inc., REIT | 23,745 | 260 | 0.07 |
| Texas Instruments, Inc. | 11,518 | 896 | 0.24 |
| UCI International^ | 2,194 | 33 | 0.01 |
| Union Pacific Corp. | 2,911 | 357 | 0.10 |
| United Parcel Service, Inc. 'B' | 10,139 | 782 | 0.21 |
| UnitedHealth Group, Inc. | 4,792 | 987 | 0.27 |
| US Bancorp Preference 5.50% | 10,000 | 192 | 0.05 |
| Ventas, Inc., REIT | 21,254 | 1,034 | 0.28 |
| Verizon Communications, Inc. | 36,742 | 1,511 | 0.41 |
| VICI Properties, Inc., REIT | 32,086 | 523 | 0.14 |
| Vistra Energy Corp. | 6,450 | 122 | 0.03 |
| Vistra Energy Corp. Rights 31/12/2049^ | 23,976 | 14 | – |
| Vornado Realty Trust, REIT | 12,638 | 662 | 0.18 |
| Walt Disney Co. (The) | 9,330 | 782 | 0.21 |
| Wells Fargo & Co. Preference 5.63% | 10,250 | 195 | 0.05 |
| Wells Fargo & Co. Preference 7.50% | 286 | 282 | 0.08 |
| Welltower, Inc., REIT Preference 6.50% | 1,937 | 100 | 0.03 |
| Xcel Energy, Inc. | 30,231 | 1,172 | 0.32 |
| | | **50,705** | **13.81** |
| **Equities total** | | **129,019** | **35.15** |

## Corporate Bonds 49.40% (41.80%)

### Argentina 0.03% (0.07%)

| | | | |
|---|---|---|---|
| Pampa Energia SA 7.38% 21/07/2023 | $30,000 | 22 | 0.01 |
| YPF SA 8.50% 23/03/2021 | $56,000 | 43 | 0.01 |
| YPF SA 8.75% 04/04/2024 | $54,000 | 41 | 0.01 |
| | | **106** | **0.03** |

### Australia 0.28% (0.17%)

| | | | |
|---|---|---|---|
| Australia & New Zealand Banking Group Ltd, FRN 1.42% 17/12/2021 | €500,000 | 500 | 0.13 |
| Australia & New Zealand Banking Group Ltd., FRN 6.75% Perpetual | $600,000 | 465 | 0.13 |
| FMG Resources August 2006 Pty. Ltd. 4.75% 15/05/2022 | $51,000 | 39 | 0.01 |
| FMG Resources August 2006 Pty. Ltd. 5.13% 15/05/2024 | $45,000 | 33 | 0.01 |
| | 1,037 | 0.28 | |

### Azerbaijan 0.04% (0.08%)

| | | | |
|---|---|---|---|
| State Oil Co. of the Azerbaijan Republic 4.75% 13/03/2023 | $200,000 | 153 | 0.04 |
| | | **153** | **0.04** |

### Belgium 0.13% (0.05%)

| | | | |
|---|---|---|---|
| Barry Callebaut Services NV 2.38% 24/05/2024 | £100,000 | 91 | 0.03 |
| Nyrstar Netherlands Holdings BV 8.50% 15/09/2019 | €100,000 | 42 | 0.01 |
| Nyrstar Netherlands Holdings BV 6.88% 15/03/2024 | €100,000 | 38 | 0.01 |
| Solvay Finance SA, FRN 5.42% Perpetual | €300,000 | 287 | 0.08 |
| | | **458** | **0.13** |

### Brazil 0.01% (0.34%)

| | | | |
|---|---|---|---|
| Petrobras Global Finance BV 6.25% 17/03/2024 | $48,000 | 38 | 0.01 |
| | | **38** | **0.01** |

### Canada 1.12% (1.36%)

| | | | |
|---|---|---|---|
| Advanz Pharma Corp. 8.00% 06/09/2024 | $129,000 | 93 | 0.02 |
| ATS Automation Tooling Systems, Inc. 6.50% 15/06/2023 | $48,000 | 37 | 0.01 |
| Bombardier, Inc. 6.00% 15/10/2022 | $176,000 | 128 | 0.04 |
| Bombardier, Inc. 6.13% 15/01/2023 | $191,000 | 139 | 0.04 |
| Bombardier, Inc. 7.50% 01/12/2024 | $57,000 | 42 | 0.01 |
| Bombardier, Inc. 7.50% 15/03/2025 | $193,000 | 140 | 0.04 |
| Calfrac Holdings LP 8.50% 15/06/2026 | $45,000 | 25 | 0.01 |
| Emera, Inc., FRN 6.75% 15/06/2076 | $735,000 | 572 | 0.16 |
| Enbridge, Inc., FRN 6.00% 15/01/2077 | $130,000 | 93 | 0.03 |
| Enbridge, Inc., FRN 5.50% 15/07/2077 | $325,000 | 224 | 0.06 |
| Enbridge, Inc., FRN 12.50% 01/03/2078 | $298,000 | 213 | 0.06 |
| Garda World Security Corp. 8.75% 15/05/2025 | $428,000 | 302 | 0.08 |
| Gateway Casinos & Entertainment Ltd. 8.25% 01/03/2024 | $170,000 | 134 | 0.04 |
| Hudbay Minerals, Inc. 7.25% 15/01/2023 | $40,000 | 31 | 0.01 |
| Hudbay Minerals, Inc. 7.63% 15/01/2025 | $30,000 | 23 | 0.01 |
| Intertape Polymer Group, Inc. 7.00% 15/10/2026 | $51,000 | 39 | 0.01 |
| Kronos Acquisition Holdings, Inc. 9.00% 15/08/2023 | $71,000 | 45 | 0.01 |
| Mattamy Group Corp. 6.88% 15/12/2023 | $55,000 | 40 | 0.01 |
| MEG Energy Corp. 6.38% 30/01/2023 | $385,000 | 255 | 0.07 |
| MEG Energy Corp. 14.00% 31/03/2024 | $59,000 | 39 | 0.01 |
| MEG Energy Corp. 6.50% 15/01/2025 | $125,000 | 93 | 0.02 |
| NOVA Chemicals Corp. 5.25% 01/08/2023 | $46,000 | 34 | 0.01 |
| NOVA Chemicals Corp. 4.88% 01/06/2024 | $215,000 | 155 | 0.04 |
| NOVA Chemicals Corp. 5.00% 01/05/2025 | $18,000 | 13 | – |
| NOVA Chemicals Corp. 5.25% 01/06/2027 | $90,000 | 62 | 0.02 |
| Open Text Corp. 5.88% 01/06/2026 | $128,000 | 100 | 0.03 |
| Precision Drilling Corp. 7.75% 15/12/2023 | $60,000 | 44 | 0.01 |
| Precision Drilling Corp. 7.13% 15/01/2026 | $150,000 | 103 | 0.03 |
| Quebecor Media, Inc. 5.75% 15/01/2023 | $40,000 | 31 | 0.01 |
| Seven Generations Energy Ltd. 5.38% 30/09/2025 | $16,000 | 12 | – |
| Stars Group Holdings BV 7.00% 15/07/2026 | $112,000 | 86 | 0.02 |
| Teck Resources Ltd. 6.13% 01/10/2035 | $100,000 | 79 | 0.02 |
| Teck Resources Ltd. 6.00% 15/08/2040 | $70,000 | 53 | 0.01 |
| Teck Resources Ltd. 5.40% 01/02/2043 | $50,000 | 35 | 0.01 |
| Transcanada Trust, FRN 5.63% 20/05/2075 | $195,000 | 140 | 0.04 |
| Transcanada Trust, FRN 5.87% 15/08/2076 | $365,000 | 271 | 0.07 |
| Transcanada Trust, FRN 5.30% 15/03/2077 | $7,000 | 5 | – |
| Videotron Ltd. 5.38% 15/06/2024 | $60,000 | 47 | 0.01 |
| Videotron Ltd. 5.13% 15/04/2027 | $195,000 | 148 | 0.04 |
| | | **4,125** | **1.12** |

### Cayman Islands 0.33% (0.05%)

| | | | |
|---|---|---|---|
| GPMT Ltd., FRN, Series 2018-FL1 'AS' 3.68% 21/11/2035 | $250,000 | 188 | 0.05 |
| GPMT Ltd., FRN, Series 2018-FL1 'B' 4.03% 21/11/2035 | $400,000 | 300 | 0.08 |
| LSTAR Securities Investment Ltd., FRN, Series 2017-7 'A' 4.27% 01/10/2022 | $107,789 | 82 | 0.02 |
| Shackleton CLO Ltd., FRN, Series 2014-6RA 'B' 4.07% 17/07/2028 | $250,000 | 189 | 0.05 |
| TPG Real Estate Finance Issuer Ltd., FRN, Series 2018-FL1 'C' 4.36% 15/02/2035 | $600,000 | 452 | 0.13 |
| | | **1,211** | **0.33** |

### Chile 0.00% (0.04%)

### China 0.04% (0.07%)

| | | | |
|---|---|---|---|
| CITIC Ltd. 3.50% 11/07/2023 | $200,000 | 149 | 0.04 |
| | | **149** | **0.04** |

### Colombia 0.03% (0.07%)

| | | | |
|---|---|---|---|
| Ecopetrol SA 5.88% 18/09/2023 | $24,000 | 20 | – |
| Ecopetrol SA 5.38% 26/06/2026 | $27,000 | 21 | 0.01 |
| Ecopetrol SA 7.38% 18/09/2043 | $78,000 | 68 | 0.02 |
| | | **109** | **0.03** |

### Costa Rica 0.00% (0.04%)

### Denmark 0.11% (0.00%)

| | | | |
|---|---|---|---|
| DKT Finance ApS 7.00% 17/06/2023 | £300,000 | 284 | 0.08 |
| TDC A/S 5.63% 23/02/2023 | €100,000 | 110 | 0.03 |
| | | **394** | **0.11** |

### Finland 0.09% (0.03%)

| | | | |
|---|---|---|---|
| Nokia OYJ 3.38% 12/06/2022 | $45,000 | 33 | 0.01 |
| Nokia OYJ 2.00% 15/03/2024 | £200,000 | 179 | 0.05 |
| Nokia OYJ 4.38% 12/06/2027 | $45,000 | 33 | 0.01 |
| Stora Enso OYJ 2.50% 07/06/2027 | €100,000 | 87 | 0.02 |
| | | **332** | **0.09** |

### France 1.30% (0.45%)

| | | | |
|---|---|---|---|
| Accor SA, FRN 4.13% Perpetual | €100,000 | 90 | 0.02 |
| Altice France SA 5.63% 15/05/2024 | €200,000 | 180 | 0.05 |
| Altice France SA 6.25% 15/05/2024 | $200,000 | 148 | 0.04 |
| Altice France SA 7.38% 01/05/2026 | $200,000 | 145 | 0.04 |
| Altice France SA 5.88% 01/02/2027 | £100,000 | 88 | 0.02 |
| Arkema SA, FRN 4.75% Perpetual | €200,000 | 185 | 0.05 |
| Banque Federative du Credit Mutuel SA, FRN 1.40% 07/02/2021 | €500,000 | 500 | 0.14 |
| Burger King France SAS 6.00% 01/05/2024 | £100,000 | 92 | 0.03 |
| Casino Guichard Perrachon SA 4.56% 25/01/2023 | €100,000 | 85 | 0.02 |
| CMA CGM SA 6.50% 15/07/2022 | €100,000 | 83 | 0.02 |
| Credit Agricole SA, FRN 8.12% Perpetual | $200,000 | 164 | 0.04 |
| Elis SA 1.88% 15/02/2023 | €300,000 | 263 | 0.07 |
| Europcar Mobility Group 4.13% 15/11/2024 | €200,000 | 170 | 0.05 |
| Faurecia SA 2.63% 15/06/2025 | €100,000 | 83 | 0.02 |
| La Financiere Atalian SASU 4.00% 15/05/2024 | €100,000 | 67 | 0.02 |
| La Financiere Atalian SASU 5.13% 15/05/2025 | €100,000 | 67 | 0.02 |
| Loxam SAS 4.25% 15/04/2024 | €100,000 | 90 | 0.02 |
| Loxam SAS 6.00% 15/04/2025 | €100,000 | 90 | 0.02 |
| Novafives SAS, FRN 4.50% 15/06/2025 | €100,000 | 74 | 0.02 |
| Orano SA 3.50% 22/03/2021 | €100,000 | 91 | 0.03 |
| Orano SA 4.88% 23/09/2024 | €100,000 | 91 | 0.03 |
| Paprec Holding SA 4.00% 31/03/2025 | €200,000 | 149 | 0.04 |
| Parts Europe SA 4.38% 01/05/2022 | €100,000 | 85 | 0.02 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Peugeot SA 2.00% 20/03/2025 | €200,000 | 172 | 0.05 |
| Picard Groupe SAS, FRN 3.00% 30/11/2023 | €100,000 | 84 | 0.02 |
| Rexel SA 3.50% 15/06/2023 | €130,000 | 117 | 0.03 |
| Rexel SA 2.13% 15/06/2025 | €200,000 | 168 | 0.05 |
| Societe Generale SA, FRN 6.75% Perpetual | $415,000 | 286 | 0.08 |
| Societe Generale SA, FRN 7.38% Perpetual | $540,000 | 423 | 0.12 |
| Societe Generale SA, FRN 8.00% Perpetual | $200,000 | 158 | 0.04 |
| SPIE SA 3.13% 22/03/2024 | €200,000 | 176 | 0.05 |
| Vallourec SA 2.25% 30/09/2024 | €200,000 | 91 | 0.03 |
| | | **4,755** | **1.30** |
| **Germany 0.62% (0.05%)** | | | |
| ADLER Real Estate AG 1.50% 06/12/2021 | €100,000 | 87 | 0.02 |
| Blitz F18-674 GmbH 6.00% 30/07/2026 | €100,000 | 87 | 0.02 |
| CBR Fashion Finance BV 5.13% 01/10/2022 | €100,000 | 75 | 0.02 |
| CeramTec BondCo GmbH 5.25% 15/12/2025 | €200,000 | 169 | 0.05 |
| IHO Verwaltungs GmbH 3.25% 15/09/2023 | £200,000 | 171 | 0.05 |
| IHO Verwaltungs GmbH 4.50% 15/09/2023 | $240,000 | 174 | 0.05 |
| K+S AG 2.63% 06/04/2023 | €150,000 | 135 | 0.04 |
| Nidda BondCo GmbH 5.00% 30/09/2025 | €200,000 | 161 | 0.04 |
| Nidda Healthcare Holding GmbH 3.50% 30/09/2024 | €200,000 | 170 | 0.05 |
| ProGroup AG 3.00% 31/03/2026 | €100,000 | 87 | 0.02 |
| RWE AG, FRN 3.50% 21/04/2075 | €100,000 | 87 | 0.02 |
| Senvion Holding GmbH 3.88% 25/10/2022 | €100,000 | 45 | 0.01 |
| Tele Columbus AG 3.88% 02/05/2025 | €100,000 | 80 | 0.02 |
| thyssenkrupp AG 2.75% 08/03/2021 | €100,000 | 90 | 0.03 |
| thyssenkrupp AG 1.38% 03/03/2022 | €200,000 | 173 | 0.05 |
| Unitymedia GmbH 3.75% 15/01/2027 | €200,000 | 182 | 0.05 |
| Unitymedia Hessen GmbH & Co. KG 3.50% 15/01/2027 | €225,000 | 204 | 0.06 |
| WEPA Hygieneprodukte GmbH 3.75% 15/05/2024 | €100,000 | 87 | 0.02 |
| | | **2,264** | **0.62** |
| **Greece 0.13% (0.00%)** | | | |
| Crystal Almond SARL 10.00% 01/11/2021 | €80,000 | 74 | 0.02 |
| Intralot Capital Luxembourg SA 5.25% 15/09/2024 | €100,000 | 60 | 0.02 |
| OTE plc 3.50% 09/07/2020 | €100,000 | 90 | 0.02 |
| OTE plc 2.38% 18/07/2022 | €200,000 | 179 | 0.05 |
| Titan Global Finance plc 2.38% 16/11/2024 | €100,000 | 86 | 0.02 |
| | | **489** | **0.13** |
| **Guatemala 0.00% (0.04%)** | | | |
| **Hungary 0.00% (0.04%)** | | | |
| **Indonesia 0.09% (0.19%)** | | | |
| Indonesia Asahan Aluminium Persero PT 6.53% 15/11/2028 | $200,000 | 167 | 0.05 |
| Pertamina Persero PT 4.30% 20/05/2023 | $200,000 | 154 | 0.04 |
| | | **321** | **0.09** |
| **Ireland 0.57% (0.19%)** | | | |
| AerCap Global Aviation Trust, FRN 6.50% 15/06/2045 | $400,000 | 296 | 0.08 |
| Allied Irish Banks plc, FRN 4.13% 26/11/2025 | €200,000 | 180 | 0.05 |
| Ardagh Packaging Finance plc 2.75% 15/03/2024 | €100,000 | 88 | 0.02 |
| Ardagh Packaging Finance plc 6.75% 15/05/2024 | €300,000 | 277 | 0.08 |
| Ardagh Packaging Finance plc 6.00% 15/02/2025 | $600,000 | 441 | 0.12 |
| Avolon Holdings Funding Ltd. 5.50% 15/01/2023 | $35,000 | 27 | 0.01 |
| Bank of Ireland 10.00% 19/12/2022 | €100,000 | 111 | 0.03 |
| eircom Finance DAC 4.50% 31/05/2022 | €100,000 | 89 | 0.02 |
| James Hardie International Finance DAC 4.75% 15/01/2025 | $200,000 | 145 | 0.04 |
| Park Aerospace Holdings Ltd. 4.50% 15/03/2023 | $64,000 | 48 | 0.01 |
| Park Aerospace Holdings Ltd. 5.50% 15/02/2024 | $137,000 | 106 | 0.03 |
| Smurfit Kappa Acquisitions ULC 3.25% 01/06/2021 | €200,000 | 184 | 0.05 |
| Smurfit Kappa Acquisitions ULC 2.38% 01/02/2024 | €100,000 | 90 | 0.03 |
| | | **2,082** | **0.57** |
| **Israel 0.00% (0.06%)** | | | |
| **Italy 1.06% (0.23%)** | | | |
| Enel SpA, FRN 8.75% 24/09/2073 | $400,000 | 324 | 0.09 |
| EVOCA SpA 7.00% 15/10/2023 | €200,000 | 184 | 0.05 |
| Guala Closures SpA, FRN 3.50% 15/04/2024 | €100,000 | 87 | 0.02 |
| Intesa Sanpaolo SpA 6.63% 13/09/2023 | €200,000 | 200 | 0.05 |
| Intesa Sanpaolo SpA 3.93% 15/09/2026 | €200,000 | 178 | 0.05 |
| Leonardo SpA 4.50% 19/01/2021 | €100,000 | 94 | 0.03 |
| Leonardo SpA 5.25% 21/01/2022 | €100,000 | 98 | 0.03 |
| Leonardo SpA 4.88% 24/03/2025 | €110,000 | 108 | 0.03 |
| Nexi Capital SpA 4.13% 01/11/2023 | €100,000 | 89 | 0.02 |
| Rossini Sarl 6.75% 30/10/2025 | €200,000 | 179 | 0.05 |
| Saipem Finance International BV 2.75% 05/04/2022 | €200,000 | 178 | 0.05 |
| Saipem Finance International BV 3.75% 08/09/2023 | €100,000 | 91 | 0.03 |
| Telecom Italia Capital SA 6.38% 15/11/2033 | $245,000 | 167 | 0.05 |
| Telecom Italia Capital SA 6.00% 30/09/2034 | $75,000 | 49 | 0.01 |
| Telecom Italia Capital SA 7.20% 18/07/2036 | $26,000 | 19 | 0.01 |
| Telecom Italia Capital SA 7.72% 04/06/2038 | $13,000 | 10 | - |
| Telecom Italia Finance SA 7.75% 24/01/2023 | €100,000 | 105 | 0.03 |
| Telecom Italia SpA 2.50% 19/07/2023 | €150,000 | 127 | 0.03 |
| Telecom Italia SpA 3.63% 19/01/2024 | €200,000 | 174 | 0.05 |
| Telecom Italia SpA 3.00% 30/09/2025 | €100,000 | 82 | 0.02 |
| Telecom Italia SpA 3.63% 25/05/2026 | €200,000 | 168 | 0.05 |
| Telecom Italia SpA 2.38% 12/10/2027 | €495,000 | 372 | 0.10 |
| UniCredit SpA 6.95% 31/10/2022 | €200,000 | 199 | 0.05 |
| UniCredit SpA, FRN 5.75% 28/10/2025 | €200,000 | 181 | 0.05 |
| Wind Tre SpA 2.63% 20/01/2023 | €300,000 | 237 | 0.06 |
| Wind Tre SpA 3.13% 20/01/2025 | €100,000 | 77 | 0.02 |
| Wind Tre SpA 5.00% 20/01/2026 | $200,000 | 125 | 0.03 |
| | | **3,902** | **1.06** |
| **Jamaica 0.00% (0.03%)** | | | |
| **Kazakhstan 0.09% (0.19%)** | | | |
| Kazakhstan Temir Zholy National Co. JSC 4.85% 17/11/2027 | $200,000 | 153 | 0.04 |
| KazMunayGas National Co. JSC 5.38% 24/04/2030 | $200,000 | 157 | 0.05 |
| | | **310** | **0.09** |
| **Luxembourg 0.98% (0.58%)** | | | |
| Altice Financing SA 6.63% 15/02/2023 | $200,000 | 152 | 0.04 |
| Altice Financing SA 7.50% 15/05/2026 | $200,000 | 143 | 0.04 |
| Altice Finco SA 4.75% 15/01/2028 | £200,000 | 144 | 0.04 |
| Altice Luxembourg SA 7.25% 15/05/2022 | €200,000 | 172 | 0.05 |
| Altice Luxembourg SA 7.75% 15/05/2022 | $600,000 | 439 | 0.12 |
| Altice Luxembourg SA 6.25% 15/02/2025 | €200,000 | 151 | 0.04 |
| ARD Finance SA 6.63% 15/09/2023 | €100,000 | 84 | 0.02 |
| Galapagos SA, FRN 4.44% 15/06/2021 | €100,000 | 61 | 0.02 |
| Garfunkelux Holdco 3 SA 7.50% 01/08/2022 | €100,000 | 77 | 0.02 |
| Garfunkelux Holdco 3 SA 8.50% 01/11/2022 | €100,000 | 84 | 0.02 |
| INEOS Group Holdings SA 5.38% 01/08/2024 | £200,000 | 177 | 0.05 |
| INEOS Group Holdings SA 5.63% 01/08/2024 | $290,000 | 210 | 0.06 |
| Intelsat Connect Finance SA 9.50% 15/02/2023 | $187,000 | 131 | 0.04 |
| Intelsat Jackson Holdings SA 5.50% 01/08/2023 | $415,000 | 283 | 0.08 |
| Intelsat Jackson Holdings SA 8.00% 15/02/2024 | $213,000 | 169 | 0.05 |
| Intelsat Jackson Holdings SA 8.50% 15/10/2024 | $458,000 | 350 | 0.09 |
| Intelsat Jackson Holdings SA 9.75% 15/07/2025 | $35,000 | 27 | 0.01 |
| Intelsat Luxembourg SA 7.75% 01/06/2021 | $13,000 | 9 | - |
| Intelsat Luxembourg SA 8.13% 01/06/2023 | $86,000 | 54 | 0.01 |
| Matterhorn Telecom Holding SA 4.88% 01/05/2023 | €200,000 | 165 | 0.04 |
| Monitchem HoldCo 3 SA 5.25% 15/06/2021 | €100,000 | 87 | 0.02 |
| SES SA, FRN 4.62% Perpetual | €300,000 | 269 | 0.07 |
| Telenet Finance VI Luxembourg SCA 4.88% 15/07/2027 | €180,000 | 169 | 0.05 |
| | | **3,607** | **0.98** |
| **Mexico 0.24% (0.56%)** | | | |
| Cemex SAB de CV 6.13% 05/05/2025 | $415,000 | 321 | 0.09 |
| Cemex SAB de CV 7.75% 16/04/2026 | $200,000 | 164 | 0.04 |
| Grupo KUO SAB de CV 5.75% 07/07/2027 | $200,000 | 145 | 0.04 |
| Petroleos Mexicanos 6.38% 04/02/2021 | $15,000 | 12 | - |
| Petroleos Mexicanos 5.38% 13/03/2022 | $85,000 | 64 | 0.02 |
| Petroleos Mexicanos 6.50% 13/03/2027 | $40,000 | 29 | 0.01 |
| Petroleos Mexicanos 5.35% 12/02/2028 | $66,000 | 44 | 0.01 |
| Petroleos Mexicanos 6.38% 23/01/2045 | $60,000 | 39 | 0.01 |
| Petroleos Mexicanos 5.63% 23/01/2046 | $66,000 | 39 | 0.01 |
| Petroleos Mexicanos 6.75% 21/09/2047 | $40,000 | 26 | 0.01 |
| Petroleos Mexicanos 6.35% 12/02/2048 | $20,000 | 13 | - |
| | | **896** | **0.24** |
| **Morocco 0.00% (0.04%)** | | | |
| **Netherlands 0.37% (0.15%)** | | | |
| ING Groep NV, FRN 6.87% Perpetual | $200,000 | 156 | 0.04 |
| Lincoln Finance Ltd. 6.88% 15/04/2021 | €200,000 | 180 | 0.05 |
| Sigma Holdco BV 5.75% 15/05/2026 | £100,000 | 80 | 0.02 |
| Starfruit Finco BV 6.50% 01/10/2026 | €100,000 | 84 | 0.02 |
| Sunshine Mid BV 6.50% 15/05/2026 | €200,000 | 171 | 0.05 |
| UPCB Finance IV Ltd. 5.38% 15/01/2025 | $255,000 | 186 | 0.05 |
| UPCB Finance IV Ltd. 4.00% 15/01/2027 | €180,000 | 162 | 0.05 |
| Ziggo Bond Co. BV 4.63% 15/01/2025 | €100,000 | 88 | 0.02 |
| Ziggo BV 3.75% 15/01/2025 | €300,000 | 267 | 0.07 |
| | | **1,374** | **0.37** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Peru 0.06% (0.12%)** | | | |
| BBVA Banco Continental SA 5.00% 26/08/2022 | $45,000 | 35 | 0.01 |
| Nexa Resources SA 5.38% 04/05/2027 | $200,000 | 151 | 0.04 |
| Southern Copper Corp. 5.88% 23/04/2045 | $46,000 | 37 | 0.01 |
| | | **223** | **0.06** |
| **Portugal 0.05% (0.00%)** | | | |
| EDP – Energias de Portugal SA, FRN 5.38% 16/09/2075 | €200,000 | 186 | 0.05 |
| | | **186** | **0.05** |
| **Qatar 0.04% (0.04%)** | | | |
| ABQ Finance Ltd. 3.63% 13/04/2021 | $200,000 | 150 | 0.04 |
| | | **150** | **0.04** |
| **Russia 0.00% (0.19%)** | | | |
| **South Korea 0.03% (0.03%)** | | | |
| MagnaChip Semiconductor Corp. 6.63% 15/07/2021 | $165,000 | 119 | 0.03 |
| | | **119** | **0.03** |
| **Spain 0.60% (0.25%)** | | | |
| Bankia SA, FRN 3.38% 15/03/2027 | €100,000 | 88 | 0.02 |
| Bankinter SA, FRN 2.50% 06/04/2027 | €100,000 | 87 | 0.02 |
| CaixaBank SA, FRN 3.50% 15/02/2027 | €200,000 | 182 | 0.05 |
| CaixaBank SA, FRN 2.75% 14/07/2028 | €100,000 | 88 | 0.02 |
| Cellnex Telecom SA 3.13% 27/07/2022 | €100,000 | 92 | 0.03 |
| Cirsa Finance International Sarl 6.25% 20/12/2023 | €200,000 | 182 | 0.05 |
| eDreams ODIGEO SA 5.50% 01/09/2023 | €100,000 | 84 | 0.02 |
| Gestamp Funding Luxembourg SA 3.50% 15/05/2023 | €100,000 | 85 | 0.02 |
| Grifols SA 3.20% 01/05/2025 | €200,000 | 174 | 0.05 |
| Grupo-Antolin Irausa SA 3.25% 30/04/2024 | €100,000 | 70 | 0.02 |
| Naturgy Finance BV, FRN 4.13% Perpetual | €100,000 | 91 | 0.03 |
| Repsol International Finance BV, FRN 4.50% 25/03/2075 | €300,000 | 277 | 0.08 |
| Telefonica Europe BV, FRN 2.66% Perpetual | €100,000 | 82 | 0.02 |
| Telefonica Europe BV, FRN 3.00% Perpetual | € 300,000 | 250 | 0.07 |
| Telefonica Europe BV, FRN 3.88% Perpetual | € 100,000 | 81 | 0.02 |
| Telefonica Europe BV, FRN 5.88% Perpetual | €300,000 | 287 | 0.08 |
| | | **2,200** | **0.60** |
| **Sweden 0.16% (0.19%)** | | | |
| Intrum AB 2.75% 15/07/2022 | €100,000 | 85 | 0.02 |
| Telefonaktiebolaget LM Ericsson 1.88% 01/03/2024 | £200,000 | 174 | 0.05 |
| Verisure Midholding AB 5.75% 01/12/2023 | €300,000 | 262 | 0.07 |
| Volvo Car AB 2.00% 24/01/2025 | €100,000 | 82 | 0.02 |
| | | **603** | **0.16** |
| **Switzerland 0.50% (0.20%)** | | | |
| Credit Suisse Group AG, FRN 6.25% Perpetual | $355,000 | 267 | 0.07 |
| Credit Suisse Group AG, FRN 7.25% Perpetual | $400,000 | 300 | 0.08 |
| Credit Suisse Group AG, FRN 7.50% Perpetual | $255,000 | 205 | 0.06 |
| Dufry One BV 2.50% 15/10/2024 | €100,000 | 87 | 0.02 |
| Kongsberg Actuation Systems BV 5.00% 15/07/2025 | €100,000 | 77 | 0.02 |
| UBS Group Funding Switzerland AG, FRN 6.87% Perpetual | $200,000 | 153 | 0.04 |
| UBS Group Funding Switzerland AG, FRN 7.00% Perpetual | $400,000 | 322 | 0.09 |
| UBS Group Funding Switzerland AG, FRN 7.00% Perpetual (Private Placement) | $560,000 | 427 | 0.12 |
| | | **1,838** | **0.50** |
| **Trinidad and Tobago 0.02% (0.02%)** | | | |
| Petroleum Co. of Trinidad & Tobago Ltd. 9.75% 14/08/2019 | $100,000 | 71 | 0.02 |
| | | **71** | **0.02** |
| **Turkey 0.06% (0.14%)** | | | |
| United Arab Emirates 0.06% (0.08%) | | | |
| DAE Funding LLC 4.50% 01/08/2022 | $46,000 | 34 | 0.01 |
| DAE Funding LLC 5.00% 01/08/2024 | $49,000 | 37 | 0.01 |
| Shelf Drilling Holdings Ltd. 8.25% 15/02/2025 | $206,000 | 140 | 0.04 |
| | | **211** | **0.06** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **United Kingdom 1.45% (0.81%)** | | | |
| Afren plc 6.63% 09/12/2020^§ | $195,167 | – | – |
| Arqiva Broadcast Finance plc 6.75% 30/09/2023 | €100,000 | 104 | 0.03 |
| Ashtead Capital, Inc. 4.38% 15/08/2027 | $200,000 | 144 | 0.04 |
| Barclays plc 5.20% 12/05/2026 | $270,000 | 205 | 0.06 |
| Barclays plc, FRN 7.25% Perpetual | £400,000 | 415 | 0.11 |
| Corral Petroleum Holdings AB, FRN 11.75% 15/05/2021 | £100,000 | 93 | 0.03 |
| CPUK Finance Ltd. 4.25% 28/02/2047 | €200,000 | 195 | 0.05 |
| EC Finance plc 2.38% 15/11/2022 | £100,000 | 87 | 0.02 |
| Fiat Chrysler Finance Europe SA 4.75% 22/03/2021 | €100,000 | 94 | 0.03 |
| Fiat Chrysler Finance Europe SA 4.75% 15/07/2022 | €300,000 | 288 | 0.08 |
| HSBC Holdings plc, FRN 6.25% Perpetual | $240,000 | 180 | 0.05 |
| HSBC Holdings plc, FRN 6.37% Perpetual | $270,000 | 202 | 0.06 |
| HSBC Holdings plc, FRN 6.50% Perpetual | $340,000 | 251 | 0.07 |
| HSBC Holdings plc, FRN 6.87% Perpetual | $269,000 | 213 | 0.06 |
| Iceland Bondco plc 4.63% 15/03/2025 | €100,000 | 89 | 0.02 |
| Jaguar Land Rover Automotive plc 4.50% 01/10/2027 | $200,000 | 115 | 0.03 |
| KCA Deutag UK Finance plc 7.25% 15/05/2021 | $200,000 | 121 | 0.03 |
| Lloyds Banking Group plc, FRN 7.50% Perpetual | $400,000 | 309 | 0.08 |
| Lloyds Banking Group plc, FRN 7.50% Perpetual (Unsecured) | $400,000 | 307 | 0.08 |
| Merlin Entertainments plc 2.75% 15/03/2022 | £200,000 | 181 | 0.05 |
| Nomad Foods Bondco plc 3.25% 15/05/2024 | €200,000 | 177 | 0.05 |
| Royal Bank of Scotland Group plc 6.13% 15/12/2022 | $615,000 | 491 | 0.13 |
| Synlab Bondco plc 6.25% 01/07/2022 | €200,000 | 181 | 0.05 |
| Synlab Bondco plc, FRN 3.50% 01/07/2022 | €100,000 | 87 | 0.02 |
| Tesco Corporate Treasury Services PLC 1.38% 24/10/2023 | €100,000 | 86 | 0.02 |
| Tesco plc 6.13% 24/02/2022 | €50,000 | 55 | 0.02 |
| Tesco plc 5.00% 24/03/2023 | £200,000 | 218 | 0.06 |
| Virgin Media Finance plc 4.50% 15/01/2025 | £100,000 | 90 | 0.03 |
| Virgin Media Secured Finance plc 5.50% 15/08/2026 | $200,000 | 150 | 0.04 |
| Worldpay Finance plc 3.75% 15/11/2022 | €200,000 | 187 | 0.05 |
| | | **5,315** | **1.45** |
| **United States of America 38.77% (34.56%)** | | | |
| ABFC Trust, FRN, Series 2002-OPT1 'M1' 3.60% 25/05/2032 | $381,122 | 286 | 0.08 |
| ABFC Trust, FRN, Series 2003-OPT1 'M1' 3.54% 25/02/2033 | $359,034 | 275 | 0.08 |
| ABFC Trust, FRN, Series 2004-HE1 'M1' 3.41% 25/03/2034 | $35,487 | 27 | 0.01 |
| ABFC Trust, FRN, Series 2004-OPT3 'M1' 3.26% 25/09/2033 | $28,379 | 21 | 0.01 |
| ABFC Trust, FRN, Series 2005-WF1 'M1' 3.05% 25/11/2034 | $82,183 | 62 | 0.02 |
| Acadia Healthcare Co., Inc. 5.13% 01/07/2022 | $40,000 | 30 | 0.01 |
| Acadia Healthcare Co., Inc. 6.50% 01/03/2024 | $90,000 | 67 | 0.02 |
| ACCO Brands Corp. 5.25% 15/12/2024 | $190,000 | 141 | 0.04 |
| Accredited Mortgage Loan Trust, FRN, Series 2004-4 'M1' 3.38% 25/01/2035 | $27,489 | 21 | 0.01 |
| ACE Cash Express, Inc. 12.00% 15/12/2022 | $88,000 | 59 | 0.02 |
| ACE Securities Corp. Home Equity Loan Trust, FRN, Series 2003-FM1 'M1' 3.80% 25/11/2032 | $46,549 | 36 | 0.01 |
| ACE Securities Corp. Home Equity Loan Trust, FRN, Series 2003-HE1 'M1' 3.48% 25/11/2033 | $62,060 | 46 | 0.01 |
| ACE Securities Corp. Home Equity Loan Trust, FRN, Series 2003-NC1 'M1' 3.68% 25/07/2033 | $27,670 | 21 | 0.01 |
| ACE Securities Corp. Home Equity Loan Trust, FRN, Series 2003-OP1 'M1' 3.56% 25/12/2033 | $179,626 | 135 | 0.04 |
| ACE Securities Corp. Home Equity Loan Trust, FRN, Series 2004-HE2 'M1' 3.54% 25/10/2034 | $42,036 | 32 | 0.01 |
| ACE Securities Corp. Home Equity Loan Trust, FRN, Series 2004-HE4 'M2' 3.48% 25/12/2034 | $101,128 | 75 | 0.02 |
| ACE Securities Corp. Home Equity Loan Trust, FRN, Series 2004-OP1 'M2' 4.08% 25/04/2034 | $159,399 | 117 | 0.03 |
| ACI Worldwide, Inc. 5.75% 15/08/2026 | $97,000 | 76 | 0.02 |
| Adient Global Holdings Ltd. 4.88% 15/08/2026 | $115,000 | 65 | 0.02 |
| Adjustable Rate Mortgage Trust, FRN, Series 2004-2 '6A1' 4.48% 25/02/2035 | $122,068 | 93 | 0.03 |
| Adjustable Rate Mortgage Trust, FRN, Series 2004-4 '4A1' 4.30% 25/03/2035 | $184,377 | 141 | 0.04 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| ADT Security Corp. (The) 4.13% 15/06/2023 | $245,000 | 178 | 0.05 |
| AECOM 5.88% 15/10/2024 | $45,000 | 35 | 0.01 |
| AECOM 5.13% 15/03/2027 | $128,000 | 91 | 0.02 |
| AES Corp. 5.50% 15/04/2025 | $25,000 | 20 | 0.01 |
| AES Corp. 6.00% 15/05/2026 | $60,000 | 48 | 0.01 |
| Ahern Rentals, Inc. 7.38% 15/05/2023 | $120,000 | 78 | 0.02 |
| Air Medical Group Holdings, Inc. 6.38% 15/05/2023 | $185,000 | 123 | 0.03 |
| AK Steel Corp. 6.38% 15/10/2025 | $82,000 | 51 | 0.01 |
| AK Steel Corp. 7.00% 15/03/2027 | $74,000 | 45 | 0.01 |
| Albertsons Cos. LLC 6.63% 15/06/2024 | $480,000 | 359 | 0.10 |
| Albertsons Cos. LLC 5.75% 15/03/2025 | $145,000 | 103 | 0.03 |
| Albertsons Cos. LLC 7.50% 15/03/2026 | $47,000 | 36 | 0.01 |
| Alcoa Nederland Holding BV 6.75% 30/09/2024 | $200,000 | 158 | 0.04 |
| Allegheny Technologies, Inc. 5.95% 15/01/2021 | $11,000 | 8 | – |
| Alliance Data Systems Corp. 5.88% 01/11/2021 | $47,000 | 36 | 0.01 |
| Alliance Data Systems Corp. 5.38% 01/08/2022 | $109,000 | 83 | 0.02 |
| Allison Transmission, Inc. 5.00% 01/10/2024 | $120,000 | 90 | 0.02 |
| Allstate Corp. (The), FRN 5.75% 15/08/2053 | $765,000 | 575 | 0.16 |
| Ally Financial, Inc. 4.63% 19/05/2022 | $426,000 | 328 | 0.09 |
| Ally Financial, Inc. 4.62% 30/03/2025 | $130,000 | 99 | 0.03 |
| Ally Financial, Inc. 5.75% 20/11/2025 | $115,000 | 90 | 0.02 |
| Ally Financial, Inc. 8.00% 01/11/2031 | $65,000 | 59 | 0.02 |
| Alternative Loan Trust, Series 2004-12CB '2A1' 6.00% 25/06/2034 | $27,132 | 21 | 0.01 |
| Alternative Loan Trust, Series 2004-27CB 'A1' 6.00% 25/12/2034 | $14,397 | 11 | – |
| Alternative Loan Trust, Series 2004-28CB '2A4' 5.75% 25/01/2035 | $31,418 | 23 | 0.01 |
| Alternative Loan Trust, Series 2004-32CB '2A5' 5.50% 25/02/2035 | $113,757 | 86 | 0.02 |
| Alternative Loan Trust, Series 2005-10CB '1A5' 5.50% 25/05/2035 | $213,649 | 157 | 0.04 |
| Alternative Loan Trust, Series 2005-10CB '1A8' 5.50% 25/05/2035 | $171,343 | 131 | 0.04 |
| Alternative Loan Trust, Series 2005-13CB 'A4' 5.50% 25/05/2035 | $64,147 | 48 | 0.01 |
| Alternative Loan Trust, Series 2005-20CB '1A1' 5.50% 25/07/2035 | $22,329 | 16 | – |
| Alternative Loan Trust, Series 2005-21CB 'A17' 6.00% 25/06/2035 | $151,612 | 109 | 0.03 |
| Alternative Loan Trust, Series 2005-21CB 'A4' 5.25% 25/06/2035 | $32,685 | 23 | 0.01 |
| Alternative Loan Trust, Series 2005-23CB 'A15' 5.50% 25/07/2035 | $157,314 | 118 | 0.03 |
| Alternative Loan Trust, Series 2005-3CB '1A13' 5.50% 25/03/2035 | $366,650 | 261 | 0.07 |
| Alternative Loan Trust, Series 2005-3CB '1A4' 5.25% 25/03/2035 | $4,436 | 3 | – |
| Alternative Loan Trust, Series 2005-64CB '1A1' 5.50% 25/12/2035 | $32,823 | 24 | 0.01 |
| Alternative Loan Trust, Series 2005-64CB '1A15' 5.50% 25/12/2035 | $71,246 | 52 | 0.01 |
| Alternative Loan Trust, Series 2005-6CB '1A4' 5.50% 25/04/2035 | $177,376 | 131 | 0.04 |
| Alternative Loan Trust, Series 2005-6CB '1A6' 5.50% 25/04/2035 | $35,920 | 27 | 0.01 |
| Alternative Loan Trust, Series 2005-85CB '3A2' 5.25% 25/02/2021 | $11,147 | 8 | – |
| Alternative Loan Trust, Series 2005-J11 '5A1' 5.50% 25/11/2020 | $8,896 | 7 | – |
| Alternative Loan Trust, Series 2005-J14 'A3' 5.50% 25/12/2035 | $27,893 | 18 | – |
| Alternative Loan Trust, Series 2005-J3 '3A1' 6.50% 25/09/2034 | $4,066 | 3 | – |
| Alternative Loan Trust, Series 2005-J6 '2A1' 5.50% 25/07/2025 | $11,680 | 9 | – |
| Alternative Loan Trust, Series 2006-19CB 'A15' 6.00% 25/08/2036 | $25,565 | 17 | – |
| Alternative Loan Trust, Series 2006-25CB 'A2' 6.00% 25/10/2036 | $14,459 | 9 | – |
| Alternative Loan Trust, Series 2006-4CB '2A5' 5.50% 25/04/2036 | $39,731 | 29 | 0.01 |
| Alternative Loan Trust, Series 2006-J1 '1A13' 5.50% 25/02/2036 | $9,340 | 6 | – |
| Alternative Loan Trust, Series 2007-19 '1A8' 6.00% 25/08/2037 | $8,822 | 5 | – |
| Alternative Loan Trust, Series 2007-25 '2A1' 6.00% 25/11/2022 | $6,560 | 5 | – |
| Alternative Loan Trust, Series 2007-8CB 'A9' 6.00% 25/05/2037 | $11,827 | 8 | – |
| Alternative Loan Trust, FRN, Series 2007-OA6 'A1A' 2.65% 25/06/2037 | $498,355 | 361 | 0.10 |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| AMC Entertainment Holdings, Inc. 5.88% 15/02/2022 | $25,000 | 19 | 0.01 |
| AMC Entertainment Holdings, Inc. 5.75% 15/06/2025 | $242,000 | 170 | 0.05 |
| AMC Entertainment Holdings, Inc. 5.88% 15/11/2026 | $40,000 | 27 | 0.01 |
| AMC Entertainment Holdings, Inc. 6.13% 15/05/2027 | $52,000 | 35 | 0.01 |
| AMC Networks, Inc. 5.00% 01/04/2024 | $165,000 | 125 | 0.03 |
| AMC Networks, Inc. 4.75% 01/08/2025 | $31,000 | 23 | 0.01 |
| American Axle & Manufacturing, Inc. 6.63% 15/10/2022 | $2,000 | 2 | – |
| American Axle & Manufacturing, Inc. 6.25% 01/04/2025 | $254,000 | 186 | 0.05 |
| American Axle & Manufacturing, Inc. 6.25% 15/03/2026 | $277,000 | 201 | 0.05 |
| American Axle & Manufacturing, Inc. 6.50% 01/04/2027 | $250,000 | 182 | 0.05 |
| American Credit Acceptance Receivables Trust, Series 2018-3 'D' 4.14% 15/10/2024 | $89,000 | 68 | 0.02 |
| American Credit Acceptance Receivables Trust, Series 2018-3 'E' 5.17% 15/10/2024 | $115,000 | 88 | 0.02 |
| American Credit Acceptance Receivables Trust, Series 2018-4 'D' 4.40% 13/01/2025 | $160,000 | 122 | 0.03 |
| American Express Co., FRN 4.90% Perpetual | $105,000 | 79 | 0.02 |
| American Express Co., FRN 5.20% Perpetual | $120,000 | 92 | 0.03 |
| American Home Mortgage Investment Trust, FRN, Series 2005-1 '6A' 4.89% 25/06/2045 | $18,159 | 14 | – |
| American International Group, Inc., FRN 5.75% 01/04/2048 | $615,000 | 438 | 0.12 |
| American Woodmark Corp. 4.88% 15/03/2026 | $150,000 | 105 | 0.03 |
| AmeriGas Partners LP 5.63% 20/05/2024 | $21,000 | 16 | – |
| AmeriGas Partners LP 5.50% 20/05/2025 | $196,000 | 146 | 0.04 |
| AmeriGas Partners LP 5.88% 20/08/2026 | $96,000 | 72 | 0.02 |
| AmeriGas Partners LP 5.75% 20/05/2027 | $25,000 | 18 | 0.01 |
| Ameriquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2002-AR1 'M1' 3.57% 25/09/2032 | $29,019 | 22 | 0.01 |
| Ameriquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2003-13 'M1' 3.53% 25/01/2034 | $33,396 | 25 | 0.01 |
| Ameriquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2003-13 'M2' 5.06% 25/01/2034 | $21,111 | 16 | – |
| Ameriquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2004-R1 'M1' 3.30% 25/02/2034 | $38,946 | 30 | 0.01 |
| Ameriquest Mortgage Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2004-R1 'M2' 3.38% 25/02/2034 | $14,442 | 11 | – |
| Andeavor Logistics LP 6.25% 15/10/2022 | $56,000 | 44 | 0.01 |
| Andeavor Logistics LP 6.38% 01/05/2024 | $70,000 | 55 | 0.02 |
| Andeavor Logistics LP, FRN 6.87% Perpetual | $90,000 | 65 | 0.02 |
| Anixter, Inc. 6.00% 01/12/2025 | $55,000 | 43 | 0.01 |
| Antero Midstream Partners LP 5.38% 15/09/2024 | $90,000 | 67 | 0.02 |
| Antero Resources Corp. 5.38% 01/11/2021 | $142,000 | 109 | 0.03 |
| Antero Resources Corp. 5.13% 01/12/2022 | $292,000 | 222 | 0.06 |
| Antero Resources Corp. 5.63% 01/06/2023 | $190,000 | 144 | 0.04 |
| Aramark Services, Inc. 5.00% 01/02/2028 | $115,000 | 86 | 0.02 |
| Arconic, Inc. 5.13% 01/10/2024 | $159,000 | 121 | 0.03 |
| Arconic, Inc. 5.90% 01/02/2027 | $250,000 | 188 | 0.05 |
| Argent Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2003-W3 'M1' 3.63% 25/09/2033 | $120,467 | 91 | 0.02 |
| Argent Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2003-W5 'M2' 5.09% 25/10/2033 | $31,086 | 23 | 0.01 |
| Argent Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2004-W2 'M2' 4.38% 25/04/2034 | $44,817 | 35 | 0.01 |
| Argent Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2004-W2 'M3' 4.61% 25/04/2034 | $30,317 | 23 | 0.01 |
| Argent Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2004-W3 'A3' 3.33% 25/02/2034 | $47,292 | 35 | 0.01 |
| Argent Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2004-W5 'M1' 3.41% 25/04/2034 | $150,278 | 114 | 0.03 |
| Argent Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2004-W6 'M1' 3.33% 25/05/2034 | $20,625 | 16 | – |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Argent Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2004-W6 'M2' 4.31% 25/05/2034 | $82,038 | 62 | 0.02 |
| Argent Securities, Inc. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2004-W7 'M9' 4.31% 25/05/2034 | $371,085 | 250 | 0.07 |
| Ashland LLC 4.65% 15/08/2022 | $110,000 | 84 | 0.02 |
| Asset-Backed Securities Corp. Home Equity Loan Trust, FRN, Series 2003-HE4 'M1' 3.75% 15/08/2033 | $68,498 | 52 | 0.01 |
| Avantor, Inc. 6.00% 01/10/2024 | $75,000 | 58 | 0.02 |
| Avaya, Inc. 7.00% 01/04/2019^ | $384,000 | – | – |
| Avis Budget Car Rental LLC 6.38% 01/04/2024 | $377,000 | 284 | 0.08 |
| Avis Budget Car Rental LLC 5.25% 15/03/2025 | $143,000 | 97 | 0.03 |
| B&G Foods, Inc. 5.25% 01/04/2025 | $83,000 | 62 | 0.02 |
| Banc of America Alternative Loan Trust, Series 2004-12 '4A1' 5.50% 25/01/2020 | $8,249 | 6 | – |
| Banc of America Alternative Loan Trust, Series 2005-4 '3A1' 5.50% 25/05/2020 | $13,856 | 10 | – |
| Banc of America Alternative Loan Trust, Series 2005-6 '7A1' 5.50% 25/07/2020 | $1,666 | 1 | – |
| Banc of America Alternative Loan Trust, Series 2006-4 '2A1' 6.00% 25/05/2021 | $8,123 | 6 | – |
| Banc of America Alternative Loan Trust, Series 2006-4 '3CB4' 6.00% 25/05/2046 | $3,793 | 3 | – |
| Banc of America Alternative Loan Trust, Series 2006-4 '4CB1' 6.50% 25/05/2046 | $274,011 | 212 | 0.06 |
| Banc of America Alternative Loan Trust, Series 2006-5 'CB7' 6.00% 25/06/2046 | $8,784 | 6 | – |
| Banc of America Funding Trust, Series 2005-6 '1A2' 5.50% 25/10/2035 | $264,925 | 187 | 0.05 |
| Banc of America Funding Trust, Series 2005-7 '4A7' 6.00% 25/11/2035 | $22,681 | 17 | – |
| Banc of America Funding Trust, Series 2007-4 '8A1' 5.50% 25/11/2034 | $3,491 | 2 | – |
| Banc of America Mortgage Trust, Series 2007-3 '1A1' 6.00% 25/09/2037 | $27,022 | 20 | 0.01 |
| Banff Merger Sub, Inc. 9.75% 01/09/2026 | $120,000 | 87 | 0.02 |
| Bank of America Corp., FRN 5.87% Perpetual | $1,030,000 | 760 | 0.21 |
| Bank of America Corp., FRN 6.10% Perpetual | $696,000 | 551 | 0.15 |
| Bank of America Corp., FRN 6.25% Perpetual | $510,000 | 405 | 0.11 |
| Bank of America Corp., FRN 6.30% Perpetual | $359,000 | 292 | 0.08 |
| Bank of America Corp., FRN, Series Z 6.50% Perpetual | $480,000 | 391 | 0.11 |
| Bank of New York Mellon Corp. (The), FRN 4.50% Perpetual | $36,000 | 25 | 0.01 |
| Bank of New York Mellon Corp. (The), FRN 4.62% Perpetual | $489,000 | 348 | 0.09 |
| Bank of New York Mellon Corp. (The), FRN 4.95% Perpetual | $415,000 | 318 | 0.09 |
| Bausch Health Cos., Inc. 5.88% 15/05/2023 | $747,000 | 554 | 0.15 |
| Bausch Health Cos., Inc. 7.00% 15/03/2024 | $260,000 | 207 | 0.06 |
| Bausch Health Cos., Inc. 6.13% 15/04/2025 | $827,000 | 588 | 0.16 |
| Bausch Health Cos., Inc. 5.50% 01/11/2025 | $200,000 | 151 | 0.04 |
| Bausch Health Cos., Inc. 9.00% 15/12/2025 | $320,000 | 257 | 0.07 |
| Bayview Opportunity Master Fund Trust IIb, STEP, Series 2018-RN5 'A1' 3.82% 28/04/2033 | $146,610 | 112 | 0.03 |
| Bear Stearns ALT-A Trust, FRN, Series 2006-8 '3A1' 2.67% 25/02/2034[Ø] | $17,988 | 14 | – |
| Bear Stearns Asset-Backed Securities I Trust, FRN, Series 2004-HE11 'M2' 4.08% 25/12/2034[Ø] | $64,004 | 49 | 0.01 |
| Bear Stearns Asset-Backed Securities I Trust, FRN, Series 2005-HE4 'M2' 3.47% 25/04/2035[Ø] | $211,433 | 161 | 0.04 |
| Bear Stearns Asset-Backed Securities Trust, FRN, Series 2003-1 'M1' 4.16% 25/11/2042[Ø] | $23,098 | 17 | – |
| Bear Stearns Asset-Backed Securities Trust, FRN, Series 2003-SD1 'M1' 3.78% 25/12/2033[Ø] | $40,889 | 30 | 0.01 |
| Bear Stearns Asset-Backed Securities Trust, FRN, Series 2004-HE2 'M2' 4.31% 25/03/2034[Ø] | $39,047 | 30 | 0.01 |
| Bear Stearns Asset-Backed Securities Trust, FRN, Series 2004-SD4 'A1' 3.41% 25/08/2044[Ø] | $46,334 | 35 | 0.01 |
| Berry Global, Inc. 6.00% 15/10/2022 | $40,000 | 31 | 0.01 |
| Berry Global, Inc. 4.50% 15/02/2026 | $48,000 | 35 | 0.01 |
| Big River Steel LLC 7.25% 01/09/2025 | $25,000 | 20 | 0.01 |
| Blue Racer Midstream LLC 6.13% 15/11/2022 | $255,000 | 196 | 0.05 |
| Blue Racer Midstream LLC 6.63% 15/07/2026 | $55,000 | 41 | 0.01 |
| Booz Allen Hamilton, Inc. 5.13% 01/05/2025 | $55,000 | 41 | 0.01 |
| Boyd Gaming Corp. 6.88% 15/05/2023 | $189,000 | 149 | 0.04 |
| Boyd Gaming Corp. 6.38% 01/04/2026 | $65,000 | 50 | 0.01 |
| Boyd Gaming Corp. 6.00% 15/08/2026 | $124,000 | 94 | 0.03 |
| Boyne USA, Inc. 7.25% 01/05/2025 | $139,000 | 111 | 0.03 |
| Brink's Co. (The) 4.63% 15/10/2027 | $55,000 | 40 | 0.01 |
| Bristow Group, Inc. 6.25% 15/10/2022 | $21,000 | 7 | – |
| Bruin E&P Partners LLC 8.88% 01/08/2023 | $16,000 | 12 | – |
| Buckeye Partners LP, FRN 6.37% 22/01/2078 | $295,000 | 195 | 0.05 |
| BWAY Holding Co. 5.50% 15/04/2024 | $229,000 | 169 | 0.05 |
| BWX Technologies, Inc. 5.38% 15/07/2026 | $45,000 | 34 | 0.01 |
| BX Commercial Mortgage Trust, FRN, Series 2018-BIOA 'D' 3.78% 15/03/2037 | $500,000 | 376 | 0.10 |
| BX Commercial Mortgage Trust, FRN, Series 2018-IND 'E' 4.16% 15/11/2035 | $99,851 | 75 | 0.02 |
| Cablevision Systems Corp. 8.00% 15/04/2020 | $168,000 | 133 | 0.04 |
| Caleres, Inc. 6.25% 15/08/2023 | $25,000 | 20 | 0.01 |
| California Resources Corp. 5.50% 15/09/2021 | $13,000 | 8 | – |
| California Resources Corp. 8.00% 15/12/2022 | $148,000 | 91 | 0.02 |
| Callon Petroleum Co. 6.13% 01/10/2024 | $28,000 | 21 | 0.01 |
| Calpine Corp. 5.88% 15/01/2024 | $80,000 | 61 | 0.02 |
| Calpine Corp. 5.75% 15/01/2025 | $112,000 | 80 | 0.02 |
| Calpine Corp. 5.25% 01/06/2026 | $140,000 | 101 | 0.03 |
| Camelot Finance SA 7.88% 15/10/2024 | $106,000 | 83 | 0.02 |
| Carrizo Oil & Gas, Inc. 6.25% 15/04/2023 | $235,000 | 177 | 0.04 |
| Catalent Pharma Solutions, Inc. 4.88% 15/01/2026 | $48,000 | 35 | 0.01 |
| CBS Radio, Inc. 7.25% 01/11/2024 | $120,000 | 86 | 0.02 |
| CCM Merger, Inc. 6.00% 15/03/2022 | $25,000 | 19 | 0.01 |
| CCO Holdings LLC 5.75% 15/01/2024 | $30,000 | 23 | 0.01 |
| CCO Holdings LLC 5.88% 01/04/2024 | $1,078,000 | 837 | 0.23 |
| CCO Holdings LLC 5.38% 01/05/2025 | $35,000 | 27 | 0.01 |
| CCO Holdings LLC 5.75% 15/02/2026 | $273,000 | 209 | 0.06 |
| CCO Holdings LLC 5.50% 01/05/2026 | $245,000 | 184 | 0.05 |
| CCO Holdings LLC 5.13% 01/05/2027 | $1,010,000 | 737 | 0.20 |
| CCO Holdings LLC 5.00% 01/02/2028 | $109,000 | 78 | 0.02 |
| CD Mortgage Trust, Series 2017-CD5 'D' 3.35% 15/08/2050 | $15,000 | 9 | – |
| CD Mortgage Trust, FRN, Series 2007-CD5 'D' 6.22% 15/11/2044 | $108,286 | 81 | 0.02 |
| CDC Mortgage Capital Trust, FRN, Series 2003-HE1 'M1' 3.86% 25/08/2033 | $18,440 | 14 | – |
| CDW LLC 5.00% 01/09/2023 | $60,000 | 46 | 0.01 |
| CDW LLC 5.00% 01/09/2025 | $180,000 | 136 | 0.04 |
| Centene Corp. 5.63% 15/02/2021 | $40,000 | 31 | 0.01 |
| Centene Corp. 6.13% 15/02/2024 | $55,000 | 44 | 0.01 |
| Centene Corp. 4.75% 15/01/2025 | $50,000 | 38 | 0.01 |
| CenterPoint Energy, Inc., FRN 6.13% Perpetual | $367,000 | 279 | 0.08 |
| Centex Home Equity Loan Trust, FRN, Series 2004-D 'MV2' 3.20% 25/09/2034 | $10,596 | 8 | – |
| Centex Home Equity Loan Trust, STEP, Series 2004-D 'MF2' 5.56% 25/09/2034 | $23,304 | 18 | – |
| Centex Home Equity Loan Trust, STEP, Series 2004-D 'MF3' 5.76% 25/09/2034 | $44,508 | 33 | 0.01 |
| Central Garden & Pet Co. 6.13% 15/11/2023 | $10,000 | 8 | – |
| Central Garden & Pet Co. 5.13% 01/02/2028 | $300,000 | 212 | 0.06 |
| CenturyLink, Inc. 6.45% 15/06/2021 | $30,000 | 23 | 0.01 |
| CenturyLink, Inc. 5.80% 15/03/2022 | $70,000 | 53 | 0.01 |
| CenturyLink, Inc. 6.75% 01/12/2023 | $167,000 | 127 | 0.03 |
| CenturyLink, Inc. 7.50% 01/04/2024 | $258,000 | 198 | 0.05 |
| CenturyLink, Inc. 5.63% 01/04/2025 | $5,000 | 3 | – |
| CEVA Logistics Finance BV 5.25% 01/08/2025 | €100,000 | 88 | 0.02 |
| CFX Escrow Corp. 12.00% 15/02/2024 | $28,000 | 22 | 0.01 |
| CFX Escrow Corp. 6.38% 15/02/2026 | $28,000 | 22 | 0.01 |
| Charles Schwab Corp. (The), FRN 5.00% Perpetual | $445,000 | 301 | 0.08 |
| Chase Funding Loan Acquisition Trust, FRN, Series 2004-AQ1 'M1' 3.60% 25/05/2034[Ø] | $37,857 | 28 | 0.01 |
| Chase Funding Loan Acquisition Trust, FRN, Series 2004-OPT1 'M2' 4.01% 25/06/2034[Ø] | $333,725 | 252 | 0.07 |
| Chase Funding Trust, Series 2004-1 '1M1' 4.73% 25/05/2033[Ø] | $36,646 | 28 | 0.01 |
| Chase Funding Trust, FRN, Series 2003-4 '2M1' 3.41% 25/03/2033[Ø] | $14,464 | 11 | – |
| Chase Funding Trust, FRN, Series 2003-5 '1M2' 5.64% 25/09/2032[Ø] | $27,071 | 20 | 0.01 |
| Chase Funding Trust, FRN, Series 2003-6 '2A2' 3.09% 25/11/2034[Ø] | $76,744 | 56 | 0.02 |
| Chase Funding Trust, FRN, Series 2003-6 '2M1' 3.26% 25/11/2034[Ø] | $61,662 | 46 | 0.01 |
| Chase Funding Trust, FRN, Series 2004-1 '2M1' 3.26% 25/09/2033[Ø] | $24,392 | 18 | – |
| Chase Funding Trust, FRN, Series 2004-2 '1M1' 5.70% 26/02/2035[Ø] | $137,423 | 105 | 0.03 |
| Chase Funding Trust, STEP, Series 2003-4 '1A5' 5.21% 25/05/2033[Ø] | $44,860 | 35 | 0.01 |
| Chase Mortgage Finance Trust, Series 2006-S3 '1A2' 6.00% 25/11/2036[Ø] | $169,107 | 89 | 0.02 |
| Chase Mortgage Finance Trust, Series 2006-S4 'A5' 6.00% 25/12/2036[Ø] | $56,915 | 34 | 0.01 |
| Chase Mortgage Finance Trust, FRN, Series 2007-A2 '3A1' 4.32% 25/06/2035[Ø] | $374,393 | 288 | 0.08 |
| Chemours Co. (The) 6.63% 15/05/2023 | $170,000 | 134 | 0.04 |
| Chemours Co. (The) 7.00% 15/05/2025 | $85,000 | 67 | 0.02 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Cheniere Corpus Christi Holdings LLC 5.87% 31/03/2025 | $165,000 | 131 | 0.04 |
| Cheniere Corpus Christi Holdings LLC 5.13% 30/06/2027 | $120,000 | 92 | 0.03 |
| Cheniere Energy Partners LP 5.25% 01/10/2025 | $38,000 | 29 | 0.01 |
| Cheniere Energy Partners LP 5.63% 01/10/2026 | $40,000 | 30 | 0.01 |
| Chesapeake Energy Corp. 7.00% 01/10/2024 | $135,000 | 99 | 0.03 |
| Chesapeake Energy Corp. 8.00% 15/01/2025 | $173,000 | 131 | 0.04 |
| Chesapeake Energy Corp. 8.00% 15/06/2027 | $315,000 | 229 | 0.06 |
| Chesapeake Energy Corp., FRN 6.04% 15/04/2019 | $36,000 | 27 | 0.01 |
| CHL GMSR Issuer Trust, FRN, Series 2018-GT1 'A' 5.26% 25/05/2023 | $280,000 | 213 | 0.06 |
| CHL Mortgage Pass-Through Trust, Series 2005-20 'A7' 5.25% 25/12/2027 | $60,857 | 42 | 0.01 |
| CHL Mortgage Pass-Through Trust, Series 2005-J2 '3A8' 5.50% 25/08/2035 | $529,217 | 351 | 0.10 |
| CHL Mortgage Pass-Through Trust, Series 2006-10 '1A16' 6.00% 25/05/2036 | $205,631 | 127 | 0.03 |
| CHL Mortgage Pass-Through Trust, Series 2006-15 'A1' 6.25% 25/10/2036 | $41,984 | 26 | 0.01 |
| CHL Mortgage Pass-Through Trust, Series 2006-17 'A2' 6.00% 25/12/2036 | $25,957 | 15 | – |
| CHL Mortgage Pass-Through Trust, Series 2006-18 '2A4' 6.00% 25/12/2036 | $167,261 | 107 | 0.03 |
| CHL Mortgage Pass-Through Trust, Series 2006-J2 '1A1' 6.00% 25/04/2036 | $7,906 | 5 | – |
| CHL Mortgage Pass-Through Trust, Series 2007-3 'A18' 6.00% 25/04/2037 | $153,320 | 95 | 0.03 |
| CHL Mortgage Pass-Through Trust, Series 2007-10 'A4' 5.50% 25/07/2037 | $17,738 | 11 | – |
| CHL Mortgage Pass-Through Trust, Series 2007-13 'A4' 6.00% 25/08/2037 | $16,898 | 11 | – |
| CHL Mortgage Pass-Through Trust, Series 2007-18 '2A1' 6.50% 25/11/2037 | $44,821 | 26 | 0.01 |
| CHL Mortgage Pass-Through Trust, FRN, Series 2004-25 '2A1' 3.19% 25/02/2035 | $137,166 | 102 | 0.03 |
| CHL Mortgage Pass-Through Trust, FRN, Series 2005-HYB3 '2A2A' 3.79% 20/06/2035 | $363,270 | 278 | 0.08 |
| Cincinnati Bell, Inc. 7.00% 15/07/2024 | $164,000 | 107 | 0.03 |
| Cincinnati Bell, Inc. 8.00% 15/10/2025 | $48,000 | 32 | 0.01 |
| Cinemark USA, Inc. 4.88% 01/06/2023 | $68,000 | 51 | 0.01 |
| CITGO Petroleum Corp. 6.25% 15/08/2022 | $69,000 | 52 | 0.01 |
| Citigroup Commercial Mortgage Trust, FRN, Series 2017-P7 'B' 4.14% 14/04/2050 | $40,000 | 30 | 0.01 |
| Citigroup Mortgage Loan Trust, FRN, Series 2005-3 '2A2A' 4.38% 25/08/2035 | $12,026 | 9 | – |
| Citigroup Mortgage Loan Trust, FRN, Series 2005-11 'A2A' 4.82% 25/10/2035 | $42,996 | 33 | 0.01 |
| Citigroup Mortgage Loan Trust, Inc., Series 2005-9 '2A2' 5.50% 25/11/2035 | $21,642 | 16 | – |
| Citigroup Mortgage Loan Trust, Inc., FRN, Series 2005-6 'A1' 4.68% 25/09/2035 | $434,665 | 335 | 0.09 |
| Citigroup Mortgage Loan Trust, Inc., FRN, Series 2005-OPT1 'M4' 3.56% 25/02/2035 | $13,874 | 10 | – |
| Citigroup Mortgage Loan Trust, Inc., FRN, Series 2006-8 'A3' 2.86% 25/10/2035 | $43,143 | 26 | 0.01 |
| Citigroup Mortgage Loan Trust, Inc., STEP, Series 2005-WF2 'AF7' 5.25% 25/08/2035 | $9,813 | 7 | – |
| Citigroup, Inc., FRN 5.35% Perpetual | $50,000 | 37 | 0.01 |
| Citigroup, Inc., FRN 5.90% Perpetual | $240,000 | 183 | 0.05 |
| Citigroup, Inc., FRN 5.95% Perpetual | $710,000 | 540 | 0.15 |
| Citigroup, Inc., FRN 5.95% Perpetual^ | $147,000 | 111 | 0.03 |
| Citigroup, Inc., FRN 6.13% Perpetual | $90,000 | 69 | 0.02 |
| Citigroup, Inc., FRN 6.25% Perpetual | $225,000 | 176 | 0.05 |
| Citigroup, Inc., FRN 6.30% Perpetual | $1,625,000 | 1,238 | 0.34 |
| Citizens Financial Group, Inc., FRN 6.37% Perpetual | $255,000 | 188 | 0.05 |
| Civic Mortgage LLC, STEP, Series 2018-2 'A1' 4.35% 25/11/2022 | $101,069 | 77 | 0.02 |
| Clear Channel Worldwide Holdings, Inc. 7.63% 15/03/2020 | $590,000 | 451 | 0.12 |
| Clear Channel Worldwide Holdings, Inc. 6.50% 15/11/2022 | $1,354,000 | 1,055 | 0.29 |
| Clear Channel Worldwide Holdings, Inc., Series A 7.63% 15/03/2020 | $5,000 | 4 | – |
| Clear Channel Worldwide Holdings, Inc., Series A 6.50% 15/11/2022 | $76,000 | 59 | 0.02 |
| Clearwater Paper Corp. 4.50% 01/02/2023 | $90,000 | 64 | 0.02 |
| Clearwater Paper Corp. 5.38% 01/02/2025 | $82,000 | 58 | 0.02 |
| Clearway Energy Operating LLC 5.75% 15/10/2025 | $20,000 | 14 | – |
| Clearway Energy Operating LLC 5.00% 15/09/2026 | $65,000 | 44 | 0.01 |
| Cleveland-Cliffs, Inc. 4.88% 15/01/2024 | $30,000 | 22 | 0.01 |
| Cleveland-Cliffs, Inc. 5.75% 01/03/2025 | $40,000 | 29 | 0.01 |
| CNG Holdings, Inc. 9.38% 15/05/2020 | $188,000 | 139 | 0.04 |
| CNO Financial Group, Inc. 5.25% 30/05/2025 | $79,000 | 61 | 0.02 |
| CNX Midstream Partners LP 6.50% 15/03/2026 | $28,000 | 21 | 0.01 |
| Coeur Mining, Inc. 5.88% 01/06/2024 | $34,000 | 24 | 0.01 |
| Cogent Communications Finance, Inc. 5.63% 15/04/2021 | $350,000 | 268 | 0.07 |
| COLT Mortgage Loan Trust, FRN, Series 2018-2 'A1' 3.47% 27/07/2048 | $434,606 | 330 | 0.09 |
| COMM Mortgage Trust, FRN, Series 2015-CR23 'CMC' 3.68% 10/05/2048 | $225,000 | 170 | 0.05 |
| COMM Mortgage Trust, FRN, Series 2015-CR23 'CME' 3.68% 10/05/2048 | $150,000 | 113 | 0.03 |
| COMM Mortgage Trust, FRN, Series 2015-LC21 'D' 4.30% 10/07/2048 | $15,000 | 10 | – |
| Commercial Metals Co. 4.88% 15/05/2023 | $35,000 | 26 | 0.01 |
| Commercial Metals Co. 5.38% 15/07/2027 | $27,000 | 19 | 0.01 |
| CommScope Technologies LLC 6.00% 15/06/2025 | $615,000 | 436 | 0.12 |
| CommScope Technologies LLC 5.00% 15/03/2027 | $58,000 | 37 | 0.01 |
| Community Health Systems, Inc. 5.13% 01/08/2021 | $94,000 | 69 | 0.02 |
| Community Health Systems, Inc. 6.88% 01/02/2022 | $118,000 | 50 | 0.01 |
| Community Health Systems, Inc. 6.25% 31/03/2023 | $141,000 | 102 | 0.03 |
| Community Health Systems, Inc. 8.63% 15/01/2024 | $202,000 | 158 | 0.04 |
| Community Health Systems, Inc. 8.13% 30/06/2024 | $193,000 | 117 | 0.03 |
| Comstock Escrow 9.75% 15/08/2026 | $27,000 | 19 | 0.01 |
| Conn's Receivables Funding LLC, Series 2018-A 'B' 4.65% 15/01/2023 | $91,888 | 70 | 0.02 |
| Constellation Merger Sub, Inc. 8.50% 15/09/2025 | $70,000 | 51 | 0.01 |
| Constellium NV 4.25% 15/02/2026 | €100,000 | 85 | 0.02 |
| Continental Airlines 2006-ERJ1 Pass-Through Trust, Series 2006-ERJ1 9.32% 05/01/2021 | $1,713 | 1 | – |
| Cooper-Standard Automotive, Inc. 5.63% 15/11/2026 | $185,000 | 126 | 0.03 |
| CoreCivic, Inc., REIT 5.00% 15/10/2022 | $15,000 | 11 | – |
| CoreCivic, Inc., REIT 4.63% 01/05/2023 | $165,000 | 117 | 0.03 |
| Coty, Inc. 6.50% 15/04/2026 | $195,000 | 133 | 0.04 |
| Countrywide Asset-Backed Certificates Trust, FRN, Series 2002-4 'M1' 3.63% 25/12/2032 | $31,633 | 24 | 0.01 |
| Countrywide Asset-Backed Certificates Trust, FRN, Series 2003-3 '3A' 3.05% 25/11/2033 | $38,995 | 29 | 0.01 |
| Countrywide Asset-Backed Certificates Trust, FRN, Series 2004-2 'M1' 3.26% 25/05/2034 | $223,235 | 169 | 0.05 |
| Countrywide Asset-Backed Certificates Trust, FRN, Series 2004-3 'M2' 3.33% 25/06/2034 | $23,462 | 18 | 0.01 |
| Countrywide Asset-Backed Certificates Trust, FRN, Series 2004-BC4 'M1' 3.56% 25/11/2034 | $38,016 | 29 | 0.01 |
| Countrywide Asset-Backed Certificates Trust, FRN, Series 2004-ECC2 'M2' 3.48% 25/12/2034 | $16,949 | 13 | – |
| Countrywide Asset-Backed Certificates Trust, FRN, Series 2004-ECC2 'M4' 4.31% 25/11/2034 | $102,136 | 77 | 0.02 |
| Countrywide Partnership Trust, FRN, Series 2004-EC1 'M2' 3.45% 25/01/2035 | $82,618 | 63 | 0.02 |
| Covanta Holding Corp. 5.88% 01/03/2024 | $35,000 | 26 | 0.01 |
| Covanta Holding Corp. 5.88% 01/07/2025 | $18,000 | 13 | – |
| Covey Park Energy LLC 7.50% 15/05/2025 | $75,000 | 53 | 0.01 |
| Crestwood Midstream Partners LP 6.18% 01/04/2023 | $128,000 | 98 | 0.03 |
| Crestwood Midstream Partners LP 5.75% 01/04/2025 | $72,000 | 53 | 0.01 |
| Crown Americas LLC 4.75% 01/02/2026 | $50,000 | 37 | 0.01 |
| CSC Holdings LLC 8.63% 15/02/2019 | $36,000 | 27 | 0.01 |
| CSC Holdings LLC 6.75% 15/11/2021 | $57,000 | 46 | 0.01 |
| CSC Holdings LLC 10.13% 15/01/2023 | $200,000 | 164 | 0.04 |
| CSC Holdings LLC 5.38% 15/07/2023 | $200,000 | 153 | 0.04 |
| CSC Holdings LLC 5.25% 01/06/2024 | $175,000 | 127 | 0.03 |
| CSC Holdings LLC 6.63% 15/10/2025 | $200,000 | 159 | 0.04 |
| CSC Holdings LLC 5.50% 15/04/2027 | $225,000 | 167 | 0.05 |
| CSC Holdings LLC 7.50% 01/04/2028 | $200,000 | 155 | 0.04 |
| CSFB Mortgage-Backed Pass-Through Certificates Trust, Series 2004-8 '4A3' 5.50% 25/12/2034 | $8,327 | 6 | – |
| CSFB Mortgage-Backed Pass-Through Certificates Trust, Series 2004-8 '5A1' 6.00% 25/12/2034 | $283,027 | 227 | 0.06 |
| CSFB Mortgage-Backed Pass-Through Certificates Trust, Series 2005-10 '5A3' 5.50% 25/11/2035 | $16,249 | 12 | – |
| CSFB Mortgage-Backed Pass-Through Certificates Trust, Series 2005-10 '11A1' 5.50% 25/11/2020 | $57,961 | 29 | 0.01 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| CSFB Mortgage-Backed Pass-Through Certificates Trust, Series 2005-10 '12A1' 5.25% 25/11/2020^ | $617 | – | – |
| CSFB Mortgage-Backed Pass-Through Certificates Trust, FRN, Series 2004-AR4 '2A1' 4.18% 25/05/2034 | $22,512 | 17 | – |
| CSFB Mortgage-Backed Pass-Through Certificates Trust, FRN, Series 2004-AR4 '4A1' 4.21% 25/05/2034 | $236,224 | 182 | 0.05 |
| CSFB Mortgage-Backed Pass-Through Certificates Trust, FRN, Series 2004-AR5 '6A1' 4.24% 25/06/2034 | $34,258 | 27 | 0.01 |
| CSFB Mortgage-Backed Pass-Through Certificates Trust, Series 2004-4 '4A1' 5.50% 25/08/2034 | $210,319 | 163 | 0.04 |
| CSFB Mortgage-Backed Trust, FRN, Series 2004-AR6 '7A1' 4.28% 25/10/2034 | $73,965 | 57 | 0.02 |
| CSI Compressco LP 7.50% 01/04/2025 | $51,000 | 37 | 0.01 |
| CSMC Mortgage-Backed Trust, Series 2007-2 '3A13' 5.50% 25/03/2037 | $13,633 | 9 | – |
| CSMC Mortgage-Backed Trust, Series 2007-3 '4A5' 5.00% 25/04/2037 | $9,303 | 7 | – |
| Cumberland Farms, Inc. 6.75% 01/05/2025 | $25,000 | 19 | 0.01 |
| Curo Group Holdings Corp. 8.25% 01/09/2025 | $117,000 | 75 | 0.02 |
| CVR Partners LP 9.25% 15/06/2023 | $366,000 | 293 | 0.08 |
| CWABS Asset-Backed Certificates Trust, FRN, Series 2005-11 'AF6' 5.05% 25/02/2036 | $3,381 | 3 | – |
| CWABS, Inc. Asset-Backed Certificates Trust, FRN, Series 2004-1 'M2' 3.33% 25/03/2034 | $312,825 | 236 | 0.06 |
| CWABS, Inc. Asset-Backed Certificates Trust, FRN, Series 2004-1 'M3' 3.48% 25/02/2034 | $48,456 | 37 | 0.01 |
| CWABS, Inc. Asset-Backed Certificates Trust, FRN, Series 2004-4 'M1' 3.23% 25/07/2034 | $475,627 | 362 | 0.10 |
| CWABS, Inc. Asset-Backed Certificates Trust, FRN, Series 2004-5 'M2' 3.51% 25/07/2034 | $159,523 | 121 | 0.03 |
| CWABS, Inc. Asset-Backed Certificates Trust, FRN, Series 2004-6 'M2' 3.48% 25/10/2034 | $31,909 | 24 | 0.01 |
| CyrusOne LP, REIT 5.38% 15/03/2027 | $52,000 | 39 | 0.01 |
| Dana Financing Luxembourg Sarl 6.50% 01/06/2026 | $305,000 | 231 | 0.06 |
| DaVita, Inc. 5.75% 15/08/2022 | $20,000 | 15 | – |
| DaVita, Inc. 5.13% 15/07/2024 | $164,000 | 122 | 0.03 |
| DaVita, Inc. 5.00% 01/05/2025 | $350,000 | 256 | 0.07 |
| DCP Midstream LP, FRN 7.38% Perpetual | $99,000 | 71 | 0.02 |
| DCP Midstream Operating LP 3.88% 15/03/2023 | $101,000 | 75 | 0.02 |
| DCP Midstream Operating LP 5.38% 15/07/2025 | $72,000 | 56 | 0.02 |
| DCP Midstream Operating LP 6.75% 15/09/2037 | $35,000 | 27 | 0.01 |
| Dean Foods Co. 6.50% 15/03/2023 | $64,000 | 38 | 0.01 |
| Deephaven Residential Mortgage Trust, FRN, Series 2018-3A 'A1' 3.79% 25/08/2058 | $342,953 | 262 | 0.07 |
| Delek Logistics Partners LP 6.75% 15/05/2025 | $124,000 | 93 | 0.03 |
| Dell International LLC 5.88% 15/06/2021 | $205,000 | 159 | 0.04 |
| Dell International LLC 7.13% 15/06/2024 | $70,000 | 56 | 0.02 |
| Delphi Technologies plc 5.00% 01/10/2025 | $215,000 | 138 | 0.04 |
| Denbury Resources, Inc. 9.25% 31/03/2022 | $133,000 | 99 | 0.03 |
| Denbury Resources, Inc. 7.50% 15/02/2024 | $54,000 | 36 | 0.01 |
| Deutsche Alt-A Securities, Inc. Mortgage Loan Trust, FRN, Series 2005-1 '2A1' 5.40% 25/02/2020 | $3,325 | 3 | – |
| Deutsche Alt-A Securities, Inc. Mortgage Loan Trust, FRN, Series 2005-2 '2A1' 2.81% 25/03/2020 | $949 | 1 | – |
| Diamond Offshore Drilling, Inc. 7.88% 15/08/2025 | $36,000 | 26 | 0.01 |
| Diamondback Energy, Inc. 4.75% 01/11/2024 | $26,000 | 20 | 0.01 |
| Diamondback Energy, Inc. 5.38% 31/05/2025 | $25,000 | 19 | 0.01 |
| Diebold Nixdorf, Inc. 8.50% 15/04/2024 | $170,000 | 83 | 0.02 |
| DISH DBS Corp. 6.75% 01/06/2021 | $306,000 | 236 | 0.06 |
| DISH DBS Corp. 5.88% 15/07/2022 | $147,000 | 106 | 0.03 |
| DISH DBS Corp. 5.00% 15/03/2023 | $424,000 | 278 | 0.08 |
| DISH DBS Corp. 5.88% 15/11/2024 | $850,000 | 530 | 0.14 |
| DISH DBS Corp. 7.75% 01/07/2026 | $290,000 | 188 | 0.05 |
| DJO Finance LLC 8.13% 15/06/2021 | $255,000 | 202 | 0.06 |
| Dole Food Co., Inc. 7.25% 15/06/2025 | $108,000 | 75 | 0.02 |
| Downstream Development Authority of the Quapaw Tribe of Oklahoma 10.50% 15/02/2023 | $151,000 | 113 | 0.03 |
| Drive Auto Receivables Trust, Series 2018-4 'D' 4.09% 15/01/2026 | $95,000 | 73 | 0.02 |
| Drive Auto Receivables Trust, Series 2018-5 'D' 4.30% 15/04/2026 | $90,000 | 69 | 0.02 |
| DSLA Mortgage Loan Trust, FRN, Series 2005-AR4 '2A1A' 2.73% 19/08/2045 | $142,377 | 103 | 0.03 |
| DT Auto Owner Trust, Series 2017-4A 'E' 5.15% 15/11/2024 | $100,000 | 76 | 0.02 |
| DT Auto Owner Trust, Series 2018-3A 'D' 4.19% 15/07/2024 | $123,000 | 94 | 0.03 |
| DT Auto Owner Trust, Series 2018-3A 'E' 5.33% 17/11/2025 | $210,000 | 161 | 0.04 |
| Eldorado Resorts, Inc. 6.00% 01/04/2025 | $159,000 | 121 | 0.03 |
| Eldorado Resorts, Inc. 6.00% 15/09/2026 | $31,000 | 23 | 0.01 |
| Embarq Corp. 8.00% 01/06/2036 | $490,000 | 349 | 0.10 |
| EMC Corp. 3.38% 01/06/2023 | $64,000 | 46 | 0.01 |
| Encompass Health Corp. 5.75% 01/11/2024 | $90,000 | 69 | 0.02 |
| Encompass Health Corp. 5.75% 15/09/2025 | $135,000 | 104 | 0.03 |
| Endo Dac 6.00% 15/07/2023 | $400,000 | 248 | 0.07 |
| Endo Finance LLC 5.75% 15/01/2022 | $74,000 | 51 | 0.01 |
| Endo Finance LLC 7.25% 15/01/2022 | $54,000 | 38 | 0.01 |
| Energizer Holdings, Inc. 5.50% 15/06/2025 | $160,000 | 115 | 0.03 |
| Energizer Holdings, Inc. 6.38% 15/07/2026 | $55,000 | 41 | 0.01 |
| Energizer Holdings, Inc. 7.75% 15/01/2027 | $55,000 | 43 | 0.01 |
| Energy Transfer LP 4.25% 15/03/2023 | $23,000 | 18 | – |
| Energy Transfer LP 5.88% 15/01/2024 | $155,000 | 125 | 0.03 |
| Energy Transfer LP 5.50% 01/06/2027 | $5,000 | 4 | – |
| Energy Transfer Operating LP, FRN 6.25% Perpetual | $370,000 | 253 | 0.07 |
| Energy Transfer Operating LP, FRN 6.63% Perpetual | $417,000 | 281 | 0.08 |
| EnLink Midstream Partners LP 4.40% 01/04/2024 | $151,000 | 109 | 0.03 |
| EnLink Midstream Partners LP 4.15% 01/06/2025 | $27,000 | 19 | 0.01 |
| EnLink Midstream Partners LP 4.85% 15/07/2026 | $87,000 | 62 | 0.02 |
| EnLink Midstream Partners LP 5.60% 01/04/2044 | $40,000 | 26 | 0.01 |
| EnLink Midstream Partners LP, FRN 6.00% Perpetual | $374,000 | 228 | 0.06 |
| EnPro Industries, Inc. 5.75% 15/10/2026 | $75,000 | 57 | 0.02 |
| Ensco plc 8.00% 31/01/2024 | $25,000 | 17 | – |
| Ensco plc 5.20% 15/03/2025 | $31,000 | 17 | – |
| Ensco plc 7.75% 01/02/2026 | $13,000 | 8 | – |
| Ensco plc 5.75% 01/10/2044 | $67,000 | 33 | 0.01 |
| Entegris, Inc. 4.63% 10/02/2026 | $278,000 | 205 | 0.06 |
| Enterprise Development Authority (The) 12.00% 15/07/2024 | $160,000 | 115 | 0.03 |
| Enterprise Products Operating LLC, FRN 4.88% 16/08/2077 | $38,000 | 25 | 0.01 |
| Enterprise Products Operating LLC, FRN 5.25% 16/08/2077 | $310,000 | 207 | 0.06 |
| Enterprise Products Operating LLC, FRN 5.38% 15/02/2078 | $72,000 | 47 | 0.01 |
| Envision Healthcare Corp. 8.75% 15/10/2026 | $353,000 | 242 | 0.07 |
| EP Energy LLC 9.38% 01/05/2020 | $47,000 | 28 | 0.01 |
| EP Energy LLC 9.38% 01/05/2024 | $196,000 | 78 | 0.02 |
| EP Energy LLC 8.00% 29/11/2024 | $253,000 | 153 | 0.04 |
| EP Energy LLC 8.00% 15/02/2025 | $113,000 | 42 | 0.01 |
| EP Energy LLC 7.75% 15/05/2026 | $530,000 | 369 | 0.10 |
| Equinix, Inc., REIT 5.38% 01/01/2022 | $24,000 | 19 | 0.01 |
| Equinix, Inc., REIT 5.38% 01/04/2023 | $155,000 | 120 | 0.03 |
| Equinix, Inc., REIT 5.88% 15/01/2026 | $200,000 | 156 | 0.04 |
| Equity One Mortgage Pass-Through Trust, STEP, Series 2003-4 'M1' 5.87% 25/10/2034 | $26,658 | 20 | 0.01 |
| Equity One Mortgage Pass-Through Trust, STEP, Series 2004-1 'M2' 5.61% 25/04/2034 | $112,192 | 86 | 0.02 |
| ESH Hospitality, Inc., REIT 5.25% 01/05/2025 | $72,000 | 54 | 0.01 |
| EW Scripps Co. (The) 5.13% 15/05/2025 | $28,000 | 20 | 0.01 |
| Exela Intermediate LLC 10.00% 15/07/2023 | $155,000 | 118 | 0.03 |
| Exeter Automobile Receivables Trust, Series 2018-2A 'D' 4.04% 15/03/2024 | $25,000 | 19 | 0.01 |
| Exeter Automobile Receivables Trust, Series 2018-4A 'C' 3.97% 15/09/2023 | $145,000 | 111 | 0.03 |
| Exeter Automobile Receivables Trust, Series 2018-4A 'D' 4.35% 16/09/2024 | $60,000 | 46 | 0.01 |
| Exeter Automobile Receivables Trust, Series 2018-4A 'E' 5.38% 15/07/2025 | $50,000 | 39 | 0.01 |
| Extraction Oil & Gas, Inc. 7.38% 15/05/2024 | $6,000 | 4 | – |
| Extraction Oil & Gas, Inc. 5.63% 01/02/2026 | $8,000 | 5 | – |
| Fair Isaac Corp. 5.25% 15/05/2026 | $50,000 | 38 | 0.01 |
| FFMLT Trust, FRN, Series 2005-FF11 'M1' 3.15% 25/11/2035 | $290,689 | 220 | 0.06 |
| FHLMC, IO, FRN, Series 311 'S1' 3.44% 15/08/2043 | $601,268 | 78 | 0.02 |
| FHLMC, IO, FRN, Series K075 'X3' 2.13% 25/05/2028 | $2,250,000 | 262 | 0.07 |
| FHLMC, IO, FRN, Series K082 'X3' 2.21% 25/06/2028 | $600,000 | 76 | 0.02 |
| FHLMC, IO, FRN, Series K716 'X3' 1.79% 25/08/2042 | $740,496 | 23 | 0.01 |
| FHLMC, IO, FRN, Series K721 'X3' 1.30% 25/09/2022 | $2,000,000 | 65 | 0.02 |
| FHLMC, IO, FRN, Series K723 'X3' 1.92% 25/10/2034 | $297,813 | 18 | – |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| FHLMC, IO, FRN, Series K728 'X3' 1.95% 25/05/2024 | $403,467 | 29 | 0.01 |
| FHLMC G61354 4.00% 01/08/2044 | $1,265,310 | 993 | 0.27 |
| FHLMC G60852 4.00% 01/08/2046 | $197,738 | 155 | 0.04 |
| FHLMC G67700 3.50% 01/08/2046 | $1,062,052 | 815 | 0.22 |
| FHLMC G67702 4.00% 01/01/2047 | $296,100 | 232 | 0.06 |
| FHLMC G08756 3.00% 01/04/2047 | $615,113 | 458 | 0.12 |
| FHLMC G67703 3.50% 01/04/2047 | $344,931 | 264 | 0.07 |
| FHLMC G67704 4.00% 01/08/2047 | $166,881 | 131 | 0.04 |
| FHLMC G67705 4.00% 01/10/2047 | $273,832 | 214 | 0.06 |
| FHLMC Q52307 3.50% 01/11/2047 | $1,602,007 | 1,227 | 0.33 |
| FHLMC G67706 3.50% 01/12/2047 | $1,317,226 | 1,009 | 0.27 |
| FHLMC Q53751 3.50% 01/01/2048 | $393,977 | 301 | 0.08 |
| FHLMC G67708 3.50% 01/03/2048 | $2,569,964 | 1,966 | 0.54 |
| FHLMC G67714 4.00% 01/07/2048 | $434,014 | 340 | 0.09 |
| FHLMC, Series K087 'A2' 3.77% 25/12/2028 | $350,000 | 275 | 0.08 |
| FHLMC Structured Agency Credit Risk Debt Notes, FRN, Series 2017-HQA3 'M1' 3.06% 25/04/2030 | $159,467 | 121 | 0.03 |
| FHLMC Structured Agency Credit Risk Debt Notes, FRN, Series 2018-HQA1 'M2' 4.81% 25/09/2030 | $500,000 | 378 | 0.10 |
| Fidelity & Guaranty Life Holdings, Inc. 5.50% 01/05/2025 | $50,000 | 37 | 0.01 |
| Fifth Third Bancorp, FRN 5.10% Perpetual | $635,000 | 449 | 0.12 |
| Finance America Mortgage Loan Trust, FRN, Series 2004-3 'M2' 3.45% 25/11/2034 | $8,535 | 6 | – |
| First Data Corp. 5.38% 15/08/2023 | $525,000 | 407 | 0.11 |
| First Data Corp. 5.00% 15/01/2024 | $94,000 | 73 | 0.02 |
| First Data Corp. 5.75% 15/01/2024 | $643,000 | 505 | 0.14 |
| First Franklin Mortgage Loan Asset Backed Certificates Trust, FRN, Series 2004-FF3 'M1' 3.33% 25/05/2034 | $32,503 | 24 | 0.01 |
| First Franklin Mortgage Loan Trust, FRN, Series 2003-FF5 'M1' 3.41% 25/03/2034 | $166,669 | 127 | 0.03 |
| First Franklin Mortgage Loan Trust, FRN, Series 2004-FF5 'A1' 3.23% 25/08/2034 | $183,705 | 136 | 0.04 |
| First Franklin Mortgage Loan Trust, FRN, Series 2006-FF8 'IIA3' 2.66% 25/07/2036 | $62,065 | 47 | 0.01 |
| First Horizon Alternative Mortgage Securities Trust, Series 2005-FA1 '1A4' 5.50% 25/03/2035 | $3,280 | 2 | – |
| First Horizon Alternative Mortgage Securities Trust, Series 2006-FA6 '3A1' 5.75% 25/11/2021 | $15,266 | 11 | – |
| First Horizon Mortgage Pass-Through Trust, FRN, Series 2004-AR7 '4A1' 4.46% 25/02/2035 | $49,677 | 38 | 0.01 |
| FirstCash, Inc. 5.38% 01/06/2024 | $21,000 | 16 | – |
| Flagstar Mortgage Trust, FRN, Series 2018-6RR '1A2' 3.21% 25/10/2048 | $98,261 | 74 | 0.02 |
| Flex Acquisition Co., Inc. 6.88% 15/01/2025 | $26,000 | 18 | – |
| FNMA, IO, FRN, Series 2018-14 'SA' 3.69% 25/03/2048 | $638,139 | 78 | 0.02 |
| FNMA, IO, FRN, Series 2018-15 'JS' 3.69% 25/03/2048 | $324,852 | 46 | 0.01 |
| FNMA AN5676 3.25% 01/06/2029 | $90,000 | 68 | 0.02 |
| FNMA AN6368 3.09% 01/09/2029 | $90,000 | 67 | 0.02 |
| FNMA AN7845 3.08% 01/12/2029 | $270,000 | 199 | 0.05 |
| FNMA AN8281 3.19% 01/02/2030 | $100,000 | 74 | 0.02 |
| FNMA AN8572 3.55% 01/04/2030 | $110,000 | 85 | 0.02 |
| FNMA AN9116 3.61% 01/05/2030 | $90,000 | 70 | 0.02 |
| FNMA AN3747 2.87% 01/02/2032 | $110,000 | 78 | 0.02 |
| FNMA AN6122 3.06% 01/08/2032 | $190,000 | 136 | 0.04 |
| FNMA BM3226 3.44% 01/10/2032 | $109,469 | 83 | 0.02 |
| FNMA AN7633 3.13% 01/12/2032 | $70,000 | 51 | 0.01 |
| FNMA AN8095 3.24% 01/01/2033 | $160,000 | 118 | 0.03 |
| FNMA BM3100 4.00% 01/11/2037 | $281,677 | 222 | 0.06 |
| FNMA BM3569 3.50% 01/02/2038 | $451,262 | 349 | 0.10 |
| FNMA BM3791 3.50% 01/04/2038 | $396,810 | 306 | 0.08 |
| FNMA AS4085 4.00% 01/12/2044 | $167,839 | 132 | 0.04 |
| FNMA BM1909 4.00% 01/02/2045 | $396,910 | 312 | 0.09 |
| FNMA MA2670 3.00% 01/07/2046 | $338,486 | 252 | 0.07 |
| FNMA MA2863 3.00% 01/01/2047 | $1,168,844 | 871 | 0.24 |
| FNMA AS8784 3.00% 01/02/2047 | $637,643 | 475 | 0.13 |
| FNMA MA2920 3.00% 01/03/2047 | $1,472,471 | 1,097 | 0.30 |
| FNMA AS9403 3.50% 01/04/2047 | $44,125 | 34 | 0.01 |
| FNMA BH9923 3.50% 01/09/2047 | $638,301 | 487 | 0.13 |
| FNMA BM4028 3.50% 01/10/2047 | $140,628 | 108 | 0.03 |
| FNMA BM3357 3.50% 01/11/2047 | $502,998 | 387 | 0.11 |
| FNMA CA0906 3.50% 01/12/2047 | $1,139,602 | 872 | 0.24 |
| FNMA BM3778 3.50% 01/12/2047 | $468,564 | 360 | 0.10 |
| FNMA MA3210 3.50% 01/12/2047 | $267,760 | 204 | 0.06 |
| FNMA CA0995 3.50% 01/01/2048 | $2,576,962 | 1,971 | 0.54 |
| FNMA BJ1069 4.00% 01/01/2048 | $55,290 | 43 | 0.01 |
| FNMA MA3276 3.50% 01/02/2048 | $150,116 | 115 | 0.03 |
| FNMA BM3788 3.50% 01/03/2048 | $3,608,264 | 2,761 | 0.75 |
| FNMA BJ0645 3.50% 01/03/2048 | $1,556,826 | 1,191 | 0.32 |
| FNMA, FRN, Series 2017-C05 '1M1' 3.06% 25/01/2030 | $217,852 | 166 | 0.05 |
| FNMA, FRN, Series 2018-C05 '1M2' 4.86% 25/01/2031 | $400,000 | 305 | 0.08 |
| FREED ABS TRUST, Series 2018-2 'B' 4.61% 20/10/2025 | $100,000 | 77 | 0.02 |
| Freeport-McMoRan, Inc. 3.88% 15/03/2023 | $445,000 | 322 | 0.09 |
| Freeport-McMoRan, Inc. 4.55% 14/11/2024 | $310,000 | 224 | 0.06 |
| Freeport-McMoRan, Inc. 5.40% 14/11/2034 | $87,000 | 57 | 0.02 |
| Freeport-McMoRan, Inc. 5.45% 15/03/2043 | $48,000 | 31 | 0.01 |
| FREMF, FRN, Series 2018-KF46 'B' 4.45% 25/03/2028 | $29,999 | 23 | 0.01 |
| FREMF Mortgage Trust, FRN, Series 2012-K19 'C' 4.03% 25/05/2045 | $20,000 | 15 | – |
| FREMF Mortgage Trust, FRN, Series 2015-KF09 'B' 7.85% 25/05/2022 | $6,637 | 5 | – |
| FREMF Mortgage Trust, FRN, Series 2015-KF10 'B' 8.60% 25/07/2022 | $21,455 | 17 | – |
| FREMF Mortgage Trust, FRN, Series 2017-K67 'C' 3.94% 25/09/2049 | $35,000 | 25 | 0.01 |
| FREMF Mortgage Trust, FRN, Series 2017-KF40 'B' 5.20% 25/11/2027 | $559,750 | 437 | 0.12 |
| FREMF Mortgage Trust, FRN, Series 2018-KF47 'B' 4.50% 25/05/2025 | $29,988 | 23 | 0.01 |
| FREMF Mortgage Trust, FRN, Series 2018-KF49 'B' 8.81% 25/06/2025 | $30,000 | 23 | 0.01 |
| FREMF Mortgage Trust, FRN, Series 2018-KF50 'B' 4.41% 25/07/2028 | $40,000 | 30 | 0.01 |
| Fremont Home Loan Trust, FRN, Series 2003-A 'M1' 3.48% 25/08/2033 | $105,641 | 78 | 0.02 |
| Fremont Home Loan Trust, FRN, Series 2004-2 'M2' 3.44% 25/07/2034 | $16,781 | 13 | – |
| Fremont Home Loan Trust, FRN, Series 2004-B 'M2' 3.45% 25/05/2034 | $15,269 | 12 | – |
| Fremont Home Loan Trust, FRN, Series 2004-C 'M1' 3.48% 25/08/2034 | $38,735 | 29 | 0.01 |
| Frontier Communications Corp. 10.50% 15/09/2022 | $129,000 | 69 | 0.02 |
| Frontier Communications Corp. 11.00% 15/09/2025 | $607,000 | 295 | 0.08 |
| Frontier Communications Corp. 8.50% 01/04/2026 | $175,000 | 120 | 0.03 |
| FXI Holdings, Inc. 7.88% 01/11/2024 | $89,000 | 64 | 0.02 |
| Gates Global LLC 6.00% 15/07/2022 | $100,000 | 76 | 0.02 |
| GCI LLC 6.75% 01/06/2021 | $200,000 | 153 | 0.04 |
| GCI LLC 6.88% 15/04/2025 | $130,000 | 98 | 0.03 |
| GCP Applied Technologies, Inc. 5.50% 15/04/2026 | $120,000 | 91 | 0.02 |
| General Electric Co., FRN 5.00% Perpetual | $2,181,000 | 1,395 | 0.38 |
| General Motors Financial Co., Inc., FRN 5.75% Perpetual | $555,000 | 359 | 0.10 |
| General Motors Financial Co., Inc., FRN 6.50% Perpetual | $415,000 | 280 | 0.08 |
| Genesis Energy LP 5.63% 15/06/2024 | $54,000 | 38 | 0.01 |
| Genesis Energy LP 6.25% 15/05/2026 | $75,000 | 52 | 0.01 |
| Genesys Telecommunications Laboratories, Inc. 10.00% 30/11/2024 | $135,000 | 110 | 0.03 |
| GEO Group, Inc. (The), REIT 5.88% 15/01/2022 | $200,000 | 148 | 0.04 |
| GEO Group, Inc. (The), REIT 5.88% 15/10/2024 | $100,000 | 69 | 0.02 |
| Global Partners LP 6.25% 15/07/2022 | $42,000 | 31 | 0.01 |
| Global Partners LP 7.00% 15/06/2023 | $95,000 | 71 | 0.02 |
| GLP Capital LP, REIT 5.25% 01/06/2025 | $105,000 | 82 | 0.02 |
| GLP Capital LP, REIT 5.75% 01/06/2028 | $105,000 | 82 | 0.02 |
| GLS Auto Receivables Trust, Series 2018-3A 'C' 4.18% 15/07/2024 | $40,000 | 31 | 0.01 |
| GMACM Mortgage Loan Trust, FRN, Series 2004-AR2 '3A' 4.69% 19/08/2034 | $32,538 | 24 | 0.01 |
| GNMA, IO, FRN, Series 2017-112 'S' 3.70% 20/07/2047 | $858,870 | 108 | 0.03 |
| GNMA, IO, FRN, Series 2017-69 0.80% 16/07/2059 | $291,483 | 15 | – |
| GNMA, IO, FRN, Series 2018-11 'SA' 3.70% 20/01/2048 | $465,638 | 52 | 0.01 |
| GNMA, IO, FRN, Series 2018-36 'SG' 3.70% 20/03/2048 | $946,785 | 132 | 0.04 |
| Golden Nugget, Inc. 6.75% 15/10/2024 | $51,000 | 39 | 0.01 |
| Goldman Sachs Group, Inc. (The), FRN 5.00% Perpetual | $1,425,000 | 984 | 0.27 |
| Goldman Sachs Group, Inc. (The), FRN 5.38% Perpetual | $1,010,000 | 765 | 0.21 |
| Goodman Networks, Inc. 8.00% 11/05/2022 | $42,753 | 15 | – |
| Goodyear Tire & Rubber Co. (The) 5.00% 31/05/2026 | $130,000 | 90 | 0.02 |
| Goodyear Tire & Rubber Co. (The) 4.88% 15/03/2027 | $195,000 | 132 | 0.04 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Graham Holdings Co. 5.75% 01/06/2026 | $35,000 | 28 | 0.01 |
| Gray Television, Inc. 10.25% 15/10/2024 | $56,000 | 41 | 0.01 |
| Gray Television, Inc. 5.88% 15/07/2026 | $52,000 | 39 | 0.01 |
| Gray Television, Inc. 7.00% 15/05/2027 | $147,000 | 116 | 0.03 |
| Greif, Inc. 6.50% 01/03/2027 | $105,000 | 80 | 0.02 |
| GS Mortgage Securities Trust, Series 2006-GG8 'AJ' 5.62% 10/11/2039 | $112,339 | 73 | 0.02 |
| GSAA Home Equity Trust, FRN, Series 2005-6 'A3' 2.88% 25/06/2035 | $26,948 | 20 | 0.01 |
| GSAMP Trust, FRN, Series 2003-HE1 'M1' 3.75% 20/06/2033 | $105,677 | 81 | 0.02 |
| GSAMP Trust, FRN, Series 2003-HE2 'M1' 3.48% 25/08/2033 | $35,165 | 26 | 0.01 |
| GSAMP Trust, FRN, Series 2003-SEA 'A1' 2.91% 25/02/2033 | $49,331 | 37 | 0.01 |
| GSAMP Trust, FRN, Series 2005-HE3 'M2' 3.51% 25/06/2035 | $55,799 | 42 | 0.01 |
| GSAMP Trust, FRN, Series 2005-NC1 'M1' 3.18% 25/02/2035 | $138,295 | 105 | 0.03 |
| GSAMP Trust, FRN, Series 2006-FM1 'A2C' 2.67% 25/04/2036 | $253,902 | 140 | 0.04 |
| GSAMP Trust, FRN, Series 2006-HE4 'A2C' 2.66% 25/06/2036 | $63,150 | 48 | 0.01 |
| GSAMP Trust, FRN, Series 2007-SEA1 'A' 2.81% 25/12/2036 | $177,560 | 130 | 0.04 |
| GSMSC Pass-Through Trust, FRN, Series 2008-2R '2A1' 7.50% 25/10/2036 | $181,948 | 98 | 0.03 |
| GSR Mortgage Loan Trust, Series 2004-15F '1A2' 5.50% 25/12/2034 | $23,043 | 18 | – |
| GSR Mortgage Loan Trust, Series 2005-1F '2A3' 6.00% 25/02/2035 | $12,299 | 9 | – |
| GSR Mortgage Loan Trust, Series 2006-1F '2A16' 6.00% 25/02/2036 | $34,378 | 22 | 0.01 |
| GSR Mortgage Loan Trust, Series 2006-1F '2A9' 6.00% 25/02/2036 | $123,528 | 78 | 0.02 |
| GSR Mortgage Loan Trust, Series 2006-9F '8A1' 5.50% 25/08/2021 | $3,849 | 3 | – |
| GSR Mortgage Loan Trust, Series 2007-1F '3A13' 6.00% 25/01/2037 | $19,494 | 13 | – |
| GSR Mortgage Loan Trust, FRN, Series 2005-AR3 '6A1' 3.90% 25/05/2035 | $8,102 | 6 | – |
| GSR Mortgage Loan Trust, FRN, Series 2005-AR4 '3A5' 4.11% 25/07/2035 | $126,902 | 92 | 0.03 |
| Gulfport Energy Corp. 6.00% 15/10/2024 | $128,000 | 91 | 0.02 |
| Gulfport Energy Corp. 6.38% 15/05/2025 | $30,000 | 21 | 0.01 |
| Gulfport Energy Corp. 6.38% 15/01/2026 | $35,000 | 25 | 0.01 |
| H&E Equipment Services, Inc. 5.63% 01/09/2025 | $55,000 | 41 | 0.01 |
| Halcon Resources Corp. 6.75% 15/02/2025 | $105,000 | 60 | 0.02 |
| Hanesbrands, Inc. 4.88% 15/05/2026 | $95,000 | 69 | 0.02 |
| HarborView Mortgage Loan Trust, FRN, Series 2005-11 '2A1A' 3.13% 19/08/2045 | $15,546 | 12 | – |
| Harland Clarke Holdings Corp. 8.38% 15/08/2022 | $31,000 | 22 | 0.01 |
| HCA Healthcare, Inc. 6.25% 15/02/2021 | $75,000 | 59 | 0.02 |
| HCA, Inc. 4.25% 15/10/2019 | $50,000 | 38 | 0.01 |
| HCA, Inc. 7.50% 15/02/2022 | $121,000 | 101 | 0.03 |
| HCA, Inc. 5.88% 01/05/2023 | $150,000 | 120 | 0.03 |
| HCA, Inc. 5.00% 15/03/2024 | $35,000 | 28 | 0.01 |
| HCA, Inc. 5.38% 01/02/2025 | $1,368,000 | 1,072 | 0.29 |
| HCA, Inc. 5.88% 15/02/2026 | $605,000 | 482 | 0.13 |
| HCA, Inc. 5.38% 01/09/2026 | $153,000 | 119 | 0.03 |
| HCA, Inc. 5.63% 01/09/2028 | $447,000 | 349 | 0.10 |
| HCA, Inc. 5.88% 01/02/2029 | $90,000 | 71 | 0.02 |
| HCA, Inc. 5.50% 15/06/2047 | $52,000 | 41 | 0.01 |
| Hecla Mining Co. 6.88% 01/05/2021 | $102,000 | 78 | 0.02 |
| Herc Rentals, Inc. 7.50% 01/06/2022 | $119,000 | 95 | 0.03 |
| Herc Rentals, Inc. 7.75% 01/06/2024 | $119,000 | 97 | 0.03 |
| Hertz Corp. (The) 7.38% 15/01/2021 | $63,000 | 47 | 0.01 |
| Hertz Corp. (The) 7.63% 01/06/2022 | $224,000 | 169 | 0.05 |
| Hertz Corp. (The) 5.50% 15/10/2024 | $609,000 | 377 | 0.10 |
| Hess Infrastructure Partners LP 5.63% 15/02/2026 | $50,000 | 38 | 0.01 |
| Hexion, Inc. 6.63% 15/04/2020 | $95,000 | 57 | 0.02 |
| Hilcorp Energy I LP 5.00% 01/12/2024 | $164,000 | 118 | 0.03 |
| Hilcorp Energy I LP 6.25% 01/11/2028 | $70,000 | 51 | 0.01 |
| Hill-Rom Holdings, Inc. 5.75% 01/09/2023 | $220,000 | 172 | 0.05 |
| Hilton Domestic Operating Co., Inc. 4.25% 01/09/2024 | $25,000 | 19 | 0.01 |
| Hilton Domestic Operating Co., Inc. 5.13% 01/05/2026 | $150,000 | 114 | 0.03 |
| Hilton Grand Vacations Borrower LLC 6.13% 01/12/2024 | $71,000 | 55 | 0.02 |
| Hilton Worldwide Finance LLC 4.63% 01/04/2025 | $105,000 | 78 | 0.02 |
| Hilton Worldwide Finance LLC 4.88% 01/04/2027 | $55,000 | 41 | 0.01 |
| Holly Energy Partners LP 6.00% 01/08/2024 | $57,000 | 44 | 0.01 |
| Hologic, Inc. 4.38% 15/10/2025 | $185,000 | 138 | 0.04 |
| Home Equity Asset Trust, FRN, Series 2003-3 'M1' 3.80% 25/08/2033 | $36,189 | 27 | 0.01 |
| Home Equity Asset Trust, FRN, Series 2004-6 'M2' 3.41% 25/12/2034 | $13,554 | 10 | – |
| Home Equity Mortgage Loan Asset-Backed Trust SPMD, FRN, Series 2004-C 'M2' 3.41% 25/03/2035 | $31,298 | 23 | 0.01 |
| Hughes Satellite Systems Corp. 7.63% 15/06/2021 | $35,000 | 28 | 0.01 |
| Hughes Satellite Systems Corp. 5.25% 01/08/2026 | $149,000 | 108 | 0.03 |
| Hughes Satellite Systems Corp. 6.63% 01/08/2026 | $80,000 | 59 | 0.02 |
| Huntington Bancshares, Inc., FRN 5.70% Perpetual | $95,000 | 68 | 0.02 |
| Huntsman International LLC 5.13% 15/11/2022 | $175,000 | 137 | 0.04 |
| Icahn Enterprises LP 6.25% 01/02/2022 | $75,000 | 58 | 0.02 |
| Icahn Enterprises LP 6.75% 01/02/2024 | $30,000 | 23 | 0.01 |
| Icahn Enterprises LP 6.38% 15/12/2025 | $135,000 | 104 | 0.03 |
| iHeartCommunications, Inc. 9.00% 15/12/2019[§] | $408,000 | 208 | 0.06 |
| ILFC E-Capital Trust II, FRN 4.80% 21/12/2065 | $345,000 | 201 | 0.05 |
| Impac CMB Trust, FRN, Series 2004-5 '1M2' 3.38% 25/10/2034 | $15,960 | 12 | – |
| Impac CMB Trust, FRN, Series 2004-6 '1A2' 3.29% 25/10/2034 | $527,890 | 392 | 0.11 |
| Impac CMB Trust, FRN, Series 2004-7 '1A2' 3.43% 25/11/2034 | $39,647 | 29 | 0.01 |
| Impac CMB Trust, FRN, Series 2004-9 '1A1' 3.27% 25/01/2035 | $82,424 | 62 | 0.02 |
| Impac CMB Trust, FRN, Series 2004-10 '3A1' 3.21% 25/03/2035 | $111,795 | 79 | 0.02 |
| Impac CMB Trust, FRN, Series 2005-2 '1A2' 3.13% 25/04/2035 | $32,231 | 23 | 0.01 |
| Impac CMB Trust, FRN, Series 2005-8 '1AM' 3.21% 25/02/2036 | $306,908 | 221 | 0.06 |
| Impac Secured Assets CMN Owner Trust, Series 2003-2 'A4' 3.75% 25/08/2033 | $17,971 | 13 | – |
| Impac Secured Assets Trust, FRN, Series 2007-3 'A1B' 2.75% 25/09/2037 | $337,626 | 215 | 0.06 |
| Impac Secured Assets Trust, FRN, Series 2007-3 'A1C' 2.87% 25/09/2037 | $497,648 | 319 | 0.09 |
| IndyMac INDX Mortgage Loan Trust, FRN, Series 2005-AR14 '2A1A' 2.81% 25/07/2035 | $39,359 | 28 | 0.01 |
| Infor Software Parent LLC 7.13% 01/05/2021 | $189,000 | 145 | 0.04 |
| Infor US, Inc. 5.75% 15/08/2020 | $42,000 | 32 | 0.01 |
| Infor US, Inc. 6.50% 15/05/2022 | $583,000 | 452 | 0.12 |
| Ingevity Corp. 4.50% 01/02/2026 | $55,000 | 38 | 0.01 |
| International Game Technology plc 6.25% 15/01/2027 | $200,000 | 154 | 0.04 |
| IQVIA, Inc. 5.00% 15/10/2026 | $200,000 | 153 | 0.04 |
| IRB Holding Corp. 6.75% 15/02/2026 | $204,000 | 145 | 0.04 |
| Iron Mountain, Inc., REIT 5.75% 15/08/2024 | $85,000 | 64 | 0.02 |
| Iron Mountain, Inc., REIT 4.88% 15/09/2027 | $81,000 | 57 | 0.02 |
| Iron Mountain, Inc., REIT 5.25% 15/03/2028 | $59,000 | 42 | 0.01 |
| J.P. Morgan Alternative Loan Trust,FRN, Series 2007-A2 '12A3' 2.70% 25/06/2037[Ø] | $145,691 | 110 | 0.03 |
| J.P. Morgan Mortgage Trust, Series 2006-S2 '2A1' 5.00% 25/06/2021[Ø] | $1,630 | 1 | – |
| J.P. Morgan Mortgage Trust, Series 2007-S3 '2A3' 6.00% 25/08/2022[Ø] | $1,591 | 1 | – |
| J.P. Morgan Mortgage Trust, FRN, Series 2004-A6 '1A1' 3.99% 25/12/2034[Ø] | $9,456 | 7 | – |
| J.P. Morgan Mortgage Trust, FRN, Series 2005-A3 '6A6' 3.89% 25/06/2035[Ø] | $27,393 | 21 | 0.01 |
| J.P. Morgan Mortgage Trust, FRN, Series 2005-A8 '1A1' 4.39% 25/11/2035[Ø] | $8,116 | 6 | – |
| J.P. Morgan Mortgage Trust, FRN, Series 2007-A1 '2A2' 4.49% 25/07/2035[Ø] | $11,629 | 9 | – |
| Jack Ohio Finance LLC 6.75% 15/11/2021 | $330,000 | 259 | 0.07 |
| Jack Ohio Finance LLC 10.25% 15/11/2022 | $29,000 | 24 | 0.01 |
| Jagged Peak Energy LLC 5.88% 01/05/2026 | $50,000 | 37 | 0.01 |
| Jaguar Holding Co. II 6.38% 01/08/2023 | $48,000 | 36 | 0.01 |
| JB Poindexter & Co., Inc. 7.13% 15/04/2026 | $32,000 | 24 | 0.01 |
| JBS USA LUX SA 7.25% 01/06/2021 | $296,000 | 227 | 0.06 |
| JBS USA LUX SA 5.88% 15/07/2024 | $423,000 | 325 | 0.09 |
| JBS USA LUX SA 5.75% 15/06/2025 | $71,000 | 54 | 0.01 |
| JBS USA LUX SA 6.75% 15/02/2028 | $120,000 | 92 | 0.03 |
| JELD-WEN, Inc. 4.63% 15/12/2025 | $70,000 | 48 | 0.01 |
| JELD-WEN, Inc. 4.88% 15/12/2027 | $40,000 | 27 | 0.01 |
| Kaiser Aluminum Corp. 5.88% 15/05/2024 | $30,000 | 23 | 0.01 |
| Kennedy-Wilson, Inc. 5.88% 01/04/2024 | $46,000 | 34 | 0.01 |
| Kinetic Concepts, Inc. 7.88% 15/02/2021 | $150,000 | 117 | 0.03 |
| Koppers, Inc. 6.00% 15/02/2025 | $65,000 | 45 | 0.01 |
| Kratos Defense & Security Solutions, Inc. 6.50% 30/11/2025 | $25,000 | 20 | 0.01 |
| L Brands, Inc. 6.75% 01/07/2036 | $131,000 | 84 | 0.02 |
| Ladder Capital Finance Holdings LLLP 5.25% 15/03/2022 | $57,000 | 44 | 0.01 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Ladder Capital Finance Holdings LLLP 5.25% 01/10/2025 | $29,000 | 20 | 0.01 |
| Lamar Media Corp. 5.00% 01/05/2023 | $4,000 | 3 | – |
| Lamar Media Corp. 5.75% 01/02/2026 | $49,000 | 38 | 0.01 |
| Lamar Media Corp. 5.75% 01/02/2026 (Unsecured) | $175,000 | 137 | 0.04 |
| LB Commercial Mortgage Trust, FRN, Series 2007-C3 'AJ' 6.09% 15/07/2044 | $39,801 | 30 | 0.01 |
| LB-UBS Commercial Mortgage Trust, FRN, Series 2006-C6 'AJ' 5.45% 15/09/2039 | $259,146 | 136 | 0.04 |
| LB-UBS Commercial Mortgage Trust, FRN, Series 2007-C6 'AJ' 6.28% 15/07/2040 | $250,000 | 193 | 0.05 |
| Lehman Mortgage Trust, Series 2006-3 '1A2' 6.00% 25/07/2036 | $144,921 | 83 | 0.02 |
| Lehman XS Trust, FRN, Series 2005-5N '3A1A' 2.81% 25/11/2035 | $285,938 | 216 | 0.06 |
| Lehman XS Trust, FRN, Series 2005-7N '1A1A' 3.05% 25/12/2035 | $136,872 | 101 | 0.03 |
| Lendmark Funding Trust, Series 2018-1A 'C' 5.03% 21/12/2026 | $100,000 | 77 | 0.02 |
| Lennar Corp. 4.50% 30/04/2024 | $15,000 | 11 | – |
| Lennar Corp. 5.88% 15/11/2024 | $155,000 | 121 | 0.03 |
| Lennar Corp. 5.25% 01/06/2026 | $45,000 | 33 | 0.01 |
| Level 3 Financing, Inc. 5.63% 01/02/2023 | $197,000 | 150 | 0.04 |
| Level 3 Financing, Inc. 5.13% 01/05/2023 | $175,000 | 132 | 0.04 |
| Level 3 Financing, Inc. 5.38% 15/01/2024 | $130,000 | 99 | 0.03 |
| Level 3 Financing, Inc. 5.38% 01/05/2025 | $122,000 | 92 | 0.03 |
| Liberty Interactive LLC 8.25% 01/02/2030 | $30,000 | 23 | 0.01 |
| Liberty Mutual Group, Inc. 7.80% 07/03/2087 | $57,000 | 48 | 0.01 |
| Lions Gate Capital Holdings LLC 6.38% 01/02/2024 | $32,000 | 25 | 0.01 |
| Live Nation Entertainment, Inc. 4.88% 01/11/2024 | $40,000 | 30 | 0.01 |
| Long Beach Mortgage Loan Trust, FRN, Series 2001-2 'M1' 3.07% 25/07/2031 | $18,520 | 14 | – |
| Long Beach Mortgage Loan Trust, FRN, Series 2002-5 'M1' 3.75% 25/11/2032 | $157,631 | 119 | 0.03 |
| Long Beach Mortgage Loan Trust, FRN, Series 2003-4 'M1' 3.53% 25/08/2033 | $10,205 | 8 | – |
| Long Beach Mortgage Loan Trust, FRN, Series 2004-3 'M2' 3.41% 25/07/2034 | $116,813 | 88 | 0.02 |
| Long Beach Mortgage Loan Trust, FRN, Series 2004-3 'M6' 4.64% 25/07/2034 | $22,181 | 17 | – |
| Long Beach Mortgage Loan Trust, FRN, Series 2004-4 'M1' 3.41% 25/10/2034 | $116,751 | 88 | 0.02 |
| LPL Holdings, Inc. 5.75% 15/09/2025 | $82,000 | 61 | 0.02 |
| LTF Merger Sub, Inc. 8.50% 15/06/2023 | $210,000 | 163 | 0.04 |
| Mallinckrodt International Finance SA 5.63% 15/10/2023 | $120,000 | 77 | 0.02 |
| Mallinckrodt International Finance SA 5.50% 15/04/2025 | $195,000 | 114 | 0.03 |
| Mariner Finance Issuance Trust, Series 2018-AA 'A' 4.20% 20/11/2030 | $115,000 | 89 | 0.02 |
| Marlette Funding Trust, Series 2018-3A 3.86% 15/09/2028 | $100,000 | 78 | 0.02 |
| Marriott Ownership Resorts, Inc. 6.50% 15/09/2026 | $200,000 | 154 | 0.04 |
| Martin Midstream Partners LP 7.25% 15/02/2021 | $130,000 | 95 | 0.03 |
| Masonite International Corp. 5.75% 15/09/2026 | $95,000 | 71 | 0.02 |
| MasTec, Inc. 4.88% 15/03/2023 | $130,000 | 99 | 0.03 |
| MASTR Alternative Loan Trust, Series 2004-12 '3A1' 6.00% 25/12/2034 | $62,745 | 50 | 0.01 |
| MASTR Alternative Loan Trust, Series 2005-6 '1A2' 5.50% 25/12/2035 | $32,030 | 23 | 0.01 |
| MASTR Alternative Loan Trust, Series 2006-3 '3A1' 5.50% 25/06/2021 | $2,665 | 2 | – |
| Mastr Asset-Backed Securities Trust, FRN, Series 2003-OPT1 'M3' 6.63% 25/12/2032 | $465,989 | 364 | 0.10 |
| Mastr Asset-Backed Securities Trust, FRN, Series 2004-OPT2 'M1' 3.41% 25/09/2034 | $30,877 | 23 | 0.01 |
| Mastr Asset-Backed Securities Trust, FRN, Series 2004-OPT2 'M2' 3.48% 25/09/2034 | $51,159 | 38 | 0.01 |
| Mastr Asset-Backed Securities Trust, FRN, Series 2005-NC1 'M2' 3.26% 25/12/2034 | $39,827 | 30 | 0.01 |
| Matador Resources Co. 5.88% 15/09/2026 | $84,000 | 63 | 0.02 |
| Mattel, Inc. 3.15% 15/03/2023 | $35,000 | 23 | 0.01 |
| Mattel, Inc. 6.75% 31/12/2025 | $401,000 | 287 | 0.08 |
| Meredith Corp. 6.88% 01/02/2026 | $55,000 | 43 | 0.01 |
| Merrill Lynch Alternative Note Asset Trust, FRN, Series 2007-OAR3 'A1' 2.70% 25/07/2047 | $611,951 | 430 | 0.12 |
| Merrill Lynch Mortgage Investors Trust, FRN, Series 2003-OPT1 'M1' 3.48% 25/07/2034 | $18,148 | 13 | – |
| Merrill Lynch Mortgage Investors Trust, FRN, Series 2004-WMC5 'M5' 4.23% 25/07/2035 | $5,648 | 4 | – |
| Merrill Lynch Mortgage Investors Trust, FRN, Series 2005-1 '2A2' 4.12% 25/04/2035 | $31,706 | 23 | 0.01 |
| Merrill Lynch Mortgage Investors Trust, FRN, Series 2005-FM1 'M1' 3.23% 25/05/2036 | $65,154 | 49 | 0.01 |
| MetLife Securitization Trust, FRN, Series 2017-1A 'A' 3.00% 25/04/2055 | $130,410 | 97 | 0.03 |
| MetLife, Inc. 6.40% 15/12/2066 | $685,000 | 546 | 0.15 |
| MetLife, Inc., FRN 5.25% Perpetual | $262,000 | 200 | 0.05 |
| MetLife, Inc., FRN 5.87% Perpetual | $355,000 | 266 | 0.07 |
| MFA LLC, STEP, Series 2018-NPL1 'A1' 3.88% 25/05/2048 | $379,846 | 285 | 0.08 |
| MGM Growth Properties Operating Partnership LP, REIT 5.63% 01/05/2024 | $45,000 | 35 | 0.01 |
| MGM Growth Properties Operating Partnership LP, REIT 4.50% 01/09/2026 | $40,000 | 29 | 0.01 |
| MGM Growth Properties Operating Partnership LP, REIT 5.75% 01/02/2027 | $83,000 | 63 | 0.02 |
| MGM Growth Properties Operating Partnership LP, REIT 4.50% 15/01/2028 | $20,000 | 14 | – |
| MGM Resorts International 7.75% 15/03/2022 | $5,000 | 4 | – |
| MGM Resorts International 6.00% 15/03/2023 | $475,000 | 374 | 0.10 |
| MGM Resorts International 5.75% 15/06/2025 | $315,000 | 241 | 0.07 |
| MGM Resorts International 4.63% 01/09/2026 | $280,000 | 199 | 0.05 |
| Mill City Mortgage Loan Trust, FRN, Series 2018-2 'A1' 3.50% 25/05/2058 | $448,182 | 338 | 0.09 |
| Morgan Stanley, FRN 5.55% Perpetual | $934,000 | 715 | 0.19 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2003-NC10 'M1' 3.53% 25/10/2033 | $56,604 | 43 | 0.01 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-HE1 'M1' 3.36% 25/01/2034 | $158,279 | 119 | 0.03 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-HE2 'M2' 4.31% 25/03/2034 | $8,673 | 6 | – |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-HE2 'M3' 4.68% 25/03/2034 | $34,552 | 16 | – |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-HE3 'M1' 3.36% 25/03/2034 | $106,852 | 79 | 0.02 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-HE6 'M2' 3.41% 25/08/2034 | $48,886 | 37 | 0.01 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-HE6 'M3' 3.48% 25/08/2034 | $23,298 | 18 | – |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-HE7 'M2' 3.45% 25/08/2034 | $11,931 | 9 | – |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-HE7 'M3' 3.53% 25/08/2034 | $2,169 | 2 | – |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-HE8 'M3' 3.63% 25/09/2034 | $16,811 | 13 | – |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-NC5 'M1' 3.41% 25/05/2034 | $305,408 | 229 | 0.06 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-NC8 'M3' 3.62% 25/09/2034 | $18,777 | 14 | – |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-OP1 'M2' 3.42% 25/11/2034 | $30,560 | 23 | 0.01 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-OP1 'M3' 3.53% 25/11/2034 | $36,946 | 28 | 0.01 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-OP1 'M5' 4.08% 25/11/2034 | $68,419 | 49 | 0.01 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-WMC2 'M1' 3.42% 25/07/2034 | $62,887 | 48 | 0.01 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2005-HE1 'M2' 3.21% 25/12/2034 | $18,578 | 13 | – |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2005-HE1 'M3' 3.29% 25/12/2034 | $61,175 | 44 | 0.01 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2005-NC1 'M3' 3.27% 25/01/2035 | $11,580 | 8 | – |
| Morgan Stanley Capital I Trust, FRN, Series 2006-HQ10 'AJ' 5.39% 12/11/2041 | $3,589 | 3 | – |
| Morgan Stanley Capital I Trust, FRN, Series 2006-HQ8 'D' 5.60% 12/03/2044 | $107,020 | 80 | 0.02 |
| Morgan Stanley Capital I Trust, FRN, Series 2007-HQ11 'B' 5.54% 12/02/2044 | $73,727 | 56 | 0.02 |
| Morgan Stanley Capital I Trust, FRN, Series 2016-BNK2 'C' 3.91% 15/11/2049 | $100,000 | 74 | 0.02 |
| Morgan Stanley Capital I Trust, FRN, Series 2018-MP 'D' 4.28% 11/07/2040 | $35,000 | 26 | 0.01 |
| Morgan Stanley Mortgage Loan Trust, Series 2005-4 '1A' 5.00% 25/08/2035 | $2,066 | 2 | – |
| Morgan Stanley Mortgage Loan Trust, Series 2006-2 '1A' 5.25% 25/02/2021 | $13,762 | 10 | – |
| Morgan Stanley Mortgage Loan Trust, FRN, Series 2004-9 '1A' 5.37% 25/11/2034 | $121,854 | 97 | 0.03 |
| MortgageIT Trust, FRN, Series 2005-3 'A1' 3.11% 25/08/2035 | $186,949 | 139 | 0.04 |
| MortgageIT Trust, FRN, Series 2005-5 'A1' 2.77% 25/12/2035 | $68,059 | 51 | 0.01 |
| MPH Acquisition Holdings LLC 7.13% 01/06/2024 | $199,000 | 149 | 0.04 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| MSCI, Inc. 5.38% 15/05/2027 | $75,000 | 58 | 0.02 |
| Nabors Industries, Inc. 5.75% 01/02/2025 | $196,000 | 128 | 0.03 |
| National Rural Utilities Cooperative Finance Corp., FRN 5.25% 20/04/2046 | $108,000 | 80 | 0.02 |
| Nationstar Mortgage Holdings, Inc. 8.13% 15/07/2023 | $38,000 | 29 | 0.01 |
| Nationstar Mortgage Holdings, Inc. 9.13% 15/07/2026 | $58,000 | 44 | 0.01 |
| Neiman Marcus Group Ltd. LLC 8.00% 15/10/2021 | $181,000 | 60 | 0.02 |
| Neiman Marcus Group Ltd. LLC 8.65% 15/10/2021 | $385,149 | 128 | 0.03 |
| Netflix, Inc. 5.75% 01/03/2024 | $4,000 | 3 | – |
| Netflix, Inc. 5.88% 15/02/2025 | $22,000 | 17 | – |
| Netflix, Inc. 4.38% 15/11/2026 | $139,000 | 99 | 0.03 |
| Netflix, Inc. 4.88% 15/04/2028 | $190,000 | 137 | 0.04 |
| Netflix, Inc. 5.88% 15/11/2028 | $110,000 | 84 | 0.02 |
| New Albertsons LP 7.75% 15/06/2026 | $175,000 | 121 | 0.03 |
| New Albertsons LP 6.63% 01/06/2028 | $35,000 | 21 | 0.01 |
| New Albertsons LP 8.70% 01/05/2030 | $112,000 | 78 | 0.02 |
| New Century Home Equity Loan Trust, FRN, Series 2003-3 'M1' 3.69% 25/07/2033 | $9,527 | 7 | – |
| New Century Home Equity Loan Trust, FRN, Series 2003-B 'M2' 4.98% 25/11/2033 | $32,606 | 25 | 0.01 |
| New Century Home Equity Loan Trust, FRN, Series 2004-1 'M1' 3.39% 25/05/2034 | $95,074 | 72 | 0.02 |
| New Century Home Equity Loan Trust, FRN, Series 2004-2 'M2' 3.44% 25/08/2034 | $6,818 | 5 | – |
| New Century Home Equity Loan Trust, FRN, Series 2004-2 'M4' 4.31% 25/08/2034 | $38,778 | 29 | 0.01 |
| New Century Home Equity Loan Trust, FRN, Series 2004-2 'M6' 4.76% 25/08/2034 | $48,152 | 37 | 0.01 |
| New Century Home Equity Loan Trust, FRN, Series 2004-3 'M2' 3.48% 25/11/2034 | $24,453 | 19 | 0.01 |
| New Century Home Equity Loan Trust, FRN, Series 2004-3 'M3' 3.57% 25/11/2034 | $18,662 | 14 | – |
| New Century Home Equity Loan Trust, FRN, Series 2004-4 'M2' 3.30% 25/02/2035 | $15,119 | 11 | – |
| New Century Home Equity Loan Trust, FRN, Series 2005-1 'M3' 3.29% 25/03/2035 | $9,420 | 7 | – |
| New Century Home Equity Loan Trust, STEP, Series 2003-5 'M1' 5.08% 25/11/2033 | $267,529 | 205 | 0.06 |
| New Home Co., Inc. (The) 7.25% 01/04/2022 | $80,000 | 56 | 0.02 |
| New Residential Mortgage Loan Trust, FRN, Series 2018-2A 'A1' 4.50% 25/02/2058 | $421,226 | 327 | 0.09 |
| Newfield Exploration Co. 5.38% 01/01/2026 | $55,000 | 43 | 0.01 |
| NewPage Corp. 11.38% 31/12/2014^§ | $138,348 | – | – |
| Nexstar Broadcasting, Inc. 6.13% 15/02/2022 | $80,000 | 61 | 0.02 |
| Nexstar Broadcasting, Inc. 5.63% 01/08/2024 | $80,000 | 59 | 0.02 |
| NextEra Energy Operating Partners LP 4.25% 15/09/2024 | $12,000 | 9 | – |
| NextEra Energy Operating Partners LP 4.50% 15/09/2027 | $37,000 | 25 | 0.01 |
| Nielsen Co. Luxembourg SARL (The) 5.00% 01/02/2025 | $105,000 | 79 | 0.02 |
| Nielsen Finance LLC 5.00% 15/04/2022 | $208,000 | 157 | 0.04 |
| NiSource, Inc., FRN 5.65% Perpetual | $205,000 | 148 | 0.04 |
| Noble Holding International Ltd. 7.86% 01/04/2025 | $18,000 | 11 | – |
| Noble Holding International Ltd. 7.88% 01/02/2026 | $115,000 | 80 | 0.02 |
| Noble Holding International Ltd. 6.20% 01/08/2040 | $43,000 | 20 | 0.01 |
| Noble Holding International Ltd. 5.25% 15/03/2042 | $32,000 | 15 | – |
| Nomura Asset Acceptance Corp. Alternative Loan Trust, STEP, Series 2005-WF1 '2A5' 5.16% 25/03/2035 | $2,392 | 2 | – |
| Northern Oil and Gas, Inc. 9.50% 15/05/2023 | $63,904 | 49 | 0.01 |
| Northern Trust Corp., FRN 4.60% Perpetual | $128,000 | 92 | 0.03 |
| Northwest Acquisitions ULC 7.13% 01/11/2022 | $30,000 | 23 | 0.01 |
| NovaStar Mortgage Funding Trust, FRN, Series 2004-2 'M4' 4.31% 25/09/2034 | $134,273 | 100 | 0.03 |
| Novelis Corp. 6.25% 15/08/2024 | $150,000 | 115 | 0.03 |
| Novelis Corp. 5.88% 30/09/2026 | $175,000 | 128 | 0.03 |
| NRG Energy, Inc. 6.25% 01/05/2024 | $75,000 | 59 | 0.02 |
| NRG Energy, Inc. 6.63% 15/01/2027 | $110,000 | 88 | 0.02 |
| NRG Energy, Inc. 5.75% 15/01/2028 | $50,000 | 38 | 0.01 |
| Nuance Communications, Inc. 5.38% 15/08/2020 | $36,000 | 28 | 0.01 |
| Nuance Communications, Inc. 5.63% 15/12/2026 | $80,000 | 60 | 0.02 |
| NuStar Logistics LP 5.63% 28/04/2027 | $80,000 | 59 | 0.02 |
| NVA Holdings, Inc. 6.88% 01/04/2026 | $68,000 | 49 | 0.01 |
| Oak Hill Advisors Residential Loan Trust, STEP, Series 2017-NPL2 'A1' 3.00% 25/07/2057 | $306,578 | 229 | 0.06 |
| Oasis Petroleum, Inc. 6.88% 15/03/2022 | $32,000 | 24 | 0.01 |
| Oasis Petroleum, Inc. 6.88% 15/01/2023 | $50,000 | 38 | 0.01 |
| Oasis Petroleum, Inc. 6.25% 01/05/2026 | $201,000 | 144 | 0.04 |
| OBX Trust, FRN, Series 2018-EXP1 '2A1B' 3.36% 25/04/2048 | $105,000 | 80 | 0.02 |
| OneMain Financial Issuance Trust, Series 2015-3A 'C' 5.82% 20/11/2028 | $100,000 | 80 | 0.02 |
| Opteum Mortgage Acceptance Corp. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2005-4 '1A2' 2.90% 25/11/2035 | $32,690 | 24 | 0.01 |
| Opteum Mortgage Acceptance Corp. Asset-Backed Pass-Through Certificates Trust, FRN, Series 2005-5 '1APT' 2.79% 25/12/2035 | $189,027 | 133 | 0.04 |
| Option One Mortgage Acceptance Corp. Asset-Backed Certificates Trust, FRN, Series 2003-5 'A2' 3.15% 25/08/2033 | $18,851 | 14 | – |
| Option One Mortgage Acceptance Corp. Asset-Backed Certificates Trust, FRN, Series 2003-5 'M1' 3.48% 25/08/2033 | $152,525 | 113 | 0.03 |
| Option One Mortgage Acceptance Corp. Asset-Backed Certificates Trust, FRN, Series 2003-5 'M2' 4.83% 25/08/2033 | $8,927 | 7 | – |
| Option One Mortgage Loan Trust, FRN, Series 2002-3 'A1' 3.01% 25/08/2032 | $180,865 | 135 | 0.04 |
| Option One Mortgage Loan Trust, FRN, Series 2002-3 'A2' 3.05% 25/08/2032 | $31,903 | 24 | 0.01 |
| Option One Mortgage Loan Trust, FRN, Series 2004-3 'M2' 3.36% 25/11/2034 | $39,188 | 30 | 0.01 |
| Outfront Media Capital LLC, Series WI 5.25% 15/02/2022 | $31,000 | 24 | 0.01 |
| Outfront Media Capital LLC, Series WI 5.63% 15/02/2024 | $55,000 | 42 | 0.01 |
| Owens-Brockway Glass Container, Inc. 5.00% 15/01/2022 | $15,000 | 12 | – |
| Owens-Brockway Glass Container, Inc. 5.88% 15/08/2023 | $27,000 | 21 | 0.01 |
| Owens-Brockway Glass Container, Inc. 5.38% 15/01/2025 | $24,000 | 18 | – |
| Owens-Brockway Glass Container, Inc. 6.38% 15/08/2025 | $50,000 | 40 | 0.01 |
| Parsley Energy LLC 5.38% 15/01/2025 | $45,000 | 34 | 0.01 |
| Parsley Energy LLC 5.25% 15/08/2025 | $85,000 | 63 | 0.02 |
| Parsley Energy LLC 5.63% 15/10/2027 | $5,000 | 4 | – |
| Party City Holdings, Inc. 6.63% 01/08/2026 | $92,000 | 68 | 0.02 |
| PBF Holding Co. LLC 7.00% 15/11/2023 | $54,000 | 41 | 0.01 |
| PBF Holding Co. LLC 7.25% 15/06/2025 | $107,000 | 80 | 0.02 |
| PBF Logistics LP 6.88% 15/05/2023 | $47,000 | 36 | 0.01 |
| Peabody Energy Corp. 6.00% 31/03/2022 | $44,000 | 33 | 0.01 |
| Penske Automotive Group, Inc. 5.50% 15/05/2026 | $171,000 | 127 | 0.03 |
| People's Choice Home Loan Securities Trust, FRN, Series 2004-2 'M3' 4.23% 25/10/2034 | $344,243 | 259 | 0.07 |
| PetSmart, Inc. 7.13% 15/03/2023 | $390,000 | 184 | 0.05 |
| PetSmart, Inc. 5.88% 01/06/2025 | $198,000 | 117 | 0.03 |
| PetSmart, Inc. 8.88% 01/06/2025 | $15,000 | 7 | – |
| PGT Escrow Issuer, Inc. 6.75% 01/08/2026 | $109,000 | 84 | 0.02 |
| Pilgrim's Pride Corp. 5.75% 15/03/2025 | $199,000 | 147 | 0.04 |
| Pilgrim's Pride Corp. 5.88% 30/09/2027 | $80,000 | 58 | 0.02 |
| Plains All American Pipeline LP, FRN 6.13% Perpetual | $235,000 | 159 | 0.04 |
| Plantronics, Inc. 5.50% 31/05/2023 | $66,000 | 48 | 0.01 |
| PNC Financial Services Group, Inc. (The), FRN 4.85% Perpetual | $310,000 | 225 | 0.06 |
| PNC Financial Services Group, Inc. (The), FRN 5.00% Perpetual | $440,000 | 318 | 0.09 |
| PNMAC FMSR ISSUER TRUST, FRN, Series 2018-FT1 'A' 4.86% 25/04/2023 | $100,000 | 76 | 0.02 |
| PNMAC GMSR ISSUER TRUST, FRN, Series 2018-GT1 'A' 5.36% 25/02/2023 | $220,000 | 168 | 0.05 |
| Polaris Intermediate Corp. 8.41% 01/12/2022 | $124,500 | 91 | 0.02 |
| Post Holdings, Inc. 5.50% 01/03/2025 | $147,000 | 111 | 0.03 |
| Post Holdings, Inc. 5.00% 15/08/2026 | $100,000 | 72 | 0.02 |
| Post Holdings, Inc. 5.75% 01/03/2027 | $115,000 | 85 | 0.02 |
| Post Holdings, Inc. 5.63% 15/01/2028 | $55,000 | 40 | 0.01 |
| Prestige Auto Receivables Trust, Series 2018-1A 'D' 4.14% 15/10/2024 | $25,000 | 19 | 0.01 |
| Prestige Brands, Inc. 6.38% 01/03/2024 | $60,000 | 45 | 0.01 |
| Pretium Mortgage Credit Partners I LLC, FRN, Series 2017-NPL5 'A1' 3.33% 30/12/2032 | $414,927 | 311 | 0.08 |
| Pretium Mortgage Credit Partners I LLC, STEP, Series 2018-NPL2 'A1' 3.70% 27/03/2033 | $392,957 | 295 | 0.08 |
| Prime Security Services Borrower LLC 9.25% 15/05/2023 | $330,000 | 265 | 0.07 |
| Progressive Corp. (The), FRN 5.38% Perpetual | $240,000 | 175 | 0.05 |
| Prudential Financial, Inc., FRN 5.63% 15/06/2043 | $1,030,000 | 803 | 0.22 |
| Prudential Financial, Inc., FRN 5.20% 15/03/2044 | $785,000 | 587 | 0.16 |
| Prudential Financial, Inc., FRN 5.38% 15/05/2045 | $193,000 | 144 | 0.04 |
| QEP Resources, Inc. 5.38% 01/10/2022 | $76,000 | 56 | 0.02 |
| QEP Resources, Inc. 5.25% 01/05/2023 | $47,000 | 34 | 0.01 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Qorvo, Inc. 5.50% 15/07/2026 | $65,000 | 49 | 0.01 |
| Quad/Graphics, Inc. 7.00% 01/05/2022 | $40,000 | 30 | 0.01 |
| Quicken Loans, Inc. 5.75% 01/05/2025 | $149,000 | 108 | 0.03 |
| Quicken Loans, Inc. 5.25% 15/01/2028 | $67,000 | 46 | 0.01 |
| Qwest Capital Funding, Inc. 7.75% 15/02/2031 | $60,000 | 39 | 0.01 |
| Qwest Corp. 7.25% 15/09/2025 | $40,000 | 32 | 0.01 |
| RAAC Trust, FRN, Series 2005-RP3 'M1' 3.31% 25/05/2039 | $19,183 | 15 | – |
| Rackspace Hosting, Inc. 8.63% 15/11/2024 | $123,000 | 78 | 0.02 |
| Radian Group, Inc. 4.50% 01/10/2024 | $71,000 | 52 | 0.01 |
| Rain CII Carbon LLC 7.25% 01/04/2025 | $155,000 | 103 | 0.03 |
| RALI Trust, Series 2005-QS2 'A1' 5.50% 25/02/2035 | $14,509 | 11 | – |
| RALI Trust, Series 2005-QS6 'A1' 5.00% 25/05/2035 | $227,438 | 163 | 0.04 |
| RALI Trust, Series 2005-QS17 'A3' 6.00% 25/12/2035 | $33,645 | 24 | 0.01 |
| RALI Trust, Series 2006-QS1 'A7' 5.75% 25/01/2036 | $292,068 | 212 | 0.06 |
| RALI Trust, Series 2006-QS4 'A2' 6.00% 25/04/2036 | $100,611 | 70 | 0.02 |
| RAMP Trust, FRN, Series 2002-RS2 'AI5' 5.94% 25/03/2032 | $42,300 | 33 | 0.01 |
| RAMP Trust, FRN, Series 2005-RS6 'M4' 3.48% 25/06/2035 | $500,000 | 368 | 0.10 |
| RAMP Trust, FRN, Series 2006-RZ3 'M1' 2.86% 25/08/2036 | $500,000 | 375 | 0.10 |
| Range Resources Corp. 5.00% 15/08/2022 | $4,000 | 3 | – |
| Range Resources Corp. 4.88% 15/05/2025 | $175,000 | 119 | 0.03 |
| RASC Trust, FRN, Series 2001-KS3 'AII' 2.97% 25/09/2031 | $25,371 | 19 | 0.01 |
| RASC Trust, FRN, Series 2005-EMX1 'M1' 3.15% 25/03/2035 | $483,191 | 367 | 0.10 |
| RASC Trust, FRN, Series 2005-KS2 'M1' 3.15% 25/03/2035 | $33,101 | 25 | 0.01 |
| RBS Global, Inc. 4.88% 15/12/2025 | $40,000 | 29 | 0.01 |
| Refinitiv US Holdings, Inc. 6.25% 15/05/2026 | $89,000 | 66 | 0.02 |
| Refinitiv US Holdings, Inc. 8.25% 15/11/2026 | $29,000 | 21 | 0.01 |
| Renaissance Home Equity Loan Trust, FRN, Series 2002-3 'M1' 4.01% 25/12/2032 | $42,792 | 33 | 0.01 |
| Renaissance Home Equity Loan Trust, FRN, Series 2003-1 'M1' 4.01% 25/06/2033 | $16,971 | 13 | – |
| Renaissance Home Equity Loan Trust, FRN, Series 2003-3 'M1' 3.60% 25/12/2033 | $77,914 | 58 | 0.02 |
| Renaissance Home Equity Loan Trust, FRN, Series 2003-4 'M1' 3.36% 25/03/2034 | $82,408 | 62 | 0.02 |
| Renaissance Home Equity Loan Trust, FRN, Series 2005-2 'AV3' 2.88% 25/08/2035 | $31,917 | 23 | 0.01 |
| Renaissance Home Equity Loan Trust, STEP, Series 2003-3 'M2F' 6.18% 25/12/2033 | $43,131 | 34 | 0.01 |
| Renaissance Home Equity Loan Trust, STEP, Series 2003-4 'M2F' 6.24% 25/03/2034 | $21,529 | 15 | – |
| Renaissance Home Equity Loan Trust, STEP, Series 2005-1 'AF6' 4.97% 25/05/2035 | $55,068 | 43 | 0.01 |
| Residential Asset Securitization Trust, Series 2004-A6 'A1' 5.00% 25/08/2019 | $6,774 | 5 | – |
| Residential Asset Securitization Trust, Series 2005-A3 'A2' 5.50% 25/04/2035 | $111,272 | 72 | 0.02 |
| Residential Asset Securitization Trust, Series 2005-A8CB 'A11' 6.00% 25/07/2035 | $118,608 | 81 | 0.02 |
| Revlon Consumer Products Corp. 6.25% 01/08/2024 | $112,000 | 47 | 0.01 |
| Reynolds Group Issuer, Inc. 5.75% 15/10/2020 | $247,122 | 189 | 0.05 |
| Reynolds Group Issuer, Inc. 6.73% 15/02/2021 | $69,307 | 53 | 0.01 |
| RFMSI Trust, Series 2004-S9 '2A1' 4.75% 25/12/2019 | $3,196 | 2 | – |
| RHP Hotel Properties LP, REIT 5.00% 15/04/2021 | $200,000 | 152 | 0.04 |
| RHP Hotel Properties LP, REIT 5.00% 15/04/2023 | $45,000 | 34 | 0.01 |
| Rite Aid Corp. 6.13% 01/04/2023 | $245,000 | 157 | 0.04 |
| Sabre GLBL, Inc. 5.38% 15/04/2023 | $249,000 | 192 | 0.05 |
| Sabre GLBL, Inc. 5.25% 15/11/2023 | $20,000 | 15 | – |
| SASCO Mortgage Loan Trust, FRN, Series 2004-GEL3 'M1' 4.08% 25/08/2034 | $17,584 | 13 | – |
| Saxon Asset Securities Trust, FRN, Series 2003-3 'M1' 3.48% 25/12/2033 | $160,515 | 118 | 0.03 |
| Saxon Asset Securities Trust, FRN, Series 2004-2 'AF3' 4.43% 25/08/2035 | $10,732 | 8 | – |
| Saxon Asset Securities Trust, FRN, Series 2004-2 'MV2' 4.31% 25/08/2035 | $252,953 | 193 | 0.05 |
| SBA Communications Corp., REIT 4.88% 15/07/2022 | $12,000 | 9 | – |
| SBA Communications Corp., REIT 4.00% 01/10/2022 | $12,000 | 9 | – |
| SBA Communications Corp., REIT 4.88% 01/09/2024 | $115,000 | 87 | 0.02 |
| Scientific Games International, Inc. 10.00% 01/12/2022 | $191,000 | 153 | 0.04 |
| Scientific Games International, Inc. 5.00% 15/10/2025 | $133,000 | 95 | 0.03 |
| Scotts Miracle-Gro Co. (The) 6.00% 15/10/2023 | $220,000 | 171 | 0.05 |
| Scotts Miracle-Gro Co. (The) 5.25% 15/12/2026 | $100,000 | 72 | 0.02 |
| Sealed Air Corp. 5.25% 01/04/2023 | $40,000 | 31 | 0.01 |
| Securitized Asset-Backed Receivables LLC Trust, FRN, Series 2004-NC1 'M1' 3.29% 25/02/2034 | $87,274 | 66 | 0.02 |
| Securitized Asset-Backed Receivables LLC Trust, FRN, Series 2004-OP1 'M2' 4.16% 25/02/2034 | $25,942 | 19 | 0.01 |
| Securitized Asset-Backed Receivables LLC Trust, FRN, Series 2004-OP2 'M1' 3.48% 25/08/2034 | $179,448 | 135 | 0.04 |
| Securitized Asset-Backed Receivables LLC Trust, FRN, Series 2005-FR2 'M2' 3.48% 25/03/2035 | $45,817 | 35 | 0.01 |
| Securitized Asset-Backed Receivables LLC Trust, FRN, Series 2005-OP1 'M2' 3.18% 25/01/2035 | $59,559 | 45 | 0.01 |
| SemGroup Corp. 5.63% 15/07/2022 | $36,000 | 26 | 0.01 |
| SemGroup Corp. 5.63% 15/11/2023 | $87,000 | 61 | 0.02 |
| SemGroup Corp. 6.38% 15/03/2025 | $9,000 | 6 | – |
| SemGroup Corp. 7.25% 15/03/2026 | $57,000 | 41 | 0.01 |
| Seminole Hard Rock Entertainment, Inc. 5.88% 15/05/2021 | $225,000 | 174 | 0.05 |
| Sensata Technologies BV 4.88% 15/10/2023 | $302,000 | 232 | 0.06 |
| Sensata Technologies BV 5.00% 01/10/2025 | $15,000 | 11 | – |
| Sensata Technologies UK Financing Co. plc 6.25% 15/02/2026 | $200,000 | 158 | 0.04 |
| Sequoia Mortgage Trust, FRN, Series 2007-3 '1A1' 2.70% 20/07/2036 | $59,203 | 43 | 0.01 |
| Sequoia Mortgage Trust, FRN, Series 2018-2 'A4' 3.50% 25/02/2048 | $457,928 | 347 | 0.09 |
| Service Corp. International 8.00% 15/11/2021 | $30,000 | 25 | 0.01 |
| Service Corp. International 5.38% 15/05/2024 | $255,000 | 199 | 0.05 |
| Service Corp. International 7.50% 01/04/2027 | $100,000 | 83 | 0.02 |
| SESI LLC 7.75% 15/09/2024 | $31,000 | 18 | – |
| Sinclair Television Group, Inc. 6.13% 01/10/2022 | $60,000 | 46 | 0.01 |
| Sinclair Television Group, Inc. 5.63% 01/08/2024 | $385,000 | 283 | 0.08 |
| Sinclair Television Group, Inc. 5.88% 15/03/2026 | $8,000 | 6 | – |
| Sirius XM Radio, Inc. 4.63% 15/05/2023 | $155,000 | 117 | 0.03 |
| Sirius XM Radio, Inc. 6.00% 15/07/2024 | $510,000 | 402 | 0.11 |
| Sirius XM Radio, Inc. 5.38% 15/04/2025 | $225,000 | 173 | 0.05 |
| Sirius XM Radio, Inc. 5.00% 01/08/2027 | $71,000 | 52 | 0.01 |
| Six Flags Entertainment Corp. 4.88% 31/07/2024 | $79,000 | 59 | 0.02 |
| SM Energy Co. 5.00% 15/01/2024 | $40,000 | 29 | 0.01 |
| SM Energy Co. 6.75% 15/09/2026 | $45,000 | 34 | 0.01 |
| SM Energy Co. 6.63% 15/01/2027 | $117,000 | 86 | 0.02 |
| Sofi Consumer Loan Program Trust, Series 2018-1 'B' 3.65% 25/02/2027 | $100,000 | 76 | 0.02 |
| Solera LLC 10.50% 01/03/2024 | $84,000 | 69 | 0.02 |
| Sotheby's 4.88% 15/12/2025 | $85,000 | 61 | 0.02 |
| Soundview Home Loan Trust, FRN, Series 2005-OPT1 'M2' 3.18% 25/06/2035 | $387,184 | 292 | 0.08 |
| Soundview Home Loan Trust, FRN, Series 2006-OPT3 '2A3' 2.68% 25/06/2036 | $87,577 | 66 | 0.02 |
| Southwestern Energy Co. 6.20% 23/01/2025 | $114,000 | 84 | 0.02 |
| Southwestern Energy Co. 7.50% 01/04/2026 | $45,000 | 35 | 0.01 |
| Southwestern Energy Co. 7.75% 01/10/2027 | $45,000 | 35 | 0.01 |
| Specialty Underwriting & Residential Finance Trust, FRN, Series 2004-BC1 'M2' 4.11% 25/02/2035 | $35,522 | 27 | 0.01 |
| Specialty Underwriting & Residential Finance Trust, FRN, Series 2004-BC3 'M1' 3.44% 25/07/2035 | $45,253 | 34 | 0.01 |
| Spectrum Brands, Inc. 6.63% 15/11/2022 | $100,000 | 78 | 0.02 |
| Spectrum Brands, Inc. 6.13% 15/12/2024 | $74,000 | 56 | 0.02 |
| Spectrum Brands, Inc. 5.75% 15/07/2025 | $253,000 | 189 | 0.05 |
| Springleaf Finance Corp. 6.13% 15/05/2022 | $50,000 | 39 | 0.01 |
| Springleaf Finance Corp. 5.63% 15/03/2023 | $189,000 | 141 | 0.04 |
| Springleaf Finance Corp. 6.88% 15/03/2025 | $30,000 | 22 | 0.01 |
| Springleaf Finance Corp. 7.13% 15/03/2026 | $105,000 | 76 | 0.02 |
| Sprint Capital Corp. 8.75% 15/03/2032 | $696,000 | 579 | 0.16 |
| Sprint Communications, Inc. 7.00% 01/03/2020 | $75,000 | 59 | 0.02 |
| Sprint Communications, Inc. 11.50% 15/11/2021 | $7,000 | 6 | – |
| Sprint Corp. 7.25% 15/09/2021 | $107,000 | 86 | 0.02 |
| Sprint Corp. 7.88% 15/09/2023 | $422,000 | 341 | 0.09 |
| Sprint Corp. 7.63% 15/02/2025 | $1,222,000 | 960 | 0.26 |
| Sprint Corp. 7.63% 01/03/2026 | $74,000 | 58 | 0.02 |
| Sprint Corp., Series WI 7.13% 15/06/2024 | $425,000 | 331 | 0.09 |
| SPX FLOW, Inc. 5.63% 15/08/2024 | $60,000 | 45 | 0.01 |
| SPX FLOW, Inc. 5.88% 15/08/2026 | $95,000 | 71 | 0.02 |
| STACR Trust, FRN, Series 2018-DNA2 'M2' 4.66% 25/12/2030 | $200,000 | 150 | 0.04 |
| Standard Industries, Inc. 6.00% 15/10/2025 | $120,000 | 92 | 0.03 |
| Standard Industries, Inc. 5.00% 15/02/2027 | $25,000 | 18 | 0.01 |
| Standard Industries, Inc. 4.75% 15/01/2028 | $276,000 | 190 | 0.05 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Stanwich Mortgage Loan Trust, STEP, Series 2018-NPB2 'A1' 4.50% 18/10/2023 | $466,985 | 356 | 0.10 |
| Staples, Inc. 8.50% 15/09/2025 | $450,000 | 326 | 0.09 |
| Starwood Mortgage Residential Trust, FRN, Series 2018-IMC1 'A1' 3.79% 25/03/2048 | $515,836 | 391 | 0.11 |
| State Street Corp., FRN 5.63% Perpetual | $168,000 | 126 | 0.03 |
| Station Casinos LLC 5.00% 01/10/2025 | $101,000 | 73 | 0.02 |
| Steel Dynamics, Inc. 4.13% 15/09/2025 | $85,000 | 61 | 0.02 |
| Steel Dynamics, Inc. 5.00% 15/12/2026 | $25,000 | 19 | 0.01 |
| Stevens Holding Co., Inc. 6.13% 01/10/2026 | $51,000 | 39 | 0.01 |
| Structured Asset Investment Loan Trust, FRN, Series 2003-BC3 'M1' 3.93% 25/04/2033 | $2,943 | 2 | – |
| Structured Asset Investment Loan Trust, FRN, Series 2003-BC7 'M1' 3.63% 25/07/2033 | $31,858 | 24 | 0.01 |
| Structured Asset Investment Loan Trust, FRN, Series 2003-BC11 'M2' 5.06% 25/10/2033 | $6,782 | 5 | – |
| Structured Asset Investment Loan Trust, FRN, Series 2004-1 'M1' 3.48% 25/02/2034 | $9,790 | 7 | – |
| Structured Asset Investment Loan Trust, FRN, Series 2004-1 'M2' 5.21% 25/02/2034^ | $3 | – | – |
| Structured Asset Investment Loan Trust, FRN, Series 2004-5 'M3' 3.44% 25/05/2034 | $47,696 | 36 | 0.01 |
| Structured Asset Investment Loan Trust, FRN, Series 2004-6 'M1' 3.41% 25/07/2034 | $70,431 | 53 | 0.01 |
| Structured Asset Investment Loan Trust, FRN, Series 2004-8 'M2' 3.44% 25/09/2034 | $17,806 | 13 | – |
| Structured Asset Investment Loan Trust, FRN, Series 2004-BNC1 'A5' 3.75% 25/09/2034 | $10,072 | 8 | – |
| Structured Asset Investment Loan Trust, FRN, Series 2005-HE2 'M1' 3.23% 25/07/2035 | $41,023 | 31 | 0.01 |
| Structured Asset Securities Corp. Mortgage Pass-Through Certificates Trust, FRN, Series 2004-10 '1A1' 5.15% 25/06/2034 | $240,856 | 185 | 0.05 |
| Summit Midstream Holdings LLC 5.50% 15/08/2022 | $50,000 | 37 | 0.01 |
| Summit Midstream Holdings LLC 5.75% 15/04/2025 | $119,000 | 84 | 0.02 |
| Sunoco LP 4.88% 15/01/2023 | $49,000 | 37 | 0.01 |
| Sunoco LP 5.50% 15/02/2026 | $34,000 | 25 | 0.01 |
| Sunoco LP 5.88% 15/03/2028 | $16,000 | 12 | – |
| SunTrust Banks, Inc., FRN 5.05% Perpetual | $355,000 | 252 | 0.07 |
| SunTrust Banks, Inc., FRN 5.13% Perpetual | $445,000 | 298 | 0.08 |
| SunTrust Banks, Inc., FRN 5.63% Perpetual | $71,000 | 54 | 0.01 |
| Symantec Corp. 5.00% 15/04/2025 | $90,000 | 68 | 0.02 |
| Talen Energy Supply LLC 6.50% 01/06/2025 | $102,000 | 60 | 0.02 |
| Tallgrass Energy Partners LP 5.50% 15/09/2024 | $29,000 | 22 | 0.01 |
| Tallgrass Energy Partners LP 5.50% 15/01/2028 | $140,000 | 103 | 0.03 |
| Targa Resources Partners LP 4.25% 15/11/2023 | $176,000 | 129 | 0.04 |
| Targa Resources Partners LP 6.75% 15/03/2024 | $290,000 | 230 | 0.06 |
| Targa Resources Partners LP 5.88% 15/04/2026 | $90,000 | 69 | 0.02 |
| Targa Resources Partners LP 5.38% 01/02/2027 | $40,000 | 29 | 0.01 |
| Targa Resources Partners LP 6.50% 15/07/2027 | $112,000 | 87 | 0.02 |
| Targa Resources Partners LP 5.00% 15/01/2028 | $95,000 | 68 | 0.02 |
| Targa Resources Partners LP 6.88% 15/01/2029 | $66,000 | 52 | 0.01 |
| Team Health Holdings, Inc. 6.38% 01/02/2025 | $232,000 | 141 | 0.04 |
| TEGNA, Inc. 4.88% 15/09/2021 | $75,000 | 57 | 0.02 |
| TEGNA, Inc. 6.38% 15/10/2023 | $180,000 | 139 | 0.04 |
| Teleflex, Inc. 4.88% 01/06/2026 | $17,000 | 13 | – |
| Tempur Sealy International, Inc. 5.63% 15/10/2023 | $163,000 | 123 | 0.03 |
| Tempur Sealy International, Inc. 5.50% 15/06/2026 | $290,000 | 210 | 0.06 |
| Tenet Healthcare Corp. 6.75% 01/02/2020 | $10,000 | 8 | – |
| Tenet Healthcare Corp. 6.00% 01/10/2020 | $63,000 | 49 | 0.01 |
| Tenet Healthcare Corp. 4.50% 01/04/2021 | $193,000 | 147 | 0.04 |
| Tenet Healthcare Corp. 4.38% 01/10/2021 | $76,000 | 58 | 0.02 |
| Tenet Healthcare Corp. 7.50% 01/01/2022 | $90,000 | 71 | 0.02 |
| Tenet Healthcare Corp. 8.13% 01/04/2022 | $250,000 | 198 | 0.05 |
| Tenet Healthcare Corp. 20.25% 15/06/2023 | $368,000 | 274 | 0.07 |
| Tenet Healthcare Corp. 4.63% 15/07/2024 | $187,000 | 139 | 0.04 |
| Tenet Healthcare Corp. 5.13% 01/05/2025 | $191,000 | 143 | 0.04 |
| Tenet Healthcare Corp. 7.00% 01/08/2025 | $34,000 | 25 | 0.01 |
| Tenet Healthcare Corp. 6.25% 01/02/2027 | $214,000 | 164 | 0.04 |
| Tennant Co. 5.63% 01/05/2025 | $134,000 | 101 | 0.03 |
| Tenneco, Inc. 5.00% 15/07/2026 | $155,000 | 100 | 0.03 |
| Terex Corp. 5.63% 01/02/2025 | $110,000 | 81 | 0.02 |
| Terraform Global Operating LLC 6.13% 01/03/2026 | $65,000 | 47 | 0.01 |
| TerraForm Power Operating LLC 4.25% 31/01/2023 | $69,000 | 51 | 0.01 |
| TerraForm Power Operating LLC 5.00% 31/01/2028 | $13,000 | 9 | – |
| TerraForm Power Operating LLC, STEP 6.63% 15/06/2025 | $50,000 | 40 | 0.01 |
| Texas Competitive Electric Holdings Co. LLC 11.50% 01/10/2020 | $1,400,000 | 4 | – |
| T-Mobile USA, Inc. 6.00% 01/03/2023 | $202,000 | 158 | 0.04 |
| T-Mobile USA, Inc. 6.50% 15/01/2024 | $10,000 | 8 | – |
| T-Mobile USA, Inc. 6.00% 15/04/2024 | $76,000 | 59 | 0.02 |
| T-Mobile USA, Inc. 6.38% 01/03/2025 | $120,000 | 95 | 0.03 |
| T-Mobile USA, Inc. 6.50% 15/01/2026 | $641,000 | 516 | 0.14 |
| T-Mobile USA, Inc. 4.50% 01/02/2026 | $128,000 | 94 | 0.03 |
| T-Mobile USA, Inc. 4.75% 01/02/2028 | $176,000 | 127 | 0.03 |
| Toll Brothers Finance Corp. 5.63% 15/01/2024 | $20,000 | 16 | – |
| Toll Brothers Finance Corp. 4.88% 15/11/2025 | $35,000 | 26 | 0.01 |
| Toorak Mortgage Corp. Ltd., STEP, Series 2018-1 'A1' 4.34% 25/08/2021 | $500,000 | 379 | 0.10 |
| TransDigm, Inc. 6.00% 15/07/2022 | $60,000 | 46 | 0.01 |
| TransDigm, Inc. 6.50% 15/07/2024 | $195,000 | 146 | 0.04 |
| TransDigm, Inc. 6.50% 15/05/2025 | $63,000 | 46 | 0.01 |
| TransDigm, Inc. 6.25% 15/03/2026 | $176,000 | 136 | 0.04 |
| TransMontaigne Partners LP 6.13% 15/02/2026 | $38,000 | 26 | 0.01 |
| Transocean Guardian Ltd. 5.88% 15/01/2024 | $70,875 | 54 | 0.01 |
| Transocean Pontus Ltd. 6.13% 01/08/2025 | $120,000 | 91 | 0.02 |
| Transocean Poseidon Ltd. 6.88% 01/02/2027 | $26,000 | 20 | 0.01 |
| Transocean Proteus Ltd. 6.25% 01/12/2024 | $5,600 | 4 | – |
| Transocean, Inc. 9.00% 15/07/2023 | $60,000 | 47 | 0.01 |
| Transocean, Inc. 7.25% 01/11/2025 | $120,000 | 85 | 0.02 |
| Transocean, Inc. 7.50% 15/01/2026 | $266,000 | 192 | 0.05 |
| Transocean, Inc. 7.50% 15/04/2031 | $65,000 | 40 | 0.01 |
| Transocean, Inc. 6.80% 15/03/2038 | $96,000 | 55 | 0.02 |
| Transocean, Inc. 9.35% 15/12/2041 | $89,000 | 63 | 0.02 |
| Travelport Corporate Finance plc 6.00% 15/03/2026 | $31,000 | 24 | 0.01 |
| TreeHouse Foods, Inc. 12.00% 15/02/2024 | $140,000 | 109 | 0.03 |
| TriMas Corp. 4.88% 15/10/2025 | $85,000 | 63 | 0.02 |
| Trinseo Materials Operating SCA 5.38% 01/09/2025 | $192,000 | 130 | 0.04 |
| Triumph Group, Inc. 5.25% 01/06/2022 | $225,000 | 150 | 0.04 |
| Triumph Group, Inc. 7.75% 15/08/2025 | $75,000 | 49 | 0.01 |
| Tronox Finance plc 5.75% 01/10/2025 | $74,000 | 48 | 0.01 |
| Tronox, Inc. 6.50% 15/04/2026 | $32,000 | 21 | 0.01 |
| Tutor Perini Corp. 6.88% 01/05/2025 | $218,000 | 161 | 0.04 |
| Ultra Resources, Inc. 11.00% 12/07/2024 | $295,000 | 154 | 0.04 |
| Unit Corp. 6.63% 15/05/2021 | $81,000 | 58 | 0.02 |
| United Continental Holdings, Inc. 5.00% 01/02/2024 | $122,000 | 92 | 0.03 |
| United Rentals North America, Inc. 5.75% 15/11/2024 | $105,000 | 81 | 0.02 |
| United Rentals North America, Inc. 5.50% 15/07/2025 | $130,000 | 99 | 0.03 |
| United Rentals North America, Inc. 4.63% 15/10/2025 | $255,000 | 183 | 0.05 |
| United Rentals North America, Inc. 5.88% 15/09/2026 | $65,000 | 50 | 0.01 |
| United Rentals North America, Inc. 6.50% 15/12/2026 | $89,000 | 70 | 0.02 |
| United Rentals North America, Inc. 5.50% 15/05/2027 | $260,000 | 194 | 0.05 |
| United Rentals North America, Inc. 4.88% 15/01/2028 | $100,000 | 71 | 0.02 |
| United States Cellular Corp. 6.70% 15/12/2033 | $60,000 | 47 | 0.01 |
| United States Steel Corp. 6.88% 15/08/2025 | $16,000 | 12 | – |
| United States Steel Corp. 6.25% 15/03/2026 | $80,000 | 56 | 0.02 |
| Uniti Group LP, REIT 6.00% 15/04/2023 | $115,000 | 83 | 0.02 |
| Uniti Group LP, REIT 8.25% 15/10/2023 | $145,000 | 102 | 0.03 |
| Univar USA, Inc. 6.75% 15/07/2023 | $65,000 | 51 | 0.01 |
| Univision Communications, Inc. 5.13% 15/05/2023 | $20,000 | 14 | – |
| Univision Communications, Inc. 5.13% 15/02/2025 | $66,000 | 46 | 0.01 |
| Upgrade Receivables Trust, Series 2018-1A 'A' 3.76% 15/11/2024 | $85,517 | 65 | 0.02 |
| USA Compression Partners LP 6.88% 01/04/2026 | $24,000 | 18 | – |
| USG Corp. 4.88% 01/06/2027 | $20,000 | 15 | – |
| Valeant Pharmaceuticals International, Inc. 9.25% 01/04/2026 | $141,000 | 114 | 0.03 |
| Valeant Pharmaceuticals International, Inc. 8.50% 31/01/2027 | $108,000 | 85 | 0.02 |
| Vantage Data Centers Issuer LLC, Series 2018-1A 'A2' 4.07% 16/02/2043 | $29,725 | 23 | 0.01 |
| Venator Finance Sarl 5.75% 15/07/2025 | $137,000 | 86 | 0.03 |
| Verscend Escrow Corp. 9.75% 15/08/2026 | $14,000 | 10 | – |
| Vertiv Group Corp. 9.25% 15/10/2024 | $335,000 | 237 | 0.06 |
| Verus Securitization Trust, FRN, Series 2018-2 'A1' 3.68% 01/06/2058 | $416,447 | 317 | 0.09 |
| Viacom, Inc., FRN 5.87% 28/02/2057 | $322,000 | 237 | 0.06 |
| Viacom, Inc., FRN 6.25% 28/02/2057 | $247,000 | 180 | 0.05 |
| ViaSat, Inc. 5.63% 15/09/2025 | $30,000 | 22 | 0.01 |
| VICI Properties 1 LLC, REIT 8.00% 15/10/2023 | $231,773 | 191 | 0.05 |
| Vista Outdoor, Inc. 5.88% 01/10/2023 | $285,000 | 202 | 0.06 |
| Vistra Energy Corp. 7.38% 01/11/2022 | $50,000 | 40 | 0.01 |
| Vistra Energy Corp. 5.88% 01/06/2023 | $108,000 | 84 | 0.02 |
| Vistra Energy Corp. 7.63% 01/11/2024 | $152,000 | 123 | 0.03 |
| Vistra Operations Co. LLC 5.50% 01/09/2026 | $23,000 | 18 | 0.01 |
| VOC Escrow Ltd. 5.00% 15/02/2028 | $38,000 | 28 | 0.01 |
| VOLT LXII LLC, STEP, Series 2017-NPL9 'A1' 3.13% 25/09/2047 | $287,714 | 217 | 0.06 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Voya Financial, Inc., FRN 5.65% 15/05/2053 | $520,000 | 381 | 0.10 |
| W&T Offshore, Inc. 9.75% 01/11/2023 | $98,000 | 72 | 0.02 |
| Wabash National Corp. 5.50% 01/10/2025 | $90,000 | 62 | 0.02 |
| Wachovia Bank Commercial Mortgage Trust, FRN, Series 2007-C33 'AJ' 5.77% 15/02/2051 | $59,620 | 40 | 0.01 |
| Wachovia Bank Commercial Mortgage Trust, FRN, Series 2007-C33 'B' 5.77% 15/02/2051 | $80,000 | 45 | 0.01 |
| Wachovia Bank Commercial Mortgage Trust, FRN, Series 2007-C33 'C' 5.77% 15/02/2051 | $350,000 | 27 | 0.01 |
| Wachovia Bank Commercial Mortgage Trust, FRN, Series 2007-C34 'B' 6.22% 15/05/2046 | $415,000 | 312 | 0.09 |
| WaMu Mortgage Pass-Through Trust, FRN, Series 2004-AR10 'A1B' 2.93% 25/07/2044[Ø] | $59,912 | 45 | 0.01 |
| WaMu Mortgage Pass-Through Trust, FRN, Series 2004-AR11 'A' 4.18% 25/10/2034[Ø] | $76,982 | 59 | 0.02 |
| WaMu Mortgage Pass-Through Trust, FRN, Series 2005-AR7 'A3' 4.09% 25/08/2035[Ø] | $13,748 | 11 | – |
| WaMu Mortgage Pass-Through Trust, FRN, Series 2005-AR10 '1A4' 4.13% 25/09/2035[Ø] | $478,185 | 364 | 0.10 |
| WaMu Mortgage Pass-Through Trust, FRN, Series 2005-AR14 '1A3' 4.22% 25/12/2035[Ø] | $71,879 | 54 | 0.01 |
| WaMu Mortgage Pass-Through Trust, FRN, Series 2005-AR14 '1A4' 4.22% 25/12/2035[Ø] | $61,141 | 46 | 0.01 |
| WaMu Mortgage Pass-Through Trust, FRN, Series 2005-AR16 '1A1' 4.28% 25/12/2035[Ø] | $40,471 | 31 | 0.01 |
| WaMu Mortgage Pass-Through Trust, FRN, Series 2006-AR17 '1A1A' 2.86% 25/12/2046[Ø] | $308,897 | 231 | 0.06 |
| Washington Mutual Mortgage Pass-Through Certificates WMALT Trust, Series 2005-1 '1A3' 5.50% 25/03/2035[Ø] | $33,393 | 24 | 0.01 |
| Washington Mutual Mortgage Pass-Through Certificates WMALT Trust, Series 2005-4 'CB7' 5.50% 25/06/2035[Ø] | $42,600 | 31 | 0.01 |
| Washington Mutual Mortgage Pass-Through Certificates WMALT Trust, Series 2005-10 '4CB1' 5.75% 25/12/2035[Ø] | $36,005 | 27 | 0.01 |
| Weatherford International LLC 9.88% 01/03/2025 | $7,000 | 3 | – |
| Weatherford International Ltd. 8.25% 15/06/2023 | $11,000 | 5 | – |
| Weatherford International Ltd. 9.88% 15/02/2024 | $30,000 | 15 | – |
| Weatherford International Ltd. 6.50% 01/08/2036 | $10,000 | 4 | – |
| Weatherford International Ltd. 7.00% 15/03/2038 | $50,000 | 22 | 0.01 |
| Weatherford International Ltd. 6.75% 15/09/2040 | $22,000 | 10 | – |
| Weatherford International Ltd. 5.95% 15/04/2042 | $64,000 | 27 | 0.01 |
| WellCare Health Plans, Inc. 5.25% 01/04/2025 | $66,000 | 51 | 0.01 |
| Wells Fargo & Co., FRN 5.87% Perpetual | $310,000 | 245 | 0.07 |
| Wells Fargo & Co., FRN 5.90% Perpetual | $1,105,000 | 846 | 0.23 |
| Wells Fargo Home Equity Asset-Backed Securities Trust, FRN, Series 2004-2 'M5' 4.38% 25/10/2034 | $29,756 | 22 | 0.01 |
| Wells Fargo Home Equity Asset-Backed Securities Trust, FRN, Series 2004-2 'M8A' 7.01% 25/10/2034 | $35,467 | 25 | 0.01 |
| Wells Fargo Home Equity Asset-Backed Securities Trust, FRN, Series 2004-2 'M8B' 5.00% 25/10/2034 | $13,604 | 9 | – |
| Wells Fargo Home Equity Trust Mortgage Pass-Through Certificates Trust, FRN, Series 2004-1 'M2' 3.45% 25/04/2034 | $17,872 | 13 | – |
| Wells Fargo Home Equity Trust Mortgage Pass-Through Certificates Trust, FRN, Series 2004-1 'M4' 4.23% 25/04/2034 | $41,974 | 29 | 0.01 |
| Wells Fargo Mortgage Backed Securities Trust, Series 2006-4 '1A9' 5.75% 25/04/2036 | $15,312 | 12 | – |
| Wells Fargo Mortgage Backed Securities Trust, Series 2007-15 'A1' 6.00% 25/11/2037 | $16,409 | 12 | – |
| Wells Fargo Mortgage Backed Securities Trust, Series 2007-2 '1A13' 6.00% 25/03/2037 | $7,279 | 5 | – |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2004-BB 'A5' 4.93% 25/01/2035 | $24,073 | 19 | 0.01 |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2004-DD '2A6' 4.72% 25/01/2035 | $5,501 | 4 | – |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2004-Q '1A2' 4.72% 25/09/2034 | $15,622 | 12 | – |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2005-AR4 '2A2' 4.25% 25/04/2035 | $11,169 | 9 | – |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2005-AR5 '1A1' 4.11% 25/04/2035 | $61,665 | 47 | 0.01 |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2005-AR8 '1A1' 4.40% 25/06/2035 | $84,235 | 66 | 0.02 |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2005-AR16 '6A3' 4.48% 25/10/2035 | $61,568 | 47 | 0.01 |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2005-AR16 '7A1' 4.75% 25/10/2035 | $21,453 | 16 | – |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2006-AR6 '5A1' 4.69% 25/03/2036 | $46,702 | 36 | 0.01 |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2006-AR19 'A3' 4.86% 25/12/2036 | $15,447 | 11 | – |
| WESCO Distribution, Inc. 5.38% 15/06/2024 | $75,000 | 56 | 0.02 |
| West Street Merger Sub, Inc. 6.38% 01/09/2025 | $16,000 | 11 | – |
| Western Digital Corp. 4.75% 15/02/2026 | $206,000 | 145 | 0.04 |
| WFRBS Commercial Mortgage Trust, FRN, Series 2014-C22 3.90% 15/09/2057 | $100,000 | 62 | 0.02 |
| Whiting Petroleum Corp. 6.25% 01/04/2023 | $90,000 | 67 | 0.02 |
| Whiting Petroleum Corp. 6.63% 15/01/2026 | $175,000 | 129 | 0.04 |
| WildHorse Resource Development Corp. 6.88% 01/02/2025 | $135,000 | 103 | 0.03 |
| Windstream Services LLC 9.00% 30/06/2025 | $614,000 | 348 | 0.09 |
| WMG Acquisition Corp. 5.63% 15/04/2022 | $71,000 | 55 | 0.02 |
| WMG Acquisition Corp. 5.00% 01/08/2023 | $10,000 | 8 | – |
| WMG Acquisition Corp. 5.50% 15/04/2026 | $127,000 | 95 | 0.03 |
| WPX Energy, Inc. 6.00% 15/01/2022 | $56,000 | 43 | 0.01 |
| WPX Energy, Inc. 8.25% 01/08/2023 | $50,000 | 42 | 0.01 |
| WPX Energy, Inc. 5.75% 01/06/2026 | $96,000 | 72 | 0.02 |
| Wyndham Destinations, Inc. 4.25% 01/03/2022 | $5,000 | 4 | – |
| Wyndham Worldwide Corp. 5.34% 01/04/2024 | $25,000 | 18 | – |
| Wyndham Worldwide Corp. 6.28% 01/10/2025 | $11,000 | 8 | – |
| Wyndham Worldwide Corp. 5.69% 01/04/2027 | $29,000 | 21 | 0.01 |
| Wynn Las Vegas LLC 5.50% 01/03/2025 | $355,000 | 261 | 0.07 |
| XPO Logistics, Inc. 6.50% 15/06/2022 | $103,000 | 80 | 0.02 |
| XPO Logistics, Inc. 6.13% 01/09/2023 | $90,000 | 69 | 0.02 |
| Zayo Group LLC 6.00% 01/04/2023 | $256,000 | 195 | 0.05 |
| Zayo Group LLC 6.38% 15/05/2025 | $202,000 | 150 | 0.04 |
| Zayo Group LLC 5.75% 15/01/2027 | $98,000 | 71 | 0.02 |
| | | **142,302** | **38.77** |
| **Corporate Bonds total** | | **181,330** | **49.40** |

## Government Bonds 1.91% (4.59%)

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Angola 0.06% (0.08%)** | | | |
| Angola Government Bond 7.00% 17/08/2019 | $93,750 | 72 | 0.02 |
| Angola Government Bond 8.25% 09/05/2028 | $200,000 | 156 | 0.04 |
| | | **228** | **0.06** |
| **Argentina 0.06% (0.30%)** | | | |
| Argentina Government Bond 8.28% 31/12/2033 | $79,496 | 53 | 0.01 |
| Argentina Government Bond 6.88% 11/01/2048 | $52,000 | 29 | 0.01 |
| Argentina Government Bond 7.13% 28/06/2117 | $39,000 | 23 | 0.01 |
| Provincia de Buenos Aires 9.95% 09/06/2021 | $150,000 | 111 | 0.03 |
| | | **216** | **0.06** |
| **Bahrain 0.00% (0.04%)** | | | |
| **Belarus 0.04% (0.08%)** | | | |
| Belarus Government Bond 7.63% 29/06/2027 | $200,000 | 159 | 0.04 |
| | | **159** | **0.04** |
| **Brazil 0.06% (0.14%)** | | | |
| Brazil Government Bond 4.25% 07/01/2025 | $200,000 | 153 | 0.04 |
| Brazil Government Bond 8.25% 20/01/2034 | $85,000 | 82 | 0.02 |
| | | **235** | **0.06** |
| **Colombia 0.03% (0.08%)** | | | |
| Colombia Government Bond 7.38% 18/09/2037 | $100,000 | 96 | 0.03 |
| | | **96** | **0.03** |
| **Costa Rica 0.04% (0.09%)** | | | |
| Costa Rica Government Bond 4.38% 30/04/2025 | $200,000 | 133 | 0.04 |
| | | **133** | **0.04** |
| **Croatia 0.05% (0.06%)** | | | |
| Croatia Government Bond 6.00% 26/01/2024 | $200,000 | 167 | 0.05 |
| | | **167** | **0.05** |
| **Dominican Republic 0.07% (0.17%)** | | | |
| Dominican Republic Government Bond 6.88% 29/01/2026 | $120,000 | 98 | 0.03 |
| Dominican Republic Government Bond 5.95% 25/01/2027 | $100,000 | 77 | 0.02 |
| Dominican Republic Government Bond 7.45% 30/04/2044 | $100,000 | 82 | 0.02 |
| | | **257** | **0.07** |
| **Ecuador 0.05% (0.16%)** | | | |
| Ecuador Government Bond 7.88% 23/01/2028 | $270,000 | 180 | 0.05 |
| | | **180** | **0.05** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Egypt 0.04% (0.16%)** | | | |
| Egypt Government Bond 6.59% 21/02/2028 | $200,000 | 140 | 0.04 |
| | | **140** | **0.04** |
| **El Salvador 0.05% (0.13%)** | | | |
| El Salvador Government Bond 7.38% 01/12/2019 | $100,000 | 77 | 0.02 |
| El Salvador Government Bond 7.75% 24/01/2023 | $47,000 | 37 | 0.01 |
| El Salvador Government Bond 5.88% 30/01/2025 | $53,000 | 38 | 0.01 |
| El Salvador Government Bond 6.38% 18/01/2027 | $15,000 | 11 | 0.01 |
| | | **163** | **0.05** |
| **Ethiopia 0.04% (0.04%)** | | | |
| Ethiopia Government Bond 6.63% 11/12/2024 | $200,000 | 153 | 0.04 |
| | | **153** | **0.04** |
| **Gabon 0.04% (0.07%)** | | | |
| Gabon Government Bond 6.38% 12/12/2024 | $200,000 | 145 | 0.04 |
| | | **145** | **0.04** |
| **Ghana 0.00% (0.09%)** | | | |
| **Honduras 0.04% (0.04%)** | | | |
| Honduras Government Bond 7.50% 15/03/2024 | $200,000 | 163 | 0.04 |
| | | **163** | **0.04** |
| **Hungary 0.03% (0.04%)** | | | |
| Hungary Government Bond 5.38% 25/03/2024 | $30,000 | 25 | – |
| Hungary Government Bond 7.63% 29/03/2041 | $92,000 | 99 | 0.03 |
| | | **124** | **0.03** |
| **Indonesia 0.00% (0.15%)** | | | |
| **Iraq 0.04% (0.08%)** | | | |
| Iraq Government Bond 6.75% 09/03/2023 | $200,000 | 151 | 0.04 |
| | | **151** | **0.04** |
| **Ivory Coast 0.02% (0.03%)** | | | |
| Ivory Coast Government Bond, STEP 5.75% 31/12/2032 | $90,500 | 63 | 0.02 |
| | | **63** | **0.02** |
| **Jamaica 0.02% (0.04%)** | | | |
| Jamaica Government Bond 8.00% 15/03/2039 | $100,000 | 89 | 0.02 |
| | | **89** | **0.02** |
| **Jordan 0.04% (0.08%)** | | | |
| Jordan Government Bond 7.38% 10/10/2047 | $200,000 | 143 | 0.04 |
| | | **143** | **0.04** |
| **Kenya 0.04% (0.07%)** | | | |
| Kenya Government Bond 5.88% 24/06/2019 | $200,000 | 153 | 0.04 |
| | | **153** | **0.04** |
| **Lebanon 0.06% (0.30%)** | | | |
| Lebanon Government Bond 6.00% 20/05/2019 | $100,000 | 76 | 0.02 |
| Lebanon Government Bond 5.45% 28/11/2019 | $103,000 | 77 | 0.02 |
| Lebanon Government Bond 6.38% 09/03/2020 | $81,000 | 58 | 0.02 |
| | | **211** | **0.06** |
| **Mexico 0.01% (0.11%)** | | | |
| Mexico Government Bond 5.55% 21/01/2045 | $48,000 | 38 | 0.01 |
| | | **38** | **0.01** |
| **Mongolia 0.04% (0.04%)** | | | |
| Mongolia Government Bond 5.13% 05/12/2022 | $200,000 | 147 | 0.04 |
| | | **147** | **0.04** |
| **Morocco 0.00% (0.04%)** | | | |
| **Nigeria 0.04% (0.04%)** | | | |
| Nigeria Government Bond 6.75% 28/01/2021 | $200,000 | 157 | 0.04 |
| | | **157** | **0.04** |
| **Oman 0.04% (0.18%)** | | | |
| Oman Government Bond 6.75% 17/01/2048 | $200,000 | 128 | 0.04 |
| | | **128** | **0.04** |
| **Pakistan 0.00% (0.12%)** | | | |
| **Panama 0.05% (0.08%)** | | | |
| Panama Government Bond 17.75% 30/09/2027 | $43,000 | 44 | 0.01 |
| Panama Government Bond 9.38% 01/04/2029 | $55,000 | 60 | 0.02 |
| Panama Government Bond 6.70% 26/01/2036 | $90,000 | 86 | 0.02 |
| | | **190** | **0.05** |
| **Paraguay 0.04% (0.04%)** | | | |
| Paraguay Government Bond 4.70% 27/03/2027 | $200,000 | 154 | 0.04 |
| | | **154** | **0.04** |
| **Peru 0.01% (0.05%)** | | | |
| Peru Government Bond 6.35% 12/08/2028 | PEN 159,000 | 38 | 0.01 |
| | | **38** | **0.01** |
| **Philippines 0.01% (0.02%)** | | | |
| Philippine Government Bond 10.63% 16/03/2025 | $45,000 | 48 | 0.01 |
| | | **48** | **0.01** |
| **Romania 0.00% (0.03%)** | | | |
| **Russia 0.02% (0.20%)** | | | |
| Russian Foreign Bond – Eurobond 12.75% 24/06/2028 | $60,000 | 73 | 0.02 |
| | | **73** | **0.02** |
| **Saudi Arabia 0.04% (0.00%)** | | | |
| Saudi Government Bond 4.38% 16/04/2029 | $200,000 | 155 | 0.04 |
| | | **155** | **0.04** |
| **Serbia 0.04% (0.08%)** | | | |
| Serbia Government Bond 4.88% 25/02/2020 | $200,000 | 154 | 0.04 |
| | | **154** | **0.04** |
| **South Africa 0.08% (0.17%)** | | | |
| South Africa Government Bond 5.88% 30/05/2022 | $100,000 | 79 | 0.02 |
| South Africa Government Bond 4.88% 14/04/2026 | $200,000 | 149 | 0.04 |
| South Africa Government Bond 6.25% 08/03/2041 | $100,000 | 77 | 0.02 |
| | | **305** | **0.08** |
| **Sri Lanka 0.00% (0.13%)** | | | |
| **Turkey 0.09% (0.24%)** | | | |
| Turkey Government Bond 3.25% 23/03/2023 | $200,000 | 137 | 0.04 |
| Turkey Government Bond 7.38% 05/02/2025 | $112,000 | 88 | 0.02 |
| Turkey Government Bond 5.20% 16/02/2026 | €100,000 | 90 | 0.03 |
| | | **315** | **0.09** |
| **Ukraine 0.06% (0.29%)** | | | |
| Ukraine Government Bond 7.75% 01/09/2020 | $103,000 | 78 | 0.02 |
| Ukraine Government Bond 7.75% 01/09/2021 | $100,000 | 75 | 0.02 |
| Ukraine Government Bond 7.75% 01/09/2022 | $100,000 | 73 | 0.02 |
| | | **226** | **0.06** |
| **United States of America 0.37% (0.06%)** | | | |
| US Treasury 2.00% 31/01/2020 | $1,775,000 | 1,344 | 0.37 |
| | | **1,344** | **0.37** |
| **Uruguay 0.05% (0.08%)** | | | |
| Uruguay Government Bond 8.75% 27/10/2027 | $33,000 | 26 | 0.01 |
| Uruguay Government Bond 7.63% 21/03/2036 | $26,000 | 26 | – |
| Uruguay Government Bond 5.10% 18/06/2050 | $140,000 | 108 | 0.03 |
| Uruguay Government Bond 4.98% 20/04/2055 | $37,000 | 28 | 0.01 |
| | | **188** | **0.05** |
| **Zambia 0.00% (0.07%)** | | | |
| **Government Bonds total** | | **7,029** | **1.91** |
| **Convertible Bonds 1.64% (1.32%)** | | | |
| **Bermuda 0.02% (0.00%)** | | | |
| Golar LNG Ltd. 2.75% 15/02/2022 | $79,000 | 58 | 0.02 |
| | | **58** | **0.02** |
| **China 0.22% (0.00%)** | | | |
| Ctrip.com International Ltd. 1.00% 01/07/2020 | $169,000 | 124 | 0.03 |
| Future Land Development Holdings Ltd. 2.25% 10/02/2019 | HKD 1,500,000 | 145 | 0.04 |
| Harvest International Co. 0.00% 21/11/2022 | HKD 2,000,000 | 191 | 0.05 |
| Momo, Inc. 1.25% 01/07/2025 | $165,000 | 106 | 0.03 |
| Weibo Corp. 1.25% 15/11/2022 | $113,000 | 77 | 0.02 |
| Zhongsheng Group Holdings Ltd. 0.00% 23/05/2023 | HKD 2,000,000 | 179 | 0.05 |
| | | **822** | **0.22** |
| **Cyprus 0.00% (0.03%)** | | | |
| **France 0.02% (0.00%)** | | | |
| Orpar SA 0.00% 20/06/2024 | €100,000 | 88 | 0.02 |
| | | **88** | **0.02** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Germany 0.02% (0.05%)** | | | |
| Bayer Capital Corp. BV 5.63% 22/11/2019 | €100,000 | 71 | 0.02 |
| | | **71** | **0.02** |
| **Hong Kong 0.05% (0.04%)** | | | |
| China Overseas Finance Investment Cayman V Ltd. 0.00% 05/01/2023 | $200,000 | 164 | 0.05 |
| | | **164** | **0.05** |
| **Japan 0.00% (0.02%)** | | | |
| **Malaysia 0.00% (0.04%)** | | | |
| **Mexico 0.01% (0.04%)** | | | |
| Cemex SAB de CV 3.72% 15/03/2020 | $54,000 | 41 | 0.01 |
| | | **41** | **0.01** |
| **Monaco 0.03% (0.03%)** | | | |
| Scorpio Tankers, Inc. 2.38% 01/07/2019 | $125,000 | 93 | 0.03 |
| | | **93** | **0.03** |
| **Netherlands 0.00% (0.02%)** | | | |
| **Norway 0.04% (0.00%)** | | | |
| Telenor East Holding II A/S 0.25% 20/09/2019 | $200,000 | 149 | 0.04 |
| | | **149** | **0.04** |
| **Russia 0.00% (0.02%)** | | | |
| **Singapore 0.08% (0.07%)** | | | |
| CapitaLand Ltd. 1.85% 19/06/2020 | SGD 250,000 | 139 | 0.04 |
| CapitaLand Ltd. 2.95% 20/06/2022 | SGD 250,000 | 141 | 0.04 |
| | | **280** | **0.08** |
| **South Africa 0.10% (0.09%)** | | | |
| Brait SE 2.75% 18/09/2020 | £200,000 | 183 | 0.05 |
| Remgro Jersey GBP Ltd. 2.63% 22/03/2021 | £200,000 | 191 | 0.05 |
| | | **374** | **0.10** |
| **Spain 0.00% (0.02%)** | | | |
| **United Arab Emirates 0.10% (0.06%)** | | | |
| Aabar Investments PJSC 0.50% 27/03/2020 | €200,000 | 165 | 0.04 |
| Aabar Investments PJSC 1.00% 27/03/2022 | €100,000 | 74 | 0.02 |
| DP World Ltd. 1.75% 19/06/2024 | $200,000 | 145 | 0.04 |
| | | **384** | **0.10** |
| **United Kingdom 0.08% (0.06%)** | | | |
| Glencore Funding LLC 0.00% 27/03/2025 | $200,000 | 135 | 0.04 |
| Intu Jersey 2 Ltd., REIT 2.88% 01/11/2022 | £100,000 | 81 | 0.02 |
| Vodafone Group plc 2.00% 25/02/2019 | £100,000 | 76 | 0.02 |
| | | **292** | **0.08** |
| **United States of America 0.87% (0.73%)** | | | |
| Ares Capital Corp. 3.75% 01/02/2022 | $161,000 | 123 | 0.04 |
| BlackRock Capital Investment Corp. 5.00% 15/06/2022 | $158,000 | 118 | 0.03 |
| BlackRock TCP Capital Corp. 4.63% 01/03/2022 | $163,000 | 121 | 0.03 |
| Chesapeake Energy Corp. 5.47% 15/09/2026 | $121,000 | 82 | 0.02 |
| Colony Capital, Inc., REIT 3.88% 15/01/2021 | $61,000 | 44 | 0.01 |
| Colony Capital, Inc., REIT 5.00% 15/04/2023 | $103,000 | 72 | 0.02 |
| DISH Network Corp. 2.38% 15/03/2024 | $385,000 | 242 | 0.07 |
| DISH Network Corp. 3.38% 15/08/2026 | $95,000 | 61 | 0.02 |
| Ensco Jersey Finance Ltd. 3.00% 31/01/2024 | $267,000 | 158 | 0.04 |
| Finisar Corp. 0.50% 15/12/2036 | $18,000 | 13 | 0.01 |
| FireEye, Inc. 1.63% 01/06/2035 | $291,000 | 204 | 0.06 |
| Hercules Capital, Inc. 4.38% 01/02/2022 | $127,000 | 93 | 0.03 |
| Intercept Pharmaceuticals, Inc. 3.25% 01/07/2023 | $54,000 | 40 | 0.01 |
| Liberty Interactive LLC 4.00% 15/11/2029 | $290,000 | 147 | 0.04 |
| Liberty Interactive LLC 3.75% 15/02/2030 | $13,000 | 7 | – |
| Liberty Interactive LLC 1.75% 30/09/2046 | $102,000 | 80 | 0.02 |
| Live Nation Entertainment, Inc. 2.50% 15/03/2023 | $106,000 | 86 | 0.02 |
| Macquarie Infrastructure Corp. 2.00% 01/10/2023 | $180,000 | 120 | 0.03 |
| Medicines Co. (The) 2.75% 15/07/2023 | $113,000 | 66 | 0.02 |
| Nabors Industries, Inc. 0.75% 15/01/2024 | $276,000 | 141 | 0.04 |
| Pandora Media, Inc. 1.75% 01/12/2020 | $59,000 | 43 | 0.01 |
| Rovi Corp. 0.50% 01/03/2020 | $116,000 | 85 | 0.02 |
| RWT Holdings, Inc. 5.63% 15/11/2019 | $120,000 | 92 | 0.03 |
| Spirit Realty Capital, Inc., REIT 3.75% 15/05/2021 | $160,000 | 119 | 0.03 |
| Starwood Property Trust, Inc., REIT 4.38% 01/04/2023 | $160,000 | 121 | 0.03 |
| SunPower Corp. 0.88% 01/06/2021 | $137,000 | 81 | 0.02 |
| TPG Specialty Lending, Inc. 4.50% 01/08/2022 | $52,000 | 40 | 0.01 |
| Twitter, Inc. 1.00% 15/09/2021 | $171,000 | 121 | 0.03 |
| Veeco Instruments, Inc. 2.70% 15/01/2023 | $135,000 | 84 | 0.02 |
| VEREIT, Inc., REIT 3.75% 15/12/2020 | $110,000 | 83 | 0.02 |
| Verint Systems, Inc. 1.50% 01/06/2021 | $113,000 | 86 | 0.03 |
| Vishay Intertechnology, Inc. 2.25% 15/06/2025 | $112,000 | 79 | 0.02 |
| Whiting Petroleum Corp. 1.25% 01/04/2020 | $202,000 | 147 | 0.04 |
| | | **3,199** | **0.87** |
| **Convertible Bonds total** | | **6,015** | **1.64** |
| **Certificates of Deposit 2.01% (0.00%)** | | | |
| **Canada 0.14% (0.00%)** | | | |
| Bank of Nova Scotia 0.00% 24/05/2019 | 500,000 | 499 | 0.14 |
| | | **499** | **0.14** |
| **China 0.16% (0.00%)** | | | |
| Industrial & Commercial Bank of China Ltd. 0.00% 18/04/2019 | 600,000 | 599 | 0.16 |
| | | **599** | **0.16** |
| **Germany 0.14% (0.00%)** | | | |
| DZ Bank AG 0.00% 02/05/2019 | 500,000 | 499 | 0.14 |
| | | **499** | **0.14** |
| **Japan 1.25% (0.00%)** | | | |
| Mitsubishi UFJ Trust & Banking Corp. 0.00% 17/04/2019 | 1,000,000 | 998 | 0.27 |
| Mizuho Bank Ltd. 0.00% 18/04/2019 | 600,000 | 599 | 0.16 |
| MUFG Bank Ltd. 0.00% 29/04/2019 | 500,000 | 499 | 0.14 |
| Norinchukin Bank (The) 0.00% 18/04/2019 | 1,500,000 | 1,497 | 0.41 |
| Sumitomo Mitsui Banking Corp. 0.00% 23/04/2019 | 1,000,000 | 998 | 0.27 |
| | | **4,591** | **1.25** |
| **Netherlands 0.16% (0.00%)** | | | |
| Rabobank International 1.03% 06/08/2019 | 600,000 | 600 | 0.16 |
| | | **600** | **0.16** |
| **United Kingdom 0.16% (0.00%)** | | | |
| Lloyds Banking Group PLC 1.06% 18/06/2019 | 600,000 | 600 | 0.16 |
| | | **600** | **0.16** |
| **Certificates of Deposit total** | | **7,388** | **2.01** |
| **Commercial Papers 0.84% (0.00%)** | | | |
| **Australia 0.13% (0.00%)** | | | |
| Toyota Finance Australia Ltd. 0.00% 15/07/2019 | 500,000 | 498 | 0.13 |
| | | **498** | **0.13** |
| **China 0.14% (0.00%)** | | | |
| China Construction Bank Corp. 0.00% 19/02/2019 | 500,000 | 500 | 0.14 |
| | | **500** | **0.14** |
| **France 0.14% (0.00%)** | | | |
| Agence Centrale des Organismes de Securite Sociale 0.00% 08/04/2019 | 500,000 | 499 | 0.14 |
| | | **499** | **0.14** |
| **Germany 0.30% (0.00%)** | | | |
| Daimler International Finance 0.00% 15/04/2019 | 500,000 | 499 | 0.14 |
| DekaBank Deutsche Girozentrale 0.00% 18/04/2019 | 600,000 | 599 | 0.16 |
| | | **1,098** | **0.30** |
| **Sweden 0.13% (0.00%)** | | | |
| Svenska Handelsbanken AB 0.00% 25/07/2019 | 500,000 | 498 | 0.13 |
| | | **498** | **0.13** |
| **Commercial Papers total** | | **3,093** | **0.84** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Forward Currency Contracts 2.60% (2.99%)** | | | |
| Buy GBP 1,576,169 sell AUD 2,788,064 dated 19/02/2019 | | 32 | 0.01 |
| Buy GBP 1,936,954 sell CAD 3,263,240 dated 19/02/2019 | | 45 | 0.01 |
| Buy GBP 8,273,603 sell CHF 10,364,872 dated 19/02/2019 | | 320 | 0.09 |
| Buy GBP 1,059,778 sell DKK 8,752,031 dated 19/02/2019 | | 34 | 0.01 |
| Buy GBP 49,237,937 sell EUR 54,491,193 dated 19/02/2019 | | 1,541 | 0.42 |
| Buy GBP 4,000,899 sell HKD 40,072,180 dated 19/02/2019 | | 111 | 0.03 |
| Buy GBP 4,881,180 sell JPY 672,371,792 dated 19/02/2019 | | 166 | 0.05 |
| Buy GBP 2,494,439 sell NOK 26,936,860 dated 19/02/2019 | | 54 | 0.01 |
| Buy GBP 3,396,425 sell SEK 38,461,861 dated 19/02/2019 | | 149 | 0.04 |
| Buy GBP 269,233,602 sell USD 344,253,797 dated 19/02/2019 | | 7,235 | 1.97 |
| Buy JPY 225,861,012 sell USD 2,085,407 dated 19/02/2019 | | (3) | – |
| Buy USD 1,507,505 sell GBP 1,143,039 dated 19/02/2019 | | 4 | – |
| Buy USD 13,932,776 sell GBP 10,759,653 dated 19/02/2019 | | (156) | (0.04) |
| **Forward Currency Contracts total** | | **9,532** | **2.60** |
| **Futures 0.15% (0.04%)** | | | |
| EURO STOXX 50 Index 15/03/2019 | (392) | (328) | (0.09) |
| FTSE 100 Index 15/03/2019 | 3 | 7 | – |
| US 5 Year Note 29/03/2019 | 603 | 856 | 0.24 |
| **Futures total** | | **535** | **0.15** |
| **Liquidity Funds 7.07% (0.51%)** | | | |
| JPM USD Liquidity LVNAV Fund X (dist.)[ø] | 34,102,289 | 25,973 | 7.07 |
| **Liquidity Funds total** | | **25,973** | **7.07** |
| Investment assets (including investment liabilities) | | 369,914 | 100.77 |
| Net other liabilities | | (2,840) | (0.77) |
| **Net assets** | | **367,074** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

^ Unlisted, suspended or delisted security.

§ Security is currently in default.

ø A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (26,218) | | 19,895 |
| Revenue (Note 3) | 18,751 | | 18,013 | |
| Expenses (Note 4) | (2,023) | | (2,513) | |
| Net revenue before taxation | 16,728 | | 15,500 | |
| Taxation (Note 5) | (2,612) | | (2,509) | |
| Net revenue after taxation | | 14,116 | | 12,991 |
| **Total return before distributions** | | **(12,102)** | | **32,886** |
| Distributions (Note 6) | | (15,457) | | (14,523) |
| **Change in net assets attributable to shareholders from investment activities** | | **(27,559)** | | **18,363** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **395,941** | | **398,332** |
| Amounts receivable on issue of shares | 31,496 | | 21,049 | |
| Amounts payable on cancellation of shares | (44,050) | | (52,493) | |
| | | (12,554) | | (31,444) |
| Dilution adjustment | | 90 | | - |
| Change in net assets attributable to shareholders from investment activities (see above) | | (27,559) | | 18,363 |
| Retained distributions on accumulation shares | | 11,156 | | 10,690 |
| **Closing net assets attributable to shareholders** | | **367,074** | | **395,941** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 370,401 | 393,080 |
| **Current assets:** | | |
| Debtors (Note 8) | 4,436 | 3,371 |
| Cash and bank balances (Note 9) | 3,101 | 4,098 |
| **Total assets** | **377,938** | **400,549** |
| **Liabilities:** | | |
| Investment liabilities | (487) | (83) |
| Provisions for liabilities (Note 10) | (4) | (6) |
| **Creditors:** | | |
| Bank overdraft | (499) | (164) |
| Distribution payable | (777) | (707) |
| Other creditors (Note 11) | (9,097) | (3,648) |
| **Total liabilities** | **(10,864)** | **(4,608)** |
| **Net assets attributable to shareholders** | **367,074** | **395,941** |

The notes to these financial statements are shown on pages 243 to 247.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Multi-Asset Income Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains/(losses) | 3,149 | (3,939) |
| Derivative contracts | (815) | 607 |
| Forward currency contracts | (27,969) | 35,234 |
| Non-derivative securities | (583) | (12,007) |
| Net capital (losses)/gains | (26,218) | 19,895 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 1,106 | 1,336 |
| Income from Liquidity Funds | 268 | 72 |
| Income from overseas equity investments | 6,201 | 5,800 |
| Interest on bank and term deposits | 43 | 6 |
| Interest on capital | 35 | 20 |
| Interest on derivatives | 47 | (179) |
| Interest on fixed-interest securities | 10,970 | 10,864 |
| Interest on Fokus reclaims | 10 | 2 |
| Property income distributions | 61 | 65 |
| Stock dividends | 10 | 27 |
| Total revenue | 18,751 | 18,013 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 1,686 | 1,911 |
| Operating expenses | 326 | 561 |
| | 2,012 | 2,472 |
| Interest payable | 11 | 41 |
| Total expenses | 2,023 | 2,513 |

The fees paid to the auditor for the year ending 31 January 2019 are £6,789 (31.01.18: £6,789), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Corporation tax at 20% | 2,049 | 1,837 |
| Double tax relief | (101) | (107) |
| Overseas tax suffered | 616 | 778 |
| Prior year adjustments | 50 | (5) |
| Current year tax charge | 2,614 | 2,503 |
| Deferred tax (Note 5c) | (2) | 6 |
| Current year tax charge (Note 5b) | 2,612 | 2,509 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 16,728 | 15,500 |
| Corporation tax at 20% | 3,346 | 3,100 |
| Effects of: | | |
| Dividends not subject to corporation tax | (1,297) | (1,263) |
| Double tax relief | (101) | (107) |
| Overseas tax suffered | 616 | 778 |
| Prior year adjustments | 50 | (5) |
| Revenue taxable in different periods | (2) | 6 |
| | (734) | (591) |
| Current year tax charge (Note 5a) | 2,612 | 2,509 |
| **c) Provision for deferred tax** | | |
| Provision at the start of the year | 6 | - |
| Movement in deferred tax for the period (Note 5(a)) | (2) | 6 |
| Provision at the end of the year | 4 | 6 |

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First monthly dividend distribution | 14 | 13 |
| Second monthly dividend distribution | 22 | 16 |
| Third monthly dividend distribution | 27 | 13 |
| Fourth monthly dividend distribution | 29 | 19 |
| Fifth monthly dividend distribution | 20 | 16 |
| Sixth monthly dividend distribution | 15 | 10 |
| Seventh monthly dividend distribution | 18 | 15 |
| Eighth monthly dividend distribution | 12 | 9 |
| Ninth monthly dividend distribution | 15 | 12 |
| Tenth monthly dividend distribution | 14 | 13 |
| Eleventh monthly dividend distribution | 14 | 12 |
| Final monthly dividend distribution | 10 | 12 |
| First quarterly dividend distribution | 4,493 | 4,136 |
| Second quarterly dividend distribution | 4,445 | 4,094 |
| Third quarterly dividend distribution | 3,348 | 3,153 |
| Final quarterly dividend distribution | 2,795 | 2,825 |
| Add: Amounts payable on cancellation of shares | 228 | 250 |
| Deduct: Amounts receivable on issue of shares | (62) | (95) |
| Distributions for the year | 15,457 | 14,523 |

Details of the distribution per share are set out on pages 248 to 257.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 14,116 | 12,991 |
| Add: ACD fee paid from capital | 1,686 | 1,911 |
| Add: Tax relief payable from capital | (338) | (382) |
| Add: Undistributed revenue brought forward | 8 | 11 |
| Deduct: Undistributed revenue carried forward | (15) | (8) |
| | 15,457 | 14,523 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 2,457 | 2,629 |
| Due from the ACD for shares issued | 330 | 260 |
| Overseas tax recoverable | 224 | 170 |
| Sales awaiting settlement | 1,425 | 312 |
| Total debtors | 4,436 | 3,371 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 3,101 | 4,098 |

## 10. Provisions for liabilities

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Deferred tax provision | 4 | 6 |

## 11. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 165 | 204 |
| Corporation tax payable | 963 | 802 |
| Due to the ACD for shares cancelled | 755 | 675 |
| Purchases awaiting settlement | 7,214 | 1,967 |
| Total other creditors | 9,097 | 3,648 |

## 12. Contingent liabilities

At the balance sheet date the Fund had the following contingent liabilities:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Nil/part paid rights | 39 | 3 |

## 13. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

'The balance due to the ACD and their associates at the year end date in respect of related party transactions was £589,177 (31.01.18: £613,938). Details of related party transactions are given under note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on pages 222 to 240 and the revenue from these investments was £368,346 (31.01.18: £211,090).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £34,553 (31.01.18: £17,501). Commission was paid to the associated company JPMorgan Securities Ltd.

The following party held a material interest in the Fund at the year end date:
- JPM Global Multi-Strategy Income Fund 36.38% (31.01.18: 34.64%)

## 14. Stock lending

The Fund has not entered into stock lending arrangements in the current year or prior year.

## 15. Financial instruments

### Value at risk

The Fund enters into derivative transactions in the form of forward currency contracts and futures for investment purposes and/or efficient portfolio management. The Historical VaR methodology approach (31.01.18: Monte Carlo simulation) has been used to calculate the global exposure.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using historical simulation methodology. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days (31.01.18: 250 days) of history.

The VaR calculated for the year ended 31 January 2019 was as follows:

| As at | 2019 | 2018 |
|---|---|---|
| As at 31 January, the Fund's value at risk is | 3.27% | 2.00% |
| During the financial year, the highest utilisation of value at risk was | 57.63% | 68.00% |
| During the financial year, the average utilisation of value at risk was | 41.39% | 55.00% |
| During the financial year, the lowest utilisation of value at risk was | 34.01% | 43.00% |

Further information on the derivative risks can be found in the accounting policies on page 13.

### Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 January 2019 the average leverage was 125.09% (31.01.18: 139.00%).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 16. Debt security credit analysis

| | Market value £'000 | Total net assets % |
|---|---|---|
| **31.01.19** | | |
| Investment grade | 52,773 | 14.39% |
| Below investment grade | 131,474 | 35.81% |
| Unrated | 10,127 | 2.75% |
| | 194,374 | 52.95% |
| **31.01.18** | | |
| Investment grade | 27,612 | 6.93 |
| Below investment grade | 153,833 | 38.90 |
| Unrated | 7,446 | 1.88 |
| | 188,891 | 47.71 |

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

## 17. Share classes

The Fund currently has five share classes; Class A Shares, Class B Shares, Class C Shares, Class G Shares and Class X Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.25% | 0.15% |
| Class B Shares: | 0.80% | 0.15% |
| Class C Shares: | 0.65% | 0.15% |
| Class G Shares: | 0.56% | 0.15% |
| Class X Shares: | 0.00% | 0.06% |

The X share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 217 to 221. All classes have the same rights on winding up.

## 18. Counterparty exposure

Financial derivative exposure

| Counterparty | Forward currency contracts £'000 | Futures contracts £'000 | Total £'000 |
|---|---|---|---|
| **31.01.19** | | | |
| Barclays | 191 | – | 191 |
| BNP Paribas | 94 | – | 94 |
| Deutsche Bank | 45 | – | 45 |
| Goldman Sachs | (3) | 863 | 860 |
| HSBC | 111 | – | 111 |
| Merrill Lynch | 7,584 | – | 7,584 |
| Morgan Stanley | 54 | – | 54 |
| National Australia Bank | (1) | – | (1) |
| Societe Generale | (27) | – | (27) |
| Standard Chartered | 1,480 | – | 1,480 |
| State Street | 4 | – | 4 |
| | 9,532 | 863 | 10,395 |
| **31.01.18** | | | |
| ANZ Banking Group | 101 | – | 101 |
| BNP Paribas | (17) | – | (17) |
| Citibank | 262 | – | 262 |
| Deutsche Bank | 72 | – | 72 |
| Goldman Sachs | – | 163 | 163 |
| HSBC | (12) | – | (12) |
| Merrill Lynch | 11,000 | – | 11,000 |
| RBC | 402 | – | 402 |
| State Street | 35 | – | 35 |
| | 11,843 | 163 | 12,006 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts it is only the positive mark to market values that are reported.

## 19. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 129,520 | (328) | 190,176 | – |
| Level 2: Observable market data | 240,515 | (159) | 202,648 | (83) |
| Level 3: Unobservable data | 366 | – | 256 | – |
| Total | 370,401 | (487) | 393,080 | (83) |

## 20. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (124,853) | (30) | (69) | (124,952) | 0.02 | 0.06 |
| Purchases of Bond stocks | (131,580) | – | – | (131,580) | 0.00 | 0.00 |
| Purchases of Funds | (106,099) | – | – | (106,099) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | 20 | – | – | 20 | 0.00 | 0.00 |
| | (362,512) | (30) | (69) | (362,611) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 179,262 | (33) | (4) | 179,225 | 0.02 | 0.00 |
| Sales of Bond stocks | 121,189 | – | – | 121,189 | 0.00 | 0.00 |
| Sales of Funds | 82,708 | – | – | 82,708 | 0.00 | 0.00 |
| | 383,159 | (33) | (4) | 383,122 | | |
| Total | | (63) | (73) | | | |
| Percentage of Fund average net assets | | 0.02% | 0.02% | | | |

* Excluding in specie and corporate action activity

## 20. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (118,293) | (106) | (144) | (118,543) | 0.09 | 0.12 |
| Purchases of Bond stocks | (97,427) | – | – | (97,427) | 0.00 | 0.00 |
| Purchases of Funds | (70,632) | – | – | (70,632) | 0.00 | 0.00 |
| | (286,352) | (106) | (144) | (286,602) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 103,959 | (85) | (7) | 103,867 | 0.08 | 0.01 |
| Sales of Bond stocks | 109,980 | – | – | 109,980 | 0.00 | 0.00 |
| Sales of Funds | 73,575 | – | – | 73,575 | 0.00 | 0.00 |
| | 287,514 | (85) | (7) | 287,422 | | |
| Total | | (191) | (151) | | | |
| Percentage of Fund average net assets | | 0.05% | 0.04% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.39% (31.01.18: 0.38%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 21. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 18,991,563 | 826,689 | (4,105,596) | 11,234 | 15,723,890 |
| A-Class Income Shares | 13,763,224 | 1,027,952 | (2,162,143) | (105,436) | 12,523,597 |
| A-Class Monthly Income Shares | 268,131 | 67,347 | (49,016) | – | 286,462 |
| B-Class Accumulation Shares | 1,733,045 | 250,781 | (228,458) | – | 1,755,368 |
| B-Class Income Shares | 2,094,892 | – | (270,348) | – | 1,824,544 |
| B-Class Monthly Income Shares | 400,557 | 91,828 | – | – | 492,385 |
| C-Class Accumulation Shares | 81,413,190 | 1,981,116 | (14,002,789) | (281,103) | 69,110,414 |
| C-Class Income Shares | 64,598,935 | 8,094,292 | (10,884,017) | 330,667 | 62,139,877 |
| C-Class Monthly Income Shares | 3,442,874 | 1,071,079 | (823,434) | – | 3,690,519 |
| G-Class Accumulation Shares | 11,573,523 | 731,701 | (2,284,905) | 19,210 | 10,039,529 |
| G-Class Income Shares | 8,121,639 | 612,632 | (1,773,068) | 51,110 | 7,012,313 |
| G-Class Monthly Income Shares | 778,879 | 70,316 | (294,331) | – | 554,864 |
| X-Class Accumulation Shares | 100,852,071 | – | (8,533) | – | 100,843,538 |
| X-Class Income Shares | – | 10,989,011 | – | – | 10,989,011 |

# Distribution tables

## Final quarterly distribution in pence per share

Group 1 - Shares purchased prior to 1 November 2018
Group 2 - Shares purchased 1 November 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.710000 | - | 0.710000 | 0.690000 |
| Group 2 | 0.413955 | 0.296045 | 0.710000 | 0.690000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.470000 | - | 0.470000 | 0.480000 |
| Group 2 | 0.229425 | 0.240575 | 0.470000 | 0.480000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.720000 | - | 0.720000 | 0.700000 |
| Group 2 | 0.493308 | 0.226692 | 0.720000 | 0.700000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.480000 | - | 0.480000 | 0.490000 |
| Group 2 | 0.480000 | 0.000000 | 0.480000 | 0.490000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.080000 | - | 1.080000 | 1.040000 |
| Group 2 | 0.515955 | 0.564045 | 1.080000 | 1.040000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.850000 | - | 0.850000 | 0.850000 |
| Group 2 | 0.398719 | 0.451281 | 0.850000 | 0.850000 |
| **G-Class Accumulation Shares** | | | | |
| Group 1 | 1.080000 | - | 1.080000 | 1.050000 |
| Group 2 | 0.694711 | 0.385289 | 1.080000 | 1.050000 |
| **G-Class Income Shares** | | | | |
| Group 1 | 0.840000 | - | 0.840000 | 0.850000 |
| Group 2 | 0.518259 | 0.321741 | 0.840000 | 0.850000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 1.040000 | - | 1.040000 | 1.010000 |
| Group 2 | 1.040000 | 0.000000 | 1.040000 | 1.010000 |
| **X-Class Income Shares** | | | | |
| Group 1 | 1.020000 | - | 1.020000 | - |
| Group 2 | 1.020000 | 0.000000 | 1.020000 | - |

# Distribution tables – continued

## Third quarterly distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 October 2018

| | Net revenue | Equalisation | Distribution paid 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.830000 | – | 0.830000 | 0.750000 |
| Group 2 | 0.350073 | 0.479927 | 0.830000 | 0.750000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.560000 | – | 0.560000 | 0.530000 |
| Group 2 | 0.127887 | 0.432113 | 0.560000 | 0.530000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 0.860000 | – | 0.860000 | 0.770000 |
| Group 2 | 0.674592 | 0.185408 | 0.860000 | 0.770000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.570000 | – | 0.570000 | 0.530000 |
| Group 2 | 0.570000 | 0.000000 | 0.570000 | 0.530000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.290000 | – | 1.290000 | 1.140000 |
| Group 2 | 0.570526 | 0.719474 | 1.290000 | 1.140000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.000000 | – | 1.000000 | 0.920000 |
| Group 2 | 0.442704 | 0.557296 | 1.000000 | 0.920000 |
| **G-Class Accumulation Shares** | | | | |
| Group 1 | 1.270000 | – | 1.270000 | 1.130000 |
| Group 2 | 0.789104 | 0.480896 | 1.270000 | 1.130000 |
| **G-Class Income Shares** | | | | |
| Group 1 | 0.990000 | – | 0.990000 | 0.930000 |
| Group 2 | 0.401338 | 0.588662 | 0.990000 | 0.930000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 1.210000 | – | 1.210000 | 1.090000 |
| Group 2 | 1.210000 | 0.000000 | 1.210000 | 1.090000 |
| **X-Class Income Shares** | | | | |
| Group 1 | 1.110000 | – | 1.110000 | – |
| Group 2 | 1.074849 | 0.035151 | 1.110000 | – |

# Distribution tables – continued

## Second quarterly distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 July 2018

| | Net revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 1.130000 | – | 1.130000 | 0.970000 |
| Group 2 | 0.804734 | 0.325266 | 1.130000 | 0.970000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.770000 | – | 0.770000 | 0.680000 |
| Group 2 | 0.313084 | 0.456916 | 0.770000 | 0.680000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.150000 | – | 1.150000 | 0.980000 |
| Group 2 | 0.814265 | 0.335735 | 1.150000 | 0.980000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.790000 | – | 0.790000 | 0.700000 |
| Group 2 | 0.790000 | 0.000000 | 0.790000 | 0.700000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.720000 | – | 1.720000 | 1.450000 |
| Group 2 | 0.812176 | 0.907824 | 1.720000 | 1.450000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.370000 | – | 1.370000 | 1.200000 |
| Group 2 | 0.559089 | 0.810911 | 1.370000 | 1.200000 |
| **G-Class Accumulation Shares** | | | | |
| Group 1 | 1.700000 | – | 1.700000 | 1.460000 |
| Group 2 | 0.816924 | 0.883076 | 1.700000 | 1.460000 |
| **G-Class Income Shares** | | | | |
| Group 1 | 1.360000 | – | 1.360000 | 1.190000 |
| Group 2 | 0.973225 | 0.386775 | 1.360000 | 1.190000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 1.620000 | – | 1.620000 | 1.380000 |
| Group 2 | 1.620000 | 0.000000 | 1.620000 | 1.380000 |

# Distribution tables – continued

## First quarterly distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 30 April 2018

| | Net revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 1.100000 | – | 1.100000 | 0.950000 |
| Group 2 | 0.535991 | 0.564009 | 1.100000 | 0.950000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.760000 | – | 0.760000 | 0.680000 |
| Group 2 | 0.410268 | 0.349732 | 0.760000 | 0.680000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.120000 | – | 1.120000 | 0.980000 |
| Group 2 | 0.784263 | 0.335737 | 1.120000 | 0.980000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.780000 | – | 0.780000 | 0.700000 |
| Group 2 | 0.780000 | 0.000000 | 0.780000 | 0.700000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.680000 | – | 1.680000 | 1.430000 |
| Group 2 | 1.057663 | 0.622337 | 1.680000 | 1.430000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.350000 | – | 1.350000 | 1.200000 |
| Group 2 | 0.988619 | 0.361381 | 1.350000 | 1.200000 |
| **G-Class Accumulation Shares** | | | | |
| Group 1 | 1.670000 | – | 1.670000 | 1.440000 |
| Group 2 | 0.896790 | 0.773210 | 1.670000 | 1.440000 |
| **G-Class Income Shares** | | | | |
| Group 1 | 1.340000 | – | 1.340000 | 1.200000 |
| Group 2 | 0.778554 | 0.561446 | 1.340000 | 1.200000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 1.580000 | – | 1.580000 | 1.360000 |
| Group 2 | 1.580000 | 0.000000 | 1.580000 | 1.360000 |

# Distribution tables – continued

## Final monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 January 2019
Group 2 – Shares purchased 1 January 2019 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 28.02.19 | Distribution paid 28.02.18 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.130000 | – | 0.130000 | 0.150000 |
| Group 2 | 0.022333 | 0.107667 | 0.130000 | 0.150000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.120000 | – | 0.120000 | 0.160000 |
| Group 2 | 0.120000 | 0.000000 | 0.120000 | 0.160000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.220000 | – | 0.220000 | 0.270000 |
| Group 2 | 0.017622 | 0.202378 | 0.220000 | 0.270000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.210000 | – | 0.210000 | 0.260000 |
| Group 2 | 0.210000 | 0.000000 | 0.210000 | 0.260000 |

## Eleventh monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 December 2018
Group 2 – Shares purchased 1 December 2018 to 31 December 2018

| | Net revenue | Equalisation | Distribution paid 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.170000 | – | 0.170000 | 0.160000 |
| Group 2 | 0.000000 | 0.170000 | 0.170000 | 0.160000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.180000 | – | 0.180000 | 0.160000 |
| Group 2 | 0.180000 | 0.000000 | 0.180000 | 0.160000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.310000 | – | 0.310000 | 0.280000 |
| Group 2 | 0.190261 | 0.119739 | 0.310000 | 0.280000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.320000 | – | 0.320000 | 0.290000 |
| Group 2 | 0.320000 | 0.000000 | 0.320000 | 0.290000 |

# Distribution tables – continued

## Tenth monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2018
Group 2 – Shares purchased 1 November 2018 to 30 November 2018

| | Net revenue | Equalisation | Distribution paid 31.12.18 | Distribution paid 31.12.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.170000 | – | 0.170000 | 0.170000 |
| Group 2 | 0.108470 | 0.061530 | 0.170000 | 0.170000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.180000 | – | 0.180000 | 0.170000 |
| Group 2 | 0.180000 | 0.000000 | 0.180000 | 0.170000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.300000 | – | 0.300000 | 0.300000 |
| Group 2 | 0.205323 | 0.094677 | 0.300000 | 0.300000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.300000 | – | 0.300000 | 0.290000 |
| Group 2 | 0.016604 | 0.283396 | 0.300000 | 0.290000 |

## Ninth monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 October 2018
Group 2 – Shares purchased 1 October 2018 to 31 October 2018

| | Net revenue | Equalisation | Distribution paid 30.11.18 | Distribution paid 30.11.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.190000 | – | 0.190000 | 0.170000 |
| Group 2 | 0.147736 | 0.042264 | 0.190000 | 0.170000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.190000 | – | 0.190000 | 0.180000 |
| Group 2 | 0.190000 | 0.000000 | 0.190000 | 0.180000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.330000 | – | 0.330000 | 0.300000 |
| Group 2 | 0.115004 | 0.214996 | 0.330000 | 0.300000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.330000 | – | 0.330000 | 0.300000 |
| Group 2 | 0.278027 | 0.051973 | 0.330000 | 0.300000 |

# Distribution tables – continued

## Eighth monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 September 2018
Group 2 – Shares purchased 1 September 2018 to 30 September 2018

| | Net revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.160000 | – | 0.160000 | 0.130000 |
| Group 2 | 0.075153 | 0.084847 | 0.160000 | 0.130000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.160000 | – | 0.160000 | 0.130000 |
| Group 2 | 0.160000 | 0.000000 | 0.160000 | 0.130000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.280000 | – | 0.280000 | 0.230000 |
| Group 2 | 0.121751 | 0.158249 | 0.280000 | 0.230000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.290000 | – | 0.290000 | 0.240000 |
| Group 2 | 0.290000 | 0.000000 | 0.290000 | 0.240000 |

## Seventh monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 August 2018

| | Net revenue | Equalisation | Distribution paid 30.09.18 | Distribution paid 30.09.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.210000 | – | 0.210000 | 0.220000 |
| Group 2 | 0.006625 | 0.203375 | 0.210000 | 0.220000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.220000 | – | 0.220000 | 0.230000 |
| Group 2 | 0.220000 | 0.000000 | 0.220000 | 0.230000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.380000 | – | 0.380000 | 0.390000 |
| Group 2 | 0.196046 | 0.183954 | 0.380000 | 0.390000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.370000 | – | 0.370000 | 0.390000 |
| Group 2 | 0.370000 | 0.000000 | 0.370000 | 0.390000 |

# Distribution tables – continued

## Sixth monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 July 2018
Group 2 – Shares purchased 1 July 2018 to 31 July 2018

| | Net revenue | Equalisation | Distribution paid 31.08.18 | Distribution paid 31.08.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.190000 | – | 0.190000 | 0.160000 |
| Group 2 | 0.155209 | 0.034791 | 0.190000 | 0.160000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.190000 | – | 0.190000 | 0.150000 |
| Group 2 | 0.190000 | 0.000000 | 0.190000 | 0.150000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.330000 | – | 0.330000 | 0.270000 |
| Group 2 | 0.196208 | 0.133792 | 0.330000 | 0.270000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.330000 | – | 0.330000 | 0.270000 |
| Group 2 | 0.330000 | 0.000000 | 0.330000 | 0.270000 |

## Fifth monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 June 2018
Group 2 – Shares purchased 1 June 2018 to 30 June 2018

| | Net revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.240000 | – | 0.240000 | 0.230000 |
| Group 2 | 0.001323 | 0.238677 | 0.240000 | 0.230000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.250000 | – | 0.250000 | 0.250000 |
| Group 2 | 0.250000 | 0.000000 | 0.250000 | 0.250000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.430000 | – | 0.430000 | 0.420000 |
| Group 2 | 0.322699 | 0.107301 | 0.430000 | 0.420000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.430000 | – | 0.430000 | 0.420000 |
| Group 2 | 0.430000 | 0.000000 | 0.430000 | 0.420000 |

# Distribution tables – continued

## Fourth monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 May 2018

| | Net revenue | Equalisation | Distribution paid 30.06.18 | Distribution paid 30.06.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.340000 | – | 0.340000 | 0.290000 |
| Group 2 | 0.247419 | 0.092581 | 0.340000 | 0.290000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.340000 | – | 0.340000 | 0.290000 |
| Group 2 | 0.340000 | 0.000000 | 0.340000 | 0.290000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.590000 | – | 0.590000 | 0.500000 |
| Group 2 | 0.267054 | 0.322946 | 0.590000 | 0.500000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.600000 | – | 0.600000 | 0.500000 |
| Group 2 | 0.546115 | 0.053885 | 0.600000 | 0.500000 |

## Third monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 April 2018
Group 2 – Shares purchased 1 April 2018 to 30 April 2018

| | Net revenue | Equalisation | Distribution paid 31.05.18 | Distribution paid 31.05.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.310000 | – | 0.310000 | 0.210000 |
| Group 2 | 0.121189 | 0.188811 | 0.310000 | 0.210000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.320000 | – | 0.320000 | 0.210000 |
| Group 2 | 0.097908 | 0.222092 | 0.320000 | 0.210000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.550000 | – | 0.550000 | 0.360000 |
| Group 2 | 0.122186 | 0.427814 | 0.550000 | 0.360000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.550000 | – | 0.550000 | 0.360000 |
| Group 2 | 0.232788 | 0.317212 | 0.550000 | 0.360000 |

# Distribution tables – continued

## Second monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 March 2018
Group 2 – Shares purchased 1 March 2018 to 31 March 2018

| | Net revenue | Equalisation | Distribution paid 30.04.18 | Distribution paid 30.04.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.270000 | – | 0.270000 | 0.260000 |
| Group 2 | 0.068233 | 0.201767 | 0.270000 | 0.260000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.270000 | – | 0.270000 | 0.270000 |
| Group 2 | 0.270000 | 0.000000 | 0.270000 | 0.270000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.470000 | – | 0.470000 | 0.470000 |
| Group 2 | 0.183727 | 0.286273 | 0.470000 | 0.470000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.470000 | – | 0.470000 | 0.470000 |
| Group 2 | 0.470000 | 0.000000 | 0.470000 | 0.470000 |

## First monthly distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 28 February 2018

| | Net revenue | Equalisation | Distribution paid 31.03.18 | Distribution paid 31.03.17 |
|---|---|---|---|---|
| **A-Class Monthly Income Shares** | | | | |
| Group 1 | 0.180000 | – | 0.180000 | 0.210000 |
| Group 2 | 0.130970 | 0.049030 | 0.180000 | 0.210000 |
| **B-Class Monthly Income Shares** | | | | |
| Group 1 | 0.180000 | – | 0.180000 | 0.210000 |
| Group 2 | 0.180000 | 0.000000 | 0.180000 | 0.210000 |
| **C-Class Monthly Income Shares** | | | | |
| Group 1 | 0.310000 | – | 0.310000 | 0.370000 |
| Group 2 | 0.166660 | 0.143340 | 0.310000 | 0.370000 |
| **G-Class Monthly Income Shares** | | | | |
| Group 1 | 0.310000 | – | 0.310000 | 0.370000 |
| Group 2 | 0.310000 | 0.000000 | 0.310000 | 0.370000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# JPM Multi-Manager Growth Fund

## Investment objective and policy

To invest worldwide in any economic sector primarily through investment trusts. The Fund aims to provide capital growth over the long term.

Currently, in addition to investment trusts, the Fund may also invest in other closed-ended and open-ended funds.

The Fund may have exposure to Emerging Markets and smaller companies.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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 may invest in assets denominated in any currency and non-sterling currency exposure will not normally be hedged 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.

Shares of investment trusts can trade at a premium or at a discount to their net assets and this might affect the performance of a Fund. Investment trusts may use gearing which will exaggerate market movements, both down and up. Some investment trusts may have warrants in issue, which if exercised may affect share values. Shares of investment trusts may become illiquid and be difficult to sell.

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.

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.

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.

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

After a remarkably calm period in 2017, capital market volatility made a comeback in 2018, which was a challenging year for investors as global equity markets were buffeted by disappointing global data and political tension. Over the 12-month period, the FTSE All Share index was down -3.8%. Investment trusts outperformed the broader UK market: up 0.8%, as measured by the FTSE Equity Investment Trust Index over the same period. Global equity markets delivered negative returns, with the MSCI World Index returning -3.7% in local currency terms. Against this backdrop, the Fund produced a negative return and underperformed the benchmark. Regionally, we have preferred to hold a diversified equity exposure, being overweight to the US for the entire period whilst we remain underweight to the UK and have moved underweight to Europe.

## Fund outlook

From a macroeconomic perspective, the objective probability of a recession in the next 12 months remains low by late-cycle standards. What's more, with the Federal Reserve communicating a pause in its rate-hiking cycle, we think the business cycle has probably been extended by a couple of quarters. With higher frequency macro data at a low ebb and corporate earnings forecasts back to levels commensurate with slightly sub-trend global GDP growth, the frothy sentiment of 2018 has dissipated and there is potential for modest upside surprise in the next quarter or two. Within the Fund, we continue to favour US over European stocks, and we are becoming incrementally more positive on emerging markets.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Multi-Manager Growth Fund** A-Class Acc | **-1.7%** | **19.2%** | **23.2%** | **-2.6%** | **9.9%** |
| **JPM Multi-Manager Growth Fund** B-Class Acc | **-1.3%** | **19.8%** | **23.8%** | **-2.2%** | **10.4%** |
| **JPM Multi-Manager Growth Fund** C-Class Acc | **-1.2%** | **20.0%** | **24.0%** | **-2.0%** | **10.5%** |
| **JPM Multi-Manager Growth Fund** X-Class Acc | **-0.4%** | **20.8%** | **24.9%** | **–** | **–** |
| Benchmark Index | 0.8% | 17.2% | 24.5% | -2.1% | 11.6% |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

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## Fund statistics

| | | | | |
|---|---|---|---|---|
| Risk and Reward Profile | | | | 5[†] (5 at 31 July 2018) |
| Fund size | | | | £386.4m |
| Benchmark Index | | | | FTSE All-Share Equity Investment Instruments Index (Net) |
| Fund charges and expenses | A-Class | B-Class | C-Class | X-Class |
| Initial charge (max.) | Nil | Nil | Nil | Nil |
| Exit charge | Nil | Nil | Nil | Nil |
| Fund expenses (comprises) | | | | |
| Annual management fee | 1.25% | 0.80% | 0.65% | –[A] |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% | 0.06% |

## Comparative tables

| A-Class Accumulation Shares | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 1,012.51 | 848.89 | 687.72 |
| Return before operating charges* | (3.18) | 177.13 | 172.17 |
| Operating charges | (13.30) | (13.51) | (11.00) |
| Return after operating charges* | (16.48) | 163.62 | 161.17 |
| Distributions | (7.61) | (5.32) | (6.56) |
| Retained distributions on accumulation shares | 7.61 | 5.32 | 6.56 |
| Closing net asset value per share | 996.03 | 1,012.51 | 848.89 |
| * after direct transaction costs of | (0.40) | (0.57) | (0.92) |
| **Performance** | | | |
| % Return after operating charges^^ | (1.63)% | 19.27% | 23.44% |
| **Other information** | | | |
| Closing net asset value (£'000) | 139,663 | 151,315 | 137,664 |
| Closing number of shares | 14,022,029 | 14,944,482 | 16,217,054 |
| % Operating charges | 1.32% | 1.43% | 1.43% |
| % Direct transaction costs | 0.04% | 0.06% | 0.12% |
| **Prices** | | | |
| Highest share price | 1,068 | 1,034 | 860.4 |
| Lowest share price | 944.6 | 848.2 | 651.4 |

| A-Class Income Shares | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 926.40 | 780.77 | 637.45 |
| Return before operating charges* | (2.93) | 162.95 | 159.61 |
| Operating charges | (12.04) | (12.43) | (10.19) |
| Return after operating charges* | (14.97) | 150.52 | 149.42 |
| Distributions | (7.10) | (4.89) | (6.10) |
| Closing net asset value per share | 904.33 | 926.40 | 780.77 |
| * after direct transaction costs of | (0.37) | (0.52) | (0.85) |
| **Performance** | | | |
| % Return after operating charges^^ | (1.62)% | 19.28% | 23.44% |
| **Other information** | | | |
| Closing net asset value (£'000) | 163,682 | 175,561 | 160,853 |
| Closing number of shares | 18,099,836 | 18,951,012 | 20,601,892 |
| % Operating charges | 1.30% | 1.43% | 1.43% |
| % Direct transaction costs | 0.04% | 0.06% | 0.12% |
| **Prices** | | | |
| Highest share price | 977.7 | 950.8 | 797.6 |
| Lowest share price | 864.3 | 780.4 | 603.8 |

| B-Class Accumulation Shares | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 1,036.51 | 865.10 | 697.71 |
| Return before operating charges* | (3.29) | 180.86 | 175.08 |
| Operating charges | (9.84) | (9.45) | (7.69) |
| Return after operating charges* | (13.13) | 171.41 | 167.39 |
| Distributions | (11.60) | (9.78) | (10.09) |
| Retained distributions on accumulation shares | 11.60 | 9.78 | 10.09 |
| Closing net asset value per share | 1,023.38 | 1,036.51 | 865.10 |
| * after direct transaction costs of | (0.41) | (0.58) | (0.92) |
| **Performance** | | | |
| % Return after operating charges^^ | (1.27)% | 19.81% | 23.99% |
| **Other information** | | | |
| Closing net asset value (£'000) | 291 | 296 | 224 |
| Closing number of shares | 28,424 | 28,527 | 25,865 |
| % Operating charges | 0.95% | 0.98% | 0.98% |
| % Direct transaction costs | 0.04% | 0.06% | 0.12% |
| **Prices** | | | |
| Highest share price | 1,096 | 1,058 | 876.7 |
| Lowest share price | 970.3 | 864.4 | 661.0 |

[†] 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

[A] The Ongoing charge will vary in accordance to the annual management fee agreed between the ACD and the relevant JPMorgan Chase & Co. entity.

## Comparative tables – continued

| B-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 926.93 | 780.99 | 637.33 |
| Return before operating charges* | (2.95) | 163.31 | 160.00 |
| Operating charges | (8.81) | (8.55) | (7.01) |
| Return after operating charges* | (11.76) | 154.76 | 152.99 |
| Distributions | (10.38) | (8.82) | (9.33) |
| Closing net asset value per share | 904.79 | 926.93 | 780.99 |
| * after direct transaction costs of | (0.37) | (0.52) | (0.85) |
| **Performance** | | | |
| % Return after operating charges^^ | (1.27)% | 19.82% | 24.00% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,868 | 2,876 | 2,499 |
| Closing number of shares | 206,486 | 310,328 | 319,928 |
| % Operating charges | 0.95% | 0.98% | 0.98% |
| % Direct transaction costs | 0.04% | 0.06% | 0.12% |
| **Prices** | | | |
| Highest share price | 980.2 | 955.3 | 800.9 |
| Lowest share price | 867.7 | 780.1 | 603.8 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 186.66 | 157.26 | 128.31 |
| Return before operating charges* | (0.60) | 32.91 | 32.24 |
| Operating charges | (1.33) | (1.46) | (1.20) |
| Return after operating charges* | (1.93) | 31.45 | 31.04 |
| Distributions | (2.53) | (2.05) | (2.09) |
| Closing net asset value per share | 182.20 | 186.66 | 157.26 |
| * after direct transaction costs of | (0.07) | (0.11) | (0.17) |
| **Performance** | | | |
| % Return after operating charges^^ | (1.03)% | 20.00% | 24.19% |
| **Other information** | | | |
| Closing net asset value (£'000) | 29,960 | 30,884 | 22,881 |
| Closing number of shares | 16,443,664 | 16,545,773 | 14,549,951 |
| % Operating charges | 0.71% | 0.83% | 0.83% |
| % Direct transaction costs | 0.04% | 0.06% | 0.12% |
| **Prices** | | | |
| Highest share price | 197.7 | 192.6 | 161.5 |
| Lowest share price | 175.0 | 157.1 | 121.6 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 198.95 | 165.80 | 133.51 |
| Return before operating charges* | (0.64) | 34.69 | 33.54 |
| Operating charges | (1.53) | (1.54) | (1.25) |
| Return after operating charges* | (2.17) | 33.15 | 32.29 |
| Distributions | (2.59) | (2.15) | (2.18) |
| Retained distributions on accumulation shares | 2.59 | 2.15 | 2.18 |
| Closing net asset value per share | 196.78 | 198.95 | 165.80 |
| * after direct transaction costs of | (0.08) | (0.11) | (0.18) |
| **Performance** | | | |
| % Return after operating charges^^ | (1.09)% | 19.99% | 24.19% |
| **Other information** | | | |
| Closing net asset value (£'000) | 17,047 | 16,073 | 11,709 |
| Closing number of shares | 8,662,418 | 8,078,823 | 7,061,982 |
| % Operating charges | 0.77% | 0.83% | 0.83% |
| % Direct transaction costs | 0.04% | 0.06% | 0.12% |
| **Prices** | | | |
| Highest share price | 210.6 | 203.1 | 168.0 |
| Lowest share price | 186.5 | 165.7 | 126.5 |

## Comparative tables – continued

| X-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 145.32 | 120.22 | 96.11 |
| Return before operating charges* | (0.49) | 25.18 | 24.18 |
| Operating charges | (0.06) | (0.08) | (0.07) |
| Return after operating charges* | (0.55) | 25.10 | 24.11 |
| Distributions | (2.93) | (2.56) | (2.35) |
| Retained distributions on accumulation shares | 2.93 | 2.56 | 2.35 |
| Closing net asset value per share | 144.77 | 145.32 | 120.22 |
| * after direct transaction costs of | (0.06) | (0.08) | (0.13) |
| **Performance** | | | |
| % Return after operating charges^^ | (0.38)% | 20.88% | 25.09% |
| **Other information** | | | |
| Closing net asset value (£'000) | 33,879 | 37,826 | 35,012 |
| Closing number of shares | 23,401,856 | 26,029,316 | 29,123,341 |
| % Operating charges | 0.04% | 0.06% | 0.06% |
| % Direct transaction costs | 0.04% | 0.06% | 0.12% |
| **Prices** | | | |
| Highest share price | 154.5 | 148.3 | 121.8 |
| Lowest share price | 136.4 | 120.1 | 91.09 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 266 and 267, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Asset breakdown

| | % |
|---|---|
| Investments Funds | 93.30 |
| Liquidity Funds | 6.51 |
| Net other assets | 0.19 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 93.30% (99.62%)** | | | |
| **Investment Funds 93.30% (99.62%)** | | | |
| **Investment Companies 93.30% (99.62%)** | | | |
| 3i Infrastructure plc | 4,444,444 | 11,842 | 3.06 |
| Aberforth Smaller Companies Trust plc | 253,031 | 3,102 | 0.80 |
| Alliance Trust plc | 1,640,000 | 11,874 | 3.07 |
| Allianz Technology Trust plc | 516,507 | 6,870 | 1.78 |
| Baillie Gifford Japan Trust plc (The) | 1,020,000 | 7,395 | 1.91 |
| Baillie Gifford UK Growth Fund | 991,000 | 1,739 | 0.45 |
| Baillie Gifford US Growth Trust plc | 2,370,000 | 2,711 | 0.70 |
| Bankers Investment Trust plc (The) | 336,000 | 2,759 | 0.71 |
| Biotech Growth Trust plc (The) | 448,935 | 3,080 | 0.80 |
| BlackRock Frontiers Investment Trust plc | 3,943,589 | 5,344 | 1.38 |
| BlackRock Smaller Cos. Trust plc | 255,000 | 3,315 | 0.86 |
| BlackRock World Mining Trust plc | 1,398,800 | 4,959 | 1.28 |
| Bluefield Solar Income Fund Ltd. | 1,763,931 | 2,231 | 0.58 |
| British Empire Trust plc | 1,404,462 | 9,887 | 2.56 |
| Caledonia Investments plc | 44,000 | 1,311 | 0.34 |
| City of London Investment Trust plc (The) | 364,000 | 1,434 | 0.37 |
| Diverse Income Trust plc (The) | 610,038 | 561 | 0.15 |
| Edinburgh Dragon Trust plc | 476,000 | 1,756 | 0.45 |
| Edinburgh Investment Trust plc (The) | 413,674 | 2,652 | 0.69 |
| F&C Investment Trust plc | 2,266,500 | 15,208 | 3.94 |
| Fidelity China Special Situations plc | 1,618,195 | 3,181 | 0.82 |
| Fidelity European Values plc | 1,397,700 | 3,040 | 0.79 |
| Fidelity Special Values plc | 341,945 | 851 | 0.22 |
| Finsbury Growth & Income Trust plc | 2,582,726 | 19,861 | 5.14 |
| Foresight Solar Fund Ltd. | 1,250,000 | 1,413 | 0.37 |
| Govett Strategic Investment Trust plc^ | 1,400,670 | – | – |
| HarbourVest Global Private Equity Ltd. | 505,336 | 7,267 | 1.88 |
| HgCapital Trust plc | 380,313 | 7,530 | 1.95 |
| HICL Infrastructure Co. Ltd. | 6,982,253 | 11,619 | 3.01 |
| Highbridge Multi-Strategy Fund Ltd.[ø] | 607,126 | 1,272 | 0.33 |
| ICG Enterprise Trust plc | 862,519 | 7,004 | 1.81 |
| Impax Environmental Markets plc | 4,843,845 | 12,933 | 3.35 |
| International Public Partnerships Ltd. | 5,873,517 | 9,034 | 2.34 |
| John Laing Environmental Assets Group Ltd. | 652,850 | 708 | 0.18 |
| JPMorgan American Investment Trust plc[ø] | 744,406 | 3,108 | 0.80 |
| JPMorgan Asian Investment Trust plc[ø] | 420,000 | 1,428 | 0.37 |
| JPMorgan Claverhouse Investment Trust plc[ø] | 676,847 | 4,697 | 1.22 |
| JPMorgan Emerging Markets Investment Trust plc[ø] | 1,064,900 | 9,424 | 2.44 |
| JPMorgan European Smaller Cos. Trust plc[ø] | 682,125 | 2,347 | 0.61 |
| JPMorgan Global Convertibles Income Fund Ltd.[ø] | 2,469,600 | 2,173 | 0.56 |
| JPMorgan Global Growth & Income plc[ø] | 1,489,490 | 4,424 | 1.15 |
| JPMorgan Indian Investment Trust plc[ø] | 841,260 | 5,578 | 1.44 |
| JPMorgan Japanese Investment Trust plc[ø] | 558,000 | 2,104 | 0.54 |
| JPMorgan US Smaller Companies Investment Trust plc[ø] | 842,205 | 2,358 | 0.61 |
| Jupiter European Opportunities Trust plc | 310,000 | 2,275 | 0.59 |
| Law Debenture Corp. plc | 393,400 | 2,274 | 0.59 |
| Lowland Investment Co. plc | 353,332 | 4,911 | 1.27 |
| Mercantile Investment Trust plc[ø] | 3,119,710 | 6,064 | 1.57 |
| Monks Investment Trust plc (The) | 1,704,072 | 13,394 | 3.47 |
| Montanaro UK Smaller Companies Investment Trust plc | 1,479,955 | 1,525 | 0.39 |
| Murray Income Trust plc | 514,290 | 3,878 | 1.00 |
| NB Global Floating Rate Income Fund Ltd. | 9,070,000 | 8,072 | 2.09 |
| Perpetual Income and Growth Investment Trust plc 'O' | 669,998 | 2,231 | 0.58 |
| RIT Capital Partners plc | 348,208 | 6,846 | 1.77 |
| Schroder AsiaPacific Fund plc | 1,339,000 | 5,651 | 1.46 |
| Schroder Oriental Income Fund Ltd. | 959,941 | 2,313 | 0.60 |
| Scottish Mortgage Investment Trust plc | 5,589,350 | 26,742 | 6.92 |
| Sdcl Energy Efficiency Income Trust plc | 2,000,000 | 1,996 | 0.52 |
| Sequoia Economic Infrastructure Income Fund Ltd. | 4,154,241 | 4,632 | 1.20 |
| Syncona Ltd. | 1,370,000 | 3,726 | 0.96 |
| Temple Bar Investment Trust plc | 288,400 | 3,605 | 0.93 |
| Templeton Emerging Markets Investment Trust plc 'O' | 1,829,500 | 13,666 | 3.54 |
| TR Property Investment Trust plc | 1,080,891 | 4,264 | 1.10 |
| Witan Investment Trust plc | 1,010,600 | 10,146 | 2.63 |
| Worldwide Healthcare Trust plc | 346,795 | 8,930 | 2.31 |
| | | **360,525** | **93.30** |
| **Investment Funds total** | | **360,525** | **93.30** |
| **Equities total** | | **360,525** | **93.30** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Liquidity Funds 6.51% (0.72%)** | | | |
| JPM GBP Liquidity LVNAV Fund X (dist.)[ø] | 25,136,097 | 25,136 | 6.51 |
| **Liquidity Funds total** | | **25,136** | **6.51** |
| Investment assets | | 385,661 | 99.81 |
| Net other assets | | 729 | 0.19 |
| **Net assets** | | **386,390** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.
^ Unlisted, suspended or delisted security.
[ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (9,508) | | 67,248 |
| Revenue (Note 3) | 8,328 | | 7,911 | |
| Expenses (Note 4) | (4,529) | | (4,953) | |
| Net revenue before taxation | 3,799 | | 2,958 | |
| Taxation (Note 5) | – | | 33 | |
| Net revenue after taxation | | 3,799 | | 2,991 |
| **Total return before distributions** | | **(5,709)** | | **70,239** |
| Distributions (Note 6) | | (3,802) | | (3,031) |
| **Change in net assets attributable to shareholders from investment activities** | | **(9,511)** | | **67,208** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **414,831** | | **370,842** |
| Amounts receivable on issue of shares | 3,752 | | 3,204 | |
| Amounts payable on cancellation of shares | (24,669) | | (28,065) | |
| | | (20,917) | | (24,861) |
| Change in net assets attributable to shareholders from investment activities (see above) | | (9,511) | | 67,208 |
| Retained distributions on accumulation shares | | 1,980 | | 1,638 |
| Unclaimed distributions | | 7 | | 4 |
| **Closing net assets attributable to shareholders** | | **386,390** | | **414,831** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 385,661 | 416,246 |
| **Current assets:** | | |
| Debtors (Note 8) | 747 | 623 |
| Cash and bank balances (Note 9) | 2,360 | 103 |
| **Total assets** | **388,768** | **416,972** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | (1,723) | (1,293) |
| Other creditors (Note 10) | (655) | (848) |
| **Total liabilities** | **(2,378)** | **(2,141)** |
| **Net assets attributable to shareholders** | **386,390** | **414,831** |

The notes to these financial statements are shown on pages 264 to 267.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Multi-Manager Growth Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency losses | (4) | - |
| Non-derivative securities | (9,504) | 67,248 |
| Net capital (losses)/gains | (9,508) | 67,248 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 5,960 | 5,697 |
| Income from Liquidity Funds | 89 | 14 |
| Income from overseas equity investments | 2,279 | 2,199 |
| Interest on bank and term deposits | - | 1 |
| Total revenue | 8,328 | 7,911 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 4,280 | 4,279 |
| Operating expenses | 249 | 674 |
| Total expenses | 4,529 | 4,953 |

The fees paid fees to the auditor for the year ended 31 January 2019 are £4,589 (31.01.18: £4,589), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Prior year adjustments | - | (33) |
| Current year tax charge (Note 5b) | - | (33) |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is nil. This is different than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 3,799 | 2,958 |
| Corporation tax at 20% | 760 | 592 |
| Effects of: | | |
| Dividends not subject to corporation tax | (1,595) | (1,511) |
| Excess expenses for which no relief taken | 835 | 919 |
| Prior year adjustments | - | (33) |
| | (760) | (625) |
| Current year tax charge (Note 5a) | - | (33) |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £20,097,691 (31.01.18: £19,263,023) in relation to £100,488,455 (31.01.18: £96,315,115) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 3,703 | 2,931 |
| Add: Amounts payable on cancellation of shares | 127 | 123 |
| Deduct: Amounts receivable on issue of shares | (28) | (23) |
| Distributions for the year | 3,802 | 3,031 |

Details of the distribution per share are set out on page 268.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 3,799 | 2,991 |
| Add: RDR transfer equalisation (capital) | 6 | 39 |
| Add: Undistributed revenue brought forward | 3 | 4 |
| Deduct: Undistributed revenue carried forward | (6) | (3) |
| | 3,802 | 3,031 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 541 | 541 |
| Due from the ACD for shares issued | 12 | 49 |
| Income tax recoverable | - | 33 |
| Sales awaiting settlement | 194 | - |
| Total debtors | 747 | 623 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 2,360 | 103 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 392 | 442 |
| Due to the ACD for shares cancelled | 263 | 406 |
| Total other creditors | 655 | 848 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

# Notes to the financial statements – continued

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £643,181 (31.01.18: £799,092). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on page 262 and the revenue from these investments was £1,514,649 (31.01.18: £1,413,167).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £9,621 (31.01.18: £Nil). Commission was paid to the associated company JPMorgan Securities Ltd.

The following party held a material interest in the Fund at the year end date:
- HSBC Global Custody Nominee (UK) Limited 16.93% (31.01.18: 16.36%)

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current year or prior year.

## 14. Financial instruments

### Currency exposures

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

### Interest rate risk

At the year end date, 7.12% (31.01.18: 0.75%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

### Market price risk

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £38,566,000 (31.01.18: £41,625,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has four share classes; Class A Shares, Class B Shares, Class C Shares and Class X Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A shares: | 1.25% | 0.15% |
| Class B shares: | 0.80% | 0.15% |
| Class C shares: | 0.65% | 0.15% |
| Class X shares: | 0.00% | 0.06% |

The X share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 259 to 261. All classes have the same rights on winding up.

## 16. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 360,525 | - | 413,244 | - |
| Level 2: Observable market data | 25,136 | - | 2,994 | - |
| Level 3: Unobservable data | - | - | 8 | - |
| Total | 385,661 | - | 416,246 | - |

## 17. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (27,893) | (31) | (53) | (27,977) | 0.11 | 0.19 |
| Purchases of Funds | (51,971) | - | - | (51,971) | 0.00 | 0.00 |
| | (79,864) | (31) | (53) | (79,948) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 71,254 | (78) | - | 71,176 | 0.11 | 0.00 |
| Sales of Funds | 29,838 | - | - | 29,838 | 0.00 | 0.00 |
| | 101,092 | (78) | - | 101,014 | | |
| Total | | (109) | (53) | | | |
| Percentage of Fund average net assets | | 0.03% | 0.01% | | | |

## 17. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (27,795) | (43) | (118) | (27,956) | 0.15 | 0.42 |
| Purchases of Funds | (22,752) | - | - | (22,752) | 0.00 | 0.00 |
| | (50,547) | (43) | (118) | (50,708) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 39,323 | (62) | - | 39,261 | 0.16 | 0.00 |
| Sales of Funds | 36,797 | - | - | 36,797 | 0.00 | 0.00 |
| | 76,120 | (62) | - | 76,058 | | |
| Total | | (105) | (118) | | | |
| Percentage of Fund average net assets | | 0.03% | 0.03% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.39% (31.01.18: 0.54%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 18. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 14,944,482 | 27,205 | (927,646) | (22,012) | 14,022,029 |
| A-Class Income Shares | 18,951,012 | 11,144 | (747,012) | (115,308) | 18,099,836 |
| B-Class Accumulation Shares | 28,527 | - | (103) | - | 28,424 |
| B-Class Income Shares | 310,328 | - | (5,643) | (98,199) | 206,486 |
| C-Class Accumulation Shares | 8,078,823 | 1,212,279 | (764,276) | 135,592 | 8,662,418 |
| C-Class Income Shares | 16,545,773 | 80,198 | (1,214,321) | 1,032,014 | 16,443,664 |
| X-Class Accumulation Shares | 26,029,316 | 647,119 | (3,274,579) | - | 23,401,856 |

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 7.610000 | – | 7.610000 | 5.320000 |
| Group 2 | 5.204931 | 2.405069 | 7.610000 | 5.320000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 7.100000 | – | 7.100000 | 4.890000 |
| Group 2 | 4.918705 | 2.181295 | 7.100000 | 4.890000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 11.600000 | – | 11.600000 | 9.780000 |
| Group 2 | 11.600000 | 0.000000 | 11.600000 | 9.780000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 10.380000 | – | 10.380000 | 8.820000 |
| Group 2 | 10.380000 | 0.000000 | 10.380000 | 8.820000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 2.590000 | – | 2.590000 | 2.150000 |
| Group 2 | 1.404499 | 1.185501 | 2.590000 | 2.150000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 2.530000 | – | 2.530000 | 2.050000 |
| Group 2 | 1.637262 | 0.892738 | 2.530000 | 2.050000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 2.930000 | – | 2.930000 | 2.560000 |
| Group 2 | 1.141026 | 1.788974 | 2.930000 | 2.560000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# JPM Natural Resources Fund

## Investment objective and policy

To invest, primarily in the shares of, companies throughout the world engaged in the production and marketing of commodities. The Fund aims to provide capital growth over the long term.

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

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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 may invest in assets denominated in any currency and non-sterling currency exposure may be hedged 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.

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.

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 natural resources companies and may be concentrated in one or more countries. As a result, the Fund may be more volatile than more broadly diversified funds.

The value of companies in which the Fund invests may be influenced by movements in commodity prices which can be very volatile.

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.

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 over the year to the end of December. Underperformance was driven by stock selection in the gold & precious metals subsector and an overweight position to the base metals subsector. Contributors to returns included an overweight position to the oil & gas exploration & production subsector as well as stock selection within the sector. The Latin American oil & gas company GeoPark was a leading contributor following its announcement of further expansion in the Neuquén Basin in Argentina in partnership with Argentinian oil company YPF. Another leading contributor was US-based Arizona Mining, which performed particularly well following a 1.3 billion bid from diversified mining group South32. In terms of detractors, the global mining and trading group Glencore fell following the announcement by the US Department of Justice that it was investigating possible corruption in the company's operations in the Democratic Republic of the Congo, Nigeria and Venezuela. Asiamet Resources, a copper development company, detracted after it delayed feasibility studies to conduct more infill drilling on the KSK project.

## Fund outlook

2018 was a difficult year for the natural resources sector. Concerns around global trade and the strengthening of the US dollar have weighed particularly on the mining sector. The energy sector spent much of 2018 benefiting from a tightening of the oil market until concerns over potential oversupply mounted in the final months of the year. In response to a slowdown in economic growth and an escalation of trade tensions, the Chinese government is proactively boosting infrastructure demand and easing credit conditions to support growth. In response to the correction in the oil price, OPEC has once again cut production, which should serve to put upward pressure on prices. US unconventional producers are not without their own supply issues as infrastructure bottlenecks are emerging in the shale-rich Permian Basin in the US. Despite the recent macro volatility, natural resource companies are refreshingly dull, focusing on deleveraging and dividends. Very little money is being directed towards growth capital expenditure, which is keeping supply constrained. Valuations remain close to the lower end of their historical range (enterprise value/earnings before interest, taxes, depreciation and amortisation and free cash flow yield) for both the mining and energy sectors. Generalist fund managers remain underweight. The Fund retains a focus on the highest quality upstream companies across the mining and energy sectors, with selective exposures at the exploration and development phase to companies advancing the tier 1 assets of the future. By investing across the mining and energy sectors, the Fund remains a late-cycle play on a pick-up in inflation and rising rates.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Natural Resources Fund** A-Class Acc | **-4.9%** | **3.8%** | **104.6%** | **-34.8%** | **-20.0%** |
| **JPM Natural Resources Fund** B-Class Acc | **-4.5%** | **4.3%** | **105.6%** | **-34.5%** | **-19.6%** |
| **JPM Natural Resources Fund** C-Class Acc | **-4.2%** | **4.5%** | **106.1%** | **-34.3%** | **-19.4%** |
| Benchmark Index[A] | 1.0% | 3.8% | 87.3% | -32.2% | -4.3% |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

## Fund statistics

| | | | |
|---|---|---|---|
| Risk and Reward Profile | | | 6[†] (6 at 31 July 2018) |
| Fund size | | | £624.2m |
| Benchmark Index[A] | | | EMIX Global Mining and Energy Index (Net) |
| Fund charges and expenses | A-Class | B-Class | C-Class |
| Initial charge (max.) | Nil | Nil | Nil |
| Exit charge | Nil | Nil | Nil |
| Fund expenses (comprises) | | | |
| Annual management fee | 1.50% | 1.00% | 0.75% |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% |

## Comparative tables

| A-Class Accumulation Shares | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 624.13 | 601.90 | 294.04 |
| Return before operating charges* | (20.65) | 31.97 | 315.72 |
| Operating charges | (9.60) | (9.74) | (7.86) |
| Return after operating charges* | (30.25) | 22.23 | 307.86 |
| Distributions | (8.49) | (3.08) | - |
| Retained distributions on accumulation shares | 8.49 | 3.08 | - |
| Closing net asset value per share | 593.88 | 624.13 | 601.90 |
| * after direct transaction costs of | (0.43) | (0.41) | (0.33) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.85)% | 3.69% | 104.70% |
| **Other information** | | | |
| Closing net asset value (£'000) | 325,464 | 385,978 | 471,987 |
| Closing number of shares | 54,803,330 | 61,842,540 | 78,416,068 |
| % Operating charges | 1.55% | 1.68% | 1.68% |
| % Direct transaction costs | 0.07% | 0.07% | 0.07% |
| **Prices** | | | |
| Highest share price | 680.2 | 656.1 | 617.6 |
| Lowest share price | 553.2 | 518.8 | 287.8 |

| A-Class Income Shares | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 43.75 | 42.40 | 20.71 |
| Return before operating charges* | (1.46) | 2.26 | 22.24 |
| Operating charges | (0.71) | (0.69) | (0.55) |
| Return after operating charges* | (2.17) | 1.57 | 21.69 |
| Distributions | (0.55) | (0.22) | - |
| Closing net asset value per share | 41.03 | 43.75 | 42.40 |
| * after direct transaction costs of | (0.03) | (0.03) | (0.02) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.96)% | 3.70% | 104.73% |
| **Other information** | | | |
| Closing net asset value (£'000) | 3,229 | 4,043 | 5,127 |
| Closing number of shares | 7,868,047 | 9,241,591 | 12,092,840 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.07% | 0.07% | 0.07% |
| **Prices** | | | |
| Highest share price | 47.67 | 46.22 | 43.51 |
| Lowest share price | 38.74 | 36.55 | 20.28 |

| B-Class Accumulation Shares | 2019[‡] pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 73.50 | 70.53 | 34.28 |
| Return before operating charges* | (2.44) | 3.78 | 36.90 |
| Operating charges | (0.84) | (0.81) | (0.65) |
| Return after operating charges* | (3.28) | 2.97 | 36.25 |
| Distributions | (1.29) | (0.71) | (0.27) |
| Retained distributions on accumulation shares | 1.29 | 0.71 | 0.27 |
| Closing net asset value per share | 70.22 | 73.50 | 70.53 |
| * after direct transaction costs of | (0.05) | (0.05) | (0.04) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.46)% | 4.21% | 105.75% |
| **Other information** | | | |
| Closing net asset value (£'000) | 2,832 | 3,111 | 3,095 |
| Closing number of shares | 4,033,146 | 4,233,279 | 4,388,210 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.07% | 0.07% | 0.07% |
| **Prices** | | | |
| Highest share price | 80.21 | 77.25 | 72.36 |
| Lowest share price | 65.39 | 60.88 | 33.56 |

[†] 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

[A] On 04/01/16 the Fund's benchmark was changed from Euromoney Global Mining, Gold and Energy Index (Net) to Euromoney Global Mining and Energy Index (Net).

## Comparative tables – continued

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 649.47 | 621.66 | 301.36 |
| Return before operating charges* | (21.64) | 33.42 | 324.82 |
| Operating charges | (5.29) | (5.61) | (4.52) |
| Return after operating charges* | (26.93) | 27.81 | 320.30 |
| Distributions | (13.57) | (7.72) | (3.61) |
| Retained distributions on accumulation shares | 13.57 | 7.72 | 3.61 |
| Closing net asset value per share | 622.54 | 649.47 | 621.66 |
| * after direct transaction costs of | (0.45) | (0.42) | (0.34) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.15)% | 4.47% | 106.28% |
| **Other information** | | | |
| Closing net asset value (£'000) | 264,633 | 314,581 | 358,815 |
| Closing number of shares | 42,508,527 | 48,436,422 | 57,718,624 |
| % Operating charges | 0.82% | 0.93% | 0.93% |
| % Direct transaction costs | 0.07% | 0.07% | 0.07% |
| **Prices** | | | |
| Highest share price | 709.4 | 682.5 | 637.7 |
| Lowest share price | 579.4 | 536.9 | 295.1 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 43.72 | 42.34 | 20.65 |
| Return before operating charges* | (1.46) | 2.28 | 22.25 |
| Operating charges | (0.39) | (0.38) | (0.31) |
| Return after operating charges* | (1.85) | 1.90 | 21.94 |
| Distributions | (0.88) | (0.52) | (0.25) |
| Closing net asset value per share | 40.99 | 43.72 | 42.34 |
| * after direct transaction costs of | (0.03) | (0.03) | (0.02) |
| **Performance** | | | |
| % Return after operating charges^^ | (4.23)% | 4.49% | 106.25% |
| **Other information** | | | |
| Closing net asset value (£'000) | 27,993 | 28,933 | 26,726 |
| Closing number of shares | 68,294,291 | 66,180,471 | 63,119,781 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.07% | 0.07% | 0.07% |
| **Prices** | | | |
| Highest share price | 47.75 | 46.49 | 43.69 |
| Lowest share price | 38.98 | 36.57 | 20.22 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 276 and 277, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Sector breakdown

| | % |
|---|---|
| Materials | 54.28 |
| Energy | 44.27 |
| Liquidity Funds | 1.25 |
| Financials | 0.02 |
| Net other assets | 0.18 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 98.57% (98.68%)** | | | |
| **Energy 44.27% (42.75%)** | | | |
| **Oil, Gas & Consumable Fuels 44.27% (42.75%)** | | | |
| Aker BP ASA | 267,112 | 6,780 | 1.09 |
| ALX Uranium Corp. | 36,075 | 1 | - |
| Atlus Renewables Ltd.^ | 681,160 | - | - |
| Australis Oil & Gas Ltd. | 20,949,393 | 3,715 | 0.60 |
| BP plc | 3,827,435 | 19,941 | 3.20 |
| Cabot Oil & Gas Corp. | 156,484 | 3,020 | 0.48 |
| Chevron Corp. | 202,274 | 17,413 | 2.79 |
| CNOOC Ltd. | 4,726,000 | 6,010 | 0.96 |
| EOG Resources, Inc. | 163,237 | 12,363 | 1.98 |
| Exxon Mobil Corp. | 674,170 | 37,123 | 5.95 |
| Fission Uranium Corp. | 6,730,368 | 2,107 | 0.34 |
| Galp Energia SGPS SA | 1,241,964 | 14,739 | 2.36 |
| Geopark Ltd. | 930,575 | 12,042 | 1.93 |
| Global Atomic Corp. | 1,554,456 | 279 | 0.04 |
| International Petroleum Corp. | 772,473 | 2,204 | 0.35 |
| Kerogen Shale Ltd.^ | 218,970 | - | - |
| Lundin Petroleum AB | 786,553 | 19,092 | 3.06 |
| Marathon Petroleum Corp. | 244,893 | 12,187 | 1.95 |
| Parex Resources, Inc. | 1,245,189 | 13,993 | 2.24 |
| Parsley Energy, Inc. 'A' | 457,697 | 6,557 | 1.05 |
| Pioneer Natural Resources Co. | 77,762 | 8,381 | 1.34 |
| President Energy plc# | 48,241,243 | 4,342 | 0.70 |
| Royal Dutch Shell plc 'B' | 1,150,315 | 27,320 | 4.38 |
| TOTAL SA | 567,346 | 23,781 | 3.81 |
| TransCanada Corp. | 352,730 | 11,370 | 1.82 |
| Uranium Energy Corp. | 1,873,404 | 1,841 | 0.30 |
| Uranium Energy Corp. Warrant 10/03/2019^ | 933,485 | 64 | 0.01 |
| Uranium Energy Corp. Warrant 20/01/2020^ | 494,849 | - | - |
| Uranium Energy Corp. Warrant 28/03/2021^ | 304,025 | - | - |
| Valero Energy Corp. | 131,430 | 8,327 | 1.33 |
| Valeura Energy, Inc. | 665,087 | 1,304 | 0.21 |
| | | **276,296** | **44.27** |
| **Energy total** | | **276,296** | **44.27** |
| **Financials 0.02% (0.05%)** | | | |
| **Capital Markets 0.02% (0.05%)** | | | |
| Leaf Clean Energy Co.# | 589,028 | 100 | 0.02 |
| | | **100** | **0.02** |
| **Financials total** | | **100** | **0.02** |
| **Materials 54.28% (55.88%)** | | | |
| **Chemicals 1.09% (0.54%)** | | | |
| Danakali Ltd. | 11,196,460 | 4,809 | 0.77 |
| Itafos | 2,778,974 | 1,305 | 0.21 |
| Salt Lake Potash Ltd.# | 2,930,798 | 704 | 0.11 |
| | | **6,818** | **1.09** |
| **Metals & Mining 53.19% (55.34%)** | | | |
| Agnico Eagle Mines Ltd. | 377,406 | 12,310 | 1.97 |
| Alcoa Corp. | 87,759 | 1,977 | 0.32 |
| Algold Resources Ltd. Warrant 24/03/2019^ | 2,424,697 | - | - |
| Almonty Industries, Inc. | 7,720,375 | 2,597 | 0.42 |
| Altius Minerals Corp. | 242,915 | 1,596 | 0.26 |
| Amani Gold Ltd. | 31,938,525 | 71 | 0.01 |
| Archipelago Metals Ltd.^ | 1,531,897 | - | - |
| Asiamet Resources Ltd.# | 42,041,604 | 1,724 | 0.28 |
| Auris Minerals Ltd. | 17,954,729 | 259 | 0.04 |
| Avenira Ltd. | 25,561,669 | 255 | 0.04 |
| Barkerville Gold Mines Ltd. | 10,748,306 | 2,587 | 0.41 |
| Barkerville Gold Mines Ltd.^ | 5,645,999 | 1,359 | 0.22 |
| Barrick Gold Corp. | 979,548 | 9,736 | 1.56 |
| BHP Group plc | 3,577,307 | 60,814 | 9.74 |
| Boliden AB | 597,261 | 11,382 | 1.82 |
| Cartier Resources, Inc. | 6,971,685 | 465 | 0.07 |
| Critical Elements Corp. | 6,157,181 | 2,535 | 0.41 |
| Critical Elements Corp. Warrant 01/05/2020^ | 242,898 | - | - |
| Endeavour Mining Corp. | 244,179 | 3,136 | 0.50 |
| ERO Copper Corp. | 538,643 | 3,733 | 0.60 |
| Ferrox Holdings Ltd. 'A'^ | 165,908 | - | - |
| Filo Mining Corp. | 1,552,489 | 1,981 | 0.32 |
| First Quantum Minerals Ltd. | 1,260,803 | 10,389 | 1.66 |
| Franco-Nevada Corp. | 115,594 | 6,718 | 1.08 |
| Fresnillo plc | 389,030 | 3,879 | 0.62 |
| Glencore plc | 10,931,483 | 33,685 | 5.40 |
| Gold Standard Ventures Corp. | 1,189,051 | 1,220 | 0.20 |
| Goldcorp, Inc. | 804,476 | 6,727 | 1.08 |
| Highland Gold Mining Ltd.# | 3,292,544 | 5,393 | 0.86 |
| Horizon Gold Ltd. | 3,429,087 | 266 | 0.04 |
| Horizonte Minerals plc# | 58,767,195 | 1,363 | 0.22 |
| Integra Resources Corp. | 2,849,335 | 1,404 | 0.22 |
| International Petroleum Ltd.^ | 24,141,040 | - | - |
| Lion One Metals Ltd. | 2,936,155 | 783 | 0.13 |
| Loncor Resources, Inc. | 2,498,111 | 109 | 0.02 |
| Lundin Mining Corp. | 3,487,213 | 12,274 | 1.97 |
| MAG Silver Corp. | 453,929 | 2,990 | 0.48 |
| Marathon Gold Corp. | 3,600,338 | 1,858 | 0.30 |
| Mink International RES Corp.^ | 107,000 | - | - |
| MMC Norilsk Nickel PJSC, ADR | 535,943 | 8,527 | 1.37 |
| Neo Lithium Corp. | 2,904,895 | 1,247 | 0.20 |
| Nevada Copper Corp. | 8,240,428 | 2,150 | 0.34 |
| Newmont Mining Corp. | 463,424 | 11,898 | 1.91 |
| Nexa Resources SA | 192,865 | 1,249 | 0.20 |
| NGEx Resources, Inc. | 3,316,853 | 1,923 | 0.31 |
| Norseman Gold plc, CDI^ | 762,137 | - | - |
| Norseman Gold plc^# | 2,245,867 | - | - |
| Norsk Hydro ASA | 2,803,992 | 9,884 | 1.58 |
| North Arrow Minerals, Inc. | 2,502,812 | 152 | 0.02 |
| Northern Star Mining Corp. (USD)^ | 1,305,160 | - | - |
| Northern Star Mining Corp. (CAD)^ | 8,500,000 | - | - |
| OceanaGold Corp. | 2,625,107 | 6,941 | 1.11 |
| OreCorp Ltd. | 7,945,227 | 969 | 0.15 |
| Osisko Metals, Inc. | 2,556,028 | 734 | 0.12 |
| Osisko Metals, Inc.^ | 1,342,562 | 385 | 0.06 |
| Osisko Metals, Inc. Warrant 14/07/2019^ | 1,320,850 | - | - |
| Osisko Mining, Inc. | 6,347,494 | 10,048 | 1.61 |
| Panoro Minerals Ltd. | 9,955,174 | 1,212 | 0.19 |
| Perseus Mining Ltd. Warrant 21/04/2021^ | 5,641,564 | - | - |
| Polarx Ltd. | 14,687,126 | 464 | 0.07 |
| PolyMet Mining Corp. | 1,093,688 | 626 | 0.10 |
| PolyMet Mining Corp. Warrant 18/10/2021^ | 2,713,784 | - | - |
| Real Gold Mining Ltd.^ | 2,943,500 | - | - |
| Rio Tinto plc | 1,070,537 | 44,931 | 7.20 |
| Sarama Resources Ltd. | 4,817,750 | 126 | 0.02 |
| SolGold plc | 6,461,367 | 2,333 | 0.37 |
| Tabora Ltd.^ | 2,000,000 | - | - |
| Target Resources plc^ | 5,864,454 | - | - |
| Tinka Resources Ltd. | 7,610,329 | 1,434 | 0.23 |
| Tinka Resources Ltd. Warrant 04/04/2019^ | 526,441 | - | - |
| Tsar Emerald Corp.^ | 8,955,110 | - | - |
| Tsodilo Resources Ltd. | 1,764,296 | 235 | 0.04 |
| Vale SA, ADR | 1,769,135 | 16,950 | 2.72 |
| Westgold Resources Ltd. Warrant 30/06/2019 | 1,660,302 | 4 | - |
| | | **331,997** | **53.19** |
| **Materials total** | | **338,815** | **54.28** |
| **Equities total** | | **615,211** | **98.57** |
| **Liquidity Funds 1.25% (1.71%)** | | | |
| JPM GBP Liquidity LVNAV Fund X (dist.)ø | 7,817,893 | 7,818 | 1.25 |
| **Liquidity Funds total** | | **7,818** | **1.25** |
| Investment assets | | 623,029 | 99.82 |
| Net other assets | | 1,122 | 0.18 |
| **Net assets** | | **624,151** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

^ Unlisted, suspended or delisted security.

# Security traded on another regulated market.

ø A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (44,595) | | 13,311 |
| Revenue (Note 3) | 21,590 | | 17,685 | |
| Expenses (Note 4) | (8,430) | | (9,964) | |
| Net revenue before taxation | 13,160 | | 7,721 | |
| Taxation (Note 5) | (981) | | (739) | |
| Net revenue after taxation | | 12,179 | | 6,982 |
| **Total return before distributions** | | **(32,416)** | | **20,293** |
| Distributions (Note 6) | | (12,205) | | (6,996) |
| **Change in net assets attributable to shareholders from investment activities** | | **(44,621)** | | **13,297** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **736,646** | | **865,750** |
| Amounts receivable on issue of shares | 30,290 | | 30,708 | |
| Amounts payable on cancellation of shares | (108,701) | | (178,859) | |
| | | (78,411) | | (148,151) |
| Dilution adjustment | | 64 | | 76 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (44,621) | | 13,297 |
| Retained distributions on accumulation shares | | 10,473 | | 5,674 |
| **Closing net assets attributable to shareholders** | | **624,151** | | **736,646** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 623,029 | 739,516 |
| **Current assets:** | | |
| Debtors (Note 8) | 877 | 775 |
| Cash and bank balances (Note 9) | 3,062 | 91 |
| **Total assets** | **626,968** | **740,382** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | (644) | (365) |
| Other creditors (Note 10) | (2,173) | (3,371) |
| **Total liabilities** | **(2,817)** | **(3,736)** |
| **Net assets attributable to shareholders** | **624,151** | **736,646** |

The notes to these financial statements are shown on pages 274 to 277.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Natural Resources Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains | 51 | 271 |
| Non-derivative securities | (44,646) | 13,040 |
| Net capital (losses)/gains | (44,595) | 13,311 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 8,799 | 7,628 |
| Income from Liquidity Funds | 78 | 47 |
| Income from overseas equity investments | 11,685 | 9,272 |
| Interest on bank and term deposits | 1 | 2 |
| Interest on capital | 857 | 123 |
| Stock dividends | – | 613 |
| Stock lending income | 170 | – |
| Total revenue | 21,590 | 17,685 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 7,955 | 8,614 |
| Operating expenses | 448 | 1,349 |
| Stock lending fees | 26 | – |
| | 8,429 | 9,963 |
| Interest payable | 1 | 1 |
| Total expenses | 8,430 | 9,964 |

The fees paid to the auditor for the year ended 31 January 2019 are £5,863 (31.01.18: £5,863), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 981 | 739 |
| Current year tax charge (Note 5b) | 981 | 739 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 13,160 | 7,721 |
| Corporation tax at 20% | 2,632 | 1,544 |
| Effects of: | | |
| Dividends not subject to corporation tax | (3,788) | (3,107) |
| Excess expenses for which no relief taken | 1,219 | 1,612 |
| Overseas tax expensed | (63) | (49) |
| Overseas tax suffered | 981 | 739 |
| | (1,651) | (805) |
| Current year tax charge (Note 5a) | 981 | 739 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £42,651,351 (31.01.18: £41,431,937) in relation to £213,256,757 (31.01.18: £207,159,687) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 11,117 | 6,039 |
| Add: Amounts payable on cancellation of shares | 1,416 | 1,138 |
| Deduct: Amounts receivable on issue of shares | (328) | (181) |
| Distributions for the year | 12,205 | 6,996 |

Details of the distribution per share are set out on page 277.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 12,179 | 6,982 |
| Add: RDR transfer equalisation (capital) | 27 | 16 |
| Add: Undistributed revenue brought forward | 11 | 9 |
| Deduct: Undistributed revenue carried forward | (12) | (11) |
| | 12,205 | 6,996 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 36 | 54 |
| Due from the ACD for shares issued | 187 | 51 |
| Overseas tax recoverable | 139 | 77 |
| Sales awaiting settlement | 515 | 593 |
| Total debtors | 877 | 775 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 3,062 | 91 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 679 | 858 |
| Due to the ACD for shares cancelled | 1,095 | 2,323 |
| Purchases awaiting settlement | 399 | 190 |
| Total other creditors | 2,173 | 3,371 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due from the ACD and their associates at the year end date in respect of related party transactions was £1,587,012 (31.01.18: £3,130,516). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on page 272 and the revenue from these investments was £77,806 (31.01.18: £47,025).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £24,796 (31.01.18: £58,330). Commission was paid to the associated company JPMorgan Securities Ltd.

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £2,920,933 securities on loan (31.01.18: £nil) and consequently £3,136,230 collateral was held (31.01.18: £nil).The nature of the collateral was 100.00% cash.

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 170 | - |
| Fees paid to the lending agent[ø] | (26) | - |
| Net stock lending income | 144 | - |

[ø] A related party to the Fund.

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 272.

## 14. Financial instruments

**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | | Net foreign currency assets | |
|---|---|---|---|
| Currency | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | |
| US Dollar | 177,626 | 627 | 176,999 |
| Canadian Dollar | 127,042 | 43 | 126,999 |
| Euro | 38,646 | 126 | 38,520 |
| Swedish Krona | 32,332 | (346) | 32,678 |
| Norwegian Krone | 16,664 | - | 16,664 |
| Australian Dollar | 10,855 | 43 | 10,812 |
| Hong Kong Dollar | 6,010 | - | 6,010 |
| Swiss Franc | 1 | 1 | - |
| **31.01.18** | | | |
| US Dollar | 194,426 | 71 | 194,355 |
| Canadian Dollar | 167,155 | 27 | 167,128 |
| Euro | 40,869 | 62 | 40,807 |
| Swedish Krona | 39,683 | - | 39,683 |
| Australian Dollar | 27,305 | 418 | 26,887 |
| Norwegian Krone | 26,375 | - | 26,375 |
| Hong Kong Dollar | 7,149 | - | 7,149 |
| Swiss Franc | 1 | 1 | - |

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £40,918,000 (31.01.18: £50,296,000).

**Interest rate risk**

At the year end date, 1.74% (31.01.18: 1.73%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £62,303,000 (31.01.18: £73,952,000)

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 270 and 271. All classes have the same rights on winding up.

## 16. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 615,147 | - | 721,869 | - |
| Level 2: Observable market data | 7,818 | - | 12,633 | - |
| Level 3: Unobservable data | 64 | - | 5,014 | - |
| Total | 623,029 | - | 739,516 | - |

## 17. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (182,964) | (119) | (245) | (183,328) | 0.07 | 0.13 |
| Purchases of Funds | (111,950) | - | - | (111,950) | 0.00 | 0.00 |
| | (294,914) | (119) | (245) | (295,278) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 250,476 | (141) | (4) | 250,331 | 0.06 | 0.00 |
| Sales of Funds | 116,766 | - | - | 116,766 | 0.00 | 0.00 |
| | 367,242 | (141) | (4) | 367,097 | | |
| Total | | (260) | (249) | | | |
| Percentage of Fund average net assets | | 0.04% | 0.03% | | | |

## 17. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (148,983) | (94) | (233) | (149,310) | 0.06 | 0.16 |
| Purchases of Funds | (141,656) | - | - | (141,656) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | (1,664) | - | - | (1,664) | 0.00 | 0.00 |
| | (292,303) | (94) | (233) | (292,630) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 273,598 | (195) | (1) | 273,402 | 0.07 | 0.00 |
| Sales of Funds | 156,483 | - | - | 156,483 | 0.00 | 0.00 |
| | 430,081 | (195) | (1) | 429,885 | | |
| Total | | (289) | (234) | | | |
| Percentage of Fund average net assets | | 0.04% | 0.03% | | | |

* Excluding in specie and corporate action activity

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.51% (31.01.2018: 0.59%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 18. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 61,842,540 | 1,902,492 | (7,764,040) | (1,177,662) | 54,803,330 |
| A-Class Income Shares | 9,241,591 | 267,811 | (1,652,738) | 11,383 | 7,868,047 |
| B-Class Accumulation Shares | 4,233,279 | 486,414 | (522,301) | (164,246) | 4,033,146 |
| C-Class Accumulation Shares | 48,436,422 | 1,556,387 | (8,610,686) | 1,126,404 | 42,508,527 |
| C-Class Income Shares | 66,180,471 | 19,322,731 | (17,491,430) | 282,519 | 68,294,291 |

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 8.490000 | – | 8.490000 | 3.080000 |
| Group 2 | 2.406344 | 6.083656 | 8.490000 | 3.080000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.550000 | – | 0.550000 | 0.220000 |
| Group 2 | 0.351685 | 0.198315 | 0.550000 | 0.220000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.290000 | – | 1.290000 | 0.710000 |
| Group 2 | 0.885918 | 0.404082 | 1.290000 | 0.710000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 13.570000 | – | 13.570000 | 7.720000 |
| Group 2 | 6.041129 | 7.528871 | 13.570000 | 7.720000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.880000 | – | 0.880000 | 0.520000 |
| Group 2 | 0.491166 | 0.388834 | 0.880000 | 0.520000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0.47%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 2,921 | 0.47% |

## Concentration Data

### Collateral issuers

For the securities lending transactions, as at the balance sheet date, Fund had not received any non-cash collateral by way of title transfer.

## Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| Citigroup | 2,159 |
| Societe Generale | 301 |
| JP Morgan | 253 |
| BNP Paribas | 178 |
| Credit Suisse | 30 |
| Total | 2,921 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Value £'000 |
|---|---|---|---|
| Cash | N/A | USD | 3,100 |
| Cash | N/A | EUR | 36 |
| Total | | | 3,136 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| less than one day | 3,136 |
| Total | 3,136 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| BNP Paribas | France |
| Citigroup | United States |
| Credit Suisse | Switzerland |
| JP Morgan | United States |
| Societe Generale | France |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

Cash collateral received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus, however the Fund as at the period end has not reinvested cash collateral received in respect of securities lending transactions.

## Safekeeping of collateral

All collateral received (31.01.19: £3,136,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM Sterling Corporate Bond Fund

## Investment objective and policy

The Fund's investment objective is to achieve a return based on a combination of income and capital growth by investing primarily in high quality sterling denominated Bonds (or other Bonds hedged back to sterling).

The Fund's investment policy will focus on Investment Grade corporate issues. The Fund may also invest in Below-Investment Grade securities, including corporate and Emerging Market Bonds when the Investment Adviser believes these offer significant opportunities. **The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate.**

Although most of the non-sterling securities will be hedged back to sterling, the Investment Adviser will also use opportunities in the foreign exchange market to maximise returns.

The Fund also evaluates whether environmental, social and governance factors could have a material negative or positive impact on the cash flows or risk profiles of many companies in which the Fund may invest. These determinations may not be conclusive and securities of issuers which may be negatively impacted by such factors may be purchased and retained by the Fund while the Fund may divest or not invest in securities of issuers which may be positively impacted by such factors.

## Risk profile

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

Bond funds may not behave like direct investments in the underlying Bonds themselves. By investing in Bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.

The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below Investment Grade and certain Unrated securities, which may also be subject to higher volatility and be more difficult to sell than Investment Grade securities.

Bonds and other Debt Securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.

A Fund investing in Contingent Convertible Securities may be adversely impacted should specific trigger events occur (as specified in the terms of the security) and may be at increased risk of capital loss. This may be as a result of the security converting to Equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.

The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

Bond funds will normally distribute a combination of Coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.

To the extent that any underlying assets of the Fund are denominated in a currency other than sterling and are not hedged back to sterling, 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

JPM Sterling Corporate Bond Fund returned 0.12% from 1 Feb 2018 to 31 January 2019 down 0.78% versus the benchmark. The funds off-benchmark allocation to high yield was a notable detractor as we saw spreads widen materially across the high yield sector in Q4 2018. From a sector perspective the largest detractor was the funds overweight to the banking sector, in particular its additional tier 1 exposure. The banking sector has some of the largest, most liquid issuers and thus amid the Q4 sell-off banking spreads were amongst the worst performers. The banking under performance was partially offset by the funds iTraxx financials protection. The funds underweight to consumer cyclical & non-cyclical sectors contributed to positive excess returns.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Sterling Corporate Bond Fund** A-Class Gross Acc | **-1.0%** | **4.9%** | **7.8%** | **-3.7%** | **13.9%** |
| **JPM Sterling Corporate Bond Fund** B-Class Gross Inc | **-0.7%** | **5.2%** | **8.1%** | **-3.4%** | **14.3%** |
| **JPM Sterling Corporate Bond Fund** C-Class Gross Acc | **-0.5%** | **5.4%** | **8.2%** | **-3.3%** | **14.3%** |
| **JPM Sterling Corporate Bond Fund** I-Class Gross Acc | **-0.3%** | **5.6%** | **8.5%** | **-3.0%** | **14.6%** |
| Benchmark Index | 0.9% | 4.4% | 8.1% | -2.7% | 15.0% |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

## Fund statistics

| | | | | |
|---|---|---|---|---|
| Risk and Reward Profile | | | | 3† (4 at 31 July 2018) |
| Fund size | | | | £152.8m |
| Benchmark Index | | | | Markit iBoxx GBP Non-Gilts Index |
| Fund charges and expenses | A-Class | B-Class | C-Class | I-Class |
| Initial charge (max.) | Nil | Nil | Nil | Nil |
| Exit charge | Nil | Nil | Nil | Nil |
| Fund expenses (comprises) | | | | |
| Annual management fee | 1.00% | 0.65% | 0.50% | 0.40% |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% | – |

## Comparative tables

| A-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 93.43 | 88.98 | 82.60 |
| Return before operating charges* | 0.06 | 5.55 | 7.71 |
| Operating charges | (1.02) | (1.10) | (1.05) |
| Return after operating charges* | (0.96) | 4.45 | 6.66 |
| Distributions | (1.77) | (1.81) | (1.77) |
| Retained distributions on accumulation shares | 1.77 | 1.81 | 1.49 |
| Closing net asset value per share | 92.47 | 93.43 | 88.98 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (1.03)% | 5.00% | 8.06% |
| **Other information** | | | |
| Closing net asset value (£'000) | 21,694 | 24,487 | 25,732 |
| Closing number of shares | 23,460,286 | 26,210,328 | 28,920,177 |
| % Operating charges | 1.11% | 1.18% | 1.18% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 93.20 | 94.58 | 94.58 |
| Lowest share price | 90.72 | 89.28 | 81.42 |

| A-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 56.03 | 54.41 | 51.37 |
| Return before operating charges* | 0.04 | 3.39 | 4.78 |
| Operating charges | (0.63) | (0.67) | (0.65) |
| Return after operating charges* | (0.59) | 2.72 | 4.13 |
| Distributions | (1.03) | (1.10) | (1.09) |
| Closing net asset value per share | 54.41 | 56.03 | 54.41 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (1.05)% | 5.00% | 8.04% |
| **Other information** | | | |
| Closing net asset value (£'000) | 14,347 | 16,543 | 17,567 |
| Closing number of shares | 26,370,685 | 29,524,050 | 32,283,998 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 55.89 | 57.31 | 58.32 |
| Lowest share price | 53.62 | 54.57 | 50.64 |

| B-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 56.01 | 54.39 | 51.36 |
| Return before operating charges* | 0.03 | 3.39 | 4.78 |
| Operating charges | (0.44) | (0.47) | (0.45) |
| Return after operating charges* | (0.41) | 2.92 | 4.33 |
| Distributions | (1.22) | (1.30) | (1.30) |
| Closing net asset value per share | 54.38 | 56.01 | 54.39 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (0.73)% | 5.37% | 8.43% |
| **Other information** | | | |
| Closing net asset value (£'000) | 66 | 100 | 103 |
| Closing number of shares | 121,821 | 177,959 | 189,676 |
| % Operating charges | 0.80% | 0.83% | 0.83% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 55.87 | 57.31 | 58.31 |
| Lowest share price | 53.62 | 54.56 | 50.63 |

† 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

## Comparative tables – continued

| C-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 132.43 | 125.49 | 115.99 |
| Return before operating charges* | 0.10 | 7.83 | 10.85 |
| Operating charges | (0.81) | (0.89) | (0.85) |
| Return after operating charges* | (0.71) | 6.94 | 10.00 |
| Distributions | (3.16) | (3.22) | (3.14) |
| Retained distributions on accumulation shares | 3.16 | 3.22 | 2.64 |
| Closing net asset value per share | 131.72 | 132.43 | 125.49 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (0.54)% | 5.53% | 8.62% |
| **Other information** | | | |
| Closing net asset value (£'000) | 37,198 | 62,371 | 58,113 |
| Closing number of shares | 28,239,929 | 47,096,095 | 46,307,240 |
| % Operating charges | 0.62% | 0.68% | 0.68% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 132.1 | 134.0 | 133.1 |
| Lowest share price | 129.1 | 125.9 | 114.4 |

| I-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 174.56 | 164.91 | 152.08 |
| Return before operating charges* | 0.13 | 10.34 | 14.21 |
| Operating charges | (0.69) | (0.69) | (0.66) |
| Return after operating charges* | (0.56) | 9.65 | 13.55 |
| Distributions | (4.55) | (4.72) | (4.59) |
| Retained distributions on accumulation shares | 4.55 | 4.72 | 3.87 |
| Closing net asset value per share | 174.00 | 174.56 | 164.91 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (0.32)% | 5.85% | 8.91% |
| **Other information** | | | |
| Closing net asset value (£'000) | 122 | 221 | 63 |
| Closing number of shares | 69,941 | 126,449 | 38,336 |
| % Operating charges | 0.40% | 0.40% | 0.40% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 174.5 | 176.6 | 174.8 |
| Lowest share price | 170.5 | 165.5 | 149.9 |

| C-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 126.96 | 123.29 | 116.39 |
| Return before operating charges* | 0.08 | 7.67 | 10.86 |
| Operating charges | (0.79) | (0.87) | (0.85) |
| Return after operating charges* | (0.71) | 6.80 | 10.01 |
| Distributions | (2.99) | (3.13) | (3.11) |
| Closing net asset value per share | 123.26 | 126.96 | 123.29 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (0.56)% | 5.52% | 8.60% |
| **Other information** | | | |
| Closing net asset value (£'000) | 29,018 | 29,336 | 23,078 |
| Closing number of shares | 23,542,344 | 23,106,858 | 18,718,907 |
| % Operating charges | 0.63% | 0.68% | 0.68% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 126.6 | 129.9 | 132.2 |
| Lowest share price | 121.5 | 123.7 | 114.7 |

## Comparative tables – continued

| I-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 106.58 | 103.50 | 97.70 |
| Return before operating charges* | 0.07 | 6.44 | 9.15 |
| Operating charges | (0.42) | (0.43) | (0.42) |
| Return after operating charges* | (0.35) | 6.01 | 8.73 |
| Distributions | (2.75) | (2.93) | (2.93) |
| Closing net asset value per share | 103.48 | 106.58 | 103.50 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (0.33)% | 5.81% | 8.94% |
| **Other information** | | | |
| Closing net asset value (£'000) | 50,309 | 45,310 | 30,711 |
| Closing number of shares | 48,617,156 | 42,512,635 | 29,671,564 |
| % Operating charges | 0.40% | 0.40% | 0.40% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 106.3 | 109.1 | 111.0 |
| Lowest share price | 102.1 | 103.8 | 96.34 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
‡ Net Share class was renamed Gross at close of business 2 June 2017.
‡‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.
From 6 April 2017, Funds will pay all interest distributions gross (without deducting income tax). This measure was announced in the 2016 Budget and was enacted in Finance Bill 2017. All relevant figures and disclosures relating to this change have been adjusted where required.

## Asset breakdown

| | % |
|---|---|
| Corporate Bonds | 85.88 |
| Collective Investment Schemes | 4.95 |
| Supranationals | 4.43 |
| Liquidity Funds | 1.79 |
| Forward Currency Contracts | 0.89 |
| Government Bonds | 0.41 |
| Swaps | 0.01 |
| Futures | (0.15) |
| Net other assets | 1.79 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Corporate Bonds 85.88% (87.06%)** | | | |
| **Communication Services 5.28% (6.88%)** | | | |
| **Diversified Telecommunication Services 3.31% (3.84%)** | | | |
| AT&T, Inc. 4.38% 14/09/2029 | £90,000 | 97 | 0.06 |
| AT&T, Inc. 4.25% 01/06/2043 | £1,225,000 | 1,273 | 0.83 |
| British Telecommunications plc 2.13% 26/09/2028 | €123,000 | 107 | 0.07 |
| British Telecommunications plc 6.38% 23/06/2037 | £50,000 | 68 | 0.04 |
| Deutsche Telekom International Finance BV 7.63% 15/06/2030 | £500,000 | 725 | 0.48 |
| Orange SA 5.63% 23/01/2034 | £550,000 | 716 | 0.47 |
| Orange SA, FRN 5.75% Perpetual | £700,000 | 744 | 0.49 |
| Telecom Italia SpA 2.50% 19/07/2023 | €200,000 | 169 | 0.11 |
| Telecom Italia SpA 2.38% 12/10/2027 | €100,000 | 75 | 0.05 |
| Telefonica Emisiones SA 5.38% 02/02/2026 | £550,000 | 637 | 0.42 |
| Verizon Communications, Inc. 3.13% 02/11/2035 | £450,000 | 446 | 0.29 |
| | | **5,057** | **3.31** |
| **Media 1.21% (1.57%)** | | | |
| Altice Finco SA 4.75% 15/01/2028 | €100,000 | 72 | 0.05 |
| Comcast Corp. 5.50% 23/11/2029 | £500,000 | 641 | 0.42 |
| Sky Ltd. 2.25% 17/11/2025 | €860,000 | 798 | 0.52 |
| Time Warner Cable LLC 5.75% 02/06/2031 | £150,000 | 173 | 0.11 |
| Time Warner Cable LLC 5.25% 15/07/2042 | £150,000 | 165 | 0.11 |
| | | **1,849** | **1.21** |
| **Wireless Telecommunication Services 0.76% (1.47%)** | | | |
| America Movil SAB de CV 5.75% 28/06/2030 | £550,000 | 705 | 0.46 |
| America Movil SAB de CV, FRN 6.37% 06/09/2073 | €170,000 | 171 | 0.11 |
| Vodafone Group plc 3.38% 08/08/2049 | £310,000 | 279 | 0.19 |
| | | **1,155** | **0.76** |
| **Communication Services total** | | **8,061** | **5.28** |
| **Consumer Discretionary 1.61% (2.41%)** | | | |
| **Auto Components 0.00% (0.21%)** | | | |
| **Automobiles 0.42% (0.73%)** | | | |
| Daimler International Finance BV 1.50% 13/01/2022 | £192,000 | 188 | 0.12 |
| Daimler International Finance BV 2.13% 07/06/2022 | £343,000 | 343 | 0.23 |
| RCI Banque SA 1.88% 08/11/2022 | £109,000 | 106 | 0.07 |
| | | **637** | **0.42** |
| **Distributors 0.10% (0.09%)** | | | |
| Bunzl Finance plc 2.25% 11/06/2025 | £157,000 | 153 | 0.10 |
| | | **153** | **0.10** |
| **Diversified Consumer Services 0.32% (0.29%)** | | | |
| Cardiff University 3.00% 07/12/2055 | £200,000 | 217 | 0.14 |
| University of Oxford 2.54% 08/12/2117 | £284,000 | 268 | 0.18 |
| | | **485** | **0.32** |
| **Hotels, Restaurants & Leisure 0.69% (0.73%)** | | | |
| Compass Group plc 2.00% 03/07/2029 | £300,000 | 293 | 0.19 |
| InterContinental Hotels Group plc 3.75% 14/08/2025 | £396,000 | 413 | 0.27 |
| InterContinental Hotels Group plc 2.13% 24/08/2026 | £164,000 | 154 | 0.10 |
| McDonald's Corp. 4.60% 26/05/2045 | $265,000 | 200 | 0.13 |
| | | **1,060** | **0.69** |
| **Multiline Retail 0.08% (0.36%)** | | | |
| Next plc 3.63% 18/05/2028 | £122,000 | 122 | 0.08 |
| | | **122** | **0.08** |
| **Consumer Discretionary total** | | **2,457** | **1.61** |
| **Consumer Staples 4.36% (3.47%)** | | | |
| **Beverages 1.34% (0.84%)** | | | |
| Anheuser-Busch Cos. LLC 4.90% 01/02/2046 | $125,000 | 89 | 0.06 |
| Anheuser-Busch InBev SA 9.75% 30/07/2024 | £170,000 | 233 | 0.15 |
| Anheuser-Busch InBev SA 1.75% 07/03/2025 | £541,000 | 520 | 0.34 |
| Anheuser-Busch InBev SA 4.00% 24/09/2025 | £1,100,000 | 1,202 | 0.79 |
| | | **2,044** | **1.34** |
| **Food & Staples Retailing 1.59% (0.80%)** | | | |
| CK Hutchison Europe Finance 18 Ltd. 1.25% 13/04/2025 | €810,000 | 699 | 0.46 |
| Koninklijke Ahold Delhaize NV, FRN 0.00% 19/03/2021 | €124,000 | 108 | 0.07 |
| Tesco Corporate Treasury Services plc 2.50% 01/07/2024 | €140,000 | 127 | 0.08 |
| Tesco plc 6.13% 24/02/2022 | £300,000 | 332 | 0.22 |
| Tesco plc 6.00% 14/12/2029 | £70,000 | 84 | 0.05 |
| Walmart, Inc. 5.63% 27/03/2034 | £450,000 | 644 | 0.42 |
| Walmart, Inc. 5.25% 28/09/2035 | £308,000 | 435 | 0.29 |
| | | **2,429** | **1.59** |
| **Food Products 0.00% (0.35%)** | | | |
| **Personal Products 0.09% (0.08%)** | | | |
| Unilever plc 1.13% 03/02/2022 | £140,000 | 139 | 0.09 |
| | | **139** | **0.09** |
| **Tobacco 1.34% (1.40%)** | | | |
| BAT Capital Corp. 2.13% 15/08/2025 | £874,000 | 829 | 0.54 |
| BAT International Finance plc 4.00% 04/09/2026 | £400,000 | 422 | 0.28 |
| Imperial Brands Finance plc 9.00% 17/02/2022 | £500,000 | 595 | 0.39 |
| Imperial Brands Finance plc 4.88% 07/06/2032 | £100,000 | 110 | 0.07 |
| Philip Morris International, Inc. 1.88% 06/11/2037 | €105,000 | 86 | 0.06 |
| | | **2,042** | **1.34** |
| **Consumer Staples total** | | **6,654** | **4.36** |
| **Energy 3.01% (2.15%)** | | | |
| **Oil, Gas & Consumable Fuels 3.01% (2.15%)** | | | |
| BG Energy Capital plc 5.00% 04/11/2036 | £350,000 | 477 | 0.31 |
| BP Capital Markets plc 0.90% 03/07/2024 | €200,000 | 176 | 0.12 |
| BP Capital Markets plc 2.03% 14/02/2025 | £300,000 | 300 | 0.20 |
| Equinor ASA 6.88% 11/03/2031 | £300,000 | 447 | 0.29 |
| Repsol International Finance BV, FRN 3.88% Perpetual | €413,000 | 376 | 0.25 |
| Southern Gas Networks plc 4.88% 05/10/2023 | £1,220,000 | 1,382 | 0.90 |
| Southern Gas Networks plc 3.10% 15/09/2036 | £230,000 | 230 | 0.15 |
| Total Capital International SA 0.63% 04/10/2024 | €100,000 | 88 | 0.06 |
| Total Capital International SA 1.49% 04/09/2030 | €300,000 | 269 | 0.18 |
| TOTAL SA, FRN 2.25% Perpetual | €950,000 | 845 | 0.55 |
| | | **4,590** | **3.01** |
| **Energy total** | | **4,590** | **3.01** |
| **Financials 38.69% (41.49%)** | | | |
| **Banks 22.67% (24.54%)** | | | |
| ABN AMRO Bank NV, FRN 2.87% 18/01/2028 | €300,000 | 276 | 0.18 |
| ABN AMRO Bank NV, FRN 4.40% 27/03/2028 | $200,000 | 150 | 0.10 |
| AIB Group plc 1.50% 29/03/2023 | €258,000 | 224 | 0.15 |
| AIB Group plc 2.25% 03/07/2025 | €350,000 | 306 | 0.20 |
| Allied Irish Banks plc, FRN 4.13% 26/11/2025 | €600,000 | 539 | 0.35 |
| Bank of America Corp. 2.30% 25/07/2025 | £333,000 | 331 | 0.22 |
| Bank of America Corp. 7.00% 31/07/2028 | £750,000 | 1,014 | 0.66 |
| Bank of America Corp., FRN 1.38% 07/02/2025 | €497,000 | 441 | 0.29 |
| Bank of Ireland, FRN 4.25% 11/06/2024 | €350,000 | 308 | 0.20 |
| Bank of Ireland Group plc, FRN 4.12% 19/09/2027 | $200,000 | 141 | 0.09 |
| Bank of Montreal 1.63% 21/06/2022 | £169,000 | 169 | 0.11 |
| Bank of Nova Scotia (The) 1.25% 08/06/2022 | £1,050,000 | 1,037 | 0.68 |
| Bankinter SA, FRN 2.50% 06/04/2027 | €300,000 | 262 | 0.17 |
| Barclays plc 3.13% 17/01/2024 | £466,000 | 466 | 0.30 |
| Barclays plc, FRN 2.38% 06/10/2023 | £304,000 | 297 | 0.19 |
| Barclays plc, FRN 2.63% 11/11/2025 | €710,000 | 618 | 0.40 |
| Barclays plc, FRN 1.37% 24/01/2026 | €386,000 | 321 | 0.21 |
| Barclays plc, FRN 2.00% 07/02/2028 | €234,000 | 192 | 0.13 |
| BNP Paribas SA 1.13% 16/08/2022 | £650,000 | 634 | 0.42 |
| BNP Paribas SA, FRN 2.13% 23/01/2027 | €100,000 | 89 | 0.06 |
| Cadent Finance plc 3.13% 21/03/2040 | £100,000 | 99 | 0.06 |
| Cadent Finance plc 2.75% 22/09/2046 | £600,000 | 548 | 0.36 |
| CaixaBank SA, FRN 3.50% 15/02/2027 | €200,000 | 182 | 0.12 |
| CaixaBank SA, FRN 6.75% Perpetual | €200,000 | 183 | 0.12 |
| Citigroup, Inc. 2.75% 24/01/2024 | £113,000 | 114 | 0.07 |
| Citigroup, Inc. 4.30% 20/11/2026 | $640,000 | 486 | 0.32 |
| Citigroup, Inc. 4.50% 03/03/2031 | £400,000 | 447 | 0.29 |
| Citigroup, Inc., FRN 3.67% 24/07/2028 | $190,000 | 141 | 0.09 |
| Citigroup, Inc., FRN 5.95% Perpetual | $190,000 | 143 | 0.09 |
| Cooperatieve Rabobank UA 5.25% 14/09/2027 | £400,000 | 458 | 0.30 |
| Cooperatieve Rabobank UA 4.63% 23/05/2029 | £445,000 | 491 | 0.32 |
| Cooperatieve Rabobank UA, FRN 4.00% 10/04/2029 | $200,000 | 148 | 0.10 |
| Credit Agricole SA, FRN 6.50% Perpetual | €100,000 | 94 | 0.06 |
| Credit Agricole SA, FRN 8.12% Perpetual | $400,000 | 329 | 0.22 |
| Credit Mutuel Arkea SA, FRN 1.88% 25/10/2029 | €200,000 | 163 | 0.11 |
| Credit Suisse Group Funding Guernsey Ltd. 3.00% 27/05/2022 | £400,000 | 410 | 0.27 |
| Danske Bank A/S, FRN 5.88% Perpetual | €400,000 | 352 | 0.23 |
| HSBC Holdings plc 5.75% 20/12/2027 | £1,300,000 | 1,536 | 1.01 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| HSBC Holdings plc 6.00% 29/03/2040 | £500,000 | 629 | 0.41 |
| HSBC Holdings plc, FRN 2.17% 27/06/2023 | £333,000 | 330 | 0.22 |
| HSBC Holdings plc, FRN 2.26% 13/11/2026 | £945,000 | 911 | 0.60 |
| HSBC Holdings plc, FRN 6.00% Perpetual | €300,000 | 290 | 0.19 |
| ING Groep NV, FRN 3.00% 11/04/2028 | €500,000 | 457 | 0.30 |
| ING Groep NV, FRN 2.50% 15/02/2029 | €300,000 | 268 | 0.18 |
| Intesa Sanpaolo SpA 5.25% 12/01/2024 | $440,000 | 333 | 0.22 |
| Intesa Sanpaolo SpA 5.71% 15/01/2026 | $200,000 | 141 | 0.09 |
| KBC Group NV, FRN 1.62% 18/09/2029 | €100,000 | 85 | 0.06 |
| Kreditanstalt fuer Wiederaufbau 6.00% 07/12/2028 | £2,950,000 | 4,117 | 2.70 |
| Lloyds Bank plc 7.50% 15/04/2024 | £800,000 | 1,000 | 0.65 |
| Lloyds Bank plc 4.88% 30/03/2027 | £1,620,000 | 1,961 | 1.28 |
| Lloyds Bank plc, FRN 5.75% 09/07/2025 | £550,000 | 574 | 0.38 |
| Royal Bank of Scotland Group plc 2.50% 22/03/2023 | €200,000 | 181 | 0.12 |
| Royal Bank of Scotland Group plc, FRN 2.00% 08/03/2023 | €450,000 | 399 | 0.26 |
| Royal Bank of Scotland Group plc, FRN 3.50% 15/05/2023 | $1,000,000 | 743 | 0.49 |
| Royal Bank of Scotland Group plc, FRN 1.75% 02/03/2026 | €366,000 | 313 | 0.21 |
| Royal Bank of Scotland Group plc, FRN 2.87% 19/09/2026 | £800,000 | 777 | 0.51 |
| Santander UK Group Holdings plc 1.13% 08/09/2023 | €200,000 | 172 | 0.11 |
| Santander UK Group Holdings plc 3.63% 14/01/2026 | £1,040,000 | 1,064 | 0.70 |
| Santander UK plc 5.25% 16/02/2029 | £270,000 | 343 | 0.22 |
| Skandinaviska Enskilda Banken AB 1.25% 05/08/2022 | £500,000 | 493 | 0.32 |
| Societe Generale SA, FRN 8.00% Perpetual | $200,000 | 158 | 0.10 |
| Swedbank AB, FRN 1.00% 22/11/2027 | €300,000 | 256 | 0.17 |
| UBS Group Funding Switzerland AG, FRN 5.75% Perpetual | €500,000 | 473 | 0.31 |
| UBS Group Funding Switzerland AG, FRN 7.00% Perpetual | $500,000 | 402 | 0.26 |
| UniCredit SpA 3.75% 12/04/2022 | $505,000 | 371 | 0.24 |
| Wells Fargo & Co. 2.13% 22/04/2022 | £295,000 | 296 | 0.19 |
| Wells Fargo & Co. 1.38% 30/06/2022 | £241,000 | 236 | 0.15 |
| Wells Fargo & Co. 2.13% 20/12/2023 | £346,000 | 344 | 0.23 |
| Wells Fargo & Co. 2.00% 28/07/2025 | £1,014,000 | 993 | 0.65 |
| Wells Fargo & Co. 4.88% 29/11/2035 | £150,000 | 183 | 0.12 |
| Wells Fargo Bank NA 5.25% 01/08/2023 | £400,000 | 450 | 0.29 |
| Westpac Banking Corp. 2.13% 02/05/2025 | £750,000 | 751 | 0.49 |
| | | **34,633** | **22.67** |
| **Capital Markets 3.43% (4.16%)** | | | |
| Credit Suisse AG, FRN 5.75% 18/09/2025 | €230,000 | 216 | 0.14 |
| Credit Suisse Group AG, FRN 2.13% 12/09/2025 | £500,000 | 478 | 0.31 |
| Credit Suisse Group AG, FRN 7.50% Perpetual | $500,000 | 403 | 0.26 |
| Goldman Sachs Group, Inc. (The) 5.50% 12/10/2021 | £750,000 | 815 | 0.53 |
| Goldman Sachs Group, Inc. (The) 7.13% 07/08/2025 | £200,000 | 251 | 0.16 |
| Goldman Sachs Group, Inc. (The) 4.25% 29/01/2026 | £1,000,000 | 1,084 | 0.71 |
| Goldman Sachs Group, Inc. (The) 5.15% 22/05/2045 | $90,000 | 69 | 0.05 |
| Goldman Sachs Group, Inc. (The), FRN 0.14% 16/12/2020 | €300,000 | 263 | 0.17 |
| Morgan Stanley 3.88% 27/01/2026 | $700,000 | 533 | 0.35 |
| Morgan Stanley 2.63% 09/03/2027 | £212,000 | 210 | 0.14 |
| Morgan Stanley 1.88% 27/04/2027 | €700,000 | 626 | 0.41 |
| Morgan Stanley, FRN 1.34% 23/10/2026 | €346,000 | 299 | 0.20 |
| | | **5,247** | **3.43** |
| **Consumer Finance 0.74% (0.66%)** | | | |
| Affordable Housing Finance plc 3.80% 20/05/2044 | £171,000 | 221 | 0.14 |
| FCA Bank SpA 1.00% 21/02/2022 | €159,000 | 138 | 0.09 |
| General Motors Financial Co., Inc. 2.25% 06/09/2024 | £372,000 | 353 | 0.23 |
| Volkswagen Bank GmbH 0.75% 15/06/2023 | €191,000 | 161 | 0.11 |
| Volkswagen International Finance NV, FRN 2.70% Perpetual | €300,000 | 254 | 0.17 |
| | | **1,127** | **0.74** |
| **Diversified Financial Services 3.51% (3.22%)** | | | |
| Clarion Funding plc 3.13% 19/04/2048 | £135,000 | 133 | 0.09 |
| EDP Finance BV 8.63% 04/01/2024 | £1,350,000 | 1,716 | 1.12 |
| EDP Finance BV 1.50% 22/11/2027 | €239,000 | 201 | 0.13 |
| GE Capital International Funding Co. Unlimited Co. 4.42% 15/11/2035 | $600,000 | 396 | 0.26 |
| LCR Finance plc 4.50% 07/12/2028 | £900,000 | 1,135 | 0.74 |
| Motability Operations Group plc 2.38% 14/03/2032 | £259,000 | 255 | 0.17 |
| Nationwide Building Society 5.63% 28/01/2026 | £350,000 | 440 | 0.29 |
| Nationwide Building Society 3.25% 20/01/2028 | £340,000 | 360 | 0.24 |
| Riverside Finance plc 3.88% 05/12/2044 | £300,000 | 337 | 0.22 |
| Siemens Financieringsmaatschappij NV 0.38% 06/09/2023 | €145,000 | 127 | 0.08 |
| Siemens Financieringsmaatschappij NV 1.38% 06/09/2030 | €170,000 | 150 | 0.10 |
| Thames Water Utilities Finance plc 3.50% 25/02/2028 | £100,000 | 105 | 0.07 |
| | | **5,355** | **3.51** |
| **Insurance 6.32% (6.58%)** | | | |
| Allianz SE, FRN 5.63% 17/10/2042 | €100,000 | 101 | 0.07 |
| American International Group, Inc. 5.00% 26/04/2023 | £950,000 | 1,050 | 0.69 |
| American International Group, Inc. 1.88% 21/06/2027 | €123,000 | 106 | 0.07 |
| Aviva plc, FRN 6.62% 03/06/2041 | £1,790,000 | 1,945 | 1.27 |
| Aviva plc, FRN 4.38% 12/09/2049 | £100,000 | 97 | 0.06 |
| Aviva plc, FRN 5.13% 04/06/2050 | £224,000 | 228 | 0.15 |
| Credit Agricole Assurances SA, FRN 2.63% 29/01/2048 | €200,000 | 158 | 0.10 |
| E.ON International Finance BV 6.75% 27/01/2039 | £750,000 | 1,116 | 0.73 |
| Hannover Finance Luxembourg SA, FRN 5.00% 30/06/2043 | €400,000 | 401 | 0.26 |
| Legal & General Group plc, FRN 5.13% 14/11/2048 | £440,000 | 455 | 0.30 |
| Liberty Mutual Finance Europe DAC 1.75% 27/03/2024 | €146,000 | 129 | 0.09 |
| Metropolitan Life Global Funding I 1.63% 09/06/2022 | £350,000 | 349 | 0.23 |
| Metropolitan Life Global Funding I 3.50% 30/09/2026 | £200,000 | 220 | 0.14 |
| Muenchener Rueckversicherungs-Gesellschaft AG, FRN 6.62% 26/05/2042 | £700,000 | 796 | 0.52 |
| Muenchener Rueckversicherungs-Gesellschaft AG, FRN 3.25% 26/05/2049 | €200,000 | 183 | 0.12 |
| Prudential Financial, Inc. 4.60% 15/05/2044 | $240,000 | 187 | 0.12 |
| RSA Insurance Group plc, FRN 5.13% 10/10/2045 | £1,050,000 | 1,121 | 0.73 |
| Swiss Reinsurance Co. Ltd., FRN 2.60% Perpetual | €80,000 | 71 | 0.05 |
| Zurich Finance UK plc, FRN 6.62% Perpetual | £850,000 | 942 | 0.62 |
| | | **9,655** | **6.32** |
| **Real Estate Management & Development 0.49% (0.43%)** | | | |
| Harbour Funding plc 5.28% 31/03/2044 | £300,000 | 381 | 0.25 |
| RSL Finance No. 1 plc 6.63% 31/03/2038 | £270,037 | 370 | 0.24 |
| | | **751** | **0.49** |
| **Thrifts & Mortgage Finance 1.53% (1.90%)** | | | |
| BPCE SA 5.15% 21/07/2024 | $400,000 | 310 | 0.20 |
| BPCE SA 5.25% 16/04/2029 | £500,000 | 579 | 0.38 |
| BPCE SA, FRN 0.19% 23/03/2023 | €100,000 | 85 | 0.06 |
| Yorkshire Building Society 3.50% 21/04/2026 | £1,325,000 | 1,361 | 0.89 |
| | | **2,335** | **1.53** |
| **Financials total** | | **59,103** | **38.69** |
| **Health Care 2.31% (1.95%)** | | | |
| **Biotechnology 0.20% (0.17%)** | | | |
| Amgen, Inc. 5.50% 07/12/2026 | £250,000 | 303 | 0.20 |
| | | **303** | **0.20** |
| **Health Care Equipment & Supplies 0.65% (0.00%)** | | | |
| Abbott Ireland Financing DAC 1.50% 27/09/2026 | €825,000 | 728 | 0.48 |
| Becton Dickinson and Co. 1.40% 24/05/2023 | €300,000 | 265 | 0.17 |
| | | **993** | **0.65** |
| **Health Care Providers & Services 0.32% (0.46%)** | | | |
| BUPA Finance plc 2.00% 05/04/2024 | £500,000 | 494 | 0.32 |
| | | **494** | **0.32** |
| **Life Sciences Tools & Services 0.00% (0.08%)** | | | |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Pharmaceuticals 1.14% (1.24%)** | | | |
| GlaxoSmithKline Capital plc 3.38% 20/12/2027 | £625,000 | 688 | 0.45 |
| GlaxoSmithKline Capital plc 5.25% 19/12/2033 | £800,000 | 1,054 | 0.69 |
| | | **1,742** | **1.14** |
| **Health Care total** | | **3,532** | **2.31** |
| **Industrials 9.66% (8.65%)** | | | |
| **Aerospace & Defense 0.30% (0.00%)** | | | |
| Airbus Finance BV 1.38% 13/05/2031 | €325,000 | 284 | 0.19 |
| United Technologies Corp. 2.15% 18/05/2030 | €200,000 | 176 | 0.11 |
| | | **460** | **0.30** |
| **Airlines 0.00% (0.38%)** | | | |
| **Building Products 1.01% (0.33%)** | | | |
| Cie de Saint-Gobain 5.63% 15/11/2024 | £150,000 | 176 | 0.12 |
| Cie de Saint-Gobain 1.88% 21/09/2028 | €300,000 | 265 | 0.17 |
| Cie de Saint-Gobain 4.63% 09/10/2029 | £340,000 | 389 | 0.25 |
| Crh Finance UK plc 4.13% 02/12/2029 | £650,000 | 719 | 0.47 |
| | | **1,549** | **1.01** |
| **Commercial Services & Supplies 0.40% (0.00%)** | | | |
| Indigo Group SAS 1.63% 19/04/2028 | €200,000 | 170 | 0.11 |
| Wellcome Trust Ltd. (The) 2.52% 07/02/2118 | £471,000 | 447 | 0.29 |
| | | **617** | **0.40** |
| **Construction & Engineering 3.26% (2.94%)** | | | |
| Bouygues SA 5.50% 06/10/2026 | £150,000 | 178 | 0.12 |
| Gatwick Funding Ltd. 5.25% 23/01/2026 | £739,000 | 841 | 0.55 |
| Gatwick Funding Ltd. 3.13% 28/09/2041 | £284,000 | 278 | 0.18 |
| Gatwick Funding Ltd. 3.25% 26/02/2048 | £296,000 | 291 | 0.19 |
| Gatwick Funding Ltd. 2.63% 07/10/2048 | £121,000 | 105 | 0.07 |
| Heathrow Funding Ltd. 7.13% 14/02/2024 | £250,000 | 301 | 0.20 |
| Heathrow Funding Ltd. 6.75% 03/12/2028 | £800,000 | 1,041 | 0.68 |
| Heathrow Funding Ltd. 1.88% 12/07/2032 | €150,000 | 130 | 0.08 |
| Heathrow Funding Ltd. 5.88% 13/05/2043 | £745,000 | 1,051 | 0.69 |
| Heathrow Funding Ltd. 4.63% 31/10/2046 | £140,000 | 174 | 0.11 |
| Manchester Airport Group Funding plc 4.75% 31/03/2034 | £190,000 | 230 | 0.15 |
| Vinci SA 1.63% 18/01/2029 | €200,000 | 177 | 0.12 |
| Vinci SA 1.75% 26/09/2030 | €200,000 | 176 | 0.12 |
| | | **4,973** | **3.26** |
| **Electrical Equipment 0.12% (0.10%)** | | | |
| Eaton Corp. 3.92% 15/09/2047 | $270,000 | 186 | 0.12 |
| | | **186** | **0.12** |
| **Industrial Conglomerates 0.87% (0.37%)** | | | |
| General Electric Co. 5.25% 07/12/2028 | £520,000 | 568 | 0.37 |
| General Electric Co. 2.13% 17/05/2037 | €777,000 | 540 | 0.35 |
| General Electric Co. 5.38% 18/12/2040 | £200,000 | 222 | 0.15 |
| | | **1,330** | **0.87** |
| **Road & Rail 3.70% (3.45%)** | | | |
| Europcar Mobility Group 4.13% 15/11/2024 | €100,000 | 85 | 0.06 |
| Eversholt Funding plc 6.36% 02/12/2025 | £780,000 | 946 | 0.62 |
| Eversholt Funding plc 3.53% 07/08/2042 | £146,000 | 140 | 0.09 |
| Great Rolling Stock Co. Ltd. (The) 6.25% 27/07/2020 | £570,000 | 606 | 0.40 |
| Great Rolling Stock Co. Ltd. (The) 6.50% 05/04/2031 | £844,800 | 1,043 | 0.68 |
| National Express Group plc 2.50% 11/11/2023 | £220,000 | 217 | 0.14 |
| Network Rail Infrastructure Finance plc 4.75% 29/11/2035 | £800,000 | 1,128 | 0.74 |
| Porterbrook Rail Finance Ltd. 7.13% 20/10/2026 | £400,000 | 508 | 0.33 |
| Transport for London 2.13% 24/04/2025 | £950,000 | 971 | 0.64 |
| | | **5,644** | **3.70** |
| **Transportation Infrastructure 0.00% (1.08%)** | | | |
| **Industrials total** | | **14,759** | **9.66** |
| **Information Technology 1.57% (0.80%)** | | | |
| **IT Services 0.52% (0.09%)** | | | |
| DXC Technology Co. 2.75% 15/01/2025 | £313,000 | 300 | 0.20 |
| DXC Technology Co. 1.75% 15/01/2026 | €397,000 | 330 | 0.22 |
| Fidelity National Information Services, Inc. 1.70% 30/06/2022 | £162,000 | 159 | 0.10 |
| | | **789** | **0.52** |
| **Semiconductors & Semiconductor Equipment 0.25% (0.20%)** | | | |
| NXP BV 4.63% 01/06/2023 | $500,000 | 386 | 0.25 |
| | | **386** | **0.25** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Software 0.05% (0.10%)** | | | |
| Oracle Corp. 4.50% 08/07/2044 | $90,000 | 70 | 0.05 |
| | | **70** | **0.05** |
| **Technology Hardware, Storage & Peripherals 0.75% (0.41%)** | | | |
| Apple, Inc. 1.38% 24/05/2029 | €370,000 | 334 | 0.22 |
| Apple, Inc. 3.60% 31/07/2042 | £250,000 | 290 | 0.19 |
| Apple, Inc. 4.65% 23/02/2046 | $180,000 | 148 | 0.09 |
| Dell International LLC 6.02% 15/06/2026 | $480,000 | 379 | 0.25 |
| | | **1,151** | **0.75** |
| **Information Technology total** | | **2,396** | **1.57** |
| **Materials 0.86% (1.26%)** | | | |
| **Chemicals 0.20% (0.18%)** | | | |
| Celanese US Holdings LLC 1.25% 11/02/2025 | €374,000 | 316 | 0.20 |
| | | **316** | **0.20** |
| **Construction Materials 0.00% (0.41%)** | | | |
| **Metals & Mining 0.66% (0.67%)** | | | |
| BHP Billiton Finance Ltd., FRN 6.50% 22/10/2077 | £325,000 | 362 | 0.24 |
| BHP Billiton Finance Ltd., FRN 5.63% 22/10/2079 | €281,000 | 286 | 0.19 |
| Glencore Finance Europe Ltd. 6.00% 03/04/2022 | £150,000 | 165 | 0.11 |
| Glencore Finance Europe Ltd. 3.75% 01/04/2026 | €200,000 | 191 | 0.12 |
| | | **1,004** | **0.66** |
| **Materials total** | | **1,320** | **0.86** |
| **Real Estate 4.35% (2.96%)** | | | |
| **Equity Real Estate Investment Trusts (REITs) 2.44% (1.91%)** | | | |
| American Tower Corp. 1.95% 22/05/2026 | €221,000 | 195 | 0.13 |
| Digital Stout Holding LLC 3.75% 17/10/2030 | £160,000 | 161 | 0.10 |
| Goodman Australia Finance Pty. Ltd. 1.38% 27/09/2025 | €234,000 | 198 | 0.13 |
| Hammerson plc 6.00% 23/02/2026 | £360,000 | 409 | 0.27 |
| Prologis Euro Finance LLC 1.88% 05/01/2029 | €100,000 | 88 | 0.06 |
| Prologis LP 3.00% 02/06/2026 | €100,000 | 97 | 0.06 |
| Prologis LP 2.25% 30/06/2029 | £600,000 | 574 | 0.38 |
| Scentre Group Trust 1 2.38% 08/04/2022 | £606,000 | 613 | 0.40 |
| SELP Finance Sarl 1.25% 25/10/2023 | €107,000 | 93 | 0.06 |
| SELP Finance Sarl 1.50% 20/11/2025 | €236,000 | 199 | 0.13 |
| Welltower, Inc. 4.80% 20/11/2028 | £698,000 | 786 | 0.51 |
| Welltower, Inc. 4.50% 01/12/2034 | £142,000 | 156 | 0.10 |
| WPC Eurobond BV 2.13% 15/04/2027 | €194,000 | 165 | 0.11 |
| | | **3,734** | **2.44** |
| **Real Estate Management & Development 1.91% (1.05%)** | | | |
| Affinity Sutton Capital Markets plc 5.98% 17/09/2038 | £400,000 | 575 | 0.38 |
| London & Quadrant Housing Trust Ltd. 2.63% 28/02/2028 | £231,000 | 230 | 0.15 |
| London & Quadrant Housing Trust Ltd. 4.63% 05/12/2033 | £520,000 | 626 | 0.41 |
| Notting Hill Genesis 2.88% 31/01/2029 | £250,000 | 249 | 0.16 |
| Notting Hill Housing Trust 5.25% 07/07/2042 | £200,000 | 258 | 0.17 |
| Peabody Capital No. 2 plc 3.25% 14/09/2048 | £151,000 | 150 | 0.10 |
| THFC Funding No. 2 plc 6.35% 08/07/2041 | £250,000 | 365 | 0.24 |
| THFC Funding No. 3 plc 5.20% 11/10/2043 | £350,000 | 461 | 0.30 |
| | | **2,914** | **1.91** |
| **Real Estate total** | | **6,648** | **4.35** |
| **Utilities 14.18% (15.04%)** | | | |
| **Electric Utilities 8.79% (8.37%)** | | | |
| Electricite de France SA 6.25% 30/05/2028 | £2,200,000 | 2,841 | 1.86 |
| Electricite de France SA 6.00% 23/01/2114 | £600,000 | 815 | 0.53 |
| Electricity North West Ltd. 8.88% 25/03/2026 | £650,000 | 919 | 0.60 |
| Enel Finance International NV 5.63% 14/08/2024 | £600,000 | 683 | 0.45 |
| Enel Finance International NV 1.13% 16/09/2026 | €363,000 | 304 | 0.20 |
| Enel Finance International NV 5.75% 14/09/2040 | £450,000 | 551 | 0.36 |
| Enel SpA, FRN 7.75% 10/09/2075 | £292,000 | 311 | 0.20 |
| Enel SpA, FRN 2.50% 24/11/2078 | €100,000 | 82 | 0.05 |
| Iberdrola Finanzas SA 7.38% 29/01/2024 | £900,000 | 1,118 | 0.73 |
| Iberdrola International BV, FRN 1.87% Perpetual | €100,000 | 83 | 0.06 |
| London Power Networks plc 5.13% 31/03/2023 | £1,450,000 | 1,639 | 1.07 |
| PPL Capital Funding, Inc. 4.00% 15/09/2047 | $155,000 | 103 | 0.07 |
| South Eastern Power Networks plc 5.50% 05/06/2026 | £570,000 | 684 | 0.45 |
| South Eastern Power Networks plc 5.63% 30/09/2030 | £179,000 | 228 | 0.15 |
| South Eastern Power Networks plc 5.63% 30/09/2030 (Unsecured) | £100,000 | 127 | 0.08 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Southern Electric Power Distribution plc 5.50% 07/06/2032 | £350,000 | 443 | 0.29 |
| SP Distribution plc 5.88% 17/07/2026 | £100,000 | 123 | 0.08 |
| SSE plc 8.38% 20/11/2028 | £100,000 | 147 | 0.10 |
| Vattenfall AB 6.88% 15/04/2039 | £50,000 | 79 | 0.05 |
| Western Power Distribution East Midlands plc 6.25% 10/12/2040 | £640,000 | 936 | 0.61 |
| Western Power Distribution East Midlands plc 2.67% 01/06/2043 | £100,000 | 200 | 0.13 |
| Western Power Distribution South West plc 2.38% 16/05/2029 | £304,000 | 294 | 0.19 |
| Western Power Distribution West Midlands plc 3.88% 17/10/2024 | £431,000 | 467 | 0.31 |
| Western Power Distribution West Midlands plc 5.75% 16/04/2032 | £200,000 | 259 | 0.17 |
| | | 13,436 | 8.79 |
| **Gas Utilities 1.30% (0.89%)** | | | |
| NGGLN 4.00% 08/06/2027 | £135,000 | 135 | 0.09 |
| NorteGas Energia Distribucion SAU 2.07% 28/09/2027 | €267,000 | 227 | 0.15 |
| Northern Gas Networks Finance plc 4.88% 30/06/2027 | £440,000 | 522 | 0.34 |
| Quadgas Finance plc 3.38% 17/09/2029 | £309,000 | 307 | 0.20 |
| Scotland Gas Networks plc 3.25% 08/03/2027 | £200,000 | 209 | 0.14 |
| Wales & West Utilities Finance plc 5.75% 29/03/2030 | £450,000 | 585 | 0.38 |
| | | 1,985 | 1.30 |
| **Independent Power and Renewable Electricity Producers 0.17% (0.15%)** | | | |
| Alliander NV, FRN 1.62% Perpetual | €132,000 | 113 | 0.08 |
| Eastern Power Networks plc 6.25% 12/11/2036 | £100,000 | 143 | 0.09 |
| | | 256 | 0.17 |
| **Multi-Utilities 2.01% (2.75%)** | | | |
| Centrica plc 4.38% 13/03/2029 | £820,000 | 919 | 0.60 |
| EnBW International Finance BV 1.88% 31/10/2033 | €86,000 | 78 | 0.05 |
| Engie SA 7.00% 30/10/2028 | £750,000 | 1,054 | 0.69 |
| Engie SA, FRN 3.25% Perpetual | €200,000 | 177 | 0.12 |
| innogy Finance BV 5.63% 06/12/2023 | £400,000 | 466 | 0.30 |
| Veolia Environnement SA 1.94% 07/01/2030 | €100,000 | 90 | 0.06 |
| Veolia Environnement SA 6.13% 29/10/2037 | £200,000 | 286 | 0.19 |
| | | 3,070 | 2.01 |
| **Water Utilities 1.91% (2.88%)** | | | |
| Affinity Water Programme Finance Ltd. 4.50% 31/03/2036 | £100,000 | 125 | 0.08 |
| Anglian Water Services Financing plc 1.63% 10/08/2025 | £332,000 | 321 | 0.21 |
| Anglian Water Services Financing plc 4.50% 05/10/2027 | £300,000 | 346 | 0.23 |
| Anglian Water Services Financing plc 2.75% 26/10/2029 | £126,000 | 127 | 0.08 |
| Bazalgette Finance plc 2.38% 29/11/2027 | £747,000 | 737 | 0.48 |
| Dwr Cymru Financing Ltd. 2.50% 31/03/2036 | £100,000 | 98 | 0.07 |
| Thames Water Utilities Cayman Finance Ltd. 4.38% 03/07/2034 | £500,000 | 565 | 0.37 |
| United Utilities Water Finance plc 2.00% 14/02/2025 | £600,000 | 593 | 0.39 |
| | | 2,912 | 1.91 |
| **Utilities total** | | 21,659 | 14.18 |
| **Corporate Bonds total** | | 131,179 | 85.88 |
| **Government Bonds 0.41% (1.01%)** | | | |
| Italy Government Bond 6.00% 04/08/2028 | £550,000 | 631 | 0.41 |
| **Government Bonds total** | | 631 | 0.41 |
| **Collective Investment Schemes 4.95% (3.65%)** | | | |
| **Investment Companies 4.95%( (3.65%))** | | | |
| JPM Europe High Yield Bond Fund X (acc) - EUR[ø] | 20,654 | 2,216 | 1.45 |
| JPM Global High Yield Bond Fund X (acc) - USD[ø] | 42,812 | 5,345 | 3.50 |
| | | 7,561 | 4.95 |
| **Collective Investment Schemes total** | | 7,561 | 4.95 |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Supranationals 4.43% (3.80%)** | | | |
| **Financials 4.43% (3.80%)** | | | |
| **Banks 4.43% (3.80%)** | | | |
| European Investment Bank 2.50% 31/10/2022 | £800,000 | 838 | 0.55 |
| European Investment Bank 6.00% 07/12/2028 | £1,100,000 | 1,524 | 1.00 |
| European Investment Bank 5.00% 15/04/2039 | £2,920,000 | 4,407 | 2.88 |
| | | 6,769 | 4.43 |
| **Financials total** | | 6,769 | 4.43 |
| **Supranationals total** | | 6,769 | 4.43 |
| **Swaps 0.01% (0.05%)** | | | |
| Credit Default Swap Citigroup iTraxx Europe Senior Financials Series 30 Version 1 20/12/2023 | 3,825,000 | (22) | (0.01) |
| Interest Rate Swap Citigroup Pay fixed 3.06% Receive floating LIBOR 3 month 31/12/2020 | (26,200,000) | (142) | (0.09) |
| Interest Rate Swap Citigroup Pay fixed 2.34% Receive floating LIBOR 3 month 10/04/2027 | (4,000,000) | 73 | 0.05 |
| Interest Rate Swap Citigroup Pay floating LIBOR 6 month Receive fixed 1.17% 03/05/2021 | 8,850,000 | 8 | - |
| Interest Rate Swap Citigroup Pay floating LIBOR 6 month Receive fixed 1.18% 22/06/2021 | 7,400,000 | 5 | - |
| Interest Rate Swap Citigroup Pay floating LIBOR 6 month Receive fixed 1.57% 22/03/2048 | 1,750,000 | (2) | - |
| Interest Rate Swap Citigroup Pay floating LIBOR 6 month Receive fixed 1.55% 23/03/2048 | 1,750,000 | (10) | (0.01) |
| Interest Rate Swap Citigroup Pay floating LIBOR 6 month Receive fixed 1.62% 23/03/2038 | 2,500,000 | 19 | 0.01 |
| Interest Rate Swap Citigroup Pay floating LIBOR 6 month Receive fixed 1.69% 03/05/2038 | 2,500,000 | 49 | 0.03 |
| Interest Rate Swap Citigroup Pay floating LIBOR 6 month Receive fixed 1.66% 03/05/2048 | 1,850,000 | 39 | 0.03 |
| **Swaps total** | | 17 | 0.01 |
| **Forward Currency Contracts 0.89% (0.51%)** | | | |
| Buy EUR 3,539,902 sell GBP 3,119,444 dated 05/02/2019 | | (23) | (0.01) |
| Buy GBP 28,378,429 sell EUR 31,442,900 dated 05/02/2019 | | 868 | 0.56 |
| Buy GBP 15,404,205 sell USD 19,515,597 dated 05/02/2019 | | 542 | 0.36 |
| Buy USD 2,339,768 sell GBP 1,810,715 dated 05/02/2019 | | (29) | (0.02) |
| **Forward Currency Contracts total** | | 1,358 | 0.89 |
| **Futures (0.15)% ((0.02)%)** | | | |
| 3 Month Sterling 16/03/2022 | 127 | 8 | - |
| Euro-Bobl 07/03/2019 | (65) | (37) | (0.02) |
| Euro-Bund 07/03/2019 | (50) | (117) | (0.08) |
| Euro-Buxl 07/03/2019 | (3) | (21) | (0.01) |
| Euro-Schatz 07/03/2019 | (108) | 3 | - |
| Long Gilt 27/03/2019 | 52 | 21 | 0.01 |
| US 2 Year Note 29/03/2019 | 108 | 65 | 0.04 |
| US 5 Year Note 29/03/2019 | (57) | (77) | (0.05) |
| US 10 Year Note 20/03/2019 | (15) | (33) | (0.02) |
| US 10 Year Ultra Bond 20/03/2019 | 6 | 18 | 0.01 |
| US Long Bond 20/03/2019 | (1) | (5) | - |
| US Ultra Bond 20/03/2019 | (8) | (52) | (0.03) |
| **Futures total** | | (227) | (0.15) |
| **Liquidity Funds 1.79% (0.63%)** | | | |
| JPM GBP Liquidity LVNAV Fund X (dist.)[ø] | 2,731,774 | 2,732 | 1.79 |
| **Liquidity Funds total** | | 2,732 | 1.79 |
| Investment assets (including investment liabilities) | | 150,020 | 98.21 |
| Net other assets | | 2,734 | 1.79 |
| **Net assets** | | 152,754 | 100.00 |

The comparative percentage figures in brackets are as at 31 January 2018.
Comparatives have been restated to align to the latest sector information.
[ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (5,274) | | 4,827 |
| Revenue (Note 3) | 5,146 | | 5,553 | |
| Expenses (Note 4) | (1,146) | | (1,314) | |
| Net revenue before taxation | 4,000 | | 4,239 | |
| Taxation (Note 5) | – | | – | |
| Net revenue after taxation | | 4,000 | | 4,239 |
| **Total return before distributions** | | **(1,274)** | | **9,066** |
| Distributions (Note 6) | | (4,001) | | (4,236) |
| **Change in net assets attributable to shareholders from investment activities** | | **(5,275)** | | **4,830** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **178,368** | | **161,720** |
| Amounts receivable on issue of shares | 17,964 | | 36,547 | |
| Amounts payable on cancellation of shares | (40,018) | | (26,822) | |
| | | (22,054) | | 9,725 |
| Dilution adjustment | | 48 | | 33 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (5,275) | | 4,830 |
| Retained distributions on accumulation shares | | 1,664 | | 2,056 |
| Unclaimed distributions | | 3 | | 4 |
| **Closing net assets attributable to shareholders** | | **152,754** | | **178,368** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 150,590 | 173,219 |
| **Current assets:** | | |
| Debtors (Note 8) | 2,202 | 6,803 |
| Cash and bank balances (Note 9) | 1,792 | 1,540 |
| **Total assets** | **154,584** | **181,562** |
| **Liabilities:** | | |
| Investment liabilities | (570) | (759) |
| **Creditors:** | | |
| Distribution payable | (561) | (571) |
| Other creditors (Note 10) | (699) | (1,864) |
| **Total liabilities** | **(1,830)** | **(3,194)** |
| **Net assets attributable to shareholders** | **152,754** | **178,368** |

The notes to these financial statements are shown on pages 290 to 292.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Sterling Corporate Bond Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains | 246 | 435 |
| Derivative contracts | (703) | (109) |
| Forward currency contracts | (1,339) | 1,472 |
| Non-derivative securities | (3,478) | 3,029 |
| Net capital (losses)/gains | (5,274) | 4,827 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Income from Liquidity Funds | 30 | 5 |
| Interest on bank and term deposits | 12 | 3 |
| Interest on derivatives | 122 | 79 |
| Interest on fixed-interest securities | 4,975 | 5,460 |
| Management fee rebates | 7 | 6 |
| Total revenue | 5,146 | 5,553 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 990 | 1,062 |
| Operating expenses | 150 | 249 |
| | 1,140 | 1,311 |
| Interest payable | 6 | 3 |
| Total expenses | 1,146 | 1,314 |

The fees paid to the auditor for the year ended 31 January 2019 are £7,137 (31.01.18: £7,137), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|

**a) Analysis of charge in the year**

There is no corporation tax charge in the current year or prior year.

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is nil. This is different than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 4,000 | 4,239 |
| Corporation tax at 20% | 800 | 848 |
| Effects of: | | |
| Interest distributions deductible for tax purposes | (800) | (848) |
| | (800) | (848) |
| Current year tax charge (Note 5a) | - | - |

No deferred tax asset has been recognised in the financial statements.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First interim interest distribution | 1,045 | 1,005 |
| Second interim interest distribution | 1,064 | 1,052 |
| Third interim interest distribution | 929 | 1,123 |
| Final interest distribution | 883 | 1,072 |
| Add: Amounts payable on cancellation of shares | 130 | 82 |
| Deduct: Amounts receivable on issue of shares | (50) | (98) |
| Distributions for the year | 4,001 | 4,236 |

Details of the distribution per share are set out on pages 293 to 296.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 4,000 | 4,239 |
| Add: RDR transfer equalisation (capital) | - | 1 |
| Add: Undistributed revenue brought forward | 8 | 4 |
| Deduct: Undistributed revenue carried forward | (7) | (8) |
| | 4,001 | 4,236 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 2,145 | 2,598 |
| Derivative income receivable | 10 | - |
| Due from the ACD for shares issued | 47 | 95 |
| Sales awaiting settlement | - | 4,110 |
| Total debtors | 2,202 | 6,803 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 752 | 1,123 |
| Cash and bank balances | 1,040 | 417 |
| Total cash and bank balances | 1,792 | 1,540 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 91 | 112 |
| Derivative income payable | - | 15 |
| Due to the ACD for shares cancelled | 473 | 171 |
| Purchases awaiting settlement | 135 | 1,566 |
| Total other creditors | 699 | 1,864 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due from the ACD and their associates at the year end date in respect of related party transactions was £517,434 (31.01.18: £187,773). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on pages 285 to 288 and the revenue from these investments was £29,920 (31.01.18: £4,701).

The following parties held a material interest in the Fund at the year end date:
- Winterflood Client Nominees Ltd 19.54% (31.01.18: 13.92%)
- Clearstream Banking S.A. 12.76% (31.01.18: 4.01%)
- Minster Nominees Limited 11.14% (31.01.18: 18.35%)

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current year or prior year.

## 14. Financial instruments

**Value at risk**

The Fund enters into derivative transactions in the form of forward currency contracts, futures, credit default swaps and interest rate swaps for investment purposes and/or efficient portfolio management. The Historical VaR methodology approach has been used to calculate the global exposure.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using historical simulation methodology. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days of history.

The VaR calculated for the year ended 31 January 2019 was as follows:

| As at | 2019 | 2018 |
|---|---|---|
| As at 31 January, the Fund's value at risk is | 2.82% | 3.00% |
| During the financial year, the highest utilisation of value at risk was | 57.03% | 52.00% |
| During the financial year, the average utilisation of value at risk was | 50.41% | 49.00% |
| During the financial year, the lowest utilisation of value at risk was | 45.79% | 45.00% |

Further information on the derivative risks can be found in the accounting policies on page 13.

**Leverage**

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 January 2019 the average leverage was 140.29% (31.01.18: 123.00%).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Debt security credit analysis

| | Market value £'000 | Total net assets % |
|---|---|---|
| **31.01.19** | | |
| Investment grade | 132,654 | 86.86 |
| Below investment grade | 5,663 | 3.69 |
| Unrated | 262 | 0.17 |
| | 138,579 | 90.72 |
| **31.01.18** | | |
| Investment grade | 133,988 | 75.15 |
| Below investment grade | 29,713 | 16.63 |
| Unrated | 156 | 0.09 |
| | 163,857 | 91.87 |

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

## 16. Share classes

The Fund currently has four share classes; Class A Shares, Class B Shares, Class C Shares and Class I Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.00% | 0.15% |
| Class B Shares: | 0.65% | 0.15% |
| Class C Shares: | 0.50% | 0.15% |
| Class I Shares: | 0.40% | 0.00% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 282 to 284. All classes have the same rights on winding up.

## 17. Counterparty exposure

**Financial derivative exposure**

| Counterparty | Forward currency contracts £'000 | Futures contracts £'000 | Swaps £'000 | Total £'000 |
|---|---|---|---|---|
| **31.01.19** | | | | |
| Barclays | 529 | - | - | 529 |
| Citibank | - | 115 | 193 | 308 |
| Deutsche Bank | 7 | - | - | 7 |
| HSBC | 856 | - | - | 856 |
| Morgan Stanley | (6) | - | - | (6) |
| National Australia Bank | (17) | - | - | (17) |
| Royal Bank of Canada | 5 | - | - | 5 |
| Standard Chartered | (24) | - | - | (24) |
| UBS | 8 | - | - | 8 |
| | 1,358 | 115 | 193 | 1,666 |
| **31.01.18** | | | | |
| ANZ Banking Group | 28 | - | - | 28 |
| BNP Paribas | (11) | - | - | (11) |
| Citibank | - | - | 198 | 198 |
| Deutsche Bank | 370 | - | - | 370 |
| HSBC | (8) | - | - | (8) |
| JP Morgan | - | 592 | - | 592 |
| Royal Bank of Canada | 535 | - | - | 535 |
| State Street | 1 | - | - | 1 |
| | 915 | 592 | 198 | 1,705 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts and swaps it is only the positive mark to market values that are reported.

## 18. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 115 | (342) | 592 | (620) |
| Level 2: Observable market data | 150,340 | (228) | 172,627 | (139) |
| Level 3: Unobservable data | 135 | - | - | - |
| Total | 150,590 | (570) | 173,219 | (759) |

## 19. Direct transaction costs

No portfolio transactions costs were incurred during the current or prior year.

There is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

**Dealing spread**

As at the balance sheet date, the average portfolio dealing spread was 0.57% (31.01.18: 0.58%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 20. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Gross Accumulation Shares | 26,210,328 | 546,529 | (3,270,301) | (26,270) | 23,460,286 |
| A-Class Gross Income Shares | 29,524,050 | 253,029 | (3,241,394) | (165,000) | 26,370,685 |
| B-Class Gross Income Shares | 177,959 | - | (56,138) | - | 121,821 |
| C-Class Gross Accumulation Shares | 47,096,095 | 2,979,858 | (21,893,973) | 57,949 | 28,239,929 |
| C-Class Gross Income Shares | 23,106,858 | 2,709,511 | (2,305,383) | 31,358 | 23,542,344 |
| I-Class Gross Accumulation Shares | 126,449 | 2,884 | (59,392) | - | 69,941 |
| I-Class Gross Income Shares | 42,512,635 | 9,687,371 | (3,582,850) | - | 48,617,156 |

# Distribution tables

## Final interest distribution in pence per share

Group 1 - Shares purchased prior to 1 November 2018
Group 2 - Shares purchased 1 November 2018 to 31 January 2019

| | Gross revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.430000 | - | 0.430000 | 0.450000 |
| Group 2 | 0.198036 | 0.231964 | 0.430000 | 0.450000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.240000 | - | 0.240000 | 0.270000 |
| Group 2 | 0.101903 | 0.138097 | 0.240000 | 0.270000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 0.300000 | - | 0.300000 | 0.330000 |
| Group 2 | 0.300000 | 0.000000 | 0.300000 | 0.330000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.780000 | - | 0.780000 | 0.810000 |
| Group 2 | 0.423387 | 0.356613 | 0.780000 | 0.810000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 0.730000 | - | 0.730000 | 0.780000 |
| Group 2 | 0.385530 | 0.344470 | 0.730000 | 0.780000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.120000 | - | 1.120000 | 1.190000 |
| Group 2 | 1.120000 | 0.000000 | 1.120000 | 1.190000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 0.670000 | - | 0.670000 | 0.730000 |
| Group 2 | 0.346531 | 0.323469 | 0.670000 | 0.730000 |

# Distribution tables – continued

## Third interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 October 2018

| | Gross revenue | Equalisation | Distribution paid 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.420000 | – | 0.420000 | 0.480000 |
| Group 2 | 0.183236 | 0.236764 | 0.420000 | 0.480000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.250000 | – | 0.250000 | 0.290000 |
| Group 2 | 0.161557 | 0.088443 | 0.250000 | 0.290000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 0.290000 | – | 0.290000 | 0.340000 |
| Group 2 | 0.290000 | 0.000000 | 0.290000 | 0.340000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.760000 | – | 0.760000 | 0.840000 |
| Group 2 | 0.425096 | 0.334904 | 0.760000 | 0.840000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 0.710000 | – | 0.710000 | 0.810000 |
| Group 2 | 0.328059 | 0.381941 | 0.710000 | 0.810000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.110000 | – | 1.110000 | 1.230000 |
| Group 2 | 1.110000 | 0.000000 | 1.110000 | 1.230000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 0.670000 | – | 0.670000 | 0.770000 |
| Group 2 | 0.385719 | 0.284281 | 0.670000 | 0.770000 |

# Distribution tables – continued

## Second interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 July 2018

| | Gross revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.460000 | – | 0.460000 | 0.440000 |
| Group 2 | 0.271815 | 0.188185 | 0.460000 | 0.440000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.270000 | – | 0.270000 | 0.270000 |
| Group 2 | 0.184825 | 0.085175 | 0.270000 | 0.270000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 0.320000 | – | 0.320000 | 0.310000 |
| Group 2 | 0.320000 | 0.000000 | 0.320000 | 0.310000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.820000 | – | 0.820000 | 0.790000 |
| Group 2 | 0.444084 | 0.375916 | 0.820000 | 0.790000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 0.780000 | – | 0.780000 | 0.770000 |
| Group 2 | 0.352637 | 0.427363 | 0.780000 | 0.770000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.170000 | – | 1.170000 | 1.150000 |
| Group 2 | 1.170000 | 0.000000 | 1.170000 | 1.150000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 0.710000 | – | 0.710000 | 0.720000 |
| Group 2 | 0.466066 | 0.243934 | 0.710000 | 0.720000 |

# Distribution tables – continued

## First interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 30 April 2018

| | Gross revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.460000 | – | 0.460000 | 0.440000 |
| Group 2 | 0.291585 | 0.168415 | 0.460000 | 0.440000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.270000 | – | 0.270000 | 0.270000 |
| Group 2 | 0.147063 | 0.122937 | 0.270000 | 0.270000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 0.310000 | – | 0.310000 | 0.320000 |
| Group 2 | 0.310000 | 0.000000 | 0.310000 | 0.320000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.800000 | – | 0.800000 | 0.780000 |
| Group 2 | 0.377434 | 0.422566 | 0.800000 | 0.780000 |
| **C-Class Gross Accumulation Shares*** | | | | |
| Group 1 | – | – | – | 0.800000 |
| Group 2 | – | – | – | 0.800000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 0.770000 | – | 0.770000 | 0.770000 |
| Group 2 | 0.374170 | 0.395830 | 0.770000 | 0.770000 |
| **C-Class Gross Income Shares*** | | | | |
| Group 1 | – | – | – | 0.760000 |
| Group 2 | – | – | – | 0.760000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.150000 | – | 1.150000 | 1.150000 |
| Group 2 | 0.811453 | 0.338547 | 1.150000 | 1.150000 |
| **I-Class Gross Accumulation Shares*** | | | | |
| Group 1 | – | – | – | 1.040000 |
| Group 2 | – | – | – | 1.040000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 0.700000 | – | 0.700000 | 0.710000 |
| Group 2 | 0.328115 | 0.371885 | 0.700000 | 0.710000 |

* Net share classes were renamed Gross at close of business 2 June 2017, subsequently, C-Class Gross Accumulation Shares, C-Class Gross Income Shares and I-Class Gross Accumulation Shares closed on 2 June 2017.

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# JPM UK Dynamic Fund

## Investment objective and policy

To maximise long-term capital growth by investing primarily in UK Equities.

UK Equities are issued by companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

This Equity based Fund invests in those stocks which the Investment Adviser believes will outperform, irrespective of their Benchmark weighting.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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

The Fund will invest predominantly in assets denominated in sterling. However, assets may be denominated in other currencies and non-sterling currency exposure will not normally be hedged back to sterling.

The Fund seeks to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund.

## 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.

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 single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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.

## Market review

The UK equity market struggled over the period. The fourth quarter of 2018 was particularly challenging as the UK equity market faced headwinds from general negative sentiment across the globe, which resulted in equity markets posting significant losses. Escalating concerns over the maturity of the economic cycle in the US, the potential ramifications of trade wars, rising interest rates and the shrinking Federal Reserve balance sheet all weighed on market sentiment over the period. Brexit also dominated headlines throughout the year.

## Fund review

The Fund, which invests in attractively valued, high quality stocks with positive momentum characteristics, underperformed its benchmark.

Sector-level contributors to relative performance included stock selection and underweight positions in tobacco and mobile telecommunications. Detractors included stock selection in support services and travel & leisure.

At the stock level, the Fund benefited most in relative terms from an underweight position in British American Tobacco (BAT), the British-listed cigarette and tobacco manufacturing company. Concerns remain around the regulation and profitability of next generation products, whilst the core business continues to suffer in volume and pricing terms. An overweight position in Plus500, the British financial services firm, also contributed over the period as the firm released strong first-half performance figures on the back of higher levels of global volatility.

Detractors from relative performance included an underweight position in AstraZeneca. The multinational pharmaceutical & biotechnology company was the beneficiary of increased uncertainty across global equity markets, resulting in a rotation away from some cyclical names into defensives. Relative returns were also held back by an underweight in Compass Group. The global food services company delivered stronger-than-expected results on the back of strong organic growth in the US and improved trading in other regions in which it operates.

Relative returns were also boosted by an underweight in the UK-based telecommunication group Vodafone. Shares continued to underperform following concerns surrounding the sustainability of its dividend, competition in Europe and concerns over Turkey, where Vodafone has been enjoying strong growth

## Fund outlook

A favourable conclusion to Brexit negotiations could lead to strength in sterling, which could prove a headwind for companies generating earnings overseas, but this is likely to have a short-term impact. A more positive outcome to Brexit could also provide a boost to domestically-focused companies, which, twinned with wage growth coming through, would likely be a tailwind to earnings.

Valuation has become more attractive due to the market weakness and we believe the UK equity market looks especially attractive compared to other developed markets. UK equities have also seen yields increase as a result of the share price fall, which makes them an even more attractive source of income for investors.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM UK Dynamic Fund** A-Class Acc | **-9.2%** | **12.9%** | **17.4%** | **0.7%** | **7.9%** |
| **JPM UK Dynamic Fund** B-Class Acc | **-8.8%** | **13.4%** | **18.0%** | **1.2%** | **8.4%** |
| **JPM UK Dynamic Fund** C-Class Acc | **-8.5%** | **13.8%** | **18.3%** | **1.4%** | **8.7%** |
| Benchmark Index | -3.9% | 11.2% | 20.0% | -4.6% | 7.1% |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Source: J.P. Morgan.

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## Fund statistics

| | | | |
|---|---|---|---|
| Risk and Reward Profile | | | 5† (5 at 31 July 2018) |
| Fund size | | | £177.4m |
| Benchmark Index | | | FTSE All-Share Index (Net) |
| Fund charges and expenses | A-Class | B-Class | C-Class |
| Initial charge (max.) | 3.00% | Nil | Nil |
| Exit charge | Nil | Nil | Nil |
| Fund expenses (comprises) | | | |
| Annual management fee | 1.50% | 1.00% | 0.75% |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% |

## Comparative tables

| A-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 205.01 | 181.65 | 154.71 |
| Return before operating charges* | (15.53) | 26.61 | 29.69 |
| Operating charges | (3.12) | (3.25) | (2.75) |
| Return after operating charges* | (18.65) | 23.36 | 26.94 |
| Distributions | (4.71) | (3.03) | (2.58) |
| Retained distributions on accumulation shares | 4.71 | 3.03 | 2.58 |
| Closing net asset value per share | 186.36 | 205.01 | 181.65 |
| * after direct transaction costs of | (1.12) | (0.85) | (0.99) |
| **Performance** | | | |
| % Return after operating charges^^ | (9.10)% | 12.86% | 17.41% |
| **Other information** | | | |
| Closing net asset value (£'000) | 94,770 | 118,767 | 116,337 |
| Closing number of shares | 50,852,617 | 57,930,926 | 64,043,183 |
| % Operating charges | 1.55% | 1.68% | 1.68% |
| % Direct transaction costs | 0.56% | 0.44% | 0.61% |
| **Prices** | | | |
| Highest share price | 219.8 | 209.0 | 183.0 |
| Lowest share price | 176.3 | 181.6 | 142.9 |

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 161.70 | 145.50 | 125.87 |
| Return before operating charges* | (12.01) | 21.20 | 23.96 |
| Operating charges | (2.60) | (2.59) | (2.23) |
| Return after operating charges* | (14.61) | 18.61 | 21.73 |
| Distributions | (3.54) | (2.41) | (2.10) |
| Closing net asset value per share | 143.55 | 161.70 | 145.50 |
| * after direct transaction costs of | (0.88) | (0.68) | (0.80) |
| **Performance** | | | |
| % Return after operating charges^^ | (9.04)% | 12.79% | 17.26% |
| **Other information** | | | |
| Closing net asset value (£'000) | 2,039 | 2,542 | 2,710 |
| Closing number of shares | 1,420,030 | 1,571,896 | 1,862,337 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.56% | 0.44% | 0.61% |
| **Prices** | | | |
| Highest share price | 173.3 | 165.8 | 147.2 |
| Lowest share price | 137.1 | 145.5 | 116.3 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 216.96 | 191.28 | 162.08 |
| Return before operating charges* | (16.49) | 28.07 | 31.23 |
| Operating charges | (2.46) | (2.39) | (2.03) |
| Return after operating charges* | (18.95) | 25.68 | 29.20 |
| Distributions | (5.84) | (4.22) | (3.57) |
| Retained distributions on accumulation shares | 5.84 | 4.22 | 3.57 |
| Closing net asset value per share | 198.01 | 216.96 | 191.28 |
| * after direct transaction costs of | (1.19) | (0.89) | (1.05) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.73)% | 13.43% | 18.02% |
| **Other information** | | | |
| Closing net asset value (£'000) | 204 | 224 | 438 |
| Closing number of shares | 103,195 | 103,195 | 229,126 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.56% | 0.44% | 0.61% |
| **Prices** | | | |
| Highest share price | 233.0 | 221.2 | 192.7 |
| Lowest share price | 187.2 | 191.2 | 149.8 |

† 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

## Comparative tables – continued

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 213.40 | 187.67 | 158.62 |
| Return before operating charges* | (16.27) | 27.61 | 30.62 |
| Operating charges | (1.78) | (1.88) | (1.57) |
| Return after operating charges* | (18.05) | 25.73 | 29.05 |
| Distributions | (6.37) | (4.65) | (3.92) |
| Retained distributions on accumulation shares | 6.37 | 4.65 | 3.92 |
| Closing net asset value per share | 195.35 | 213.40 | 187.67 |
| * after direct transaction costs of | (1.17) | (0.89) | (1.03) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.46)% | 13.71% | 18.31% |
| **Other information** | | | |
| Closing net asset value (£'000) | 57,303 | 44,174 | 26,775 |
| Closing number of shares | 29,334,197 | 20,699,762 | 14,267,066 |
| % Operating charges | 0.85% | 0.93% | 0.93% |
| % Direct transaction costs | 0.56% | 0.44% | 0.61% |
| **Prices** | | | |
| Highest share price | 229.3 | 217.5 | 189.0 |
| Lowest share price | 184.6 | 187.6 | 146.6 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 161.87 | 145.63 | 125.91 |
| Return before operating charges* | (12.03) | 21.26 | 24.05 |
| Operating charges | (1.32) | (1.44) | (1.24) |
| Return after operating charges* | (13.35) | 19.82 | 22.81 |
| Distributions | (4.85) | (3.58) | (3.09) |
| Closing net asset value per share | 143.67 | 161.87 | 145.63 |
| * after direct transaction costs of | (0.89) | (0.68) | (0.81) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.25)% | 13.61% | 18.12% |
| **Other information** | | | |
| Closing net asset value (£'000) | 23,157 | 32,443 | 29,362 |
| Closing number of shares | 16,118,234 | 20,043,328 | 20,162,263 |
| % Operating charges | 0.83% | 0.93% | 0.93% |
| % Direct transaction costs | 0.56% | 0.44% | 0.61% |
| **Prices** | | | |
| Highest share price | 174.0 | 166.5 | 147.8 |
| Lowest share price | 137.7 | 145.6 | 116.4 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 305 and 306, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Sector breakdown

| | % |
|---|---|
| Financials | 19.09 |
| Energy | 14.72 |
| Consumer Staples | 13.39 |
| Industrials | 12.57 |
| Materials | 10.59 |
| Health Care | 8.14 |
| Liquidity Funds | 6.88 |
| Communication Services | 5.72 |
| Consumer Discretionary | 5.18 |
| Real Estate | 2.35 |
| Information Technology | 0.48 |
| Futures | 0.22 |
| Net other assets | 0.67 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 92.23% (94.65%)** | | | |
| **Communication Services 5.72% (0.91%)** | | | |
| **Diversified Telecommunication Services 2.08% (0.00%)** | | | |
| BT Group plc | 1,562,040 | 3,693 | 2.08 |
| | | 3,693 | 2.08 |
| **Media 1.79% (0.91%)** | | | |
| Pearson plc | 346,109 | 3,167 | 1.79 |
| | | 3,167 | 1.79 |
| **Wireless Telecommunication Services 1.85% (0.00%)** | | | |
| Vodafone Group plc | 2,335,630 | 3,290 | 1.85 |
| | | 3,290 | 1.85 |
| Communication Services total | | 10,150 | 5.72 |
| **Consumer Discretionary 5.18% (13.38%)** | | | |
| **Hotels, Restaurants & Leisure 1.80% (1.87%)** | | | |
| Compass Group plc | 196,537 | 3,207 | 1.80 |
| | | 3,207 | 1.80 |
| **Household Durables 2.02% (8.77%)** | | | |
| Persimmon plc | 78,976 | 1,902 | 1.07 |
| Taylor Wimpey plc | 1,008,302 | 1,685 | 0.95 |
| | | 3,587 | 2.02 |
| **Leisure Products 0.00% (1.36%)** | | | |
| **Multiline Retail 0.56% (0.00%)** | | | |
| Next plc | 20,516 | 990 | 0.56 |
| | | 990 | 0.56 |
| **Specialty Retail 0.80% (1.38%)** | | | |
| Dunelm Group plc | 195,535 | 1,419 | 0.80 |
| | | 1,419 | 0.80 |
| Consumer Discretionary total | | 9,203 | 5.18 |
| **Consumer Staples 13.39% (7.93%)** | | | |
| **Beverages 5.23% (3.38%)** | | | |
| Coca-Cola HBC AG | 98,480 | 2,522 | 1.42 |
| Diageo plc | 197,785 | 5,725 | 3.23 |
| Fevertree Drinks plc# | 40,234 | 1,039 | 0.58 |
| | | 9,286 | 5.23 |
| **Food & Staples Retailing 0.75% (2.64%)** | | | |
| J Sainsbury plc | 463,925 | 1,337 | 0.75 |
| | | 1,337 | 0.75 |
| **Food Products 1.06% (0.00%)** | | | |
| Tate & Lyle plc | 269,939 | 1,871 | 1.06 |
| | | 1,871 | 1.06 |
| **Household Products 0.57% (0.00%)** | | | |
| Reckitt Benckiser Group plc | 17,267 | 1,012 | 0.57 |
| | | 1,012 | 0.57 |
| **Personal Products 1.26% (1.91%)** | | | |
| Unilever plc | 56,547 | 2,229 | 1.26 |
| | | 2,229 | 1.26 |
| **Tobacco 4.52% (0.00%)** | | | |
| British American Tobacco plc | 144,685 | 3,782 | 2.13 |
| Imperial Brands plc | 171,380 | 4,240 | 2.39 |
| | | 8,022 | 4.52 |
| Consumer Staples total | | 23,757 | 13.39 |
| **Energy 14.72% (7.09%)** | | | |
| **Oil, Gas & Consumable Fuels 14.72% (7.09%)** | | | |
| Afren plc^ | 404,650 | - | - |
| BP plc | 1,851,333 | 9,646 | 5.43 |
| Royal Dutch Shell plc 'A' | 697,958 | 16,489 | 9.29 |
| | | 26,135 | 14.72 |
| Energy total | | 26,135 | 14.72 |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Financials 19.09% (25.56%)** | | | |
| **Banks 10.71% (9.46%)** | | | |
| Barclays plc | 2,086,350 | 3,313 | 1.87 |
| HSBC Holdings plc | 1,725,488 | 11,064 | 6.23 |
| Lloyds Banking Group plc | 7,979,300 | 4,625 | 2.61 |
| | | 19,002 | 10.71 |
| **Capital Markets 1.16% (2.05%)** | | | |
| Burford Capital Ltd.# | 110,063 | 2,058 | 1.16 |
| | | 2,058 | 1.16 |
| **Diversified Financial Services 0.61% (1.64%)** | | | |
| Plus500 Ltd. | 70,009 | 1,072 | 0.61 |
| | | 1,072 | 0.61 |
| **Insurance 4.84% (7.94%)** | | | |
| Just Group plc | 1,892,611 | 1,892 | 1.07 |
| Legal & General Group plc | 1,615,698 | 4,235 | 2.38 |
| Old Mutual Ltd. | 1,845,202 | 2,467 | 1.39 |
| | | 8,594 | 4.84 |
| **Thrifts & Mortgage Finance 1.77% (4.47%)** | | | |
| Charter Court Financial Services Group plc | 519,005 | 1,441 | 0.81 |
| OneSavings Bank plc | 449,194 | 1,707 | 0.96 |
| | | 3,148 | 1.77 |
| Financials total | | 33,874 | 19.09 |
| **Health Care 8.14% (1.16%)** | | | |
| **Biotechnology 0.00% (1.16%)** | | | |
| **Pharmaceuticals 8.14% (0.00%)** | | | |
| AstraZeneca plc | 41,867 | 2,314 | 1.30 |
| GlaxoSmithKline plc | 683,998 | 10,074 | 5.68 |
| Hikma Pharmaceuticals plc | 128,678 | 2,063 | 1.16 |
| | | 14,451 | 8.14 |
| Health Care total | | 14,451 | 8.14 |
| **Industrials 12.57% (16.55%)** | | | |
| **Aerospace & Defense 0.00% (0.96%)** | | | |
| **Airlines 0.78% (2.74%)** | | | |
| International Consolidated Airlines Group SA | 214,792 | 1,384 | 0.78 |
| | | 1,384 | 0.78 |
| **Commercial Services & Supplies 0.00% (2.37%)** | | | |
| **Construction & Engineering 1.01% (0.71%)** | | | |
| Morgan Sindall Group plc | 151,748 | 1,800 | 1.01 |
| | | 1,800 | 1.01 |
| **Electrical Equipment 0.00% (0.82%)** | | | |
| **Machinery 1.78% (4.55%)** | | | |
| Vesuvius plc | 559,594 | 3,150 | 1.78 |
| | | 3,150 | 1.78 |
| **Professional Services 3.64% (2.67%)** | | | |
| Pagegroup plc | 565,998 | 2,522 | 1.42 |
| RELX plc | 194,467 | 3,275 | 1.85 |
| Staffline Group plc# ^ | 98,395 | 659 | 0.37 |
| | | 6,456 | 3.64 |
| **Road & Rail 2.10% (0.00%)** | | | |
| National Express Group plc | 947,988 | 3,735 | 2.10 |
| | | 3,735 | 2.10 |
| **Trading Companies & Distributors 3.26% (1.73%)** | | | |
| Ashtead Group plc | 206,464 | 4,022 | 2.27 |
| Bunzl plc | 72,404 | 1,756 | 0.99 |
| | | 5,778 | 3.26 |
| Industrials total | | 22,303 | 12.57 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Information Technology 0.48% (5.94%)** | | | |
| **Electronic Equipment, Instruments & Components 0.00% (1.27%)** | | | |
| **Internet Services & Infrastructure 0.00% (0.48%)** | | | |
| **IT Services 0.48% (2.50%)** | | | |
| Softcat plc | 121,467 | 848 | 0.48 |
| | | **848** | **0.48** |
| **Software 0.00% (1.69%)** | | | |
| **Information Technology total** | | **848** | **0.48** |
| **Materials 10.59% (12.90%)** | | | |
| **Chemicals 0.00% (1.30%)** | | | |
| **Metals & Mining 8.80% (11.60%)** | | | |
| Anglo American plc | 132,914 | 2,581 | 1.45 |
| BHP Group plc | 199,240 | 3,387 | 1.91 |
| Evraz plc | 306,887 | 1,516 | 0.86 |
| International Ferro Metals Ltd.^ | 246,180 | - | - |
| Rio Tinto plc | 193,728 | 8,131 | 4.58 |
| | | **15,615** | **8.80** |
| **Paper & Forest Products 1.79% (0.00%)** | | | |
| Mondi plc | 170,282 | 3,185 | 1.79 |
| | | **3,185** | **1.79** |
| **Materials total** | | **18,800** | **10.59** |
| **Real Estate 2.35% (3.23%)** | | | |
| **Equity Real Estate Investment Trusts (REITs) 2.35% (1.69%)** | | | |
| Segro plc | 634,309 | 4,172 | 2.35 |
| | | **4,172** | **2.35** |
| **Real Estate Management & Development 0.00% (1.54%)** | | | |
| **Real Estate total** | | **4,172** | **2.35** |
| **Equities total** | | **163,693** | **92.23** |
| **Futures 0.22% (0.02%)** | | | |
| FTSE 100 Index 15/03/2019 | 179 | 383 | 0.22 |
| **Futures total** | | **383** | **0.22** |
| **Liquidity Funds 6.88% (3.78%)** | | | |
| JPM GBP Liquidity LVNAV Fund X (dist.)[Ø] | 12,211,733 | 12,212 | 6.88 |
| **Liquidity Funds total** | | **12,212** | **6.88** |
| Investment assets | | 176,288 | 99.33 |
| Net other assets | | 1,185 | 0.67 |
| **Net assets** | | **177,473** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.
Comparatives have been restated to align to the latest sector information.
# Security traded on another regulated market.
^ Unlisted, suspended or delisted security.
Ø A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (21,340) | | 19,294 |
| Revenue (Note 3) | 7,651 | | 6,054 | |
| Expenses (Note 4) | (2,372) | | (2,607) | |
| Net revenue before taxation | 5,279 | | 3,447 | |
| Taxation (Note 5) | (202) | | (99) | |
| Net revenue after taxation | | 5,077 | | 3,348 |
| **Total return before distributions** | | **(16,263)** | | **22,642** |
| Distributions (Note 6) | | (5,076) | | (3,353) |
| **Change in net assets attributable to shareholders from investment activities** | | **(21,339)** | | **19,289** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 176,288 | 195,080 |
| **Current assets:** | | |
| Debtors (Note 8) | 682 | 2,197 |
| Cash and bank balances (Note 9) | 1,382 | 1,558 |
| **Total assets** | **178,352** | **198,835** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | (343) | (311) |
| Other creditors (Note 10) | (536) | (374) |
| **Total liabilities** | **(879)** | **(685)** |
| **Net assets attributable to shareholders** | **177,473** | **198,150** |

The notes to these financial statements are shown on pages 303 to 306.

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **198,150** | | **175,622** |
| Amounts receivable on issue of shares | 26,654 | | 16,131 | |
| Amounts payable on cancellation of shares | (30,153) | | (15,508) | |
| | | (3,499) | | 623 |
| Dilution adjustment | | 44 | | - |
| Change in net assets attributable to shareholders from investment activities (see above) | | (21,339) | | 19,289 |
| Retained distributions on accumulation shares | | 4,117 | | 2,616 |
| **Closing net assets attributable to shareholders** | | **177,473** | | **198,150** |

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM UK Dynamic Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency losses | (6) | (16) |
| Derivative contracts | (629) | 551 |
| Non-derivative securities | (20,705) | 18,759 |
| Net capital (losses)/gains | (21,340) | 19,294 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 5,750 | 4,901 |
| Income from Liquidity Funds | 57 | 29 |
| Income from overseas equity investments | 1,723 | 1,058 |
| Interest on bank and term deposits | 7 | - |
| Interest on Fokus reclaim | 1 | - |
| Property income distributions | 73 | 48 |
| Stock lending income | 40 | 18 |
| Total revenue | 7,651 | 6,054 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 2,226 | 2,275 |
| Operating expenses | 133 | 329 |
| Stocklending Fees | 6 | 3 |
| | 2,365 | 2,607 |
| Interest payable | 7 | - |
| Total expenses | 2,372 | 2,607 |

The fees paid to the auditor for the year ended 31 January 2019 are £5,863 (31.01.18: £5,863), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 202 | 99 |
| Current year tax charge (Note 5b) | 202 | 99 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 5,279 | 3,447 |
| Corporation tax at 20% | 1,056 | 689 |
| Effects of: | | |
| Dividends not subject to corporation tax | (1,415) | (1,185) |
| Excess expenses for which no relief taken | 371 | 497 |
| Overseas tax expensed | (12) | (1) |
| Overseas tax suffered | 202 | 99 |
| | (854) | (590) |
| Current year tax charge (Note 5a) | 202 | 99 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £11,774,254 (31.01.18: £11,403,294) in relation to £58,871,269 (31.01.18: £57,016,469) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Interim dividend distribution | 2,998 | 2,013 |
| Final dividend distribution | 2,072 | 1,365 |
| Add: Amounts payable on cancellation of shares | 218 | 100 |
| Deduct: Amounts receivable on issue of shares | (212) | (125) |
| Distributions for the year | 5,076 | 3,353 |

Details of the distribution per share are set out on page 307.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 5,077 | 3,348 |
| Add: RDR transfer equalisation (capital) | - | 3 |
| Add: Undistributed revenue brought forward | 6 | 8 |
| Deduct: Undistributed revenue carried forward | (7) | (6) |
| | 5,076 | 3,353 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 292 | 161 |
| Due from the ACD for shares issued | 225 | 2,002 |
| Overseas tax recoverable | 74 | 15 |
| Sales awaiting settlement | 91 | 19 |
| Total debtors | 682 | 2,197 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 494 | 291 |
| Cash and bank balances | 888 | 1,267 |
| Total cash and bank balances | 1,382 | 1,558 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 194 | 234 |
| Due to the ACD for shares cancelled | 314 | 135 |
| Purchases awaiting settlement | 28 | 5 |
| Total other creditors | 536 | 374 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £283,377 (31.01.18: £1,633,313 due from the ACD) Details of related party transactions are given under note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on pages 300 and 301 and the revenue from these investments was £57,334 (31.01.18: £28,887).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £138,904 (31.01.18: £56,083). Commission was paid to the associated company JPMorgan Securities Ltd.

The following parties held a material interest in the Fund at the year end date:
- Chase Nominees Ltd 29.86% (31.01.18: 35.38%)
- JPMorgan Elect Plc 10.93% (31.01.18: 15.14%)

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £2,120,272 securities on loan (31.01.18: £11,074,688) and consequently £2,260,973 collateral was held (31.01.18: £11,733,187). The nature of the collateral was 100% bonds.

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 40 | 18 |
| Fees paid to the lending agent[ø] | (6) | (3) |
| Net stock lending income | 34 | 15 |

[ø] A related party to the Fund.

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 309.

## 14. Financial instruments

**Currency exposures**

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

**Interest rate risk**

At the year end date, 7.66% (31.01.18: 4.57%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £17,629,000 (31.01.18: £19,508,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 298 and 299. All classes have the same rights on winding up.

## 16. Counterparty exposure

**Financial derivative exposure**

| Counterparty | Futures contracts £'000 | Total £'000 |
|---|---|---|
| **31.01.19** | | |
| Goldman Sachs | 383 | 383 |
| **31.01.18** | | |
| Goldman Sachs | 34 | 34 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparty in respect of the above.

The counterparty exposure on futures contracts is reported at their positive mark to market values.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 163,417 | - | 187,583 | - |
| Level 2: Observable market data | 12,212 | - | 7,497 | - |
| Level 3: Unobservable data | 659 | - | - | - |
| Total | 176,288 | - | 195,080 | - |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (190,613) | (101) | (847) | (191,561) | 0.05 | 0.44 |
| Purchases of Funds | (99,921) | - | - | (99,921) | 0.00 | 0.00 |
| | (290,534) | (101) | (847) | (291,482) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 194,788 | (123) | (1) | 194,664 | 0.06 | 0.00 |
| Sales of Funds | 95,206 | - | - | 95,206 | 0.00 | 0.00 |
| | 289,994 | (123) | (1) | 289,870 | | |
| Total | | (224) | (848) | | | |
| Percentage of Fund average net assets | | 0.12% | 0.44% | | | |

## 18. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (155,586) | (123) | (560) | (156,269) | 0.08 | 0.36 |
| Purchases of Funds | (71,803) | - | - | (71,803) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | (284) | - | - | (284) | 0.00 | 0.00 |
| | (227,673) | (123) | (560) | (228,356) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 153,949 | (121) | - | 153,828 | 0.08 | 0.00 |
| Sales of Funds | 73,328 | - | - | 73,328 | 0.00 | 0.00 |
| | 227,277 | (121) | - | 227,156 | | |
| Total | | (244) | (560) | | | |
| Percentage of Fund average net assets | | 0.13% | 0.31% | | | |

* Excluding in specie and corporate action activity

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.05% (31.01.18: 0.15%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 57,930,926 | 1,701,820 | (8,743,704) | (36,425) | 50,852,617 |
| A-Class Income Shares | 1,571,896 | 22,356 | (163,773) | (10,449) | 1,420,030 |
| B-Class Accumulation Shares | 103,195 | - | - | - | 103,195 |
| C-Class Accumulation Shares | 20,699,762 | 10,372,698 | (1,776,922) | 38,659 | 29,334,197 |
| C-Class Income Shares | 20,043,328 | 1,363,151 | (5,293,601) | 5,356 | 16,118,234 |

# Distribution tables

## Final distribution in pence per share

Group 1 - Shares purchased prior to 1 August 2018
Group 2 - Shares purchased 1 August 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 1.860000 | - | 1.860000 | 1.120000 |
| Group 2 | 0.165416 | 1.694584 | 1.860000 | 1.120000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 1.370000 | - | 1.370000 | 0.890000 |
| Group 2 | 0.247459 | 1.122541 | 1.370000 | 0.890000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 2.390000 | - | 2.390000 | 1.710000 |
| Group 2 | 2.390000 | 0.000000 | 2.390000 | 1.710000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 2.660000 | - | 2.660000 | 1.950000 |
| Group 2 | 0.793816 | 1.866184 | 2.660000 | 1.950000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 2.010000 | - | 2.010000 | 1.480000 |
| Group 2 | 0.594941 | 1.415059 | 2.010000 | 1.480000 |

## Interim distribution in pence per share

Group 1 - Shares purchased prior to 1 February 2018
Group 2 - Shares purchased 1 February 2018 to 31 July 2018

| | Net revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 2.850000 | - | 2.850000 | 1.910000 |
| Group 2 | 1.339417 | 1.510583 | 2.850000 | 1.910000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 2.170000 | - | 2.170000 | 1.520000 |
| Group 2 | 0.457060 | 1.712940 | 2.170000 | 1.520000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 3.450000 | - | 3.450000 | 2.510000 |
| Group 2 | 3.450000 | 0.000000 | 3.450000 | 2.510000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 3.710000 | - | 3.710000 | 2.700000 |
| Group 2 | 2.192112 | 1.517888 | 3.710000 | 2.700000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 2.840000 | - | 2.840000 | 2.100000 |
| Group 2 | 0.980595 | 1.859405 | 2.840000 | 2.100000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities and commodities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 1.21%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 2,120 | 1.19% |

## Concentration Data

### Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date:

| Issuer | Value £'000 |
|---|---|
| United States of America Treasury | 2,261 |
| Total | 2,261 |

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

### Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| UBS | 2,120 |
| Total | 2,120 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Collateral Value £'000 |
|---|---|---|---|
| Bonds | Investment grade | USD | 2,261 |
| Total | | | 2,261 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| 1 to 3 months | 229 |
| 3 to 12 months | 204 |
| more than 1 year | 1,828 |
| Total | 2,261 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| UBS | Switzerland |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

## Safekeeping of collateral

All collateral received (31.01.19: £2,261,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM UK Equity & Bond Income Fund

## Important information

The merger of JPM UK Equity & Bond Fund into the JPM UK Higher Income Fund was approved at Extraordinary General Meeting held on 27 November 2017 and its effective date was 16 December 2017.

## Investment objective and policy

The Fund sought to provide a high and stable income, with the prospect of capital and income growth over the long term, by investing in a balanced portfolio of securities.

The Fund invested predominantly in a balanced portfolio of blue chip UK Equities, gilt edged securities and other UK fixed interest instruments.

UK Equities are Equities issued by companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

UK fixed interest instruments may have included sterling denominated Bonds and other Debt Securities of non-UK issuers.

The Fund may have invested up to 100% in government and public securities (see section 3.11 (e) of the Prospectus).

Financial Derivative Instruments may have been used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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

The Fund invested predominantly in assets denominated in sterling. However, assets may be denominated in other currencies and non-sterling currency exposure would not normally have been hedged back to sterling.

## Risk profile

Investment risks have been removed as this Fund closed 15 December 2017 as part of a merger effective on 16 December 2017.

## Fund update

The Fund closed on 15 December 2017.

## 12 month performance^ to 31 January

| | 2018 to closure | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| **JPM UK Equity & Bond Income Fund** A-Class Acc | **8.3%** | **14.3%** | **-2.8%** | **8.1%** |
| **JPM UK Equity & Bond Income Fund** B-Class Acc | **8.3%** | **14.8%** | **-2.3%** | **8.7%** |
| **JPM UK Equity & Bond Income Fund** C-Class Acc | **8.3%** | **15.1%** | **-2.1%** | **9.0%** |
| Benchmark Index | 8.1% | 15.1% | -3.2% | 9.0% |

## Fund statistics

| | |
|---|---|
| Fund size | **£0.0m** |
| Benchmark Index | **70% FTSE All-Share Index (Net)/ 30% BofA Merrill Lynch Euro-Sterling AAA-AA1 Rated Index** |

## Comparative tables

| **A-Class Accumulation Shares** | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 156.17 | 136.59 |
| Return before operating charges* | - | (154.16) | 22.04 |
| Operating charges | - | (2.01) | (2.46) |
| Return after operating charges* | - | (156.17) | 19.58 |
| Distributions | - | (5.48) | (5.12) |
| Retained distributions on accumulation shares | - | 5.48 | 5.12 |
| Closing net asset value per share | - | - | 156.17 |
| * after direct transaction costs of | - | (0.98) | (0.36) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 14.33% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 80,902 |
| Closing number of shares | - | - | 51,802,859 |
| % Operating charges | - | - | 1.68% |
| % Direct transaction costs | - | - | 0.25% |
| **Prices** | | | |
| Highest share price | - | 169.0 | 158.1 |
| Lowest share price | - | 156.1 | 129.8 |

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.

For any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Blended benchmarks have been calculated by JPMAM.
Source: J.P. Morgan.
Source: FTSE International Limited ("FTSE") © FTSE 2014. "FTSE®" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

| A-Class Income Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 87.23 | 79.01 |
| Return before operating charges* | - | (83.09) | 12.55 |
| Operating charges | - | (1.11) | (1.40) |
| Return after operating charges* | - | (84.20) | 11.15 |
| Distributions | - | (3.03) | (2.93) |
| Closing net asset value per share | - | - | 87.23 |
| * after direct transaction costs of | - | (0.54) | (0.21) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 14.11% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 45,890 |
| Closing number of shares | - | - | 52,606,769 |
| % Operating charges | - | - | 1.68% |
| % Direct transaction costs | - | - | 0.25% |
| **Prices** | | | |
| Highest share price | - | 92.20 | 88.79 |
| Lowest share price | - | 87.17 | 75.09 |

| B-Class Income Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 88.96 | 80.18 |
| Return before operating charges* | - | (85.07) | 12.76 |
| Operating charges | - | (0.80) | (1.00) |
| Return after operating charges* | - | (85.87) | 11.76 |
| Distributions | - | (3.09) | (2.98) |
| Closing net asset value per share | - | - | 88.96 |
| * after direct transaction costs of | - | (0.55) | (0.21) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 14.67% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 66 |
| Closing number of shares | - | - | 74,301 |
| % Operating charges | - | - | 1.18% |
| % Direct transaction costs | - | - | 0.25% |
| **Prices** | | | |
| Highest share price | - | 94.30 | 90.54 |
| Lowest share price | - | 88.90 | 76.21 |

| B-Class Accumulation Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 159.31 | 138.64 |
| Return before operating charges* | - | (157.86) | 22.41 |
| Operating charges | - | (1.45) | (1.74) |
| Return after operating charges* | - | (159.31) | 20.67 |
| Distributions | - | (5.59) | (5.22) |
| Retained distributions on accumulation shares | - | 5.59 | 5.22 |
| Closing net asset value per share | - | - | 159.31 |
| * after direct transaction costs of | - | (1.00) | (0.37) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 14.91% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 53 |
| Closing number of shares | - | - | 33,504 |
| % Operating charges | - | - | 1.18% |
| % Direct transaction costs | - | - | 0.25% |
| **Prices** | | | |
| Highest share price | - | 172.9 | 161.2 |
| Lowest share price | - | 159.2 | 131.8 |

| C-Class Accumulation Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 151.33 | 131.36 |
| Return before operating charges* | - | (150.23) | 21.29 |
| Operating charges | - | (1.10) | (1.32) |
| Return after operating charges* | - | (151.33) | 19.97 |
| Distributions | - | (5.32) | (4.95) |
| Retained distributions on accumulation shares | - | 5.32 | 4.95 |
| Closing net asset value per share | - | - | 151.33 |
| * after direct transaction costs of | - | (0.95) | (0.35) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 15.20% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 15,956 |
| Closing number of shares | - | - | 10,544,122 |
| % Operating charges | - | - | 0.93% |
| % Direct transaction costs | - | - | 0.25% |
| **Prices** | | | |
| Highest share price | - | 164.5 | 153.1 |
| Lowest share price | - | 151.2 | 124.9 |

## Comparative tables – continued

| C-Class Income Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 129.81 | 116.69 |
| Return before operating charges* | - | (124.37) | 18.61 |
| Operating charges | - | (0.93) | (1.15) |
| Return after operating charges* | - | (125.30) | 17.46 |
| Distributions | - | (4.51) | (4.34) |
| Closing net asset value per share | - | - | 129.81 |
| * after direct transaction costs of | - | (0.81) | (0.31) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 14.96% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 8,977 |
| Closing number of shares | - | - | 6,915,557 |
| % Operating charges | - | - | 0.93% |
| % Direct transaction costs | - | - | 0.25% |
| **Prices** | | | |
| Highest share price | - | 137.8 | 132.1 |
| Lowest share price | - | 129.7 | 110.9 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on page 316, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 15 December 2017.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Portfolio Statement

As the Fund closed on 15 December 2017 there were no investments as at 31 January 2019.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital gains (Note 2) | | - | | 6,706 |
| Revenue (Note 3) | 8 | | 5,601 | |
| Expenses (Note 4) | - | | (1,737) | |
| Net revenue before taxation | 8 | | 3,864 | |
| Taxation (Note 5) | (3) | | (32) | |
| Net revenue after taxation | | 5 | | 3,832 |
| **Total return before distributions** | | **5** | | **10,538** |
| Distributions (Note 6) | | - | | (5,131) |
| **Change in net assets attributable to shareholders from investment activities** | | **5** | | **5,407** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| **Current assets:** | | |
| Debtors (Note 8) | 1 | 85 |
| Cash and bank balances (Note 9) | 2 | 201 |
| **Total assets** | **3** | **286** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | - | (222) |
| Other creditors (Note 10) | (3) | (64) |
| **Total liabilities** | **(3)** | **(286)** |
| **Net assets attributable to shareholders** | **-** | **-** |

The notes to these financial statements are shown on pages 314 to 316.

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **-** | | **151,844** |
| Amounts transferred to JPM UK Higher Income Fund | | - | | (148,058) |
| Amounts receivable on issue of shares | - | | 1,098 | |
| Amounts payable on cancellation of shares | - | | (13,535) | |
| | | - | | (12,437) |
| Change in net assets attributable to shareholders from investment activities (see above) | | 5 | | 5,407 |
| Retained distributions on accumulation shares | | - | | 3,239 |
| Unclaimed distributions | | - | | 4 |
| (Loss)/Gain accumulated following Fund closure | | (5) | | 1 |
| **Closing net assets attributable to shareholders** | | **-** | | **-** |

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM UK Equity & Bond Income Fund are disclosed on pages 12 and 13.

## 2. Net capital gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains | - | 2 |
| Derivative contracts | - | 112 |
| Non-derivative securities | - | 6,592 |
| Net capital gains | - | 6,706 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | - | 3,899 |
| Income from Liquidity Funds | - | 11 |
| Income from overseas equity investments | - | 437 |
| Interest on bank and term deposits | 5 | - |
| Interest on derivatives | - | (11) |
| Interest on fixed-interest securities | - | 1,171 |
| Property income distributions | - | 81 |
| Stock dividends | - | 5 |
| Stock lending income | 3 | 8 |
| Total revenue | 8 | 5,601 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | - | 1,497 |
| Operating expenses | - | 239 |
| Stock lending fees | - | 1 |
| Total expenses | - | 1,737 |

The fees paid to the auditor for the year ended 31 January 2019 are £3,500 (31.01.18: £6,496), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 3 | 32 |
| Current year tax charge (Note 5b) | 3 | 32 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 8 | 3,864 |
| Corporation tax at 20% | 2 | 773 |
| Effects of: | | |
| Dividends not subject to corporation tax | - | (866) |
| Excess expenses for which no relief taken | (2) | 93 |
| Overseas tax suffered | 3 | 32 |
| | 1 | (741) |
| Current year tax charge (Note 5a) | 3 | 32 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £1,346,970 (31.01.18: £1,348,538) in relation to £6,734,852 (31.01.18: £6,742,689) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First interim dividend distribution | - | 1,846 |
| Second interim dividend distribution | - | 1,087 |
| Third interim dividend distribution | - | 1,515 |
| Final dividend distribution | - | 621 |
| Add: Amounts payable on cancellation of shares | - | 67 |
| Deduct: Amounts receivable on issue of shares | - | (5) |
| Distributions for the year | - | 5,131 |

Details of the distribution per share are set out on pages 316 and 316.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 5 | 3,832 |
| Add: ACD fee paid from capital | - | 1,290 |
| Add: Undistributed revenue brought forward | - | 9 |
| Deduct: Undistributed revenue carried forward | (5) | - |
| | - | 5,131 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | - | 82 |
| Overseas tax recoverable | 1 | 3 |
| Total debtors | 1 | 85 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 2 | 201 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 3 | 64 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Revenue from investments considered to be related parties was £nil (31.01.18: £11,396).

Some of the dealing transactions for the Fund were carried out through associates of the ACD. Such transactions were carried out on an arm's length basis. The commissions paid to these companies over the year were £nil (31.01.18: £51,452). Commission was paid to the associated company JPMorgan Securities Ltd.

## 13. Stock lending

At the balance sheet date there were nil securities on loan (31.01.18: £nil) and consequently nil collateral was held (31.01.18: £nil).

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3)* | 3 | 8 |
| Fees paid to the lending agent[Ø] | – | (1) |
| Net stock lending income | 3 | 7 |

[Ø] A related party to the Fund.

* Stock lending income was booked on a receipt basis and therefore the 2019 income pertains to stock lending activity in 2018.

## 14. Direct transaction costs

The Fund closed 15 December 2017, therefore there were no direct transaction costs for the year ended 31 January 2019.

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (137,506) | (183) | (619) | (138,308) | 0.13 | 0.45 |
| Purchases of Bond stocks | (2,029) | - | - | (2,029) | 0.00 | 0.00 |
| Purchases of Funds | (16,544) | - | - | (16,544) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | (20) | - | - | (20) | 0.00 | 0.00 |
| | (156,099) | (183) | (619) | (156,901) | | |
| **Sales*** | | | | | | |
| Sales of Equity stocks | 106,913 | (110) | - | 106,803 | 0.10 | 0.00 |
| Sales of Bond stocks | 5,094 | - | - | 5,094 | 0.00 | 0.00 |
| Sales of Funds | 58,200 | - | - | 58,200 | 0.00 | 0.00 |
| **In-specie sales** | | | | | | |
| Sales of Equity stocks | 144,581 | - | - | 144,581 | 0.00 | 0.00 |
| | 314,788 | (110) | - | 314,678 | | |
| Total | | (293) | (619) | | | |
| Percentage of Fund average net assets | | 0.19% | 0.41% | | | |

* Excluding in-specie and corporate action activity.

## 15. Shares in issue

As the Fund closed on 15 December 2017, there were no outstanding shares as at 31 January 2019.

# Distribution tables

The Fund closed 15 December 2017 therefore no distribution has been made with respect to the year ended 31 January 2019.

# JPM UK Equity Blue Chip Fund

## Important information

The merger of JPM UK Equity Blue Chip Fund into the JPM UK Equity Core Fund was approved at Extraordinary General Meeting held on 27 November 2017 and its effective date was 16 December 2017.

## Investment objective and policy

The Fund sought to provide long term capital growth by investing primarily in large capitalisation UK companies.

UK companies are companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Mid/smaller capitalisation companies may be held on an ancillary basis.

**Financial Derivative Instruments (derivatives) may have been used for the purpose of Efficient Portfolio Management, including hedging, where appropriate. Shareholders would have received at least 60 days' notice of any intention to use derivatives within the Fund for investment purposes, which may change the risk profile of the Fund.** Please refer to Section 11.16 of the Prospectus for Risk Warnings on derivatives.

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

The Fund invested predominantly in assets denominated in sterling. However, assets may have been denominated in other currencies and non-sterling currency exposure would not normally have been hedged back to sterling.

## Risk profile

Investment risks have been removed as this Fund closed 15 December 2017 as part of a merger effective on 16 December 2017.

## Fund update

The Fund closed on 15 December 2017.

## 12 month performance^ to 31 January

| | 2018 to closure | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| **JPM UK Equity Blue Chip Fund** A-Class Acc | **5.9%** | **20.8%** | **-6.9%** | **7.6%** |
| **JPM UK Equity Blue Chip Fund** B-Class Acc | **6.4%** | **21.4%** | **-6.4%** | **8.1%** |
| **JPM UK Equity Blue Chip Fund** C-Class Acc | **6.6%** | **21.6%** | **-6.2%** | **8.4%** |
| Benchmark Index | 9.5% | 21.4% | -6.5% | 7.3% |

## Fund statistics

| | |
|---|---|
| Fund size | **£0.0m** |
| Benchmark Index | **FTSE 100 Index (Net)** |

## Comparative tables

| **A-Class Accumulation Shares** | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 75.74 | 62.72 |
| Return before operating charges* | - | (74.58) | 14.17 |
| Operating charges | - | (1.16) | (1.15) |
| Return after operating charges* | - | (75.74) | 13.02 |
| Distributions | - | (1.95) | (1.62) |
| Retained distributions on accumulation shares | - | 1.95 | 1.62 |
| Closing net asset value per share | - | - | 75.74 |
| * after direct transaction costs of | - | (0.44) | (0.25) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 20.76% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 231,830 |
| Closing number of shares | - | - | 306,084,542 |
| % Operating charges | - | - | 1.68% |
| % Direct transaction costs | - | - | 0.37% |
| **Prices** | | | |
| Highest share price | - | 82.02 | 76.89 |
| Lowest share price | - | 75.44 | 57.59 |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Source: J.P. Morgan.

Source: FTSE International Limited ("FTSE") © FTSE 2014. "FTSE®" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

| A-Class Income Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 61.79 | 52.41 |
| Return before operating charges* | - | (59.29) | 11.67 |
| Operating charges | - | (0.93) | (0.95) |
| Return after operating charges* | - | (60.22) | 10.72 |
| Distributions | - | (1.57) | (1.34) |
| Closing net asset value per share | - | - | 61.79 |
| * after direct transaction costs of | - | (0.36) | (0.21) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 20.45% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 20,107 |
| Closing number of shares | - | - | 32,543,554 |
| % Operating charges | - | - | 1.68% |
| % Direct transaction costs | - | - | 0.37% |
| **Prices** | | | |
| Highest share price | - | 65.80 | 62.76 |
| Lowest share price | - | 61.54 | 48.12 |

| B-Class Accumulation Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 77.38 | 63.76 |
| Return before operating charges* | - | (76.56) | 14.44 |
| Operating charges | - | (0.82) | (0.82) |
| Return after operating charges* | - | (77.38) | 13.62 |
| Distributions | - | (2.35) | (1.99) |
| Retained distributions on accumulation shares | - | 2.35 | 1.99 |
| Closing net asset value per share | - | - | 77.38 |
| * after direct transaction costs of | - | (0.45) | (0.26) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 21.36% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 57 |
| Closing number of shares | - | - | 73,565 |
| % Operating charges | - | - | 1.18% |
| % Direct transaction costs | - | - | 0.37% |
| **Prices** | | | |
| Highest share price | - | 84.11 | 78.53 |
| Lowest share price | - | 77.08 | 58.55 |

| C-Class Accumulation Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | - | 153.92 | 126.51 |
| Return before operating charges* | - | (152.61) | 28.70 |
| Operating charges | - | (1.31) | (1.29) |
| Return after operating charges* | - | (153.92) | 27.41 |
| Distributions | - | (5.02) | (4.30) |
| Retained distributions on accumulation shares | - | 5.02 | 4.30 |
| Closing net asset value per share | - | - | 153.92 |
| * after direct transaction costs of | - | (0.90) | (0.51) |
| **Performance** | | | |
| % Return after operating charges^^ | - | - | 21.67% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | - | 11,941 |
| Closing number of shares | - | - | 7,757,895 |
| % Operating charges | - | - | 0.93% |
| % Direct transaction costs | - | - | 0.37% |
| **Prices** | | | |
| Highest share price | - | 167.6 | 156.2 |
| Lowest share price | - | 153.3 | 116.2 |

## Comparative tables – continued

| C-Class Income Shares | 2019 pps | 2018‡ pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | – | 135.31 | 114.75 |
| Return before operating charges* | – | (129.81) | 25.57 |
| Operating charges | – | (1.13) | (1.15) |
| Return after operating charges* | – | (130.94) | 24.42 |
| Distributions | – | (4.37) | (3.86) |
| Closing net asset value per share | – | – | 135.31 |
| * after direct transaction costs of | – | (0.78) | (0.46) |
| **Performance** | | | |
| % Return after operating charges^^ | – | – | 21.28% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | – | 2,304 |
| Closing number of shares | – | – | 1,702,897 |
| % Operating charges | – | – | 0.93% |
| % Direct transaction costs | – | – | 0.37% |
| **Prices** | | | |
| Highest share price | – | 144.3 | 137.6 |
| Lowest share price | – | 134.8 | 105.4 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 323 and 323, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 15 December 2017.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Portfolio Statement

As the Fund closed on 15 December 2017 there were no investments as at 31 January 2019.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital gains (Note 2) | | - | | 8,070 |
| Revenue (Note 3) | 4 | | 10,628 | |
| Expenses (Note 4) | - | | (3,819) | |
| Net revenue before taxation | 4 | | 6,809 | |
| Taxation (Note 5) | (4) | | (62) | |
| Net revenue after taxation | | - | | 6,747 |
| **Total return before distributions** | | **-** | | **14,817** |
| Distributions (Note 6) | | - | | (6,748) |
| **Change in net assets attributable to shareholders from investment activities** | | **-** | | **8,069** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| **Current assets:** | | |
| Debtors (Note 8) | 2 | 71 |
| Cash and bank balances (Note 9) | 8 | 45 |
| **Total assets** | **10** | **116** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | - | (52) |
| Other creditors (Note 10) | (10) | (64) |
| **Total liabilities** | **(10)** | **(116)** |
| **Net assets attributable to shareholders** | **-** | **-** |

The notes to these financial statements are shown on pages 321 to 323.

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **-** | | **266,239** |
| Amounts transferred to JPM UK Equity Core Fund | | - | | (255,358) |
| Amounts receivable on issue of shares | - | | 778 | |
| Amounts payable on cancellation of shares | - | | (25,811) | |
| | | - | | (25,033) |
| Change in net assets attributable to shareholders from investment activities (see above) | | - | | 8,069 |
| Retained distributions on accumulation shares | | - | | 6,088 |
| Loss accumulated following Fund closure | | - | | (5) |
| **Closing net assets attributable to shareholders** | | **-** | | **-** |

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM UK Equity Blue Chip Fund are disclosed on pages 12 and 13.

## 2. Net capital gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains | - | 9 |
| Derivative contracts | - | 340 |
| Non-derivative securities | - | 7,721 |
| Net capital gains | - | 8,070 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | (1) | 9,681 |
| Income from Liquidity Funds | - | 11 |
| Income from overseas equity investments | - | 837 |
| Management fee rebates | - | 1 |
| Property income distributions | - | 85 |
| Stock lending income | 5 | 13 |
| Total revenue | 4 | 10,628 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | - | 3,398 |
| Operating expenses | - | 419 |
| Stock lending fees | - | 2 |
| Total expenses | - | 3,819 |

The ACD paid fees to the auditor of £3,500 (31.01.18: £5,388) for the year ending 31 January 2019, with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 4 | 62 |
| Current year tax charge (Note 5b) | 4 | 62 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is greater than (2018: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 4 | 6,809 |
| Corporation tax at 20% | 1 | 1,362 |
| Effects of: | | |
| Dividends not subject to corporation tax | - | (2,104) |
| Excess expenses for which no relief taken | (1) | 742 |
| Overseas tax suffered | 4 | 62 |
| | 3 | (1,300) |
| Current year tax charge (Note 5a) | 4 | 62 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £8,630,569 (31.01.18: £8,631,574) in relation to £43,152,845 (31.01.18: £43,157,871) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First interim dividend distribution | - | 2,917 |
| Second interim dividend distribution | - | 838 |
| Third interim dividend distribution | - | 2,242 |
| Final dividend distribution | - | 649 |
| Add: Amounts payable on cancellation of shares | - | 105 |
| Deduct: Amounts receivable on issue of shares | - | (3) |
| Distributions for the year | - | 6,748 |

Details of the distribution per share are set out on pages 323 and 323.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | - | 6,747 |
| Add: Deficit taken to capital | - | (9) |
| Add: RDR transfer equalisation (capital) | - | 1 |
| Add: Undistributed revenue brought forward | - | 9 |
| | - | 6,748 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | - | 63 |
| Overseas tax recoverable | 2 | 8 |
| Total debtors | 2 | 71 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 8 | 45 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 10 | 64 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £nil (31.01.18: £63,665) Details of related party transactions are given under note on page 13.

Revenue from investments considered to be related parties was £nil (31.01.18: £11,061).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions were carried out on an arm's length basis. The commissions paid to these companies over the year were £nil (31.01.18: £159,579). Commission was paid to the associated company JPMorgan Securities Ltd.

## 13. Stock lending

At the balance sheet date there were no securities on loan (31.01.18: £nil) and consequently no collateral was held (31.01.18: £nil).

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3)* | 5 | 13 |
| Fees paid to the lending agent[Ø] | – | (2) |
| Net stock lending income | 5 | 11 |

[Ø] A related party to the Fund.

* Stock lending income was booked on a receipt basis and therefore the 2019 income pertains to stock lending activity in 2018.

## 14. Direct transaction costs

The Fund closed 15 December 2017, therefore there were no direct transaction costs for the year ended 31 January 2019.

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (219,259) | (221) | (1,001) | (220,481) | 0.10 | 0.46 |
| Purchases of Funds | (40,603) | - | - | (40,603) | 0.00 | 0.00 |
| | (259,862) | (221) | (1,001) | (261,084) | | |
| **Sales*** | | | | | | |
| Sales of Equity stocks | 248,820 | (263) | - | 248,557 | 0.11 | 0.00 |
| Sales of Funds | 34,253 | - | - | 34,253 | 0.00 | 0.00 |
| **In-specie sales** | | | | | | |
| Sales of Equity stocks | 243,290 | - | - | 243,290 | 0.00 | 0.00 |
| Sales of Funds | 8,948 | - | - | 8,948 | 0.00 | 0.00 |
| | 535,311 | (263) | - | 535,048 | | |
| Total | | (484) | (1,001) | | | |
| Percentage of Fund average net assets | | 0.18% | 0.38% | | | |

* Excluding in specie and corporate action activity.

## 15. Shares in issue

As the Fund closed on 15 December 2017, there were no outstanding shares as at 31 January 2019.

# Distribution tables

The Fund closed on 15 December 2017 therefore no distribution has been made with respect to the year ended 31 January 2019.

# JPM UK Equity Core Fund

## Investment objective and policy

The Fund aims to provide capital growth and outperform the FTSE™ All-Share Index over the long term by investing primarily in a portfolio of UK companies.

UK companies are companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

The Fund is Benchmark aware and aims to moderately overweight the securities with the highest potential to outperform and moderately underweight the securities with the lowest potential to outperform within the Benchmark. As a result, at the sector level, weightings may be closely aligned to the Benchmark.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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

The Fund will invest predominantly in assets denominated in sterling. However, assets may be denominated in other currencies and non-sterling currency exposure will not normally be hedged back to sterling.

The Fund seeks to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund.

## 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.

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

The capital growth of an investment in a quarterly Share Class may be constrained when compared to the equivalent annual income distribution share class of the same fund. This is a result of annual income distribution share classes effectively investing more in the Fund than quarterly Share Classes due to the less frequent payment of income.

Quarterly Share Classes may receive less income than equivalent annual income distribution share classes of the same fund. This is a result of the quarterly Share Classes effectively investing less in the Fund due to the more frequent payment of income, which means that they will receive a smaller proportion of any income received by the Fund during any given annual period.

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.

## Market review

The UK equity market struggled over the period. The fourth quarter of 2018 was particularly challenging as the UK equity market faced headwinds from general negative sentiment across the globe, which resulted in equity markets posting significant losses. Escalating concerns over the maturity of the economic cycle in the US, the potential ramifications of trade wars, rising interest rates and the shrinking Federal Reserve balance sheet all weighed on market sentiment over the period. Brexit also dominated headlines throughout the year.

## Fund review

The Fund, which aims to provide low-cost, actively managed exposure to the UK stock market, underperformed its benchmark.

Sector-level contributors to relative performance included stock selection in healthcare equipment & services and oil & gas producers. Detractors included stock selection in travel & leisure and financial services.

Positive contributors at the stock level included not holding Metro Bank. The company has experienced margin pressure on the back of competition in the UK mortgage market as well as a subdued housing market. Relative returns were also boosted by an overweight position in IT software reseller Softcat as it continued to deliver solid results that were ahead of expectations.

An overweight to KAZ Minerals, the copper mining firm, detracted from returns over the period. The shares underperformed following an announcement by the company that it would acquire and develop a remote Russian asset that is only due to begin production in 2025. The announcement also coincided with a sharp fall in the copper price. An underweight position in Ocado also detracted. The online supermarket saw a boost in its share price following the announcement of a number of partnership deals with international supermarket chains, including a deal with Kroger, a significant player in the US grocery sector.

Relative returns were, however, boosted by an underweight in Standard Life Aberdeen after the asset management firm experienced persistent outflows.

## Fund outlook

A favourable conclusion to Brexit negotiations could lead to strength in sterling, which could prove a headwind for companies generating earnings overseas, but this is likely to have a short-term impact. A more positive outcome to Brexit could also provide a boost to domestically-focused companies, which, twinned with wage growth coming through, would likely be a tailwind to earnings.

Valuation has become more attractive due to the market weakness and we believe the UK equity market looks especially attractive compared to other developed markets. UK equities have also seen yields increase as a result of the share price fall, which makes them an even more attractive source of income for investors.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

Source: FTSE International Limited ("FTSE") © FTSE 2014. "FTSE®" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM UK Equity Core Fund** | | | | | |
| E-Class Acc | **-5.9%** | **10.9%** | **22.6%** | **-4.1%** | **8.4%** |
| Benchmark Index | -3.9% | 11.2% | 20.0% | -4.6% | 7.1% |

## Fund statistics

| | |
|---|---|
| Risk and Reward Profile | **5† (4 at 31 July 2018)** |
| Fund size | **£567.4m** |
| Benchmark Index | **FTSE All-Share Index (Net)** |
| Fund charges and expenses | E-Class |
| Initial charge (max.) | **Nil** |
| Exit charge | **Nil** |
| Fund expenses (comprises) | |
| Annual management fee | **0.25%** |
| Operating expenses (max.) | **0.15%** |

## Comparative tables

| E-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 364.01 | 326.36 | 267.76 |
| Return before operating charges* | (20.41) | 39.07 | 59.76 |
| Operating charges | (1.19) | (1.42) | (1.16) |
| Return after operating charges* | (21.60) | 37.65 | 58.60 |
| Distributions | (13.44) | (11.42) | (9.88) |
| Retained distributions on accumulation shares | 13.44 | 11.42 | 9.88 |
| Closing net asset value per share | 342.41 | 364.01 | 326.36 |
| * after direct transaction costs of | (0.96) | (0.77) | (0.75) |
| **Performance** | | | |
| % Return after operating charges^^ | (5.93)% | 11.54% | 21.89% |
| **Other information** | | | |
| Closing net asset value (£'000) | 119,932 | 141,236 | 33,334 |
| Closing number of shares | 35,026,270 | 38,800,370 | 10,213,646 |
| % Operating charges | 0.33% | 0.40% | 0.40% |
| % Direct transaction costs | 0.27% | 0.22% | 0.26% |
| **Prices** | | | |
| Highest share price | 383.5 | 372.9 | 333.4 |
| Lowest share price | 321.8 | 327.2 | 247.6 |

| E-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 62.31 | 57.67 | 48.79 |
| Return before operating charges* | (3.51) | 6.91 | 10.90 |
| Operating charges | (0.20) | (0.25) | (0.22) |
| Return after operating charges* | (3.71) | 6.66 | 10.68 |
| Distributions | (2.30) | (2.02) | (1.80) |
| Closing net asset value per share | 56.30 | 62.31 | 57.67 |
| * after direct transaction costs of | (0.16) | (0.14) | (0.14) |
| **Performance** | | | |
| % Return after operating charges^^ | (5.95)% | 11.55% | 21.89% |
| **Other information** | | | |
| Closing net asset value (£'000) | 213,009 | 163,143 | 148,147 |
| Closing number of shares | 378,365,142 | 261,842,016 | 256,867,702 |
| % Operating charges | 0.33% | 0.40% | 0.40% |
| % Direct transaction costs | 0.27% | 0.22% | 0.26% |
| **Prices** | | | |
| Highest share price | 65.63 | 65.89 | 60.76 |
| Lowest share price | 55.08 | 57.83 | 45.12 |

| E-Class Quarterly Accumulation Shares‡‡ | 2019‡ pps | 2018‡‡ pps |
|---|---|---|
| **Change in net asset value per share** | | |
| Opening net asset value per share | 51.81 | 50.00 |
| Return before operating charges* | (2.90) | 1.84 |
| Operating charges | (0.16) | (0.03) |
| Return after operating charges* | (3.06) | 1.81 |
| Distributions | (1.92) | (0.05) |
| Retained distributions on accumulation shares | 1.92 | 0.05 |
| Closing net asset value per share | 48.75 | 51.81 |
| * after direct transaction costs of | (0.14) | (0.12) |
| **Performance** | | |
| % Return after operating charges^^ | (5.91)% | 3.62% |
| **Other information** | | |
| Closing net asset value (£'000) | 209,037 | 237,237 |
| Closing number of shares | 428,796,345 | 457,876,849 |
| % Operating charges | 0.31% | 0.40% |
| % Direct transaction costs | 0.27% | 0.22% |
| **Prices** | | |
| Highest share price | 54.59 | 53.07 |
| Lowest share price | 45.82 | 50.22 |

† 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Source: J.P. Morgan.

## Comparative tables – continued

| E-Class Quarterly Income Shares‡‡‡ | 2019‡ pps | 2018‡‡‡ pps |
|---|---|---|
| **Change in net asset value per share** | | |
| Opening net asset value per share | 53.54 | 50.00 |
| Return before operating charges* | (2.93) | 4.87 |
| Operating charges | (0.19) | (0.18) |
| Return after operating charges* | (3.12) | 4.69 |
| Distributions | (1.93) | (1.15) |
| Closing net asset value per share | 48.49 | 53.54 |
| * after direct transaction costs of | (0.14) | (0.12) |
| **Performance** | | |
| % Return after operating charges^^ | (5.83)% | 9.38% |
| **Other information** | | |
| Closing net asset value (£'000) | 25,428 | 21,246 |
| Closing number of shares | 52,436,434 | 39,685,744 |
| % Operating charges | 0.36% | 0.40% |
| % Direct transaction costs | 0.27% | 0.22% |
| **Prices** | | |
| Highest share price | 55.73 | 55.08 |
| Lowest share price | 45.87 | 50.30 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 333 and 334, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 31 January 2019.
‡‡ E-Class Quarterly Accumulation shares were launched on 5 December 2017.
‡‡‡ E-Class Quarterly Income shares were launched on 20 April 2017.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Sector breakdown

| | % |
|---|---|
| Financials | 17.60 |
| Energy | 13.74 |
| Consumer Staples | 12.95 |
| Industrials | 10.98 |
| Materials | 9.64 |
| Health Care | 7.38 |
| Consumer Discretionary | 6.60 |
| Communication Services | 5.13 |
| Liquidity Funds | 4.90 |
| Collective Investment Schemes | 3.69 |
| Utilities | 2.78 |
| Real Estate | 2.17 |
| Information Technology | 1.53 |
| Futures | 0.21 |
| Investment Funds | 0.17 |
| Net other assets | 0.53 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 90.67% (94.89%)** | | | |
| **Communication Services 5.13% (6.25%)** | | | |
| **Diversified Telecommunication Services 1.06% (1.08%)** | | | |
| BT Group plc | 2,529,193 | 5,979 | 1.06 |
| | | **5,979** | **1.06** |
| **Entertainment 0.32% (0.00%)** | | | |
| Cineworld Group plc | 676,792 | 1,812 | 0.32 |
| | | **1,812** | **0.32** |
| **Interactive Media & Services 0.63% (0.79%)** | | | |
| Auto Trader Group plc | 407,324 | 1,854 | 0.33 |
| Rightmove plc | 367,229 | 1,727 | 0.30 |
| | | **3,581** | **0.63** |
| **Media 1.32% (1.72%)** | | | |
| Euromoney Institutional Investor plc | 13,054 | 165 | 0.03 |
| Informa plc | 130,136 | 889 | 0.16 |
| ITV plc | 1,445,921 | 1,896 | 0.33 |
| Pearson plc | 316,875 | 2,899 | 0.51 |
| WPP plc | 188,781 | 1,646 | 0.29 |
| | | **7,495** | **1.32** |
| **Wireless Telecommunication Services 1.80% (2.66%)** | | | |
| Vodafone Group plc | 7,254,388 | 10,220 | 1.80 |
| | | **10,220** | **1.80** |
| **Communication Services total** | | **29,087** | **5.13** |
| **Consumer Discretionary 6.60% (7.13%)** | | | |
| **Auto Components 0.00% (0.29%)** | | | |
| **Distributors 0.11% (0.34%)** | | | |
| Inchcape plc | 103,445 | 607 | 0.11 |
| | | **607** | **0.11** |
| **Hotels, Restaurants & Leisure 3.16% (3.18%)** | | | |
| Carnival plc | 69,391 | 3,003 | 0.53 |
| Compass Group plc | 458,948 | 7,490 | 1.32 |
| Greene King plc | 101,705 | 620 | 0.11 |
| Greggs plc | 39,411 | 614 | 0.11 |
| GVC Holdings plc | 244,842 | 1,661 | 0.29 |
| InterContinental Hotels Group plc | 17,407 | 761 | 0.13 |
| J D Wetherspoon plc | 64,576 | 793 | 0.14 |
| Paddy Power Betfair plc | 3,348 | 209 | 0.04 |
| SSP Group plc | 260,488 | 1,747 | 0.31 |
| Whitbread plc | 21,322 | 1,051 | 0.18 |
| | | **17,949** | **3.16** |
| **Household Durables 1.49% (1.86%)** | | | |
| Barratt Developments plc | 165,071 | 897 | 0.16 |
| Bellway plc | 55,981 | 1,612 | 0.28 |
| Berkeley Group Holdings plc | 15,771 | 599 | 0.11 |
| Bovis Homes Group plc | 101,978 | 1,048 | 0.18 |
| Countryside Properties plc | 518,325 | 1,620 | 0.29 |
| Persimmon plc | 96,001 | 2,312 | 0.41 |
| Taylor Wimpey plc | 203,691 | 340 | 0.06 |
| | | **8,428** | **1.49** |
| **Internet & Direct Marketing Retail 0.19% (0.00%)** | | | |
| Ocado Group plc | 106,935 | 1,050 | 0.19 |
| | | **1,050** | **0.19** |
| **Leisure Products 0.22% (0.00%)** | | | |
| Games Workshop Group plc | 41,856 | 1,272 | 0.22 |
| | | **1,272** | **0.22** |
| **Multiline Retail 0.49% (0.79%)** | | | |
| Next plc | 57,504 | 2,775 | 0.49 |
| | | **2,775** | **0.49** |
| **Specialty Retail 0.51% (0.53%)** | | | |
| Dunelm Group plc | 141,501 | 1,027 | 0.18 |
| JD Sports Fashion plc | 410,865 | 1,890 | 0.33 |
| | | **2,917** | **0.51** |
| **Textiles, Apparel & Luxury Goods 0.43% (0.14%)** | | | |
| Burberry Group plc | 135,474 | 2,446 | 0.43 |
| | | **2,446** | **0.43** |
| **Consumer Discretionary total** | | **37,444** | **6.60** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Consumer Staples 12.95% (14.03%)** | | | |
| **Beverages 3.55% (3.01%)** | | | |
| Britvic plc | 204,702 | 1,804 | 0.32 |
| Coca-Cola HBC AG | 32,207 | 825 | 0.15 |
| Diageo plc | 604,360 | 17,493 | 3.08 |
| | | **20,122** | **3.55** |
| **Food & Staples Retailing 1.50% (1.36%)** | | | |
| J Sainsbury plc | 618,564 | 1,783 | 0.31 |
| Tesco plc | 2,927,053 | 6,512 | 1.15 |
| Wm Morrison Supermarkets plc | 89,475 | 212 | 0.04 |
| | | **8,507** | **1.50** |
| **Food Products 0.55% (0.48%)** | | | |
| Associated British Foods plc | 37,861 | 905 | 0.16 |
| Greencore Group plc | 791,152 | 1,541 | 0.27 |
| Tate & Lyle plc | 100,882 | 699 | 0.12 |
| | | **3,145** | **0.55** |
| **Household Products 1.54% (1.48%)** | | | |
| Reckitt Benckiser Group plc | 149,165 | 8,741 | 1.54 |
| | | **8,741** | **1.54** |
| **Personal Products 2.02% (2.12%)** | | | |
| Unilever plc | 290,242 | 11,440 | 2.02 |
| | | **11,440** | **2.02** |
| **Tobacco 3.79% (5.58%)** | | | |
| British American Tobacco plc | 552,316 | 14,440 | 2.54 |
| Imperial Brands plc | 286,746 | 7,094 | 1.25 |
| | | **21,534** | **3.79** |
| **Consumer Staples total** | | **73,489** | **12.95** |
| **Energy 13.74% (12.83%)** | | | |
| **Energy Equipment & Services 0.46% (0.09%)** | | | |
| Hunting plc | 184,098 | 1,031 | 0.18 |
| Petrofac Ltd. | 281,477 | 1,560 | 0.28 |
| | | **2,591** | **0.46** |
| **Oil, Gas & Consumable Fuels 13.28% (12.74%)** | | | |
| BP plc | 4,905,783 | 25,559 | 4.50 |
| Royal Dutch Shell plc 'A' | 1,163,693 | 27,492 | 4.85 |
| Royal Dutch Shell plc 'B' | 902,879 | 21,444 | 3.78 |
| Tullow Oil plc | 426,146 | 877 | 0.15 |
| | | **75,372** | **13.28** |
| **Energy total** | | **77,963** | **13.74** |
| **Financials 17.60% (20.36%)** | | | |
| **Banks 10.06% (11.37%)** | | | |
| Bank of Georgia Group plc | 77,861 | 1,213 | 0.21 |
| Barclays plc | 4,917,855 | 7,809 | 1.38 |
| HSBC Holdings plc | 4,857,373 | 31,145 | 5.49 |
| Lloyds Banking Group plc | 18,356,322 | 10,641 | 1.88 |
| Royal Bank of Scotland Group plc | 1,135,084 | 2,751 | 0.48 |
| Standard Chartered plc | 457,181 | 2,862 | 0.50 |
| TBC Bank Group plc | 46,464 | 674 | 0.12 |
| | | **57,095** | **10.06** |
| **Capital Markets 2.32% (2.88%)** | | | |
| 3i Group plc | 377,939 | 3,199 | 0.56 |
| Close Brothers Group plc | 67,413 | 1,015 | 0.18 |
| Hargreaves Lansdown plc | 92,787 | 1,528 | 0.27 |
| IG Group Holdings plc | 227,253 | 1,429 | 0.25 |
| Intermediate Capital Group plc | 155,277 | 1,576 | 0.28 |
| London Stock Exchange Group plc | 48,056 | 2,198 | 0.39 |
| Schroders plc | 10,708 | 281 | 0.05 |
| St James's Place plc | 205,822 | 1,953 | 0.34 |
| | | **13,179** | **2.32** |
| **Diversified Financial Services 0.08% (0.45%)** | | | |
| Standard Life Aberdeen plc | 169,242 | 428 | 0.08 |
| | | **428** | **0.08** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Insurance 4.74% (5.39%)** | | | |
| Admiral Group plc | 107,810 | 2,269 | 0.40 |
| Aviva plc | 999,777 | 4,177 | 0.74 |
| Direct Line Insurance Group plc | 679,315 | 2,322 | 0.41 |
| Hiscox Ltd. | 69,893 | 999 | 0.18 |
| Legal & General Group plc | 1,698,939 | 4,453 | 0.78 |
| Prudential plc | 667,435 | 9,975 | 1.76 |
| RSA Insurance Group plc | 220,580 | 1,154 | 0.20 |
| Saga plc | 1,372,218 | 1,509 | 0.27 |
| | | **26,858** | **4.74** |
| **Thrifts & Mortgage Finance 0.40% (0.27%)** | | | |
| Charter Court Financial Services Group plc | 279,114 | 775 | 0.14 |
| OneSavings Bank plc | 393,956 | 1,497 | 0.26 |
| | | **2,272** | **0.40** |
| **Financials total** | | **99,832** | **17.60** |
| **Health Care 7.38% (7.42%)** | | | |
| **Biotechnology 0.00% (1.15%)** | | | |
| **Health Care Equipment & Supplies 0.74% (0.68%)** | | | |
| Smith & Nephew plc | 291,162 | 4,212 | 0.74 |
| | | **4,212** | **0.74** |
| **Pharmaceuticals 6.64% (5.59%)** | | | |
| AstraZeneca plc | 312,972 | 17,298 | 3.05 |
| GlaxoSmithKline plc | 1,273,139 | 18,750 | 3.30 |
| Hikma Pharmaceuticals plc | 101,552 | 1,628 | 0.29 |
| | | **37,676** | **6.64** |
| **Health Care total** | | **41,888** | **7.38** |
| **Industrials 10.98% (9.50%)** | | | |
| **Aerospace & Defense 1.74% (1.65%)** | | | |
| BAE Systems plc | 972,714 | 5,013 | 0.88 |
| Meggitt plc | 444,791 | 2,293 | 0.40 |
| Rolls-Royce Holdings plc | 289,445 | 2,592 | 0.46 |
| | | **9,898** | **1.74** |
| **Air Freight & Logistics 0.00% (0.05%)** | | | |
| **Airlines 0.87% (1.21%)** | | | |
| International Consolidated Airlines Group SA | 500,515 | 3,224 | 0.57 |
| Wizz Air Holdings plc | 57,359 | 1,739 | 0.30 |
| | | **4,963** | **0.87** |
| **Building Products 0.18% (0.25%)** | | | |
| Polypipe Group plc | 257,505 | 1,015 | 0.18 |
| | | **1,015** | **0.18** |
| **Commercial Services & Supplies 0.60% (0.44%)** | | | |
| Aggreko plc | 166,997 | 1,185 | 0.21 |
| Babcock International Group plc | 338,632 | 1,839 | 0.32 |
| Rentokil Initial plc | 115,964 | 389 | 0.07 |
| | | **3,413** | **0.60** |
| **Construction & Engineering 0.29% (0.00%)** | | | |
| John Laing Group plc | 461,026 | 1,648 | 0.29 |
| | | **1,648** | **0.29** |
| **Electrical Equipment 0.14% (0.00%)** | | | |
| Melrose Industries plc | 479,255 | 812 | 0.14 |
| | | **812** | **0.14** |
| **Industrial Conglomerates 0.10% (0.11%)** | | | |
| DCC plc | 4,839 | 306 | 0.06 |
| Smiths Group plc | 16,687 | 244 | 0.04 |
| | | **550** | **0.10** |
| **Machinery 1.14% (1.22%)** | | | |
| Morgan Advanced Materials plc | 463,272 | 1,241 | 0.22 |
| Rotork plc | 550,321 | 1,525 | 0.27 |
| Spirax-Sarco Engineering plc | 34,454 | 2,245 | 0.40 |
| Vesuvius plc | 254,592 | 1,433 | 0.25 |
| | | **6,444** | **1.14** |
| **Marine 0.00% (0.11%)** | | | |
| **Professional Services 3.20% (1.80%)** | | | |
| Experian plc | 286,453 | 5,533 | 0.98 |
| Hays plc | 921,071 | 1,408 | 0.25 |
| Intertek Group plc | 15,145 | 748 | 0.13 |
| Pagegroup plc | 289,226 | 1,289 | 0.23 |
| RELX plc | 543,489 | 9,152 | 1.61 |
| | | **18,130** | **3.20** |
| **Road & Rail 0.29% (0.29%)** | | | |
| National Express Group plc | 413,695 | 1,630 | 0.29 |
| | | **1,630** | **0.29** |
| **Trading Companies & Distributors 2.29% (2.32%)** | | | |
| Ashtead Group plc | 180,348 | 3,513 | 0.62 |
| Bunzl plc | 33,890 | 822 | 0.15 |
| Diploma plc | 64,099 | 826 | 0.15 |
| Ferguson plc | 81,578 | 4,221 | 0.74 |
| Grafton Group plc | 206,728 | 1,548 | 0.27 |
| Howden Joinery Group plc | 408,006 | 2,064 | 0.36 |
| | | **12,994** | **2.29** |
| **Transportation Infrastructure 0.14% (0.05%)** | | | |
| BBA Aviation plc | 334,420 | 800 | 0.14 |
| | | **800** | **0.14** |
| **Industrials total** | | **62,297** | **10.98** |
| **Information Technology 1.53% (2.10%)** | | | |
| **Communications Equipment 0.17% (0.00%)** | | | |
| Spirent Communications plc | 636,104 | 952 | 0.17 |
| | | **952** | **0.17** |
| **Electronic Equipment, Instruments & Components 0.32% (0.49%)** | | | |
| Electrocomponents plc | 286,370 | 1,572 | 0.28 |
| Halma plc | 16,911 | 237 | 0.04 |
| | | **1,809** | **0.32** |
| **Internet Services & Infrastructure 0.00% (0.14%)** | | | |
| **IT Services 0.48% (0.97%)** | | | |
| Computacenter plc | 69,452 | 724 | 0.13 |
| FDM Group Holdings plc | 97,844 | 837 | 0.15 |
| Softcat plc | 164,254 | 1,146 | 0.20 |
| | | **2,707** | **0.48** |
| **Software 0.56% (0.50%)** | | | |
| AVEVA Group plc | 48,742 | 1,337 | 0.23 |
| Micro Focus International plc | 95,713 | 1,413 | 0.25 |
| Sage Group plc (The) | 73,015 | 459 | 0.08 |
| | | **3,209** | **0.56** |
| **Information Technology total** | | **8,677** | **1.53** |
| **Investment Funds 0.17% (0.00%)** | | | |
| **Investment Companies 0.17% (0.00%)** | | | |
| Scottish Mortgage Investment Trust plc | 202,420 | 969 | 0.17 |
| | | **969** | **0.17** |
| **Investment Funds total** | | **969** | **0.17** |
| **Materials 9.64% (10.88%)** | | | |
| **Chemicals 0.58% (0.90%)** | | | |
| Croda International plc | 5,643 | 275 | 0.05 |
| Johnson Matthey plc | 6,822 | 211 | 0.04 |
| Synthomer plc | 344,970 | 1,256 | 0.22 |
| Victrex plc | 67,299 | 1,528 | 0.27 |
| | | **3,270** | **0.58** |
| **Construction Materials 1.45% (1.54%)** | | | |
| CRH plc | 243,649 | 5,375 | 0.95 |
| Ibstock plc | 635,709 | 1,532 | 0.27 |
| Rhi Magnesita NV | 31,032 | 1,310 | 0.23 |
| | | **8,217** | **1.45** |
| **Containers & Packaging 0.44% (0.77%)** | | | |
| Smurfit Kappa Group plc | 110,406 | 2,504 | 0.44 |
| | | **2,504** | **0.44** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Metals & Mining 6.67% (7.19%)** | | | |
| Anglo American plc | 309,316 | 6,006 | 1.06 |
| BHP Group plc | 585,278 | 9,950 | 1.75 |
| Evraz plc | 250,112 | 1,236 | 0.22 |
| Glencore plc | 2,648,343 | 8,161 | 1.44 |
| Polymetal International plc | 23,015 | 200 | 0.03 |
| Rio Tinto plc | 293,052 | 12,299 | 2.17 |
| | | 37,852 | 6.67 |
| **Paper & Forest Products 0.50% (0.48%)** | | | |
| Mondi plc | 152,585 | 2,854 | 0.50 |
| | | 2,854 | 0.50 |
| **Materials total** | | 54,697 | 9.64 |
| **Real Estate 2.17% (2.26%)** | | | |
| **Equity Real Estate Investment Trusts (REITs) 1.89% (1.76%)** | | | |
| British Land Co. plc (The) | 338,658 | 1,978 | 0.35 |
| Derwent London plc | 40,353 | 1,319 | 0.23 |
| Land Securities Group plc | 184,289 | 1,617 | 0.29 |
| Segro plc | 476,666 | 3,135 | 0.55 |
| Shaftesbury plc | 21,806 | 195 | 0.03 |
| UNITE Group plc (The) | 120,902 | 1,116 | 0.20 |
| Workspace Group plc | 145,705 | 1,383 | 0.24 |
| | | 10,743 | 1.89 |
| **Real Estate Management & Development 0.28% (0.50%)** | | | |
| CLS Holdings plc | 332,263 | 814 | 0.14 |
| St Modwen Properties plc | 184,782 | 768 | 0.14 |
| | | 1,582 | 0.28 |
| **Real Estate total** | | 12,325 | 2.17 |
| **Utilities 2.78% (2.13%)** | | | |
| **Electric Utilities 0.35% (0.39%)** | | | |
| SSE plc | 168,064 | 1,971 | 0.35 |
| | | 1,971 | 0.35 |
| **Independent Power and Renewable Electricity Producers 0.07% (0.00%)** | | | |
| Drax Group plc | 97,560 | 394 | 0.07 |
| | | 394 | 0.07 |
| **Multi-Utilities 1.77% (1.45%)** | | | |
| Centrica plc | 1,873,133 | 2,599 | 0.46 |
| National Grid plc | 868,370 | 7,193 | 1.27 |
| Telecom Plus plc | 17,410 | 250 | 0.04 |
| | | 10,042 | 1.77 |
| **Water Utilities 0.59% (0.29%)** | | | |
| Pennon Group plc | 272,582 | 2,082 | 0.37 |
| Severn Trent plc | 63,942 | 1,276 | 0.22 |
| | | 3,358 | 0.59 |
| **Utilities total** | | 15,765 | 2.78 |
| **Equities total** | | 514,433 | 90.67 |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Collective Investment Schemes 3.69% (3.77%)** | | | |
| **Investment Companies 3.69% (3.77%)** | | | |
| JPM UK Smaller Companies Fund I Net Accumulation[Ø] | 2,300,970 | 20,953 | 3.69 |
| | | 20,953 | 3.69 |
| **Collective Investment Schemes total** | | 20,953 | 3.69 |
| **Futures 0.21% ((0.01)%)** | | | |
| FTSE 100 Index 15/03/2019 | 487 | 1,211 | 0.21 |
| **Futures total** | | 1,211 | 0.21 |
| **Liquidity Funds 4.90% (1.93%)** | | | |
| JPM GBP Liquidity LVNAV Fund X (dist.)[Ø] | 27,822,000 | 27,822 | 4.90 |
| **Liquidity Funds total** | | 27,822 | 4.90 |
| Investment assets | | 564,419 | 99.47 |
| Net other assets | | 2,987 | 0.53 |
| **Net assets** | | 567,406 | 100.00 |

The comparative percentage figures in brackets are as at 31 January 2018.

[Ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (60,264) | | 23,434 |
| Revenue (Note 3) | 24,250 | | 9,178 | |
| Expenses (Note 4) | (1,792) | | (1,130) | |
| Net revenue before taxation | 22,458 | | 8,048 | |
| Taxation (Note 5) | (225) | | (91) | |
| Net revenue after taxation | | 22,233 | | 7,957 |
| **Total return before distributions** | | **(38,031)** | | **31,391** |
| Distributions (Note 6) | | (22,192) | | (7,957) |
| **Change in net assets attributable to shareholders from investment activities** | | **(60,223)** | | **23,434** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **562,862** | | **181,481** |
| Amounts transferred from JPM UK Equity Blue Chip Fund | | - | | 255,358 |
| Amounts receivable on issue of shares | 144,534 | | 132,339 | |
| Amounts payable on cancellation of shares | (93,101) | | (35,082) | |
| | | 51,433 | | 97,257 |
| Dilution adjustment | | 188 | | 672 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (60,223) | | 23,434 |
| Retained distributions on accumulation shares | | 13,146 | | 4,660 |
| **Closing net assets attributable to shareholders** | | **567,406** | | **562,862** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 564,419 | 566,197 |
| **Current assets:** | | |
| Debtors (Note 8) | 1,990 | 2,201 |
| Cash and bank balances (Note 9) | 10,275 | 878 |
| **Total assets** | **576,684** | **569,276** |
| **Liabilities:** | | |
| Investment liabilities | - | (85) |
| **Creditors:** | | |
| Distribution payable | (8,865) | (5,384) |
| Other creditors (Note 10) | (413) | (945) |
| **Total liabilities** | **(9,278)** | **(6,414)** |
| **Net assets attributable to shareholders** | **567,406** | **562,862** |

The notes to these financial statements are shown on pages 331 to 334.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM UK Equity Core Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency (losses)/gains | (20) | 5 |
| Derivative contracts | (1,128) | 307 |
| Non-derivative securities | (59,116) | 23,122 |
| Net capital (losses)/gains | (60,264) | 23,434 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Distributions from authorised ICVCs | 465 | 165 |
| Franked income from UK equity investments | 19,883 | 7,543 |
| Income from Liquidity Funds | 123 | 25 |
| Income from overseas equity investments | 3,200 | 1,174 |
| Interest on bank and term deposits | 3 | - |
| Management fee rebates | 131 | 61 |
| Property income distributions | 376 | 183 |
| Stock dividends | - | 5 |
| Stock lending income | 69 | 22 |
| Total revenue | 24,250 | 9,178 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 1,479 | 704 |
| Operating expenses | 301 | 423 |
| Stock lending fees | 10 | 3 |
| | 1,790 | 1,130 |
| Interest payable | 2 | - |
| Total expenses | 1,792 | 1,130 |

The fees paid to the auditor for the year ended 31 January 2019 are £5,828 (31.01.18: £6,578), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 225 | 91 |
| Current year tax charge (Note 5b) | 225 | 91 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 22,458 | 8,048 |
| Corporation tax at 20% | 4,492 | 1,610 |
| Effects of: | | |
| Dividends not subject to corporation tax | (4,710) | (1,778) |
| Excess expenses for which no relief taken | 218 | 168 |
| Overseas tax suffered | 225 | 91 |
| | (4,267) | (1,519) |
| Current year tax charge (Note 5a) | 225 | 91 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £2,341,942 (31.01.18: £2,123,943) in relation to £11,709,711 (31.01.18: £10,619,714) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First quarterly dividend distribution | 3,079 | - |
| Second quarterly dividend distribution | 2,062 | - |
| Third quarterly dividend distribution | 2,726 | - |
| Final quarterly dividend distribution | 1,492 | 324 |
| Final dividend distribution | 13,410 | 9,720 |
| Add: Amounts payable on cancellation of shares | 2,404 | 636 |
| Deduct: Amounts receivable on issue of shares | (2,981) | (2,723) |
| Distributions for the year | 22,192 | 7,957 |

Details of the distribution per share are set out on page 335.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 22,233 | 7,957 |
| Deduct: RDR transfer equalisation (capital) | - | 2 |
| Add: Undistributed revenue brought forward | 26 | 24 |
| Deduct: Undistributed revenue carried forward | (67) | (26) |
| | 22,192 | 7,957 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 1,225 | 802 |
| Due from the ACD for shares issued | 634 | 1,184 |
| Expense rebate recoverable | 10 | 11 |
| Overseas tax recoverable | 118 | 24 |
| Sales awaiting settlement | 3 | 180 |
| Total debtors | 1,990 | 2,201 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 1,173 | 400 |
| Cash and bank balances | 9,102 | 478 |
| Total cash and bank balances | 10,275 | 878 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 190 | 195 |
| Due to the ACD for shares cancelled | 176 | 750 |
| Purchases awaiting settlement | 47 | – |
| Total other creditors | 413 | 945 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due from the ACD and their associates at the year end date in respect of related party transactions was £267,730 (31.01.18: £269,850). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on pages 327 to 329 and the revenue from these investments was £588,019 (31.01.18: £190,228).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £326,192 (31.01.18: £66,454). Commission was paid to the associated company JPMorgan Securities Ltd.

The following parties held a material interest in the Fund at the year end date:
– Rensburg Client Nominees Ltd 18.71% (31.01.18: 10.47%)

## 13. Stock lending

The Fund entered into stock lending arrangements with a counterparty although it is not the intention to do so in the future. At the balance sheet date there were no securities on loan (31.01.18: £13,366,426) and consequently no collateral was held (31.01.18: £14,240,002).

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 69 | 22 |
| Fees paid to the lending agent[Ø] | (10) | (3) |
| Net stock lending income | 59 | 19 |

[Ø] A related party to the Fund.

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 337.

## 14. Financial instruments

**Currency exposures**

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

**Interest rate risk**

At the year end date, 6.71% (31.01.18: 2.09%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £56,442,000 (31.01.18: £56,611,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has one share class; Class E Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class E Shares: | 0.25% | 0.15% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on page 326. All classes have the same rights on winding up.

## 16. Counterparty exposure

**Financial derivative exposure**

| Counterparty | Futures contracts £'000 | Total £'000 |
|---|---|---|
| **31.01.19** | | |
| Goldman Sachs | 1,211 | 1,211 |
| **31.01.18** | | |
| Goldman Sachs | – | – |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on futures contracts is reported at their positive mark to market values.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 515,644 | - | 534,107 | (85) |
| Level 2: Observable market data | 48,775 | - | 32,090 | - |
| Total | 564,419 | - | 566,197 | (85) |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (237,046) | (254) | (1,134) | (238,434) | 0.11 | 0.48 |
| Purchases of Funds | (147,823) | - | - | (147,823) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | (359) | - | - | (359) | 0.00 | 0.00 |
| | (385,228) | (254) | (1,134) | (386,616) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 201,784 | (189) | (1) | 201,594 | 0.09 | 0.00 |
| Sales of Funds | 128,895 | - | - | 128,895 | 0.00 | 0.00 |
| | 330,679 | (189) | (1) | 330,489 | | |
| **Total** | | (443) | (1,135) | | | |
| Percentage of Fund average net assets | | 0.08% | 0.19% | | | |

* Excluding in specie and corporate action activity.

## 18. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (175,008) | (109) | (815) | (175,932) | 0.06 | 0.47 |
| Purchases of Funds | (83,493) | - | - | (83,493) | 0.00 | 0.00 |
| **In-specie purchases** | | | | | | |
| Purchases of Equity stocks | (243,290) | - | - | (243,290) | 0.00 | 0.00 |
| Purchases of Bond stocks | (8,948) | - | - | (8,948) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | (51) | - | - | (51) | 0.00 | 0.00 |
| | (510,790) | (109) | (815) | (511,714) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 79,176 | (63) | - | 79,113 | 0.08 | 0.00 |
| Sales of Funds | 70,217 | - | - | 70,217 | 0.00 | 0.00 |
| | 149,393 | (63) | - | 149,330 | | |
| **Total** | | (172) | (815) | | | |
| Percentage of Fund average net assets | | 0.04% | 0.18% | | | |

* Excluding in specie and corporate action activity.

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.05% (31.01.18: 0.04%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| E-Class Accumulation Shares | 38,800,370 | 14,928,741 | (18,699,953) | (2,888) | 35,026,270 |
| E-Class Income Shares | 261,842,016 | 138,476,499 | (21,970,248) | 16,875 | 378,365,142 |
| E-Class Quarterly Accumulation Shares | 457,876,849 | 829,291 | (30,183,966) | 274,171 | 428,796,345 |
| E-Class Quarterly Income Shares | 39,685,744 | 16,913,685 | (3,894,595) | (268,400) | 52,436,434 |

# Distribution tables

## Final annual distribution in pence per share

Group 1 - Shares purchased prior to 1 February 2018
Group 2 - Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **E-Class Accumulation Shares** | | | | |
| Group 1 | 13.440000 | - | 13.440000 | 11.420000 |
| Group 2 | 5.760856 | 7.679144 | 13.440000 | 11.420000 |
| **E-Class Income Shares** | | | | |
| Group 1 | 2.300000 | - | 2.300000 | 2.020000 |
| Group 2 | 0.960806 | 1.339194 | 2.300000 | 2.020000 |

## Final quarterly distribution in pence per share

Group 1 - Shares purchased prior to 1 November 2018
Group 2 - Shares purchased 1 November 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **E-Class Quarterly Accumulation shares** | | | | |
| Group 1 | 0.310000 | - | 0.310000 | 0.050000 |
| Group 2 | 0.121767 | 0.188233 | 0.310000 | 0.050000 |
| **E-Class Quarterly Income shares** | | | | |
| Group 1 | 0.310000 | - | 0.310000 | 0.240000 |
| Group 2 | 0.095642 | 0.214358 | 0.310000 | 0.240000 |

## Third quarterly distribution in pence per share

Group 1 - Shares purchased prior to 1 August 2018
Group 2 - Shares purchased 1 August 2018 to 31 October 2018

| | Net revenue | Equalisation | Distribution payable 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **E-Class Quarterly Accumulation shares** | | | | |
| Group 1 | 0.560000 | - | 0.560000 | - |
| Group 2 | 0.129089 | 0.430911 | 0.560000 | - |
| **E-Class Quarterly Income shares** | | | | |
| Group 1 | 0.560000 | - | 0.560000 | 0.500000 |
| Group 2 | 0.122855 | 0.437145 | 0.560000 | 0.500000 |

# Distribution tables – continued

## Second quarterly distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 July 2018

| | Net revenue | Equalisation | Distribution payable 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **E-Class Quarterly Accumulation shares** | | | | |
| Group 1 | 0.420000 | – | 0.420000 | – |
| Group 2 | 0.138383 | 0.281617 | 0.420000 | – |
| **E-Class Quarterly Income shares** | | | | |
| Group 1 | 0.420000 | – | 0.420000 | 0.410000 |
| Group 2 | 0.056401 | 0.363599 | 0.420000 | 0.410000 |

## First quarterly distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 30 April 2018

| | Net revenue | Equalisation | Distribution payable 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **E-Class Quarterly Accumulation shares** | | | | |
| Group 1 | 0.630000 | – | 0.630000 | – |
| Group 2 | 0.338782 | 0.291218 | 0.630000 | – |
| **E-Class Quarterly Income shares** | | | | |
| Group 1 | 0.640000 | – | 0.640000 | – |
| Group 2 | 0.185410 | 0.454590 | 0.640000 | – |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM UK Equity Growth Fund

## Investment objective and policy

To provide long-term capital growth through investment primarily in a growth style biased portfolio of UK companies.

UK companies are companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

This Equity based Fund invests in those stocks which the Investment Adviser believes to have the potential for above-average growth (growth stocks).

**Financial Derivative Instruments (derivatives) may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives of the Prospectus). Subject to at least 60 days notice to shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.**

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

The Fund will invest predominantly in assets denominated in sterling. However, assets may be denominated in other currencies and non-sterling currency exposure will not normally be hedged back to sterling.

The Fund seeks to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund.

## 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.

The Fund may have greater volatility compared to broader market indices as a result of the Fund's focus on growth stocks.

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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.

## Market review

The UK equity market struggled over the period. The fourth quarter of 2018 was particularly challenging as the UK equity market faced headwinds from general negative sentiment across the globe, which resulted in equity markets posting significant losses. Escalating concerns over the maturity of the economic cycle in the US, the potential ramifications of trade wars, rising interest rates and the shrinking Federal Reserve balance sheet all weighed on market sentiment over the period. Brexit also dominated headlines throughout the year.

## Fund review

The Fund, which focuses on high quality companies with positive operational momentum, underperformed its benchmark.

Sector-level contributors to relative performance included an underweight and stock selection in tobacco and an underweight in mobile telecommunications. Detractors included an underweight and stock selection in pharmaceuticals & biotechnology and stock selection in oil & gas producers.

At the stock level, the Fund benefited most in relative terms from an underweight position in British American Tobacco (BAT), the British cigarette and tobacco manufacturing company. Concerns remain around the regulation and profitability of next generation products, whilst the core business continues to suffer in volume and pricing terms. Relative returns were also boosted by an underweight in the UK-based telecommunication group Vodafone. Shares continued to underperform following concerns surrounding the sustainability of its dividend, competition in Europe and concerns over Turkey, where Vodafone has been enjoying double-digit growth.

Detractors from relative performance included an underweight in Shire, the pharmaceuticals company, following a bid by Takeda, Japan's largest pharmaceutical group, to acquire the business. Detractors from relative performance also included an underweight position in AstraZeneca. The multinational pharmaceutical & biotechnology company announced that product sales and three key oncology drugs were ahead of expectations, which supported its share price.

An overweight position in EVRAZ, however, contributed positively to relative returns over the period. The integrated steel and mining company announced profits materially ahead of expectations, driven by strong performance in its steel division.

## Fund outlook

A favourable conclusion to Brexit negotiations could lead to strength in sterling, which could prove a headwind for companies generating earnings overseas, but this is likely to have a short-term impact. A more positive outcome to Brexit could also provide a boost to domestically focused companies, which, twinned with wage growth coming through, would likely be a tailwind to earnings.

Valuation has become more attractive due to the market weakness and we believe the UK equity market looks especially attractive compared to other developed markets. UK equities have also seen yields increase as a result of the share price fall, which makes them an even more attractive source of income for investors.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM UK Equity Growth Fund** A-Class Acc | **-6.1%** | **12.3%** | **17.9%** | **0.1%** | **6.9%** |
| **JPM UK Equity Growth Fund** B-Class Acc | **-5.8%** | **12.9%** | **18.5%** | **0.5%** | **7.4%** |
| **JPM UK Equity Growth Fund** C-Class Acc | **-5.5%** | **13.2%** | **18.8%** | **0.8%** | **7.7%** |
| Benchmark Index | -3.9% | 11.2% | 20.0% | -4.6% | 7.1% |

## Fund statistics

| | | | |
|---|---|---|---|
| Risk and Reward Profile | | | **5† (5 at 31 July 2018)** |
| Fund size | | | **£240.0m** |
| Benchmark Index | | | **FTSE All-Share Index (Net)** |
| Fund charges and expenses | A-Class | B-Class | C-Class |
| Initial charge (max.) | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | |
| Annual management fee | **1.50%** | **1.00%** | **0.75%** |
| Operating expenses (max.) | **0.15%** | **0.15%** | **0.15%** |

## Comparative tables

| A-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 144.00 | 128.19 | 108.69 |
| Return before operating charges* | (6.66) | 18.12 | 21.48 |
| Operating charges | (2.19) | (2.31) | (1.98) |
| Return after operating charges* | (8.85) | 15.81 | 19.50 |
| Distributions | (2.93) | (1.71) | (1.66) |
| Retained distributions on accumulation shares | 2.93 | 1.71 | 1.66 |
| Closing net asset value per share | 135.15 | 144.00 | 128.19 |
| * after direct transaction costs of | (1.06) | (1.11) | (0.86) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.15)% | 12.33% | 17.94% |
| **Other information** | | | |
| Closing net asset value (£'000) | 180,705 | 215,475 | 206,664 |
| Closing number of shares | 133,706,784 | 149,636,954 | 161,212,243 |
| % Operating charges | 1.55% | 1.68% | 1.68% |
| % Direct transaction costs | 0.75% | 0.81% | 0.73% |
| **Prices** | | | |
| Highest share price | 153.9 | 147.5 | 129.3 |
| Lowest share price | 126.4 | 128.1 | 100.9 |

† 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Source: J.P. Morgan.

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## Comparative tables – continued

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 129.17 | 116.38 | 99.96 |
| Return before operating charges* | (5.98) | 16.45 | 19.77 |
| Operating charges | (2.09) | (2.10) | (1.83) |
| Return after operating charges* | (8.07) | 14.35 | 17.94 |
| Distributions | (2.50) | (1.56) | (1.52) |
| Closing net asset value per share | 118.60 | 129.17 | 116.38 |
| * after direct transaction costs of | (0.95) | (1.01) | (0.79) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.25)% | 12.33% | 17.95% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,014 | 970 | 895 |
| Closing number of shares | 854,734 | 751,333 | 768,869 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.75% | 0.81% | 0.73% |
| **Prices** | | | |
| Highest share price | 138.0 | 133.9 | 119.0 |
| Lowest share price | 113.3 | 116.3 | 92.84 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 147.73 | 130.86 | 110.39 |
| Return before operating charges* | (6.84) | 18.53 | 21.89 |
| Operating charges | (1.68) | (1.66) | (1.42) |
| Return after operating charges* | (8.52) | 16.87 | 20.47 |
| Distributions | (3.58) | (2.46) | (2.29) |
| Retained distributions on accumulation shares | 3.58 | 2.46 | 2.29 |
| Closing net asset value per share | 139.21 | 147.73 | 130.86 |
| * after direct transaction costs of | (1.09) | (1.14) | (0.88) |
| **Performance** | | | |
| % Return after operating charges^^ | (5.77)% | 12.89% | 18.54% |
| **Other information** | | | |
| Closing net asset value (£'000) | 314 | 415 | 382 |
| Closing number of shares | 225,794 | 281,010 | 291,574 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.75% | 0.81% | 0.73% |
| **Prices** | | | |
| Highest share price | 158.1 | 151.3 | 132.0 |
| Lowest share price | 130.2 | 130.8 | 102.5 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 198.44 | 175.33 | 147.53 |
| Return before operating charges* | (9.22) | 24.87 | 29.30 |
| Operating charges | (1.65) | (1.76) | (1.50) |
| Return after operating charges* | (10.87) | 23.11 | 27.80 |
| Distributions | (5.42) | (3.77) | (3.47) |
| Retained distributions on accumulation shares | 5.42 | 3.77 | 3.47 |
| Closing net asset value per share | 187.57 | 198.44 | 175.33 |
| * after direct transaction costs of | (1.46) | (1.53) | (1.17) |
| **Performance** | | | |
| % Return after operating charges^^ | (5.48)% | 13.18% | 18.84% |
| **Other information** | | | |
| Closing net asset value (£'000) | 55,529 | 42,531 | 40,132 |
| Closing number of shares | 29,604,111 | 21,432,877 | 22,889,165 |
| % Operating charges | 0.85% | 0.93% | 0.93% |
| % Direct transaction costs | 0.75% | 0.81% | 0.73% |
| **Prices** | | | |
| Highest share price | 212.6 | 203.2 | 176.9 |
| Lowest share price | 175.3 | 175.3 | 137.1 |

## Comparative tables – continued

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 177.07 | 159.50 | 136.90 |
| Return before operating charges* | (8.23) | 22.61 | 27.20 |
| Operating charges | (1.57) | (1.60) | (1.39) |
| Return after operating charges* | (9.80) | 21.01 | 25.81 |
| Distributions | (4.74) | (3.44) | (3.21) |
| Closing net asset value per share | 162.53 | 177.07 | 159.50 |
| * after direct transaction costs of | (1.31) | (1.39) | (1.09) |
| **Performance** | | | |
| % Return after operating charges^^ | (5.53)% | 13.17% | 18.85% |
| **Other information** | | | |
| Closing net asset value (£'000) | 2,397 | 1,155 | 943 |
| Closing number of shares | 1,475,001 | 652,113 | 591,515 |
| % Operating charges | 0.90% | 0.93% | 0.93% |
| % Direct transaction costs | 0.75% | 0.81% | 0.73% |
| **Prices** | | | |
| Highest share price | 189.6 | 184.8 | 164.1 |
| Lowest share price | 156.4 | 159.4 | 127.2 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 347 and 348, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Sector breakdown %

| | |
|---|---|
| Industrials | 17.23 |
| Consumer Staples | 13.33 |
| Consumer Discretionary | 12.00 |
| Energy | 10.75 |
| Materials | 9.77 |
| Health Care | 8.52 |
| Financials | 8.48 |
| Utilities | 5.28 |
| Information Technology | 4.60 |
| Communication Services | 4.39 |
| Liquidity Funds | 3.28 |
| Real Estate | 1.87 |
| Futures | 0.09 |
| Net other assets | 0.41 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 96.22% (99.12%)** | | | |
| **Communication Services 4.39% (0.92%)** | | | |
| **Diversified Telecommunication Services 1.39% (0.00%)** | | | |
| BT Group plc | 1,415,764 | 3,347 | 1.39 |
| | | **3,347** | **1.39** |
| **Interactive Media & Services 1.46% (0.58%)** | | | |
| Auto Trader Group plc | 379,461 | 1,727 | 0.72 |
| Rightmove plc | 377,122 | 1,773 | 0.74 |
| | | **3,500** | **1.46** |
| **Media 1.54% (0.34%)** | | | |
| Euromoney Institutional Investor plc | 37,455 | 473 | 0.20 |
| Huntsworth plc | 1,200,000 | 1,260 | 0.52 |
| Pearson plc | 214,090 | 1,959 | 0.82 |
| | | **3,692** | **1.54** |
| **Communication Services total** | | **10,539** | **4.39** |
| **Consumer Discretionary 12.00% (14.23%)** | | | |
| **Hotels, Restaurants & Leisure 5.65% (4.28%)** | | | |
| Carnival plc | 46,584 | 2,016 | 0.84 |
| Compass Group plc | 245,394 | 4,005 | 1.67 |
| EI Group plc | 719,400 | 1,439 | 0.60 |
| Greene King plc | 130,743 | 797 | 0.33 |
| Greggs plc | 99,161 | 1,544 | 0.64 |
| InterContinental Hotels Group plc | 33,192 | 1,452 | 0.61 |
| Mitchells & Butlers plc | 229,082 | 657 | 0.27 |
| SSP Group plc | 245,573 | 1,647 | 0.69 |
| | | **13,557** | **5.65** |
| **Household Durables 1.78% (6.33%)** | | | |
| Berkeley Group Holdings plc | 44,057 | 1,674 | 0.70 |
| MJ Gleeson plc | 165,000 | 1,165 | 0.48 |
| Persimmon plc | 59,617 | 1,435 | 0.60 |
| | | **4,274** | **1.78** |
| **Internet & Direct Marketing Retail 0.83% (0.00%)** | | | |
| boohoo Group plc# | 647,016 | 1,209 | 0.50 |
| Moneysupermarket.com Group plc | 259,033 | 782 | 0.33 |
| | | **1,991** | **0.83** |
| **Leisure Products 0.49% (0.27%)** | | | |
| Games Workshop Group plc | 38,851 | 1,181 | 0.49 |
| | | **1,181** | **0.49** |
| **Multiline Retail 0.65% (1.84%)** | | | |
| Next plc | 32,246 | 1,556 | 0.65 |
| | | **1,556** | **0.65** |
| **Specialty Retail 1.75% (0.89%)** | | | |
| BCA Marketplace plc | 584,719 | 1,199 | 0.50 |
| Dunelm Group plc | 74,091 | 538 | 0.23 |
| JD Sports Fashion plc | 350,973 | 1,614 | 0.67 |
| WH Smith plc | 43,009 | 846 | 0.35 |
| | | **4,197** | **1.75** |
| **Textiles, Apparel & Luxury Goods 0.85% (0.62%)** | | | |
| Burberry Group plc | 113,178 | 2,043 | 0.85 |
| | | **2,043** | **0.85** |
| **Consumer Discretionary total** | | **28,799** | **12.00** |
| **Consumer Staples 13.33% (8.49%)** | | | |
| **Beverages 5.63% (5.00%)** | | | |
| AG Barr plc | 167,454 | 1,263 | 0.52 |
| Britvic plc | 172,086 | 1,516 | 0.63 |
| Coca-Cola HBC AG | 43,398 | 1,112 | 0.46 |
| Diageo plc | 306,587 | 8,874 | 3.70 |
| Fevertree Drinks plc# | 29,401 | 759 | 0.32 |
| | | **13,524** | **5.63** |
| **Food & Staples Retailing 0.57% (0.79%)** | | | |
| J Sainsbury plc | 478,274 | 1,378 | 0.57 |
| | | **1,378** | **0.57** |
| **Food Products 0.97% (0.40%)** | | | |
| Hilton Food Group plc | 83,316 | 793 | 0.33 |
| Tate & Lyle plc | 221,273 | 1,534 | 0.64 |
| | | **2,327** | **0.97** |
| **Household Products 2.16% (0.00%)** | | | |
| Reckitt Benckiser Group plc | 88,300 | 5,174 | 2.16 |
| | | **5,174** | **2.16** |
| **Personal Products 2.44% (2.30%)** | | | |
| Unilever plc | 148,441 | 5,851 | 2.44 |
| | | **5,851** | **2.44** |
| **Tobacco 1.56% (0.00%)** | | | |
| Imperial Brands plc | 151,054 | 3,737 | 1.56 |
| | | **3,737** | **1.56** |
| **Consumer Staples total** | | **31,991** | **13.33** |
| **Energy 10.75% (9.18%)** | | | |
| **Oil, Gas & Consumable Fuels 10.75% (9.18%)** | | | |
| BP plc | 1,067,149 | 5,560 | 2.32 |
| Royal Dutch Shell plc 'B' | 851,539 | 20,224 | 8.43 |
| | | **25,784** | **10.75** |
| **Energy total** | | **25,784** | **10.75** |
| **Financials 8.48% (23.74%)** | | | |
| **Banks 2.57% (6.58%)** | | | |
| Lloyds Banking Group plc | 8,596,252 | 4,983 | 2.08 |
| Royal Bank of Scotland Group plc | 483,989 | 1,173 | 0.49 |
| | | **6,156** | **2.57** |
| **Capital Markets 3.22% (9.64%)** | | | |
| 3i Group plc | 174,067 | 1,473 | 0.61 |
| Burford Capital Ltd.# | 81,689 | 1,528 | 0.64 |
| Close Brothers Group plc | 52,894 | 796 | 0.33 |
| Intermediate Capital Group plc | 88,459 | 898 | 0.38 |
| Liontrust Asset Management plc | 150,000 | 870 | 0.36 |
| London Stock Exchange Group plc | 47,339 | 2,165 | 0.90 |
| | | **7,730** | **3.22** |
| **Consumer Finance 0.30% (0.00%)** | | | |
| Amigo Holdings plc | 292,326 | 727 | 0.30 |
| | | **727** | **0.30** |
| **Insurance 1.67% (6.47%)** | | | |
| Admiral Group plc | 80,709 | 1,699 | 0.71 |
| Legal & General Group plc | 879,480 | 2,305 | 0.96 |
| | | **4,004** | **1.67** |
| **Thrifts & Mortgage Finance 0.72% (1.05%)** | | | |
| Charter Court Financial Services Group plc | 228,930 | 635 | 0.27 |
| Mortgage Advice Bureau Holdings Ltd.# | 192,354 | 1,081 | 0.45 |
| | | **1,716** | **0.72** |
| **Financials total** | | **20,333** | **8.48** |
| **Health Care 8.52% (2.11%)** | | | |
| **Biotechnology 0.13% (0.46%)** | | | |
| Bioventix plc# | 9,800 | 309 | 0.13 |
| | | **309** | **0.13** |
| **Health Care Equipment & Supplies 1.06% (0.00%)** | | | |
| Smith & Nephew plc | 176,480 | 2,553 | 1.06 |
| | | **2,553** | **1.06** |
| **Health Care Providers & Services 0.00% (0.93%)** | | | |
| **Pharmaceuticals 7.33% (0.72%)** | | | |
| AstraZeneca plc | 143,831 | 7,950 | 3.31 |
| GlaxoSmithKline plc | 555,218 | 8,177 | 3.41 |
| Hikma Pharmaceuticals plc | 90,783 | 1,455 | 0.61 |
| | | **17,582** | **7.33** |
| **Health Care total** | | **20,444** | **8.52** |
| **Industrials 17.23% (14.15%)** | | | |
| **Aerospace & Defense 2.04% (0.00%)** | | | |
| Avon Rubber plc | 70,000 | 851 | 0.35 |
| Meggitt plc | 320,009 | 1,649 | 0.69 |
| QinetiQ Group plc | 484,584 | 1,478 | 0.62 |
| Ultra Electronics Holdings plc | 68,848 | 908 | 0.38 |
| | | **4,886** | **2.04** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Airlines 0.97% (2.65%)** | | | |
| International Consolidated Airlines Group SA | 363,190 | 2,340 | 0.97 |
| | | **2,340** | **0.97** |
| **Building Products 0.24% (0.00%)** | | | |
| Polypipe Group plc | 146,885 | 579 | 0.24 |
| | | **579** | **0.24** |
| **Commercial Services & Supplies 0.82% (1.01%)** | | | |
| Rentokil Initial plc | 371,514 | 1,248 | 0.52 |
| Serco Group plc | 644,070 | 713 | 0.30 |
| | | **1,961** | **0.82** |
| **Construction & Engineering 1.01% (0.33%)** | | | |
| John Laing Group plc | 424,137 | 1,516 | 0.63 |
| Morgan Sindall Group plc | 77,000 | 913 | 0.38 |
| | | **2,429** | **1.01** |
| **Electrical Equipment 0.01% (0.62%)** | | | |
| XP Power Ltd. | 1,582 | 32 | 0.01 |
| | | **32** | **0.01** |
| **Industrial Conglomerates 0.51% (0.00%)** | | | |
| Smiths Group plc | 84,280 | 1,231 | 0.51 |
| | | **1,231** | **0.51** |
| **Machinery 1.46% (2.80%)** | | | |
| Judges Scientific plc# | 22,000 | 563 | 0.24 |
| Rotork plc | 313,965 | 870 | 0.36 |
| Spirax-Sarco Engineering plc | 19,172 | 1,249 | 0.52 |
| Vesuvius plc | 144,555 | 814 | 0.34 |
| | | **3,496** | **1.46** |
| **Professional Services 4.98% (2.66%)** | | | |
| Alpha Financial Markets Consulting plc# | 565,808 | 1,301 | 0.54 |
| Experian plc | 160,984 | 3,110 | 1.30 |
| Intertek Group plc | 30,694 | 1,516 | 0.63 |
| Pagegroup plc | 197,789 | 881 | 0.37 |
| RELX plc | 279,874 | 4,713 | 1.96 |
| SThree plc | 156,155 | 437 | 0.18 |
| | | **11,958** | **4.98** |
| **Road & Rail 1.61% (0.00%)** | | | |
| Firstgroup plc | 777,555 | 737 | 0.31 |
| Go-Ahead Group plc (The) | 41,533 | 763 | 0.32 |
| National Express Group plc | 262,320 | 1,033 | 0.43 |
| Stagecoach Group plc | 832,517 | 1,318 | 0.55 |
| | | **3,851** | **1.61** |
| **Trading Companies & Distributors 3.40% (4.08%)** | | | |
| Ashtead Group plc | 96,117 | 1,872 | 0.78 |
| Bunzl plc | 86,453 | 2,097 | 0.87 |
| Diploma plc | 109,135 | 1,407 | 0.59 |
| Ferguson plc | 36,109 | 1,868 | 0.78 |
| Howden Joinery Group plc | 179,388 | 907 | 0.38 |
| | | **8,151** | **3.40** |
| **Transportation Infrastructure 0.18% (0.00%)** | | | |
| James Fisher & Sons plc | 22,910 | 438 | 0.18 |
| | | **438** | **0.18** |
| **Industrials total** | | **41,352** | **17.23** |
| **Information Technology 4.60% (8.08%)** | | | |
| **Communications Equipment 0.64% (0.00%)** | | | |
| Spirent Communications plc | 1,017,648 | 1,522 | 0.64 |
| | | **1,522** | **0.64** |
| **Electronic Equipment, Instruments & Components 1.49% (2.46%)** | | | |
| Electrocomponents plc | 158,682 | 871 | 0.36 |
| Halma plc | 124,128 | 1,739 | 0.73 |
| Spectris plc | 36,937 | 963 | 0.40 |
| | | **3,573** | **1.49** |
| **Internet Services & Infrastructure 0.00% (0.49%)** | | | |
| **IT Services 1.18% (2.30%)** | | | |
| Computacenter plc | 87,934 | 916 | 0.38 |
| Kainos Group plc | 100,000 | 400 | 0.17 |
| Softcat plc | 218,395 | 1,525 | 0.63 |
| | | **2,841** | **1.18** |
| **Software 1.29% (2.83%)** | | | |
| Avast plc | 282,727 | 815 | 0.34 |
| AVEVA Group plc | 36,858 | 1,011 | 0.42 |
| Micro Focus International plc | 86,208 | 1,273 | 0.53 |
| | | **3,099** | **1.29** |
| **Information Technology total** | | **11,035** | **4.60** |
| **Materials 9.77% (15.71%)** | | | |
| **Chemicals 0.63% (1.49%)** | | | |
| Croda International plc | 30,911 | 1,507 | 0.63 |
| | | **1,507** | **0.63** |
| **Construction Materials 0.87% (1.67%)** | | | |
| Marshalls plc | 235,722 | 1,216 | 0.51 |
| Rhi Magnesita NV | 20,743 | 876 | 0.36 |
| | | **2,092** | **0.87** |
| **Containers & Packaging 0.60% (1.20%)** | | | |
| Smurfit Kappa Group plc | 63,653 | 1,443 | 0.60 |
| | | **1,443** | **0.60** |
| **Metals & Mining 7.00% (11.35%)** | | | |
| Anglo American plc | 182,647 | 3,547 | 1.48 |
| BHP Group plc | 300,753 | 5,113 | 2.13 |
| Evraz plc | 325,576 | 1,609 | 0.67 |
| Rio Tinto plc | 155,716 | 6,535 | 2.72 |
| | | **16,804** | **7.00** |
| **Paper & Forest Products 0.67% (0.00%)** | | | |
| Mondi plc | 85,380 | 1,597 | 0.67 |
| | | **1,597** | **0.67** |
| **Materials total** | | **23,443** | **9.77** |
| **Real Estate 1.87% (2.51%)** | | | |
| **Equity Real Estate Investment Trusts (REITs) 1.87% (2.02%)** | | | |
| Safestore Holdings plc | 242,094 | 1,420 | 0.59 |
| Segro plc | 310,896 | 2,045 | 0.85 |
| UNITE Group plc (The) | 111,607 | 1,030 | 0.43 |
| | | **4,495** | **1.87** |
| **Real Estate Management & Development 0.00% (0.49%)** | | | |
| **Real Estate total** | | **4,495** | **1.87** |
| **Utilities 5.28% (0.00%)** | | | |
| **Independent Power and Renewable Electricity Producers 0.56% (0.00%)** | | | |
| Drax Group plc | 329,272 | 1,330 | 0.56 |
| | | **1,330** | **0.56** |
| **Multi-Utilities 2.60% (0.00%)** | | | |
| Centrica plc | 1,046,686 | 1,452 | 0.60 |
| National Grid plc | 427,819 | 3,544 | 1.48 |
| Telecom Plus plc | 87,090 | 1,252 | 0.52 |
| | | **6,248** | **2.60** |
| **Water Utilities 2.12% (0.00%)** | | | |
| Pennon Group plc | 200,686 | 1,533 | 0.64 |
| Severn Trent plc | 86,538 | 1,727 | 0.72 |
| United Utilities Group plc | 219,375 | 1,832 | 0.76 |
| | | **5,092** | **2.12** |
| **Utilities total** | | **12,670** | **5.28** |
| **Equities total** | | **230,885** | **96.22** |
| **Futures 0.09% ((0.01)%)** | | | |
| FTSE 100 Index 15/03/2019 | 99 | 235 | 0.09 |
| **Futures total** | | **235** | **0.09** |
| **Liquidity Funds 3.28% (1.34%)** | | | |
| JPM GBP Liquidity LVNAV Fund X (dist.)[Ø] | 7,859,403 | 7,859 | 3.28 |
| **Liquidity Funds total** | | **7,859** | **3.28** |
| Investment assets | | 238,979 | 99.59 |
| Net other assets | | 980 | 0.41 |
| **Net assets** | | **239,959** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

# Security traded on another regulated market.

Ø A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (20,089) | | 26,531 |
| Revenue (Note 3) | 8,918 | | 7,614 | |
| Expenses (Note 4) | (3,463) | | (3,997) | |
| Net revenue before taxation | 5,455 | | 3,617 | |
| Taxation (Note 5) | (45) | | (27) | |
| Net revenue after taxation | | 5,410 | | 3,590 |
| **Total return before distributions** | | **(14,679)** | | **30,121** |
| Distributions (Note 6) | | (5,414) | | (3,587) |
| **Change in net assets attributable to shareholders from investment activities** | | **(20,093)** | | **26,534** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **260,546** | | **249,016** |
| Amounts receivable on issue of shares | 21,441 | | 3,789 | |
| Amounts payable on cancellation of shares | (27,575) | | (22,167) | |
| | | (6,134) | | (18,378) |
| Dilution adjustment | | 110 | | - |
| Change in net assets attributable to shareholders from investment activities (see above) | | (20,093) | | 26,534 |
| Retained distributions on accumulation shares | | 5,530 | | 3,374 |
| **Closing net assets attributable to shareholders** | | **239,959** | | **260,546** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 238,979 | 261,750 |
| **Current assets:** | | |
| Debtors (Note 8) | 351 | 426 |
| Cash and bank balances (Note 9) | 1,313 | 351 |
| **Total assets** | **240,643** | **262,527** |
| **Liabilities:** | | |
| Investment liabilities | - | (23) |
| **Creditors:** | | |
| Distribution payable | (91) | (34) |
| Other creditors (Note 10) | (593) | (1,924) |
| **Total liabilities** | **(684)** | **(1,981)** |
| **Net assets attributable to shareholders** | **239,959** | **260,546** |

The notes to these financial statements are shown on pages 345 to 348.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM UK Equity Growth Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency (losses)/gains | (9) | 9 |
| Derivative contracts | (714) | 239 |
| Non-derivative securities | (19,366) | 26,283 |
| Net capital (losses)/gains | (20,089) | 26,531 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 8,026 | 6,879 |
| Income from Liquidity Funds | 59 | 21 |
| Income from overseas equity investments | 597 | 651 |
| Interest on bank and term deposits | 6 | 1 |
| Property income distributions | 214 | 50 |
| Stock lending income | 16 | 12 |
| Total revenue | 8,918 | 7,614 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 3,311 | 3,533 |
| Operating expenses | 145 | 462 |
| Stock lending fees | 2 | 2 |
| | 3,458 | 3,997 |
| Interest payable | 5 | - |
| Total expenses | 3,463 | 3,997 |

The fees paid to the auditor for the year ended 31 January 2019 are £4,588 (31.01.18: £4,588), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 45 | 27 |
| Current year tax charge (Note 5b) | 45 | 27 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 5,455 | 3,617 |
| Corporation tax at 20% | 1,091 | 723 |
| Effects of: | | |
| Dividends not subject to corporation tax | (1,724) | (1,506) |
| Excess expenses for which no relief taken | 633 | 783 |
| Overseas tax suffered | 45 | 27 |
| | (1,046) | (696) |
| Current year tax charge (Note 5a) | 45 | 27 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £3,998,549 (31.01.18: £3,365,059) in relation to £19,992,745 (31.01.18: £16,825,293) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 5,621 | 3,408 |
| Add: Amounts payable on cancellation of shares | 313 | 222 |
| Deduct: Amounts receivable on issue of shares | (520) | (43) |
| Distributions for the year | 5,414 | 3,587 |

Details of the distribution per share are set out on page 349.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 5,410 | 3,590 |
| Add: RDR transfer equalisation (capital) | - | 8 |
| Add: Undistributed revenue brought forward | 12 | 1 |
| Deduct: Undistributed revenue carried forward | (8) | (12) |
| | 5,414 | 3,587 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 319 | 185 |
| Due from the ACD for shares issued | 15 | 235 |
| Overseas tax recoverable | 14 | 6 |
| Sales awaiting settlement | 3 | - |
| Total debtors | 351 | 426 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 251 | 237 |
| Cash and bank balances | 1,062 | 114 |
| Total cash and bank balances | 1,313 | 351 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 294 | 350 |
| Due to the ACD for shares cancelled | 202 | 246 |
| Purchases awaiting settlement | 97 | 1,328 |
| Total other creditors | 593 | 1,924 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £480,044 (31.01.18: £361,595). Details of related party transactions are given under note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on pages 342 and 343 and the revenue from these investments was £59,091 (31.01.18: £21,005).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £174,627 (31.01.18: £57,762). Commission was paid to the associated company JPMorgan Securities Ltd.

The following party held a material interest in the Fund at the year end date:
– Chase Nominees Ltd 18.26% (31.01.18: 22.12%)

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £2,825,148 securities on loan (31.01.18: £8,880,229) and consequently £3,031,812 collateral was held (31.01.18: £9,678,493). The nature of the collateral was 8.74% cash and 91.26% bonds.

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 16 | 12 |
| Fees paid to the lending agent[Ø] | (2) | (2) |
| Net stock lending income | 14 | 10 |

[Ø] A related party to the Fund.

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 351.

## 14. Financial instruments

**Currency exposures**

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

**Interest rate risk**

At the year end date, 3.82% (31.01.18: 1.48%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £23,898,000 (31.01.18: £26,173,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 339 and 341. All classes have the same rights on winding up.

## 16. Counterparty exposure

**Financial derivative exposure**

| Counterparty | Futures contracts £'000 | Total £'000 |
|---|---|---|
| **31.01.19** | | |
| Goldman Sachs | 235 | 235 |
| **31.01.18** | | |
| Goldman Sachs | – | – |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on futures contracts is reported at their positive mark to market values.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 231,120 | – | 258,247 | (23) |
| Level 2: Observable market data | 7,859 | – | 3,503 | – |
| Total | 238,979 | – | 261,750 | (23) |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (256,792) | (319) | (1,178) | (258,289) | 0.12 | 0.46 |
| Purchases of Funds | (54,025) | – | – | (54,025) | 0.00 | 0.00 |
| | (310,817) | (319) | (1,178) | (312,314) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 266,630 | (344) | (1) | 266,285 | 0.13 | 0.00 |
| Sales of Funds | 49,669 | – | – | 49,669 | 0.00 | 0.00 |
| | 316,299 | (344) | (1) | 315,954 | | |
| Total | | (663) | (1,179) | | | |
| Percentage of Fund average net assets | | 0.27% | 0.48% | | | |

## 17. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (288,723) | (392) | (1,311) | (290,426) | 0.14 | 0.45 |
| Purchases of Funds | (63,335) | - | - | (63,335) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | (241) | - | - | (241) | 0.00 | 0.00 |
| | (352,299) | (392) | (1,311) | (354,002) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 303,999 | (390) | (1) | 303,608 | 0.13 | 0.00 |
| Sales of Funds | 62,286 | - | - | 62,286 | 0.00 | 0.00 |
| | 366,285 | (390) | (1) | 365,894 | | |
| Total | | (782) | (1,312) | | | |
| Percentage of Fund average net assets | | 0.30% | 0.51% | | | |

* Excluding in specie and corporate action activity.

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.17% (31.01.18: 0.12%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 18. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 149,636,954 | 1,910,873 | (17,650,311) | (190,732) | 133,706,784 |
| A-Class Income Shares | 751,333 | 117,382 | (13,981) | - | 854,734 |
| B-Class Accumulation Shares | 281,010 | 152 | (55,368) | - | 225,794 |
| C-Class Accumulation Shares | 21,432,877 | 9,578,007 | (1,387,775) | (18,998) | 29,604,111 |
| C-Class Income Shares | 652,113 | 755,167 | (108,362) | 176,083 | 1,475,001 |

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 2.930000 | – | 2.930000 | 1.710000 |
| Group 2 | 0.933795 | 1.996205 | 2.930000 | 1.710000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 2.500000 | – | 2.500000 | 1.560000 |
| Group 2 | 0.906135 | 1.593865 | 2.500000 | 1.560000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 3.580000 | – | 3.580000 | 2.460000 |
| Group 2 | 0.584899 | 2.995101 | 3.580000 | 2.460000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 5.420000 | – | 5.420000 | 3.770000 |
| Group 2 | 0.898195 | 4.521805 | 5.420000 | 3.770000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 4.740000 | – | 4.740000 | 3.440000 |
| Group 2 | 2.086789 | 2.653211 | 4.740000 | 3.440000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 1.18%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 2,825 | 1.18% |

## Concentration Data

### Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date:

| Issuer | Collateral Value £'000 |
|---|---|
| United Kingdom Treasury | 1,911 |
| French Republic Government | 516 |
| United States of America Treasury | 329 |
| Kingdom of Netherlands Government | 8 |
| Republic of Finland Government | 3 |
| Total | 2,767 |

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

## Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| Credit Suisse | 2,000 |
| Citigroup | 486 |
| Merrill Lynch | 249 |
| HSBC | 90 |
| Total | 2,825 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Value £'000 |
|---|---|---|---|
| Bonds | Investment Grade | GBP | 1,911 |
| Bonds | Investment Grade | EUR | 527 |
| Bonds | Investment Grade | USD | 329 |
| Cash | N/A | USD | 265 |
| Total | | | 3,032 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| less than one day | 265 |
| 1 to 3 months | 78 |
| 3 to 12 months | 6 |
| more than 1 year | 2,683 |
| Total | 3,032 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| Citigroup | United States |
| Credit Suisse | Switzerland |
| Merrill Lynch | United States |
| HSBC | United Kingdom |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

Cash collateral received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus, however the Fund as at the period end has not reinvested cash collateral received in respect of securities lending transactions.

## Safekeeping of collateral

All collateral received (31.01.19: £3,032,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM UK Higher Income Fund

## Investment objective and policy

To provide income and prospects of capital growth by investing primarily in Equity and Equity-Linked Securities of UK companies. The Fund aims to provide a higher income yield than the yield on the FTSE™ All-Share Index.

UK companies are companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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 invest predominantly in assets denominated in sterling. However, assets may be denominated in other currencies and non-sterling currency exposure will not normally be hedged back to sterling.

The Fund seeks to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund.

## 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.

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

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.

## Market review

The UK equity market struggled over the period. The fourth quarter of 2018 was particularly challenging as the UK equity market faced headwinds from general negative sentiment across the globe, which resulted in equity markets posting significant losses. Escalating concerns over the maturity of the economic cycle in the US, the potential ramifications of trade wars, rising interest rates and the shrinking Federal Reserve balance sheet all weighed on market sentiment over the period. Brexit also dominated the headlines throughout the year.

## Fund review

The Fund, which invests in UK stocks with an attractive and sustainable yield, underperformed its benchmark.

Sector-level contributors to relative performance included an underweight in tobacco and stock selection in software and computer services. Detractors included an underweight in pharmaceuticals & biotechnology and stock selection in financial services.

At the stock level, the Fund benefited most in relative terms from an underweight position in British American Tobacco (BAT), the British cigarette and tobacco manufacturing company. Concerns remain around the regulation and profitability of next generation products, while the core business continues to suffer in volume and pricing terms. An overweight position in EVRAZ also contributed positively to relative returns over the period. The integrated steel and mining company announced profits materially ahead of expectations, driven by strong performance in its steel division.

Detractors from relative performance included an underweight in Shire, the pharmaceuticals company, following a bid by Takeda, Japan's largest pharmaceutical group, to acquire the business. Relative returns were also held back by an underweight in Diageo, the multinational alcoholic beverages company. This was driven by a combination of better-than-expected performance by the company and positive sentiment around its consolidation strategy, with the announcement of a prospective sale of non-core labels.

Relative returns were also boosted by an overweight position in IT software reseller Softcat as it continued to deliver solid results that were ahead of expectations.

## Fund outlook

A favourable conclusion to Brexit negotiations could lead to strength in sterling, which could prove a headwind for companies generating earnings overseas, but this is likely to have a short-term impact. A more positive outcome to Brexit could also provide a boost to domestically-focused companies, which, twinned with wage growth coming through, would likely be a tailwind to earnings.

Valuation has become more attractive due to the market weakness and we believe the UK equity market looks especially attractive compared to other developed markets. UK equities have also seen yields increase as a result of the share price fall, which makes them an even more attractive source of income for investors.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM UK Higher Income Fund** A-Class Acc | **-8.4%** | **12.8%** | **10.9%** | **-1.2%** | **5.7%** |
| **JPM UK Higher Income Fund** B-Class Acc | **-8.1%** | **13.2%** | **11.5%** | **-0.7%** | **6.2%** |
| **JPM UK Higher Income Fund** C-Class Acc | **-7.8%** | **13.4%** | **11.8%** | **-0.5%** | **6.4%** |
| Benchmark Index | -3.9% | 11.2% | 20.0% | -4.6% | 7.1% |

## Fund statistics

| | | | |
|---|---|---|---|
| Risk and Reward Profile | | | **5† (5 at 31 July 2018)** |
| Fund size | | | **£359.6m** |
| Benchmark Index | | | **FTSE All-Share Index (Net)** |
| Fund charges and expenses | A-Class | B-Class | C-Class |
| Initial charge (max.) | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | |
| Annual management fee | **1.20%** | **0.80%** | **0.60%** |
| Operating expenses (max.) | **0.15%** | **0.15%** | **0.15%** |

## Comparative tables

| A-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 1,093.80 | 970.36 | 874.09 |
| Return before operating charges* | (78.46) | 138.13 | 111.75 |
| Operating charges | (13.42) | (14.69) | (15.48) |
| Return after operating charges* | (91.88) | 123.44 | 96.27 |
| Distributions | (52.41) | (45.53) | (44.32) |
| Retained distributions on accumulation shares | 52.41 | 45.53 | 44.32 |
| Closing net asset value per share | 1,001.92 | 1,093.80 | 970.36 |
| * after direct transaction costs of | (4.76) | (4.50) | (6.97) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.40)% | 12.72% | 11.01% |
| **Other information** | | | |
| Closing net asset value (£'000) | 202,948 | 240,337 | 152,354 |
| Closing number of shares | 20,255,941 | 21,972,559 | 15,700,735 |
| % Operating charges | 1.27% | 1.38% | 1.68% |
| % Direct transaction costs | 0.45% | 0.43% | 0.76% |
| **Prices** | | | |
| Highest share price | 1,162 | 1,125 | 989.0 |
| Lowest share price | 934.4 | 967.1 | 810.4 |

† 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Source: J.P. Morgan.

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## Comparative tables – continued

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 569.35 | 527.41 | 498.40 |
| Return before operating charges* | (39.69) | 74.32 | 62.68 |
| Operating charges | (7.16) | (7.88) | (8.70) |
| Return after operating charges* | (46.85) | 66.44 | 53.98 |
| Distributions | (26.69) | (24.50) | (24.97) |
| Closing net asset value per share | 495.81 | 569.35 | 527.41 |
| * after direct transaction costs of | (2.45) | (2.41) | (3.91) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.23)% | 12.60% | 10.83% |
| **Other information** | | | |
| Closing net asset value (£'000) | 103,260 | 128,952 | 86,650 |
| Closing number of shares | 20,826,552 | 22,649,043 | 16,429,145 |
| % Operating charges | 1.32% | 1.38% | 1.68% |
| % Direct transaction costs | 0.45% | 0.43% | 0.76% |
| **Prices** | | | |
| Highest share price | 604.6 | 596.2 | 548.0 |
| Lowest share price | 473.7 | 525.6 | 462.1 |

| B-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 584.13 | 538.86 | 506.64 |
| Return before operating charges* | (40.81) | 76.08 | 63.88 |
| Operating charges | (5.33) | (5.73) | (6.22) |
| Return after operating charges* | (46.14) | 70.35 | 57.66 |
| Distributions | (27.24) | (25.08) | (25.44) |
| Closing net asset value per share | 510.75 | 584.13 | 538.86 |
| * after direct transaction costs of | (2.52) | (2.47) | (3.98) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.90)% | 13.06% | 11.38% |
| **Other information** | | | |
| Closing net asset value (£'000) | 90 | 122 | 71 |
| Closing number of shares | 17,658 | 20,841 | 13,198 |
| % Operating charges | 0.95% | 0.98% | 1.18% |
| % Direct transaction costs | 0.45% | 0.43% | 0.76% |
| **Prices** | | | |
| Highest share price | 621.0 | 611.6 | 559.7 |
| Lowest share price | 487.8 | 537.1 | 469.8 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 1,118.09 | 987.86 | 885.40 |
| Return before operating charges* | (80.38) | 140.85 | 113.50 |
| Operating charges | (10.30) | (10.62) | (11.04) |
| Return after operating charges* | (90.68) | 130.23 | 102.46 |
| Distributions | (52.75) | (46.43) | (44.98) |
| Retained distributions on accumulation shares | 52.75 | 46.43 | 44.98 |
| Closing net asset value per share | 1,027.41 | 1,118.09 | 987.86 |
| * after direct transaction costs of | (4.87) | (4.58) | (7.08) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.11)% | 13.18% | 11.57% |
| **Other information** | | | |
| Closing net asset value (£'000) | 201 | 220 | 144 |
| Closing number of shares | 19,584 | 19,676 | 14,533 |
| % Operating charges | 0.95% | 0.98% | 1.18% |
| % Direct transaction costs | 0.45% | 0.43% | 0.76% |
| **Prices** | | | |
| Highest share price | 1,189 | 1,150 | 1,007 |
| Lowest share price | 958.0 | 984.6 | 821.0 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 167.13 | 147.36 | 131.74 |
| Return before operating charges* | (12.03) | 21.05 | 16.92 |
| Operating charges | (1.15) | (1.28) | (1.30) |
| Return after operating charges* | (13.18) | 19.77 | 15.62 |
| Distributions | (7.94) | (6.93) | (6.70) |
| Retained distributions on accumulation shares | 7.94 | 6.93 | 6.70 |
| Closing net asset value per share | 153.95 | 167.13 | 147.36 |
| * after direct transaction costs of | (0.73) | (0.69) | (1.05) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.89)% | 13.42% | 11.86% |
| **Other information** | | | |
| Closing net asset value (£'000) | 32,264 | 34,945 | 10,263 |
| Closing number of shares | 20,956,997 | 20,908,480 | 6,964,664 |
| % Operating charges | 0.71% | 0.78% | 0.93% |
| % Direct transaction costs | 0.45% | 0.43% | 0.76% |
| **Prices** | | | |
| Highest share price | 177.8 | 171.9 | 150.2 |
| Lowest share price | 143.5 | 146.9 | 122.2 |

## Comparative tables – continued

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 132.92 | 122.36 | 114.74 |
| Return before operating charges* | (9.30) | 17.30 | 14.49 |
| Operating charges | (0.90) | (1.04) | (1.10) |
| Return after operating charges* | (10.20) | 16.26 | 13.39 |
| Distributions | (6.26) | (5.70) | (5.77) |
| Closing net asset value per share | 116.46 | 132.92 | 122.36 |
| * after direct transaction costs of | (0.57) | (0.56) | (0.91) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.67)% | 13.29% | 11.67% |
| **Other information** | | | |
| Closing net asset value (£'000) | 20,835 | 26,398 | 13,374 |
| Closing number of shares | 17,890,783 | 19,859,998 | 10,929,931 |
| % Operating charges | 0.71% | 0.78% | 0.93% |
| % Direct transaction costs | 0.45% | 0.43% | 0.76% |
| **Prices** | | | |
| Highest share price | 141.4 | 139.2 | 127.1 |
| Lowest share price | 111.2 | 122.0 | 106.4 |

The Operating charges are calculated on an accruals and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 361 and 362, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Sector breakdown

| | % |
|---|---|
| Financials | 23.32 |
| Energy | 15.56 |
| Materials | 12.30 |
| Consumer Discretionary | 10.37 |
| Industrials | 8.93 |
| Consumer Staples | 8.59 |
| Health Care | 7.35 |
| Utilities | 5.79 |
| Liquidity Funds | 2.90 |
| Communication Services | 2.81 |
| Real Estate | 2.07 |
| Information Technology | 0.68 |
| Futures | 0.10 |
| Net other liabilities | (0.77) |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 97.77% (98.05%)** | | | |
| **Communication Services 2.81% (3.67%)** | | | |
| **Diversified Telecommunication Services 1.38% (0.00%)** | | | |
| BT Group plc | 2,097,449 | 4,959 | 1.38 |
| | | **4,959** | **1.38** |
| **Entertainment 0.81% (0.63%)** | | | |
| Cineworld Group plc | 1,094,777 | 2,932 | 0.81 |
| | | **2,932** | **0.81** |
| **Media 0.62% (0.00%)** | | | |
| Bloomsbury Publishing plc | 600,000 | 1,326 | 0.37 |
| Reach plc | 1,568,500 | 900 | 0.25 |
| | | **2,226** | **0.62** |
| **Wireless Telecommunication Services 0.00% (3.04%)** | | | |
| **Communication Services total** | | **10,117** | **2.81** |
| **Consumer Discretionary 10.37% (14.91%)** | | | |
| **Distributors 0.52% (0.69%)** | | | |
| Inchcape plc | 319,098 | 1,873 | 0.52 |
| | | **1,873** | **0.52** |
| **Hotels, Restaurants & Leisure 2.43% (4.09%)** | | | |
| Compass Group plc | 336,708 | 5,495 | 1.53 |
| Greene King plc | 313,303 | 1,910 | 0.53 |
| Hollywood Bowl Group plc | 600,000 | 1,344 | 0.37 |
| | | **8,749** | **2.43** |
| **Household Durables 5.51% (7.28%)** | | | |
| Barratt Developments plc | 529,886 | 2,878 | 0.80 |
| Bellway plc | 116,905 | 3,366 | 0.94 |
| Berkeley Group Holdings plc | 72,390 | 2,750 | 0.76 |
| MJ Gleeson plc | 345,000 | 2,436 | 0.68 |
| Persimmon plc | 123,356 | 2,970 | 0.83 |
| Redrow plc | 527,395 | 3,064 | 0.85 |
| Taylor Wimpey plc | 1,393,492 | 2,329 | 0.65 |
| | | **19,793** | **5.51** |
| **Leisure Products 0.47% (0.30%)** | | | |
| Games Workshop Group plc | 55,266 | 1,680 | 0.47 |
| | | **1,680** | **0.47** |
| **Multiline Retail 0.97% (0.85%)** | | | |
| Next plc | 72,581 | 3,502 | 0.97 |
| | | **3,502** | **0.97** |
| **Specialty Retail 0.47% (1.70%)** | | | |
| BCA Marketplace plc | 820,898 | 1,683 | 0.47 |
| | | **1,683** | **0.47** |
| **Consumer Discretionary total** | | **37,280** | **10.37** |
| **Consumer Staples 8.59% (5.71%)** | | | |
| **Beverages 0.52% (0.61%)** | | | |
| Britvic plc | 212,854 | 1,875 | 0.52 |
| | | **1,875** | **0.52** |
| **Food & Staples Retailing 0.60% (1.91%)** | | | |
| J Sainsbury plc | 753,938 | 2,173 | 0.60 |
| | | **2,173** | **0.60** |
| **Food Products 0.46% (0.67%)** | | | |
| Tate & Lyle plc | 237,408 | 1,646 | 0.46 |
| | | **1,646** | **0.46** |
| **Personal Products 2.31% (2.52%)** | | | |
| Unilever plc | 210,340 | 8,290 | 2.31 |
| | | **8,290** | **2.31** |
| **Tobacco 4.70% (0.00%)** | | | |
| British American Tobacco plc | 425,000 | 11,112 | 3.09 |
| Imperial Brands plc | 234,658 | 5,805 | 1.61 |
| | | **16,917** | **4.70** |
| **Consumer Staples total** | | **30,901** | **8.59** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Energy 15.56% (14.41%)** | | | |
| **Energy Equipment & Services 0.56% (0.00%)** | | | |
| Petrofac Ltd. | 363,243 | 2,014 | 0.56 |
| | | **2,014** | **0.56** |
| **Oil, Gas & Consumable Fuels 15.00% (14.41%)** | | | |
| Anglo Pacific Group plc | 780,300 | 1,260 | 0.35 |
| BP plc | 3,609,003 | 18,803 | 5.23 |
| Royal Dutch Shell plc 'B' | 1,426,662 | 33,883 | 9.42 |
| | | **53,946** | **15.00** |
| **Energy total** | | **55,960** | **15.56** |
| **Financials 23.32% (27.85%)** | | | |
| **Banks 12.12% (9.92%)** | | | |
| Bank of Georgia Group plc | 109,856 | 1,711 | 0.48 |
| Barclays plc | 3,691,446 | 5,861 | 1.63 |
| HSBC Holdings plc | 3,596,648 | 23,062 | 6.41 |
| Lloyds Banking Group plc | 14,187,187 | 8,224 | 2.29 |
| Royal Bank of Scotland Group plc | 1,325,069 | 3,212 | 0.89 |
| TBC Bank Group plc | 104,993 | 1,523 | 0.42 |
| | | **43,593** | **12.12** |
| **Capital Markets 3.16% (6.55%)** | | | |
| 3i Group plc | 329,737 | 2,791 | 0.78 |
| Close Brothers Group plc | 129,352 | 1,947 | 0.54 |
| Investec plc | 425,768 | 2,140 | 0.60 |
| Liontrust Asset Management plc | 380,000 | 2,204 | 0.61 |
| Quilter plc | 507,429 | 625 | 0.17 |
| TP ICAP plc | 525,395 | 1,667 | 0.46 |
| | | **11,374** | **3.16** |
| **Consumer Finance 0.33% (0.00%)** | | | |
| Amigo Holdings plc | 480,523 | 1,194 | 0.33 |
| | | **1,194** | **0.33** |
| **Diversified Financial Services 0.50% (1.11%)** | | | |
| Plus500 Ltd. | 118,087 | 1,808 | 0.50 |
| | | **1,808** | **0.50** |
| **Insurance 5.40% (8.18%)** | | | |
| Admiral Group plc | 156,138 | 3,287 | 0.91 |
| Aviva plc | 999,172 | 4,175 | 1.16 |
| Chesnara plc | 480,000 | 1,646 | 0.46 |
| Direct Line Insurance Group plc | 847,693 | 2,897 | 0.81 |
| Legal & General Group plc | 2,016,236 | 5,285 | 1.47 |
| Sabre Insurance Group plc | 52,645 | 148 | 0.04 |
| Saga plc | 1,784,449 | 1,963 | 0.55 |
| | | **19,401** | **5.40** |
| **Thrifts & Mortgage Finance 1.81% (2.09%)** | | | |
| Mortgage Advice Bureau Holdings Ltd.# | 415,146 | 2,333 | 0.65 |
| OneSavings Bank plc | 411,626 | 1,564 | 0.44 |
| Paragon Banking Group plc | 626,100 | 2,596 | 0.72 |
| | | **6,493** | **1.81** |
| **Financials total** | | **83,863** | **23.32** |
| **Health Care 7.35% (0.00%)** | | | |
| **Pharmaceuticals 7.35% (0.00%)** | | | |
| AstraZeneca plc | 226,024 | 12,492 | 3.47 |
| GlaxoSmithKline plc | 946,688 | 13,943 | 3.88 |
| | | **26,435** | **7.35** |
| **Health Care total** | | **26,435** | **7.35** |
| **Industrials 8.93% (9.02%)** | | | |
| **Aerospace & Defense 0.00% (1.44%)** | | | |
| **Airlines 1.17% (1.91%)** | | | |
| International Consolidated Airlines Group SA | 652,822 | 4,206 | 1.17 |
| | | **4,206** | **1.17** |
| **Construction & Engineering 0.66% (0.58%)** | | | |
| Morgan Sindall Group plc | 200,000 | 2,372 | 0.66 |
| | | **2,372** | **0.66** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Electrical Equipment 0.01% (0.28%)** | | | |
| XP Power Ltd. | 2,554 | 52 | 0.01 |
| | | **52** | **0.01** |
| **Industrial Conglomerates 0.00% (0.00%)** | | | |
| Whitnash plc Preference 9.00%^ | 220,000 | – | – |
| | | – | – |
| **Machinery 0.85% (1.53%)** | | | |
| Morgan Advanced Materials plc | 512,211 | 1,372 | 0.38 |
| Vesuvius plc | 302,372 | 1,702 | 0.47 |
| | | **3,074** | **0.85** |
| **Professional Services 2.89% (0.62%)** | | | |
| Pagegroup plc | 322,532 | 1,437 | 0.40 |
| RELX plc | 395,486 | 6,660 | 1.85 |
| SThree plc | 815,000 | 2,278 | 0.64 |
| | | **10,375** | **2.89** |
| **Road & Rail 2.41% (0.93%)** | | | |
| Go-Ahead Group plc (The) | 158,119 | 2,905 | 0.81 |
| National Express Group plc | 538,097 | 2,120 | 0.59 |
| Northgate plc | 513,784 | 1,941 | 0.54 |
| Stagecoach Group plc | 1,064,769 | 1,685 | 0.47 |
| | | **8,651** | **2.41** |
| **Trading Companies & Distributors 0.94% (1.08%)** | | | |
| Ferguson plc | 65,464 | 3,387 | 0.94 |
| | | **3,387** | **0.94** |
| **Transportation Infrastructure 0.00% (0.65%)** | | | |
| **Industrials total** | | **32,117** | **8.93** |
| **Information Technology 0.68% (1.41%)** | | | |
| **IT Services 0.00% (1.41%)** | | | |
| **Software 0.68% (0.00%)** | | | |
| Micro Focus International plc | 164,352 | 2,426 | 0.68 |
| | | **2,426** | **0.68** |
| **Information Technology total** | | **2,426** | **0.68** |
| **Materials 12.30% (14.84%)** | | | |
| **Construction Materials 0.75% (1.39%)** | | | |
| Forterra plc | 1,013,500 | 2,691 | 0.75 |
| | | **2,691** | **0.75** |
| **Containers & Packaging 0.68% (2.23%)** | | | |
| RPC Group plc | 307,919 | 2,448 | 0.68 |
| | | **2,448** | **0.68** |
| **Metals & Mining 10.87% (11.22%)** | | | |
| Anglo American plc | 302,662 | 5,877 | 1.63 |
| BHP Group plc | 484,726 | 8,240 | 2.29 |
| Evraz plc | 608,036 | 3,005 | 0.84 |
| Ferrexpo plc | 718,234 | 1,786 | 0.50 |
| Glencore plc | 2,716,840 | 8,372 | 2.33 |
| Polymetal International plc | 145,466 | 1,264 | 0.35 |
| Rio Tinto plc | 251,227 | 10,544 | 2.93 |
| | | **39,088** | **10.87** |
| **Materials total** | | **44,227** | **12.30** |
| **Real Estate 2.07% (5.48%)** | | | |
| **Equity Real Estate Investment Trusts (REITs) 2.07% (5.13%)** | | | |
| Big Yellow Group plc | 174,476 | 1,691 | 0.47 |
| Hansteen Holdings plc | 2,430,775 | 2,253 | 0.63 |
| LondonMetric Property plc | 873,271 | 1,649 | 0.46 |
| Tritax Big Box REIT plc | 1,303,320 | 1,842 | 0.51 |
| | | **7,435** | **2.07** |
| **Real Estate Management & Development 0.00% (0.35%)** | | | |
| **Real Estate total** | | **7,435** | **2.07** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Utilities 5.79% (0.75%)** | | | |
| **Independent Power and Renewable Electricity Producers 0.47% (0.00%)** | | | |
| Drax Group plc | 419,253 | 1,694 | 0.47 |
| | | **1,694** | **0.47** |
| **Multi-Utilities 2.58% (0.00%)** | | | |
| Centrica plc | 2,284,988 | 3,170 | 0.88 |
| National Grid plc | 738,480 | 6,117 | 1.70 |
| | | **9,287** | **2.58** |
| **Water Utilities 2.74% (0.75%)** | | | |
| Pennon Group plc | 398,907 | 3,048 | 0.85 |
| Severn Trent plc | 172,503 | 3,441 | 0.96 |
| United Utilities Group plc | 402,600 | 3,363 | 0.93 |
| | | **9,852** | **2.74** |
| **Utilities total** | | **20,833** | **5.79** |
| **Equities total** | | **351,594** | **97.77** |
| **Futures 0.10% ((0.02)%)** | | | |
| FTSE 100 Index 15/03/2019 | 125 | 353 | 0.10 |
| **Futures total** | | **353** | **0.10** |
| **Liquidity Funds 2.90% (2.22%)** | | | |
| JPM GBP Liquidity LVNAV Fund X (dist.)[Ø] | 10,424,933 | 10,425 | 2.90 |
| **Liquidity Funds total** | | **10,425** | **2.90** |
| Investment assets | | 362,372 | 100.77 |
| Net other liabilities | | (2,774) | (0.77) |
| **Net assets** | | **359,598** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

[#] Security traded on another regulated market.

^ Unlisted, suspended or delisted security.

[Ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (49,841) | | 27,824 |
| Revenue (Note 3) | 20,732 | | 13,329 | |
| Expenses (Note 4) | (4,815) | | (3,895) | |
| Net revenue before taxation | 15,917 | | 9,434 | |
| Taxation (Note 5) | (80) | | (35) | |
| Net revenue after taxation | | 15,837 | | 9,399 |
| **Total return before distributions** | | **(34,004)** | | **37,223** |
| Distributions (Note 6) | | (20,288) | | (12,761) |
| **Change in net assets attributable to shareholders from investment activities** | | **(54,292)** | | **24,462** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **447,026** | | **277,108** |
| Amounts transferred from JPM UK Equity & Bond Income Fund | | - | | 148,058 |
| Amounts receivable on issue of shares | 6,581 | | 10,066 | |
| Amounts payable on cancellation of shares | (52,493) | | (21,855) | |
| | | (45,912) | | (11,789) |
| Dilution adjustment | | 27 | | - |
| Change in net assets attributable to shareholders from investment activities (see above) | | (54,292) | | 24,462 |
| Retained distributions on accumulation shares | | 12,624 | | 9,080 |
| Unclaimed distributions | | 125 | | 107 |
| **Closing net assets attributable to shareholders** | | **359,598** | | **447,026** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 362,372 | 448,222 |
| **Current assets:** | | |
| Debtors (Note 8) | 794 | 1,694 |
| Cash and bank balances (Note 9) | 1,334 | 987 |
| **Total assets** | **364,500** | **450,903** |
| **Liabilities:** | | |
| Investment liabilities | - | (70) |
| **Creditors:** | | |
| Distribution payable | (3,028) | (3,079) |
| Other creditors (Note 10) | (1,874) | (728) |
| **Total liabilities** | **(4,902)** | **(3,877)** |
| **Net assets attributable to shareholders** | **359,598** | **447,026** |

The notes to these financial statements are shown on pages 359 to 362.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM UK Higher Income Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency (losses)/gains | (15) | 14 |
| Derivative contracts | (340) | 284 |
| Non-derivative securities | (49,486) | 27,526 |
| Net capital (losses)/gains | (49,841) | 27,824 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 18,007 | 11,972 |
| Income from Liquidity Funds | 53 | 19 |
| Income from overseas equity investments | 1,677 | 743 |
| Interest on bank and term deposits | 1 | 1 |
| Property income distributions | 875 | 564 |
| Stock lending income | 116 | 13 |
| Underwriting commission | 3 | 17 |
| Total revenue | 20,732 | 13,329 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 4,455 | 3,362 |
| Operating expenses | 353 | 531 |
| Stock lending fees | 7 | 2 |
| Total expenses | 4,815 | 3,895 |

The fees paid to the auditor for the year ended 31 January 2019 are £5,746 (31.01.18: £6,496), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 80 | 35 |
| Current year tax charge (Note 5b) | 80 | 35 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 15,917 | 9,434 |
| Corporation tax at 20% | 3,183 | 1,887 |
| Effects of: | | |
| Dividends not subject to corporation tax | (3,936) | (2,543) |
| Excess expenses for which no relief taken | 753 | 656 |
| Overseas tax suffered | 80 | 35 |
| | (3,103) | (1,852) |
| Current year tax charge (Note 5a) | 80 | 35 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £30,602,444 (31.01.18: £29,849,027) in relation to £153,012,220 (31.01.18: £149,245,137) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Interim dividend distribution | 10,773 | 7,263 |
| Final dividend distribution | 8,683 | 7,920 |
| Add: Amounts payable on cancellation of shares | 902 | 294 |
| Deduct: Amounts receivable on issue of shares | (70) | (2,716) |
| Distributions for the year | 20,288 | 12,761 |

Details of the distribution per share are set out on page 363.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 15,837 | 9,399 |
| Add: ACD fee paid from capital | 4,455 | 3,362 |
| Add: Tax relief payable from capital | (5) | – |
| Add: Undistributed revenue brought forward | 5 | 5 |
| Deduct: Undistributed revenue carried forward | (6) | (5) |
| | 20,288 | 12,761 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 753 | 737 |
| Due from the ACD for shares issued | – | 894 |
| Income tax recoverable | 13 | 3 |
| Overseas tax recoverable | 23 | 3 |
| Sales awaiting settlement | 5 | 57 |
| Total debtors | 794 | 1,694 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 464 | 349 |
| Cash and bank balances | 870 | 638 |
| Total cash and bank balances | 1,334 | 987 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 380 | 483 |
| Due to the ACD for shares cancelled | 314 | 245 |
| Purchases awaiting settlement | 1,180 | – |
| Total other creditors | 1,874 | 728 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £693,924 (31.01.18: £166,385). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on pages 356 and 357 and the revenue from these investments was £53,355 (31.01.18: £18,814).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £177,536 (31.01.18:£42,095). Commission was paid to the associated company JPMorgan Securities Ltd.

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £801,337 securities on loan (31.01.18: £18,914,705) and consequently £853,642 collateral was held (31.01.18: £20,222,543).

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 116 | 13 |
| Fees paid to the lending agent[ø] | (7) | (2) |
| Net stock lending income | 109 | 11 |

[ø] A related party to the Fund.

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 366.

## 14. Financial instruments

**Currency exposures**

At the year end date, the Fund's financial assets and liabilities are all denominated in sterling. As a result, the Fund has no exposure to currency movements.

**Interest rate risk**

At the year end date, 3.27% (31.01.18: 2.44%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £36,237,000 (31.01.18: £44,815,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.20% | 0.15% |
| Class B Shares: | 0.80% | 0.15% |
| Class C Shares: | 0.60% | 0.15% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 353 and 355. All classes have the same rights on winding up.

## 16. Counterparty exposure

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties.

The counterparty exposure on futures contracts is reported at their positive mark to market values.

| Counterparty | Futures contracts £'000 | Total £'000 |
|---|---|---|
| **31.01.19** | | |
| Goldman Sachs | 353 | 353 |
| **31.01.18** | | |
| Goldman Sachs | – | – |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on futures contracts is reported at their positive mark to market values.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 351,947 | - | 438,300 | (70) |
| Level 2: Observable market data | 10,425 | - | 9,922 | - |
| Total | 362,372 | - | 448,222 | (70) |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (242,916) | (371) | (1,121) | (244,408) | 0.15 | 0.46 |
| Purchases of Funds | (85,654) | - | - | (85,654) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | (4,002) | - | - | (4,002) | 0.00 | 0.00 |
| | (332,572) | (371) | (1,121) | (334,064) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 285,904 | (334) | (1) | 285,569 | 0.12 | 0.00 |
| Sales of Funds | 85,152 | - | - | 85,152 | 0.00 | 0.00 |
| | 371,056 | (334) | (1) | 370,721 | | |
| Total | | (705) | (1,122) | | | |
| Percentage of Fund average net assets | | 0.18% | 0.27% | | | |

* Excluding in specie and corporate action activity.

## 18. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (321,325) | (267) | (755) | (322,347) | 0.08 | 0.23 |
| Purchases of Funds | (57,677) | - | - | (57,677) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | 609 | - | - | 609 | 0.00 | 0.00 |
| | (378,393) | (267) | (755) | (379,415) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 183,225 | (272) | - | 182,953 | 0.15 | 0.00 |
| Sales of Funds | 53,836 | - | - | 53,836 | 0.00 | 0.00 |
| | 237,061 | (272) | - | 236,789 | | |
| Total | | (539) | (755) | | | |
| Percentage of Fund average net assets | | 0.18% | 0.25% | | | |

* Excluding in specie and corporate action activity.

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.18% (31.01.18: 0.13%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 21,972,559 | 18,775 | (1,670,825) | (64,568) | 20,255,941 |
| A-Class Income Shares | 22,649,043 | 54,639 | (1,703,829) | (173,301) | 20,826,552 |
| B-Class Accumulation Shares | 19,676 | - | (92) | - | 19,584 |
| B-Class Income Shares | 20,841 | - | (3,183) | - | 17,658 |
| C-Class Accumulation Shares | 20,908,480 | 3,232,242 | (3,713,721) | 529,996 | 20,956,997 |
| C-Class Income Shares | 19,859,998 | 907,046 | (3,480,693) | 604,432 | 17,890,783 |
| X-Class Income Shares* | 13,904,128 | - | (13,904,128) | - | - |

* X-Class Income Shares closed on 29 May 2018.

# Distribution tables

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 24.130000 | – | 24.130000 | 19.230000 |
| Group 2 | 9.661069 | 14.468931 | 24.130000 | 19.230000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 12.090000 | – | 12.090000 | 10.200000 |
| Group 2 | 3.580984 | 8.509016 | 12.090000 | 10.200000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 24.230000 | – | 24.230000 | 19.630000 |
| Group 2 | 24.230000 | 0.000000 | 24.230000 | 19.630000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 12.340000 | – | 12.340000 | 10.450000 |
| Group 2 | 12.340000 | 0.000000 | 12.340000 | 10.450000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 3.640000 | – | 3.640000 | 2.930000 |
| Group 2 | 1.306862 | 2.333138 | 3.640000 | 2.930000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 2.840000 | – | 2.840000 | 2.380000 |
| Group 2 | 1.207691 | 1.632309 | 2.840000 | 2.380000 |
| **X-Class Income Shares*** | | | | |
| Group 1 | – | – | – | 2.110000 |
| Group 2 | – | – | – | 2.110000 |

* X-Class Income Shares closed on 29 May 2018.

# Distribution tables – continued

## Interim distribution in pence per share

Group 1 – Shares purchased prior to prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 July 2018

| | Net revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 28.280000 | – | 28.280000 | 26.300000 |
| Group 2 | 14.179449 | 14.100551 | 28.280000 | 26.300000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 14.600000 | – | 14.600000 | 14.300000 |
| Group 2 | 5.519534 | 9.080466 | 14.600000 | 14.300000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 28.520000 | – | 28.520000 | 26.800000 |
| Group 2 | 28.520000 | 0.000000 | 28.520000 | 26.800000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 14.900000 | – | 14.900000 | 14.630000 |
| Group 2 | 0.721465 | 14.178535 | 14.900000 | 14.630000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 4.300000 | – | 4.300000 | 4.000000 |
| Group 2 | 2.593343 | 1.706657 | 4.300000 | 4.000000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 3.420000 | – | 3.420000 | 3.320000 |
| Group 2 | 1.344909 | 2.075091 | 3.420000 | 3.320000 |
| **X-Class Income Shares*** | | | | |
| Group 1 | – | – | – | 2.920000 |
| Group 2 | – | – | – | 2.920000 |

* X-Class Income Shares closed on 29 May 2018.

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0.22%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 801 | 0.22% |

## Concentration Data

### Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date:

| Issuer | Collateral Value £'000 |
|---|---|
| Kingdom of Belgium Government | 169 |
| Total | 169 |

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

## Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| Merrill Lynch | 407 |
| Citigroup | 236 |
| Bank of Nova Scotia | 158 |
| Total | 801 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Value £'000 |
|---|---|---|---|
| Bonds | Investment Grade | EUR | 169 |
| Cash | N/A | USD | 685 |
| Total | | | 854 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| less than one day | 685 |
| more than 1 year | 169 |
| Total | 854 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| Bank of Nova Scotia | Canada |
| Citigroup | United States |
| Merrill Lynch | United States |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

Cash collateral received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus, however the Fund as at the period end has not reinvested cash collateral received in respect of securities lending transactions.

## Safekeeping of collateral

All collateral received (31.01.19: £854,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM UK Strategic Equity Income Fund

## Investment objective and policy

To provide long-term capital growth and income through investment in a value style biased portfolio of UK companies.

UK companies are companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

This Equity based Fund invests in those stocks which the Investment Adviser believes to be undervalued (value stocks).

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

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

The Fund will invest predominantly in assets denominated in sterling. However, assets may be denominated in other currencies and non-sterling currency exposure will not normally be hedged back to sterling.

The Fund seeks to assess the risks presented by certain environmental, social and governance factors. While these particular risks are considered, securities of issuers presenting such risks may be purchased and retained by the Fund.

## 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.

The Fund may have greater volatility compared to broader market indices as a result of the Fund's focus on value stocks.

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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.

## Market review

The UK equity market struggled over the period. The fourth quarter of 2018 was particularly challenging as the UK equity market faced headwinds from general negative sentiment across the globe, which resulted in equity markets posting significant losses. Escalating concerns over the maturity of the economic cycle in the US, the potential ramifications of trade wars, rising interest rates and the shrinking Federal Reserve balance sheet all weighed on market sentiment over the period. Brexit also dominated the headlines throughout the year.

## Fund review

The Fund, which aims to provide long-term capital growth and income through investment in a value style-based portfolio of UK companies, underperformed its benchmark.

Sector-level contributors to relative performance included an underweight and stock selection in tobacco and stock selection in general industrials. Detractors included an underweight in beverages and stock selection in media.

At the stock level, the Fund benefited most in relative terms from an underweight position in British American Tobacco (BAT), the British cigarette and tobacco manufacturing company. Concerns remain around the regulation and profitability of next generation products, while the core business continues to suffer in volume and pricing terms. An overweight position in EVRAZ contributed positively to relative returns over the period. The integrated steel and mining company announced profits materially ahead of expectations, driven by strong performance in its steel division.

Detractors from relative performance included an underweight in Diageo, the multinational alcoholic beverages company. This was driven by a combination of better-than-expected performance by the company and positive sentiment around its consolidation strategy, with the announcement of a prospective sale of non-core labels. Detractors from relative performance also included an underweight position in AstraZeneca. The multinational pharmaceutical & biotechnology company announced that product sales and three key oncology drugs were ahead of expectations, which supported its share price.

Relative returns were, however, boosted by an overweight in Ei Group, the pub chain, which saw a beneficial trading environment and delivered on its strategy to dispose of some of its commercial units.

## Fund outlook

A favourable conclusion to Brexit negotiations could lead to strength in sterling, which could prove a headwind for companies generating earnings overseas, but this is likely to have a short-term impact. A more positive outcome to Brexit could also provide a boost to domestically-focused companies, which, twinned with wage growth coming through, would likely be a tailwind to earnings.

Valuation has become more attractive due to the market weakness and we believe the UK equity market looks especially attractive compared to other developed markets. UK equities have also seen yields increase as a result of the share price fall, which makes them an even more attractive source of income for investors.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM UK Strategic Equity Income Fund** A-Class Acc | **-8.2%** | **12.7%** | **19.2%** | **-3.6%** | **4.4%** |
| **JPM UK Strategic Equity Income Fund** B-Class Acc | **-7.9%** | **13.1%** | **19.7%** | **-3.1%** | **4.8%** |
| **JPM UK Strategic Equity Income Fund** C-Class Acc | **-7.7%** | **13.3%** | **20.1%** | **-2.8%** | **5.2%** |
| **JPM UK Strategic Equity Income Fund** I-Class Acc | **-7.5%** | **13.5%** | **20.5%** | **-2.5%** | **5.5%** |
| Benchmark Index | -3.9% | 11.2% | 20.0% | -4.6% | 7.1% |

## Fund statistics

| | | | | |
|---|---|---|---|---|
| Risk and Reward Profile | | | | **5† (5 at 31 July 2018)** |
| Fund size | | | | **£104.7m** |
| Benchmark Index | | | | **FTSE All-Share Index (Net)** |
| Fund charges and expenses | A-Class | B-Class | C-Class | I-Class |
| Initial charge (max.) | **Nil** | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | | |
| Annual management fee | **1.20%** | **0.80%** | **0.60%** | **0.60%** |
| Operating expenses (max.) | **0.15%** | **0.15%** | **0.15%** | **–** |

## Comparative tables

| A-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 191.26 | 169.78 | 142.36 |
| Return before operating charges* | (13.34) | 24.04 | 30.00 |
| Operating charges | (2.31) | (2.56) | (2.58) |
| Return after operating charges* | (15.65) | 21.48 | 27.42 |
| Distributions | (8.10) | (6.81) | (5.76) |
| Retained distributions on accumulation shares | 8.10 | 6.81 | 5.76 |
| Closing net asset value per share | 175.61 | 191.26 | 169.78 |
| * after direct transaction costs of | (0.50) | (0.64) | (0.78) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.18)% | 12.65% | 19.26% |
| **Other information** | | | |
| Closing net asset value (£'000) | 87,598 | 108,936 | 104,958 |
| Closing number of shares | 49,882,806 | 56,955,690 | 61,820,397 |
| % Operating charges | 1.25% | 1.38% | 1.68% |
| % Direct transaction costs | 0.27% | 0.35% | 0.51% |
| **Prices** | | | |
| Highest share price | 202.1 | 196.9 | 171.5 |
| Lowest share price | 161.8 | 169.6 | 130.8 |

† 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Source: J.P. Morgan.

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## Comparative tables – continued

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 114.14 | 105.15 | 91.53 |
| Return before operating charges* | (7.73) | 14.72 | 18.90 |
| Operating charges | (1.46) | (1.56) | (1.63) |
| Return after operating charges* | (9.19) | 13.16 | 17.27 |
| Distributions | (4.65) | (4.17) | (3.65) |
| Closing net asset value per share | 100.30 | 114.14 | 105.15 |
| * after direct transaction costs of | (0.29) | (0.39) | (0.49) |
| **Performance** | | | |
| % Return after operating charges^^ | (8.05)% | 12.52% | 18.87% |
| **Other information** | | | |
| Closing net asset value (£'000) | 2,966 | 3,786 | 3,627 |
| Closing number of shares | 2,957,123 | 3,317,283 | 3,449,284 |
| % Operating charges | 1.35% | 1.38% | 1.68% |
| % Direct transaction costs | 0.27% | 0.35% | 0.51% |
| **Prices** | | | |
| Highest share price | 118.9 | 118.0 | 106.7 |
| Lowest share price | 93.07 | 105.0 | 84.12 |

| B-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 116.63 | 107.11 | 92.78 |
| Return before operating charges* | (7.96) | 14.85 | 19.16 |
| Operating charges | (1.05) | (1.15) | (1.16) |
| Return after operating charges* | (9.01) | 13.70 | 18.00 |
| Distributions | (4.71) | (4.18) | (3.67) |
| Closing net asset value per share | 102.91 | 116.63 | 107.11 |
| * after direct transaction costs of | (0.30) | (0.40) | (0.50) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.73)% | 12.79% | 19.40% |
| **Other information** | | | |
| Closing net asset value (£'000) | 26 | 33 | 11 |
| Closing number of shares | 24,969 | 28,379 | 10,285 |
| % Operating charges | 0.95% | 0.98% | 1.18% |
| % Direct transaction costs | 0.27% | 0.35% | 0.51% |
| **Prices** | | | |
| Highest share price | 121.6 | 120.5 | 108.7 |
| Lowest share price | 95.44 | 106.9 | 85.28 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 195.03 | 172.49 | 143.98 |
| Return before operating charges* | (13.70) | 24.39 | 30.35 |
| Operating charges | (1.78) | (1.85) | (1.84) |
| Return after operating charges* | (15.48) | 22.54 | 28.51 |
| Distributions | (8.01) | (6.85) | (5.75) |
| Retained distributions on accumulation shares | 8.01 | 6.85 | 5.75 |
| Closing net asset value per share | 179.55 | 195.03 | 172.49 |
| * after direct transaction costs of | (0.50) | (0.65) | (0.79) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.94)% | 13.07% | 19.80% |
| **Other information** | | | |
| Closing net asset value (£'000) | 54 | 37 | 33 |
| Closing number of shares | 29,890 | 18,828 | 18,828 |
| % Operating charges | 0.95% | 0.98% | 1.18% |
| % Direct transaction costs | 0.27% | 0.35% | 0.51% |
| **Prices** | | | |
| Highest share price | 206.3 | 200.7 | 174.2 |
| Lowest share price | 165.5 | 172.3 | 132.3 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 182.54 | 161.04 | 134.02 |
| Return before operating charges* | (12.78) | 22.88 | 28.37 |
| Operating charges | (1.32) | (1.38) | (1.35) |
| Return after operating charges* | (14.10) | 21.50 | 27.02 |
| Distributions | (7.57) | (6.48) | (5.43) |
| Retained distributions on accumulation shares | 7.57 | 6.48 | 5.43 |
| Closing net asset value per share | 168.44 | 182.54 | 161.04 |
| * after direct transaction costs of | (0.48) | (0.61) | (0.73) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.72)% | 13.35% | 20.16% |
| **Other information** | | | |
| Closing net asset value (£'000) | 5,325 | 6,394 | 5,865 |
| Closing number of shares | 3,161,415 | 3,502,623 | 3,641,605 |
| % Operating charges | 0.75% | 0.78% | 0.93% |
| % Direct transaction costs | 0.27% | 0.35% | 0.51% |
| **Prices** | | | |
| Highest share price | 193.2 | 187.9 | 162.6 |
| Lowest share price | 155.2 | 160.9 | 123.2 |

## Comparative tables – continued

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 149.85 | 137.18 | 118.50 |
| Return before operating charges* | (10.18) | 19.26 | 24.59 |
| Operating charges | (1.07) | (1.15) | (1.17) |
| Return after operating charges* | (11.25) | 18.11 | 23.42 |
| Distributions | (6.12) | (5.44) | (4.74) |
| Closing net asset value per share | 132.48 | 149.85 | 137.18 |
| * after direct transaction costs of | (0.38) | (0.51) | (0.64) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.51)% | 13.20% | 19.76% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,915 | 2,334 | 2,013 |
| Closing number of shares | 1,445,305 | 1,557,763 | 1,467,627 |
| % Operating charges | 0.75% | 0.78% | 0.93% |
| % Direct transaction costs | 0.27% | 0.35% | 0.51% |
| **Prices** | | | |
| Highest share price | 156.4 | 154.9 | 139.2 |
| Lowest share price | 122.8 | 137.0 | 108.9 |

| I-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 221.51 | 195.05 | 161.77 |
| Return before operating charges* | (15.53) | 27.73 | 34.33 |
| Operating charges | (1.29) | (1.27) | (1.05) |
| Return after operating charges* | (16.82) | 26.46 | 33.28 |
| Distributions | (9.52) | (8.23) | (6.89) |
| Retained distributions on accumulation shares | 9.52 | 8.23 | 6.89 |
| Closing net asset value per share | 204.69 | 221.51 | 195.05 |
| * after direct transaction costs of | (0.58) | (0.74) | (0.89) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.59)% | 13.57% | 20.57% |
| **Other information** | | | |
| Closing net asset value (£'000) | 227 | 374 | 367 |
| Closing number of shares | 110,821 | 168,829 | 188,299 |
| % Operating charges | 0.60% | 0.60% | 0.60% |
| % Direct transaction costs | 0.27% | 0.35% | 0.51% |
| **Prices** | | | |
| Highest share price | 234.6 | 227.9 | 196.9 |
| Lowest share price | 188.6 | 194.8 | 148.7 |

| I-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 149.75 | 137.04 | 118.19 |
| Return before operating charges* | (10.17) | 19.26 | 24.55 |
| Operating charges | (0.86) | (0.88) | (0.76) |
| Return after operating charges* | (11.03) | 18.38 | 23.79 |
| Distributions | (6.31) | (5.67) | (4.94) |
| Closing net asset value per share | 132.41 | 149.75 | 137.04 |
| * after direct transaction costs of | (0.38) | (0.51) | (0.64) |
| **Performance** | | | |
| % Return after operating charges^^ | (7.37)% | 13.41% | 20.13% |
| **Other information** | | | |
| Closing net asset value (£'000) | 6,541 | 7,719 | 7,368 |
| Closing number of shares | 4,940,104 | 5,154,526 | 5,376,774 |
| % Operating charges | 0.60% | 0.60% | 0.60% |
| % Direct transaction costs | 0.27% | 0.35% | 0.51% |
| **Prices** | | | |
| Highest share price | 156.3 | 154.8 | 139.1 |
| Lowest share price | 122.8 | 136.9 | 108.7 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 376 and 377, for more detail regarding the nature of transaction costs and how they arise for different types on investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Sector breakdown

| | % |
|---|---|
| Financials | 23.77 |
| Energy | 15.54 |
| Materials | 14.16 |
| Industrials | 12.43 |
| Consumer Discretionary | 9.75 |
| Consumer Staples | 6.60 |
| Communication Services | 6.36 |
| Health Care | 3.74 |
| Liquidity Funds | 2.83 |
| Real Estate | 2.44 |
| Information Technology | 1.08 |
| Utilities | 0.74 |
| Futures | 0.12 |
| Net other assets | 0.44 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 96.61% (98.38%)** | | | |
| **Communication Services 6.36% (5.07%)** | | | |
| **Diversified Telecommunication Services 1.32% (0.00%)** | | | |
| BT Group plc | 582,894 | 1,378 | 1.32 |
| | | **1,378** | **1.32** |
| **Media 2.98% (2.14%)** | | | |
| Huntsworth plc | 650,000 | 682 | 0.65 |
| ITV plc | 588,393 | 771 | 0.74 |
| Pearson plc | 88,918 | 814 | 0.78 |
| WPP plc | 98,024 | 855 | 0.81 |
| | | **3,122** | **2.98** |
| **Wireless Telecommunication Services 2.06% (2.93%)** | | | |
| Vodafone Group plc | 1,526,706 | 2,151 | 2.06 |
| | | **2,151** | **2.06** |
| **Communication Services total** | | **6,651** | **6.36** |
| **Consumer Discretionary 9.75% (14.83%)** | | | |
| **Auto Components 0.30% (0.00%)** | | | |
| TI Fluid Systems plc | 163,926 | 314 | 0.30 |
| | | **314** | **0.30** |
| **Distributors 0.70% (1.55%)** | | | |
| Inchcape plc | 124,516 | 731 | 0.70 |
| | | **731** | **0.70** |
| **Hotels, Restaurants & Leisure 1.69% (4.74%)** | | | |
| EI Group plc | 349,250 | 698 | 0.67 |
| Greene King plc | 92,373 | 563 | 0.54 |
| Mitchells & Butlers plc | 175,633 | 504 | 0.48 |
| | | **1,765** | **1.69** |
| **Household Durables 5.43% (5.17%)** | | | |
| Barratt Developments plc | 169,838 | 923 | 0.88 |
| Bellway plc | 22,170 | 638 | 0.61 |
| Berkeley Group Holdings plc | 16,935 | 643 | 0.62 |
| Bovis Homes Group plc | 52,574 | 541 | 0.52 |
| MJ Gleeson plc | 100,000 | 706 | 0.67 |
| Persimmon plc | 39,552 | 952 | 0.91 |
| Redrow plc | 92,448 | 537 | 0.51 |
| Taylor Wimpey plc | 445,239 | 744 | 0.71 |
| | | **5,684** | **5.43** |
| **Internet & Direct Marketing Retail 0.32% (0.00%)** | | | |
| Gocompare.Com Group plc | 450,000 | 333 | 0.32 |
| | | **333** | **0.32** |
| **Multiline Retail 0.83% (0.98%)** | | | |
| Next plc | 18,141 | 875 | 0.83 |
| | | **875** | **0.83** |
| **Specialty Retail 0.48% (2.39%)** | | | |
| Halfords Group plc | 215,921 | 504 | 0.48 |
| | | **504** | **0.48** |
| **Consumer Discretionary total** | | **10,206** | **9.75** |
| **Consumer Staples 6.60% (3.63%)** | | | |
| **Food & Staples Retailing 0.76% (1.12%)** | | | |
| J Sainsbury plc | 276,291 | 796 | 0.76 |
| | | **796** | **0.76** |
| **Food Products 1.10% (0.75%)** | | | |
| Greencore Group plc | 251,355 | 489 | 0.47 |
| Tate & Lyle plc | 94,711 | 657 | 0.63 |
| | | **1,146** | **1.10** |
| **Tobacco 4.74% (1.76%)** | | | |
| British American Tobacco plc | 124,194 | 3,247 | 3.10 |
| Imperial Brands plc | 69,230 | 1,713 | 1.64 |
| | | **4,960** | **4.74** |
| **Consumer Staples total** | | **6,902** | **6.60** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Energy 15.54% (9.57%)** | | | |
| **Energy Equipment & Services 0.51% (0.00%)** | | | |
| Petrofac Ltd. | 95,914 | 532 | 0.51 |
| | | **532** | **0.51** |
| **Oil, Gas & Consumable Fuels 15.03% (9.57%)** | | | |
| BP plc | 1,000,078 | 5,210 | 4.98 |
| Royal Dutch Shell plc 'B' | 408,819 | 9,710 | 9.27 |
| Tullow Oil plc | 396,166 | 815 | 0.78 |
| | | **15,735** | **15.03** |
| **Energy total** | | **16,267** | **15.54** |
| **Financials 23.77% (27.56%)** | | | |
| **Banks 11.62% (13.35%)** | | | |
| Barclays plc | 1,123,815 | 1,785 | 1.70 |
| HSBC Holdings plc | 997,251 | 6,394 | 6.11 |
| Lloyds Banking Group plc | 4,434,272 | 2,571 | 2.46 |
| Royal Bank of Scotland Group plc | 409,761 | 993 | 0.95 |
| TBC Bank Group plc | 28,976 | 420 | 0.40 |
| | | **12,163** | **11.62** |
| **Capital Markets 3.09% (3.72%)** | | | |
| 3i Group plc | 113,857 | 964 | 0.92 |
| Close Brothers Group plc | 34,335 | 517 | 0.49 |
| Intermediate Capital Group plc | 52,123 | 529 | 0.51 |
| Liontrust Asset Management plc | 100,000 | 580 | 0.56 |
| Man Group plc | 445,804 | 639 | 0.61 |
| | | **3,229** | **3.09** |
| **Diversified Financial Services 0.51% (0.00%)** | | | |
| Plus500 Ltd. | 34,639 | 530 | 0.51 |
| | | **530** | **0.51** |
| **Insurance 6.87% (8.66%)** | | | |
| Aviva plc | 332,542 | 1,389 | 1.33 |
| Direct Line Insurance Group plc | 248,717 | 850 | 0.81 |
| Just Group plc | 478,210 | 478 | 0.45 |
| Legal & General Group plc | 533,899 | 1,399 | 1.34 |
| Prudential plc | 161,086 | 2,408 | 2.30 |
| RSA Insurance Group plc | 127,625 | 668 | 0.64 |
| | | **7,192** | **6.87** |
| **Thrifts & Mortgage Finance 1.68% (1.83%)** | | | |
| Charter Court Financial Services Group plc | 220,000 | 611 | 0.58 |
| OneSavings Bank plc | 177,256 | 673 | 0.64 |
| Paragon Banking Group plc | 115,344 | 478 | 0.46 |
| | | **1,762** | **1.68** |
| **Financials total** | | **24,876** | **23.77** |
| **Health Care 3.74% (4.10%)** | | | |
| **Pharmaceuticals 3.74% (4.10%)** | | | |
| GlaxoSmithKline plc | 265,462 | 3,910 | 3.74 |
| | | **3,910** | **3.74** |
| **Health Care total** | | **3,910** | **3.74** |
| **Industrials 12.43% (11.39%)** | | | |
| **Aerospace & Defense 0.97% (0.77%)** | | | |
| Avon Rubber plc | 50,000 | 607 | 0.58 |
| Ultra Electronics Holdings plc | 31,373 | 414 | 0.39 |
| | | **1,021** | **0.97** |
| **Airlines 1.54% (1.07%)** | | | |
| easyJet plc | 39,829 | 507 | 0.48 |
| International Consolidated Airlines Group SA | 171,298 | 1,103 | 1.06 |
| | | **1,610** | **1.54** |
| **Building Products 0.88% (1.14%)** | | | |
| Polypipe Group plc | 164,402 | 648 | 0.62 |
| Volution Group plc | 175,000 | 274 | 0.26 |
| | | **922** | **0.88** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Commercial Services & Supplies 1.46% (0.90%)** | | | |
| Babcock International Group plc | 85,433 | 464 | 0.44 |
| G4S plc | 283,019 | 561 | 0.54 |
| PayPoint plc | 58,411 | 500 | 0.48 |
| | | 1,525 | 1.46 |
| **Construction & Engineering 1.66% (2.02%)** | | | |
| Galliford Try plc | 45,168 | 327 | 0.31 |
| John Laing Group plc | 212,888 | 761 | 0.73 |
| Morgan Sindall Group plc | 54,750 | 649 | 0.62 |
| | | 1,737 | 1.66 |
| **Machinery 0.59% (0.82%)** | | | |
| Vesuvius plc | 110,327 | 621 | 0.59 |
| | | 621 | 0.59 |
| **Professional Services 0.59% (0.63%)** | | | |
| SThree plc | 220,000 | 615 | 0.59 |
| | | 615 | 0.59 |
| **Road & Rail 2.13% (1.23%)** | | | |
| Firstgroup plc | 544,661 | 516 | 0.49 |
| Go-Ahead Group plc (The) | 28,015 | 515 | 0.49 |
| National Express Group plc | 175,533 | 692 | 0.66 |
| Stagecoach Group plc | 320,470 | 507 | 0.49 |
| | | 2,230 | 2.13 |
| **Trading Companies & Distributors 2.61% (2.81%)** | | | |
| Ashtead Group plc | 44,400 | 865 | 0.83 |
| Grafton Group plc | 86,243 | 646 | 0.62 |
| Howden Joinery Group plc | 117,107 | 593 | 0.56 |
| Vp plc | 65,000 | 625 | 0.60 |
| | | 2,729 | 2.61 |
| **Industrials total** | | 13,010 | 12.43 |
| **Information Technology 1.08% (1.13%)** | | | |
| **Software 1.08% (1.13%)** | | | |
| Avast plc | 161,191 | 465 | 0.44 |
| Micro Focus International plc | 45,000 | 664 | 0.64 |
| | | 1,129 | 1.08 |
| **Information Technology total** | | 1,129 | 1.08 |
| **Materials 14.16% (16.36%)** | | | |
| **Chemicals 0.00% (0.55%)** | | | |
| **Construction Materials 1.69% (1.40%)** | | | |
| Forterra plc | 295,000 | 783 | 0.75 |
| Ibstock plc | 193,783 | 467 | 0.44 |
| Rhi Magnesita NV | 12,322 | 520 | 0.50 |
| | | 1,770 | 1.69 |
| **Containers & Packaging 1.20% (1.64%)** | | | |
| RPC Group plc | 74,747 | 594 | 0.57 |
| Smurfit Kappa Group plc | 29,000 | 658 | 0.63 |
| | | 1,252 | 1.20 |
| **Metals & Mining 10.54% (11.95%)** | | | |
| Anglo American plc | 83,451 | 1,621 | 1.55 |
| Antofagasta plc | 67,194 | 576 | 0.55 |
| BHP Group plc | 137,000 | 2,329 | 2.23 |
| Evraz plc | 149,537 | 739 | 0.71 |
| Ferrexpo plc | 204,017 | 507 | 0.48 |
| Glencore plc | 754,333 | 2,325 | 2.22 |
| Rio Tinto plc | 69,822 | 2,930 | 2.80 |
| | | 11,027 | 10.54 |
| **Paper & Forest Products 0.73% (0.82%)** | | | |
| Mondi plc | 40,913 | 765 | 0.73 |
| | | 765 | 0.73 |
| **Materials total** | | 14,814 | 14.16 |
| **Real Estate 2.44% (4.74%)** | | | |
| **Equity Real Estate Investment Trusts (REITs) 1.50% (2.10%)** | | | |
| Derwent London plc | 25,140 | 822 | 0.79 |
| Great Portland Estates plc | 100,025 | 746 | 0.71 |
| | | 1,568 | 1.50 |
| **Real Estate Management & Development 0.94% (2.64%)** | | | |
| CLS Holdings plc | 203,667 | 499 | 0.47 |
| St Modwen Properties plc | 118,019 | 491 | 0.47 |
| | | 990 | 0.94 |
| **Real Estate total** | | 2,558 | 2.44 |
| **Utilities 0.74% (0.00%)** | | | |
| **Multi-Utilities 0.74% (0.00%)** | | | |
| Centrica plc | 560,000 | 777 | 0.74 |
| | | 777 | 0.74 |
| **Utilities total** | | 777 | 0.74 |
| **Equities total** | | 101,100 | 96.61 |
| **Futures 0.12% (0.01%)** | | | |
| FTSE 100 Index 15/03/2019 | 45 | 127 | 0.12 |
| **Futures total** | | 127 | 0.12 |
| **Liquidity Funds 2.83% (1.56%)** | | | |
| JPM GBP Liquidity LVNAV Fund X (dist.)[ø] | 2,961,991 | 2,962 | 2.83 |
| **Liquidity Funds total** | | 2,962 | 2.83 |
| Investment assets | | 104,189 | 99.56 |
| Net other assets | | 463 | 0.44 |
| **Net assets** | | 104,652 | 100.00 |

The comparative percentage figures in brackets are as at 31 January 2018.
Comparatives have been restated to align to the latest sector information.
[ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (13,389) | | 12,007 |
| Revenue (Note 3) | 5,152 | | 5,083 | |
| Expenses (Note 4) | (1,343) | | (1,685) | |
| Net revenue before taxation | 3,809 | | 3,398 | |
| Taxation (Note 5) | (22) | | (37) | |
| Net revenue after taxation | | 3,787 | | 3,361 |
| **Total return before distributions** | | **(9,602)** | | **15,368** |
| Distributions (Note 6) | | (5,061) | | (4,826) |
| **Change in net assets attributable to shareholders from investment activities** | | **(14,663)** | | **10,542** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 104,189 | 129,549 |
| **Current assets:** | | |
| Debtors (Note 8) | 129 | 209 |
| Cash and bank balances (Note 9) | 748 | 249 |
| **Total assets** | **105,066** | **130,007** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Distribution payable | (76) | (64) |
| Other creditors (Note 10) | (338) | (330) |
| **Total liabilities** | **(414)** | **(394)** |
| **Net assets attributable to shareholders** | **104,652** | **129,613** |

The notes to these financial statements are shown on pages 374 to 377.

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **129,613** | | **124,242** |
| Amounts receivable on issue of shares | 4,061 | | 2,589 | |
| Amounts payable on cancellation of shares | (18,750) | | (12,018) | |
| | | (14,689) | | (9,429) |
| Dilution adjustment | | 29 | | 4 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (14,663) | | 10,542 |
| Retained distributions on accumulation shares | | 4,358 | | 4,254 |
| Unclaimed distributions | | 4 | | - |
| **Closing net assets attributable to shareholders** | | **104,652** | | **129,613** |

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM UK Strategic Equity Income Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency (losses)/gains | (4) | 3 |
| Derivative contracts | 79 | 446 |
| Non-derivative securities | (13,464) | 11,558 |
| Net capital (losses)/gains | (13,389) | 12,007 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | 4,737 | 4,423 |
| Income from Liquidity Funds | 14 | 10 |
| Income from overseas equity investments | 324 | 515 |
| Interest on bank and term deposits | - | 1 |
| Property income distributions | 61 | 118 |
| Stock lending income | 14 | 7 |
| Underwriting commission | 2 | 9 |
| Total revenue | 5,152 | 5,083 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 1,275 | 1,467 |
| Operating expenses | 66 | 217 |
| Stock lending fees | 2 | 1 |
| Total expenses | 1,343 | 1,685 |

The fees paid to the auditor for the year ended 31 January 2019 are £5,979 (31.01.18: £5,979), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 22 | 37 |
| Current year tax charge (Note 5b) | 22 | 37 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 3,809 | 3,398 |
| Corporation tax at 20% | 762 | 680 |
| Effects of: | | |
| Dividends not subject to corporation tax | (1,012) | (988) |
| Excess expenses for which no relief taken | 250 | 308 |
| Overseas tax suffered | 22 | 37 |
| | (740) | (643) |
| Current year tax charge (Note 5a) | 22 | 37 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £5,777,934 (31.01.18: £5,527,492) in relation to £28,889,668 (31.01.18: £27,637,462) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First interim dividend distribution | 1,713 | 1,671 |
| Second interim dividend distribution | 1,022 | 1,065 |
| Third interim dividend distribution | 1,479 | 1,465 |
| Final dividend distribution | 701 | 573 |
| Add: Amounts payable on cancellation of shares | 173 | 67 |
| Deduct: Amounts receivable on issue of shares | (27) | (15) |
| Distributions for the year | 5,061 | 4,826 |

Details of the distribution per share are set out on pages 378 to 381.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 3,787 | 3,361 |
| Add: ACD fee paid from capital | 1,275 | 1,467 |
| Add: Tax relief payable from capital | (1) | (2) |
| Add: Undistributed revenue brought forward | 3 | 3 |
| Deduct: Undistributed revenue carried forward | (3) | (3) |
| | 5,061 | 4,826 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 124 | 161 |
| Due from the ACD for shares issued | 1 | 45 |
| Income tax recoverable | 1 | - |
| Overseas tax recoverable | 2 | 3 |
| Sales awaiting settlement | 1 | - |
| Total debtors | 129 | 209 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 215 | 111 |
| Cash and bank balances | 533 | 138 |
| Total cash and bank balances | 748 | 249 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 110 | 146 |
| Due to the ACD for shares cancelled | 228 | 95 |
| Purchases awaiting settlement | - | 89 |
| Total other creditors | 338 | 330 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due from the ACD and their associates at the year end date in respect of related party transactions was £336,868 (31.01.18: £195,387).Details of related party transactions are given under note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on pages 371 and 372 and the revenue from these investments was £13,746 (31.01.18: £9,712).

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £40,992 (31.01.18: £19,341). Commission was paid to the associated company JPMorgan Securities Ltd.

The following parties held a material interest in the Fund at the year end date:
- Chase Nominees Ltd Acc 22107 40.35% (31.01.18: 42.55%)
- RBC Dexia Investor Services Bank SA 25.55% (31.01.18: 24.54%)

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £1,072,578 securities on loan (31.01.18: £5,267,169) and consequently £1,132,293 collateral was held (31.01.18: £5,616,089). The nature of the collateral was 100% bonds.

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 14 | 7 |
| Fees paid to the lending agent[Ø] | (2) | (1) |
| Net stock lending income | 12 | 6 |

[Ø] A related party to the Fund.

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 383.

## 14. Financial instruments

**Currency exposures**

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

**Interest rate risk**

At the year end date, 3.55% (31.01.18: 1.76%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £10,419,000 (31.01.18: £12,955,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has four share classes; Class A Shares, Class B Shares, Class C Shares and Class I Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.20% | 0.15% |
| Class B Shares: | 0.80% | 0.15% |
| Class C Shares: | 0.60% | 0.15% |
| Class I Shares: | 0.60% | 0.00% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 368 to 370. All classes have the same rights on winding up.

## 16. Counterparty exposure

**Financial derivative exposure**

| Counterparty | Futures contracts £'000 | Total £'000 |
|---|---|---|
| **31.01.19** | | |
| Goldman Sachs | 127 | 127 |
| **31.01.18** | | |
| Goldman Sachs | 10 | 10 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on futures contracts is reported at their positive mark to market values.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 101,227 | - | 127,521 | - |
| Level 2: Observable market data | 2,962 | - | 2,028 | - |
| Total | 104,189 | - | 129,549 | - |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (50,422) | (41) | (226) | (50,689) | 0.08 | 0.45 |
| Purchases of Funds | (19,266) | - | - | (19,266) | 0.00 | 0.00 |
| **Corporate action purchases** | | | | | | |
| Purchases of Equity stocks | (158) | - | - | (158) | 0.00 | 0.00 |
| | (69,846) | (41) | (226) | (70,113) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 63,839 | (45) | - | 63,794 | 0.07 | 0.00 |
| Sales of Funds | 18,332 | - | - | 18,332 | 0.00 | 0.00 |
| | 82,171 | (45) | - | 82,126 | | |
| Total | | (86) | (226) | | | |
| Percentage of Fund average net assets | | 0.07% | 0.20% | | | |

* Excluding in specie and corporate action activity.

## 18. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (70,524) | (67) | (314) | (70,905) | 0.10 | 0.45 |
| Purchases of Funds | (21,351) | - | - | (21,351) | 0.00 | 0.00 |
| | (91,875) | (67) | (314) | (92,256) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 76,186 | (66) | - | 76,120 | 0.09 | 0.00 |
| Sales of Funds | 21,538 | - | - | 21,538 | 0.00 | 0.00 |
| | 97,724 | (66) | - | 97,658 | | |
| Total | | (133) | (314) | | | |
| Percentage of Fund average net assets | | 0.10% | 0.25% | | | |

* Excluding in specie and corporate action activity.

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.17% (31.01.18: 0.13%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 56,955,690 | 1,992,409 | (9,049,228) | (16,065) | 49,882,806 |
| A-Class Income Shares | 3,317,283 | 92,017 | (418,932) | (33,245) | 2,957,123 |
| B-Class Accumulation Shares | 18,828 | 11,088 | (26) | - | 29,890 |
| B-Class Income Shares | 28,379 | - | (3,410) | - | 24,969 |
| C-Class Accumulation Shares | 3,502,623 | 123,132 | (493,953) | 29,613 | 3,161,415 |
| C-Class Income Shares | 1,557,763 | 103,363 | (225,281) | 9,460 | 1,445,305 |
| I-Class Accumulation Shares | 168,829 | - | (58,008) | - | 110,821 |
| I-Class Income Shares | 5,154,526 | 7,067 | (221,489) | - | 4,940,104 |

# Distribution tables

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2018
Group 2 – Shares purchased 1 November 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 1.180000 | – | 1.180000 | 0.840000 |
| Group 2 | 0.109998 | 1.070002 | 1.180000 | 0.840000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.650000 | – | 0.650000 | 0.510000 |
| Group 2 | 0.252718 | 0.397282 | 0.650000 | 0.510000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.140000 | – | 1.140000 | 0.840000 |
| Group 2 | 1.140000 | 0.000000 | 1.140000 | 0.840000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.650000 | – | 0.650000 | 0.500000 |
| Group 2 | 0.650000 | 0.000000 | 0.650000 | 0.500000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.080000 | – | 1.080000 | 0.800000 |
| Group 2 | 0.715484 | 0.364516 | 1.080000 | 0.800000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.850000 | – | 0.850000 | 0.660000 |
| Group 2 | 0.647103 | 0.202897 | 0.850000 | 0.660000 |
| **I-Class Accumulation Shares** | | | | |
| Group 1 | 1.390000 | – | 1.390000 | 1.070000 |
| Group 2 | 1.390000 | 0.000000 | 1.390000 | 1.070000 |
| **I-Class Income Shares** | | | | |
| Group 1 | 0.900000 | – | 0.900000 | 0.720000 |
| Group 2 | 0.900000 | 0.000000 | 0.900000 | 0.720000 |

# Distribution tables – continued

## Third interim distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 October 2018

| | Net revenue | Equalisation | Distribution paid 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 2.460000 | – | 2.460000 | 2.120000 |
| Group 2 | 0.921097 | 1.538903 | 2.460000 | 2.120000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 1.410000 | – | 1.410000 | 1.280000 |
| Group 2 | 0.199555 | 1.210445 | 1.410000 | 1.280000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 2.440000 | – | 2.440000 | 2.140000 |
| Group 2 | 2.440000 | 0.000000 | 2.440000 | 2.140000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 1.430000 | – | 1.430000 | 1.300000 |
| Group 2 | 1.430000 | 0.000000 | 1.430000 | 1.300000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 2.310000 | – | 2.310000 | 2.020000 |
| Group 2 | 0.223460 | 2.086540 | 2.310000 | 2.020000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.850000 | – | 1.850000 | 1.680000 |
| Group 2 | 1.166213 | 0.683787 | 1.850000 | 1.680000 |
| **I-Class Accumulation Shares** | | | | |
| Group 1 | 2.890000 | – | 2.890000 | 2.540000 |
| Group 2 | 2.890000 | 0.000000 | 2.890000 | 2.540000 |
| **I-Class Income Shares** | | | | |
| Group 1 | 1.900000 | – | 1.900000 | 1.740000 |
| Group 2 | 1.900000 | 0.000000 | 1.900000 | 1.740000 |

# Distribution tables – continued

## Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 July 2018

| | Net revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 1.680000 | – | 1.680000 | 1.520000 |
| Group 2 | 0.671618 | 1.008382 | 1.680000 | 1.520000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.960000 | – | 0.960000 | 0.930000 |
| Group 2 | 0.392068 | 0.567932 | 0.960000 | 0.930000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.660000 | – | 1.660000 | 1.520000 |
| Group 2 | 0.385129 | 1.274871 | 1.660000 | 1.520000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 0.980000 | – | 0.980000 | 0.920000 |
| Group 2 | 0.980000 | 0.000000 | 0.980000 | 0.920000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.570000 | – | 1.570000 | 1.440000 |
| Group 2 | 0.265865 | 1.304135 | 1.570000 | 1.440000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.270000 | – | 1.270000 | 1.220000 |
| Group 2 | 0.462746 | 0.807254 | 1.270000 | 1.220000 |
| **I-Class Accumulation Shares** | | | | |
| Group 1 | 1.980000 | – | 1.980000 | 1.850000 |
| Group 2 | 1.980000 | 0.000000 | 1.980000 | 1.850000 |
| **I-Class Income Shares** | | | | |
| Group 1 | 1.320000 | – | 1.320000 | 1.270000 |
| Group 2 | 1.320000 | 0.000000 | 1.320000 | 1.270000 |

# Distribution tables – continued

## First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 30 April 2018

| | Net revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 2.780000 | – | 2.780000 | 2.330000 |
| Group 2 | 2.207892 | 0.572108 | 2.780000 | 2.330000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 1.630000 | – | 1.630000 | 1.450000 |
| Group 2 | 0.798477 | 0.831523 | 1.630000 | 1.450000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 2.770000 | – | 2.770000 | 2.350000 |
| Group 2 | 2.770000 | 0.000000 | 2.770000 | 2.350000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 1.650000 | – | 1.650000 | 1.460000 |
| Group 2 | 1.650000 | 0.000000 | 1.650000 | 1.460000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 2.610000 | – | 2.610000 | 2.220000 |
| Group 2 | 1.414931 | 1.195069 | 2.610000 | 2.220000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 2.150000 | – | 2.150000 | 1.880000 |
| Group 2 | 1.841033 | 0.308967 | 2.150000 | 1.880000 |
| **I-Class Accumulation Shares** | | | | |
| Group 1 | 3.260000 | – | 3.260000 | 2.770000 |
| Group 2 | 3.260000 | 0.000000 | 3.260000 | 2.770000 |
| **I-Class Income Shares** | | | | |
| Group 1 | 2.190000 | – | 2.190000 | 1.940000 |
| Group 2 | 1.016661 | 1.173339 | 2.190000 | 1.940000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 1.03%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 1,073 | 1.03% |

## Concentration Data

### Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date:

| Issuer | Collateral Value £'000 |
|---|---|
| United States of America Treasury | 438 |
| United Kingdom Treasury | 384 |
| Kingdom of Belgium Government | 246 |
| Government of Canada | 54 |
| French Republic Government | 10 |
| Total | 1,132 |

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

## Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| Credit Suisse | 414 |
| HSBC | 366 |
| Bank of Nova Scotia | 293 |
| Total | 1,073 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Value £'000 |
|---|---|---|---|
| Bonds | Investment Grade | USD | 438 |
| Bonds | Investment Grade | GBP | 384 |
| Bonds | Investment Grade | EUR | 256 |
| Bonds | Investment Grade | CAD | 54 |
| Total | | | 1,132 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| 1 to 3 months | 141 |
| 3 to 12 months | 20 |
| more than 1 year | 971 |
| Total | 1,132 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| Bank of Nova Scotia | Canada |
| Credit Suisse | Switzerland |
| HSBC | United Kingdom |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

## Safekeeping of collateral

All collateral received (31.01.19: £1,132,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM Unconstrained Bond Fund

## Investment objective and policy

To maximise returns by investing primarily in a global portfolio of fixed and floating rate debt securities.

In the fund manager's view, maximising returns means generating higher returns than those of the Fund's Benchmark (ICE Overnight GBP LIBOR) which includes providing positive returns over a rolling 3 year period in all market conditions. A positive return is not guaranteed over this or any time period and capital loss may occur.

The Fund may invest in developed and emerging market countries and hold Investment grade, below-investment grade and unrated bonds, asset and mortgage backed securities (ABS and MBS), credit linked notes and structured products. The Fund may have a concentrated portfolio and may have a significant exposure to any one country, sector or issuer at any time. Allocations between countries, sectors and ratings of bonds may vary significantly at any time. **The Fund may use financial derivative instruments (derivatives) for investment purposes or efficient portfolio management including hedging, where appropriate.**

The Fund can take long and short positions in securities. Long positions will be achieved directly or through the use of financial derivative instruments, and short positions will be achieved via the use of financial derivative instruments only.

The Fund may invest up to 10% in convertible bonds. The Fund may also hold up to 10% in equity securities typically as a result of events relating to the Fund's investment in debt securities including, but not limited to, debt securities converting or being restructured. The Fund may also use equity derivatives for the purposes of reducing equity exposure as well as the Fund's correlation to the equity markets.

The Fund is also permitted to invest up to 100% in government and public securities (see section 3.11(e) of the Prospectus).

The Fund may invest in onshore debt securities issued within the PRC through China-Hong Kong Bond Connect.

The Fund may invest in assets denominated in any currency and currency exposure will be primarily hedged back to sterling.

The Investment Adviser may also use opportunities in the foreign exchange markets to maximise returns.

## Risk profile

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

Positive returns are not guaranteed and the Fund should not be used as a substitute for traditional Liquidity Funds or cash accounts.

Bond funds may not behave like direct investments in the underlying bonds themselves. By investing in bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.

The value of bonds and other debt securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of bonds and other debt securities may fail to meet payment obligations (default) or the credit rating of bonds and other debt securities may be downgraded. These risks are typically increased for below investment grade and certain unrated securities, which may also be subject to higher volatility and be more difficult to sell than investment grade securities.

Convertible bonds are subject to the credit, interest rate and markets risks associated with both bonds and equity securities, and to risks specific to convertible securities. Convertible bonds may also be more difficult to sell than the underlying equity securities.

A Fund investing in Contingent Convertible Securities may be adversely impacted should specific trigger events occur (as specified in the terms of the security) and may be at increased risk of capital loss. This may be as a result of the security converting to Equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.

The value of equity and equity-linked securities may fluctuate in response to the performance of individual companies and general market conditions.

The Fund's use of equity derivatives to manage the portfolio's correlation to equity markets may not always achieve its objective and could adversely affect the return of your investment.

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.

The Fund may invest in onshore debt securities issued within the PRC through China-Hong Kong Bond Connect which is subject to regulatory change and operational constraints which may result in increased counterparty risk.

Bonds and other debt securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.

The Fund may use financial derivative instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

The possible loss from taking a short position on a security (using financial derivative instruments) may be unlimited as there is no restriction on the price to which a security may rise. The short selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.

The Fund may have a significant exposure to asset and mortgage backed securities (ABS and MBS). ABS / MBS may be difficult to sell, subject to adverse changes to interest rates and to the risk that the payment obligations relating to the underlying asset are not met.

The Fund may be concentrated in a limited number of securities, industry sectors or countries and as a result, may be more volatile than more broadly diversified funds.

Bond funds will normally distribute a combination of coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.

To the extent that any underlying assets of the Fund are denominated in a currency other than sterling and are not hedged back to sterling, 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.

The Fund may invest in structured products which will involve additional risks including the movements in the value of the underlying asset and the risk of the issuer of the structured product becoming insolvent.

The Fund may invest in credit linked notes which involve the risk of the underlying credit instrument decreasing in value or defaulting and the risk of the issuer of the credit linked note becoming insolvent.

For any Fund specific changes that took place during the year please see the ACD report from page 6.

The capital growth of an investment in a monthly share class may be constrained when compared to the equivalent quarterly share class of the same fund. This is a result of quarterly share classes effectively investing more in the Fund than monthly share classes due to the less frequent payment of income.

Monthly share classes may receive less income than equivalent quarterly share classes of the same fund. This is a result of the monthly share classes effectively investing less in the Fund due to the more frequent payment of income, which means that they will receive a smaller proportion of any income received by the Fund during any given quarterly period.

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

Short US Treasury exposure detracted most, despite initially contributing as yields climbed above 3.2% in October. The fourth quarter's risk-off environment led to a significant retracement, causing these gains to reverse. Emerging market debt – particularly currencies and local rates – caused underperformance, as the sector saw volatility in the second and third quarters, driven by idiosyncratic events. Our ruble exposure was particularly impacted by US sanctions on Russia. US investment grade credit detracted as demand waned from overseas investors given hedging costs, with signs of deteriorating fundamentals early in the period. High yield contributed positively: spreads tightened up until the fourth quarter, given strong credit metrics and low defaults. However, much of this performance subsequently reversed as markets moved into a risk-off environment in the fourth quarter. Securitised products were the largest contributor, offsetting some of the overall underperformance. Having increased exposure over the year, US securitised credit benefited from consumer strength, and offered protection from rising rates. Additional positioning changes include removal of emerging market local exposure as volatility increased (tentatively adding back in the fourth quarter). We reduced US high yield in favour of European high yield, and reduced decreased investment grade credit. Duration remained low at one year.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM Unconstrained Bond Fund** A-Class Gross Acc | **-2.5%** | **2.4%** | **5.2%** | **-1.8%** | **1.7%** |
| **JPM Unconstrained Bond Fund** B-Class Gross Acc | **-2.2%** | **2.8%** | **5.6%** | **-1.5%** | **1.9%** |
| **JPM Unconstrained Bond Fund** C-Class Gross Acc | **-2.0%** | **2.9%** | **5.6%** | **-1.3%** | **2.0%** |
| **JPM Unconstrained Bond Fund** I-Class Gross Acc | **-1.8%** | **3.2%** | **5.9%** | **-1.2%** | **2.3%** |
| **JPM Unconstrained Bond Fund** X-Class Gross Acc | **-1.4%** | **3.6%** | **6.7%** | **-0.9%** | **2.6%** |
| Benchmark Index | 0.6% | 0.3% | 0.4% | 0.5% | 0.5% |

## Fund statistics

| | | | | | |
|---|---|---|---|---|---|
| Risk and Reward Profile | | | | | **3† (3 at 31 July 2018)** |
| Fund size | | | | | **£577.9m** |
| Benchmark Index | | | | | **ICE Overnight GBP LIBOR** |
| Fund charges and expenses | A-Class | B-Class | C-Class | I-Class | X-Class |
| Initial charge (max.) | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | | | |
| Annual management fee | **1.00%** | **0.65%** | **0.50%** | **0.40%** | **–[A]** |
| Operating expenses (max.) | **0.18%** | **0.18%** | **0.18%** | **–** | **0.06%** |

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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

[A] The Ongoing charge will vary in accordance to the annual management fee agreed between the ACD and the relevant JPMorgan Chase & Co. entity.

## Comparative tables

| A-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 72.80 | 71.08 | 67.51 |
| Return before operating charges* | (0.99) | 2.57 | 4.69 |
| Operating charges | (0.83) | (0.85) | (0.83) |
| Return after operating charges* | (1.82) | 1.72 | 3.86 |
| Distributions | (2.18) | (1.40) | (1.75) |
| Retained distributions on accumulation shares | 2.18 | 1.40 | 1.46 |
| Closing net asset value per share | 70.98 | 72.80 | 71.08 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (2.50)% | 2.42% | 5.72% |
| **Other information** | | | |
| Closing net asset value (£'000) | 5,668 | 8,790 | 11,215 |
| Closing number of shares | 7,985,852 | 12,073,736 | 15,778,157 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 73.07 | 73.09 | 71.54 |
| Lowest share price | 69.90 | 71.21 | 66.52 |

| B-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 74.02 | 71.99 | 68.14 |
| Return before operating charges* | (1.04) | 2.59 | 4.75 |
| Operating charges | (0.56) | (0.56) | (0.56) |
| Return after operating charges* | (1.60) | 2.03 | 4.19 |
| Distributions | (2.47) | (1.71) | (2.05) |
| Retained distributions on accumulation shares | 2.47 | 1.71 | 1.71 |
| Closing net asset value per share | 72.42 | 74.02 | 71.99 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (2.16)% | 2.82% | 6.15% |
| **Other information** | | | |
| Closing net asset value (£'000) | 2 | 3 | 2 |
| Closing number of shares | 3,437 | 3,437 | 3,437 |
| % Operating charges | 0.80% | 0.83% | 0.83% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 74.29 | 74.30 | 72.35 |
| Lowest share price | 71.29 | 72.12 | 67.13 |

| A-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 57.68 | 57.42 | 55.68 |
| Return before operating charges* | (0.78) | 2.07 | 3.85 |
| Operating charges | (0.65) | (0.68) | (0.68) |
| Return after operating charges* | (1.43) | 1.39 | 3.17 |
| Distributions | (1.71) | (1.13) | (1.43) |
| Closing net asset value per share | 54.54 | 57.68 | 57.42 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (2.48)% | 2.42% | 5.69% |
| **Other information** | | | |
| Closing net asset value (£'000) | 3,186 | 3,683 | 4,747 |
| Closing number of shares | 5,841,365 | 6,385,416 | 8,266,194 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 57.89 | 58.38 | 58.30 |
| Lowest share price | 54.13 | 57.41 | 54.87 |

| B-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 99.07 | 98.62 | 95.63 |
| Return before operating charges* | (1.35) | 3.56 | 6.61 |
| Operating charges | (0.77) | (0.83) | (0.82) |
| Return after operating charges* | (2.12) | 2.73 | 5.79 |
| Distributions | (3.29) | (2.28) | (2.80) |
| Closing net asset value per share | 93.66 | 99.07 | 98.62 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (2.14)% | 2.77% | 6.05% |
| **Other information** | | | |
| Closing net asset value (£'000) | 46 | 55 | 84 |
| Closing number of shares | 49,199 | 55,148 | 85,452 |
| % Operating charges | 0.80% | 0.83% | 0.83% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 99.43 | 100.4 | 100.2 |
| Lowest share price | 93.02 | 98.62 | 94.23 |

## Comparative tables – continued

| C-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 112.25 | 109.04 | 103.13 |
| Return before operating charges* | (1.56) | 3.96 | 7.17 |
| Operating charges | (0.65) | (0.75) | (0.73) |
| Return after operating charges* | (2.21) | 3.21 | 6.44 |
| Distributions | (3.99) | (2.70) | (3.21) |
| Retained distributions on accumulation shares | 3.99 | 2.70 | 2.68 |
| Closing net asset value per share | 110.04 | 112.25 | 109.04 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (1.97)% | 2.94% | 6.24% |
| **Other information** | | | |
| Closing net asset value (£'000) | 78,944 | 65,722 | 62,417 |
| Closing number of shares | 71,741,008 | 58,549,996 | 57,240,085 |
| % Operating charges | 0.59% | 0.68% | 0.68% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 112.7 | 112.7 | 109.6 |
| Lowest share price | 108.3 | 109.2 | 101.6 |

| I-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 120.74 | 116.95 | 110.34 |
| Return before operating charges* | (1.68) | 4.27 | 7.69 |
| Operating charges | (0.48) | (0.48) | (0.47) |
| Return after operating charges* | (2.16) | 3.79 | 7.22 |
| Distributions | (4.52) | (3.23) | (3.76) |
| Retained distributions on accumulation shares | 4.52 | 3.23 | 3.15 |
| Closing net asset value per share | 118.58 | 120.74 | 116.95 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (1.79)% | 3.24% | 6.54% |
| **Other information** | | | |
| Closing net asset value (£'000) | 144,015 | 154,936 | 14,532 |
| Closing number of shares | 121,449,901 | 128,325,493 | 12,425,271 |
| % Operating charges | 0.40% | 0.40% | 0.40% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 121.2 | 121.2 | 117.4 |
| Lowest share price | 116.7 | 117.2 | 108.8 |

| C-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 105.96 | 105.48 | 102.27 |
| Return before operating charges* | (1.45) | 3.81 | 7.08 |
| Operating charges | (0.62) | (0.72) | (0.72) |
| Return after operating charges* | (2.07) | 3.09 | 6.36 |
| Distributions | (3.71) | (2.61) | (3.15) |
| Closing net asset value per share | 100.18 | 105.96 | 105.48 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (1.95)% | 2.93% | 6.22% |
| **Other information** | | | |
| Closing net asset value (£'000) | 32,858 | 49,850 | 43,588 |
| Closing number of shares | 32,798,161 | 47,046,656 | 41,323,832 |
| % Operating charges | 0.60% | 0.68% | 0.68% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 106.3 | 107.4 | 107.1 |
| Lowest share price | 99.53 | 105.5 | 100.8 |

| I-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 98.03 | 97.55 | 94.58 |
| Return before operating charges* | (1.33) | 3.52 | 6.55 |
| Operating charges | (0.38) | (0.39) | (0.39) |
| Return after operating charges* | (1.71) | 3.13 | 6.16 |
| Distributions | (3.63) | (2.65) | (3.19) |
| Closing net asset value per share | 92.69 | 98.03 | 97.55 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (1.74)% | 3.21% | 6.51% |
| **Other information** | | | |
| Closing net asset value (£'000) | 131,470 | 337,148 | 25,046 |
| Closing number of shares | 141,832,017 | 343,916,398 | 25,675,717 |
| % Operating charges | 0.40% | 0.40% | 0.40% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 98.39 | 99.40 | 99.12 |
| Lowest share price | 92.13 | 97.61 | 93.24 |

## Comparative tables – continued

| I-Class Monthly Gross Income Shares | 2019‡‡ pps | 2018‡‡‡ pps |
|---|---|---|
| **Change in net asset value per share** | | |
| Opening net asset value per share | 100.59 | 100.93 |
| Return before operating charges* | (1.37) | 2.15 |
| Operating charges | (0.39) | (0.27) |
| Return after operating charges* | (1.76) | 1.88 |
| Distributions | (3.71) | (2.22) |
| Closing net asset value per share | 95.12 | 100.59 |
| * after direct transaction costs of | 0.00 | 0.00 |
| **Performance** | | |
| % Return after operating charges^^ | (1.75)% | 1.86% |
| **Other information** | | |
| Closing net asset value (£'000) | 52,116 | 26,975 |
| Closing number of shares | 54,788,400 | 26,816,800 |
| % Operating charges | 0.40% | 0.40% |
| % Direct transaction costs | 0.00% | 0.00% |
| **Prices** | | |
| Highest share price | 101.0 | 101.5 |
| Lowest share price | 93.93 | 100.2 |

| X-Class Gross Accumulation Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 124.02 | 119.60 | 112.12 |
| Return before operating charges* | (1.73) | 4.49 | 8.31 |
| Operating charges | (0.07) | (0.07) | (0.08) |
| Return after operating charges* | (1.80) | 4.42 | 8.23 |
| Distributions | (5.07) | (3.76) | (4.56) |
| Retained distributions on accumulation shares | 5.07 | 3.76 | 3.81 |
| Closing net asset value per share | 122.22 | 124.02 | 119.60 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (1.45)% | 3.70% | 7.34% |
| **Other information** | | | |
| Closing net asset value (£'000) | 3,061 | 3,115 | 53 |
| Closing number of shares | 2,504,976 | 2,511,855 | 44,388 |
| % Operating charges | 0.06% | 0.06% | 0.06% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 124.5 | 124.4 | 120.1 |
| Lowest share price | 120.3 | 119.9 | 110.5 |

| X-Class Gross Income Shares‡ | 2019‡‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 95.89 | 95.45 | 92.55 |
| Return before operating charges* | (1.29) | 3.47 | 6.40 |
| Operating charges | (0.03) | (0.06) | (0.06) |
| Return after operating charges* | (1.32) | 3.41 | 6.34 |
| Distributions | (3.88) | (2.97) | (3.44) |
| Closing net asset value per share | 90.69 | 95.89 | 95.45 |
| * after direct transaction costs of | 0.00 | 0.00 | 0.00 |
| **Performance** | | | |
| % Return after operating charges^^ | (1.38)% | 3.57% | 6.85% |
| **Other information** | | | |
| Closing net asset value (£'000) | 126,578 | 124,515 | 75,033 |
| Closing number of shares | 139,571,820 | 129,852,540 | 78,609,039 |
| % Operating charges | 0.03% | 0.06% | 0.06% |
| % Direct transaction costs | 0.00% | 0.00% | 0.00% |
| **Prices** | | | |
| Highest share price | 96.24 | 97.30 | 97.09 |
| Lowest share price | 90.19 | 95.49 | 91.27 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
‡ Net share classes were renamed Gross at close of business 2 June 2017.
‡‡ To 31 January 2019.
‡‡‡ I-Class Monthly Gross Income Shares were launched on 31 May 2017.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.
From 6 April 2017, Funds will pay all interest distributions gross (without deducting income tax). This measure was announced in the 2016 Budget and was enacted in Finance Bill 2017. All relevant figures and disclosures relating to this change have been adjusted where required.

## Asset breakdown

| | % |
|---|---|
| Corporate Bonds | 82.68 |
| Government Bonds | 6.32 |
| Convertible Bonds | 3.67 |
| Forward Currency Contracts | 3.55 |
| Collective Investment Schemes | 1.20 |
| Equities | 0.37 |
| Futures | (0.02) |
| Swaps | (0.84) |
| Net other assets | 3.07 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 0.37% (0.28%)** | | | |
| **Australia 0.00% (0.04%)** | | | |
| Goodman Private^ | 3,207 | - | - |
| Goodman Private Preference^ | 3,815 | - | - |
| | | - | - |
| **United Kingdom 0.00% (0.00%)** | | | |
| **United States of America 0.37% (0.24%)** | | | |
| Avaya Holdings Corp. | 4,695 | 61 | 0.01 |
| Caesars Entertainment Corp. | 51,296 | 349 | 0.06 |
| Claires Holdings^ | 484 | 295 | 0.05 |
| Claire's Stores, Inc. Preference | 276 | 342 | 0.06 |
| NII Holdings, Inc. | 12,777 | 44 | 0.01 |
| UCI International^ | 19,525 | 290 | 0.05 |
| Ultra Petroleum USA, Inc. Warrant 14/07/2025^ | 5,054 | - | - |
| VICI Properties, Inc., REIT | 47,414 | 772 | 0.13 |
| | | **2,153** | **0.37** |
| **Equities total** | | **2,153** | **0.37** |
| **Corporate Bonds 82.68% (75.75%)** | | | |
| **Australia 0.01% (0.09%)** | | | |
| FMG Resources August 2006 Pty. Ltd. 4.75% 15/05/2022 | $57,000 | 43 | 0.01 |
| FMG Resources August 2006 Pty. Ltd. 5.13% 15/05/2024 | $30,000 | 23 | - |
| | | **66** | **0.01** |
| **Azerbaijan 0.12% (0.00%)** | | | |
| State Oil Co. of the Azerbaijan Republic 4.75% 13/03/2023 | $500,000 | 383 | 0.07 |
| State Oil Co. of the Azerbaijan Republic 6.95% 18/03/2030 | $372,000 | 310 | 0.05 |
| | | **693** | **0.12** |
| **Belgium 0.32% (0.52%)** | | | |
| Anheuser-Busch InBev SA 2.00% 17/03/2028 | €257,000 | 232 | 0.04 |
| Anheuser-Busch InBev Worldwide, Inc. 4.15% 23/01/2025 | $650,000 | 505 | 0.09 |
| Anheuser-Busch InBev Worldwide, Inc. 4.90% 23/01/2031 | $380,000 | 299 | 0.05 |
| Nyrstar Netherlands Holdings BV 6.88% 15/03/2024 | €350,000 | 134 | 0.02 |
| Solvay Finance SA, FRN 5.42% Perpetual | €550,000 | 526 | 0.09 |
| Telenet Finance Luxembourg Notes Sarl 3.50% 01/03/2028 | €200,000 | 173 | 0.03 |
| | | **1,869** | **0.32** |
| **Brazil 0.14% (0.06%)** | | | |
| Light Servicos de Eletricidade SA 7.25% 03/05/2023 | $730,000 | 554 | 0.09 |
| Petrobras Global Finance BV 6.00% 27/01/2028 | $370,000 | 278 | 0.05 |
| | | **832** | **0.14** |
| **Canada 1.37% (1.05%)** | | | |
| 1011778 BC ULC 4.25% 15/05/2024 | $173,000 | 127 | 0.02 |
| Advanz Pharma Corp. 8.00% 06/09/2024 | $69,000 | 50 | 0.01 |
| Baytex Energy Corp. 5.63% 01/06/2024 | $12,000 | 8 | - |
| Bombardier, Inc. 6.13% 15/01/2023 | $146,000 | 106 | 0.02 |
| Bombardier, Inc. 7.50% 01/12/2024 | $111,000 | 81 | 0.01 |
| Bombardier, Inc. 7.50% 15/03/2025 | $95,000 | 69 | 0.01 |
| Cascades, Inc. 5.50% 15/07/2022 | $10,000 | 8 | - |
| Cenovus Energy, Inc. 6.75% 15/11/2039 | $295,000 | 236 | 0.04 |
| Cenovus Energy, Inc. 5.20% 15/09/2043 | $353,000 | 251 | 0.04 |
| Cott Holdings, Inc. 5.50% 01/04/2025 | $42,000 | 32 | 0.01 |
| Emera US Finance LP 3.55% 15/06/2026 | $2,942,000 | 2,122 | 0.37 |
| Encana Corp. 6.50% 15/08/2034 | $1,125,000 | 960 | 0.17 |
| Garda World Security Corp. 8.75% 15/05/2025 | $277,000 | 196 | 0.03 |
| Hudbay Minerals, Inc. 7.25% 15/01/2023 | $70,000 | 55 | 0.01 |
| MEG Energy Corp. 6.38% 30/01/2023 | $64,000 | 42 | 0.01 |
| MEG Energy Corp. 6.50% 15/01/2025 | $818,000 | 609 | 0.11 |
| NOVA Chemicals Corp. 5.00% 01/05/2025 | $103,000 | 72 | 0.01 |
| NOVA Chemicals Corp. 5.25% 01/06/2027 | $825,000 | 564 | 0.10 |
| Open Text Corp. 5.63% 15/01/2023 | $88,000 | 69 | 0.01 |
| Precision Drilling Corp. 7.75% 15/12/2023 | $115,000 | 84 | 0.01 |
| Precision Drilling Corp. 7.13% 15/01/2026 | $382,000 | 263 | 0.05 |
| Quebecor Media, Inc. 5.75% 15/01/2023 | $66,000 | 52 | 0.01 |
| Royal Bank of Canada, FRN 3.45% 05/10/2023 | $1,940,000 | 1,461 | 0.25 |
| Seven Generations Energy Ltd. 5.38% 30/09/2025 | $37,000 | 27 | 0.01 |
| Stars Group Holdings BV 7.00% 15/07/2026 | $59,000 | 45 | 0.01 |
| Teck Resources Ltd. 8.50% 01/06/2024 | $14,000 | 11 | - |
| Teck Resources Ltd. 6.13% 01/10/2035 | $169,000 | 133 | 0.02 |
| Transcanada Trust, FRN 5.63% 20/05/2075 | $177,000 | 127 | 0.02 |
| Videotron Ltd. 5.38% 15/06/2024 | $45,000 | 35 | 0.01 |
| | | **7,895** | **1.37** |
| **Cayman Islands 3.90% (2.86%)** | | | |
| ACIS CLO Ltd., FRN, Series 2017-7A 'A1' 3.69% 01/05/2027 | $438,000 | 334 | 0.06 |
| Bain Capital Credit CLO, FRN, Series 2017-1A 'A1' 4.01% 20/07/2030 | $980,000 | 745 | 0.13 |
| Cedar Funding II CLO Ltd., FRN, Series 2013-1A 'A1R' 3.56% 09/06/2030 | $2,050,000 | 1,557 | 0.27 |
| CFIP CLO Ltd., FRN, Series 2017-1A 'A' 4.00% 18/01/2030 | $2,000,000 | 1,518 | 0.26 |
| CFIP CLO Ltd., FRN, Series 2018-1A 'A' 3.93% 18/07/2031 | $1,980,000 | 1,485 | 0.26 |
| Dryden 49 Senior Loan Fund, FRN, Series 2017-49A 'A' 3.65% 18/07/2030 | $1,739,000 | 1,320 | 0.23 |
| GoldentTree Loan Management US CLO 1 Ltd., FRN, Series 2017-1A 'A' 3.98% 20/04/2029 | $1,066,000 | 812 | 0.14 |
| GPMT Ltd., FRN, Series 2018-FL1 'B' 4.03% 21/11/2035 | $940,000 | 706 | 0.12 |
| Grippen Park Clo Ltd., FRN, Series 2017-1A 'A' 4.02% 20/01/2030 | $953,000 | 726 | 0.13 |
| Hero Funding, Series 2017-3A 'A1' 3.19% 20/09/2048 | $474,091 | 357 | 0.06 |
| ICG US CLO Ltd., FRN, Series 2016-1A 'A2R' 4.21% 29/07/2028 | $421,000 | 318 | 0.06 |
| LCM XV LP, FRN, Series 15A 'AR' 3.71% 20/07/2030 | $922,000 | 702 | 0.12 |
| LCM XVI LP, FRN, Series 16A 'A2R' 3.85% 15/10/2031 | $1,540,000 | 1,168 | 0.20 |
| Nassau Ltd., FRN, Series 2017-IA 'A1A' 4.11% 15/10/2029 | $1,040,000 | 792 | 0.14 |
| Neuberger Berman Loan Advisers CLO 24 Ltd., FRN, Series 2017-24A 'A' 3.99% 19/04/2030 | $808,500 | 615 | 0.11 |
| OCP CLO Ltd., FRN, Series 2017-13A 'A1A' 4.05% 15/07/2030 | $1,764,000 | 1,341 | 0.23 |
| Octagon Investment Partners 30 Ltd., FRN, Series 2017-1A 'A1' 4.08% 17/03/2030 | $718,000 | 547 | 0.09 |
| PFP Ltd., FRN, Series 2017-3 'D' 6.01% 14/01/2035 | $390,000 | 296 | 0.05 |
| Shackleton CLO Ltd., FRN, Series 2013-4RA 'A2A' 4.04% 13/04/2031 | $790,000 | 593 | 0.10 |
| Shackleton CLO Ltd., FRN, Series 2014-6RA 'B' 4.07% 17/07/2028 | $580,000 | 437 | 0.08 |
| TCI-Cent Clo Income Note Issuer Ltd., FRN, Series 2017-1A 'A1' 3.76% 25/07/2030 | $1,960,000 | 1,490 | 0.26 |
| THL Credit Wind River CLO Ltd., FRN, Series 2017-1A 'A' 4.12% 18/04/2029 | $589,000 | 449 | 0.08 |
| TIAA CLO II Ltd., FRN, Series 2017-1A 'A' 4.04% 20/04/2029 | $1,083,000 | 824 | 0.14 |
| TPG Real Estate Finance Issuer Ltd., FRN, Series 2018-FL1 'A' 3.21% 15/02/2035 | $1,003,682 | 758 | 0.13 |
| TRESTLES CLO Ltd., FRN, Series 2017-1A 'A1A' 3.78% 25/07/2029 | $1,540,000 | 1,172 | 0.20 |
| VOYA CLO, FRN, Series 2017-2A 'A1' 3.65% 07/06/2030 | $1,924,000 | 1,461 | 0.25 |
| | | **22,523** | **3.90** |
| **Denmark 0.19% (0.09%)** | | | |
| Danske Bank A/S, FRN 5.88% Perpetual | €500,000 | 441 | 0.08 |
| DKT Finance ApS 7.00% 17/06/2023 | €700,000 | 662 | 0.11 |
| | | **1,103** | **0.19** |
| **Finland 0.00% (0.00%)** | | | |
| Nokia OYJ 4.38% 12/06/2027 | $12,000 | 9 | - |
| | | **9** | **-** |
| **France 1.79% (1.77%)** | | | |
| Accor SA, FRN 4.13% Perpetual | €500,000 | 450 | 0.08 |
| Altice France SA 5.63% 15/05/2024 | €550,000 | 495 | 0.09 |
| Altice France SA 6.25% 15/05/2024 | $470,000 | 349 | 0.06 |
| Arkema SA, FRN 4.75% Perpetual | €200,000 | 185 | 0.03 |
| BPCE SA 5.70% 22/10/2023 | $1,300,000 | 1,029 | 0.18 |
| Credit Agricole SA, FRN 8.12% Perpetual | $1,320,000 | 1,086 | 0.19 |
| Elis SA 1.88% 15/02/2023 | €600,000 | 526 | 0.09 |
| Engie SA, FRN 3.25% Perpetual | €100,000 | 89 | 0.01 |
| Europcar Mobility Group 4.13% 15/11/2024 | €400,000 | 341 | 0.06 |
| Faurecia SA 2.63% 15/06/2025 | €300,000 | 250 | 0.04 |
| Horizon Parent Holdings Sarl 8.25% 15/02/2022 | €200,000 | 178 | 0.03 |
| La Financiere Atalian SASU 4.00% 15/05/2024 | €525,000 | 353 | 0.06 |
| Loxam SAS 4.25% 15/04/2024 | €250,000 | 224 | 0.04 |
| Loxam SAS 6.00% 15/04/2025 | €300,000 | 269 | 0.05 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Novafives SAS 5.00% 15/06/2025 | €200,000 | 149 | 0.03 |
| Orano SA 3.13% 20/03/2023 | €300,000 | 263 | 0.04 |
| Orano SA 4.88% 23/09/2024 | €150,000 | 136 | 0.02 |
| Paprec Holding SA 4.00% 31/03/2025 | €500,000 | 372 | 0.06 |
| Picard Groupe SAS, FRN 3.00% 30/11/2023 | €600,000 | 503 | 0.09 |
| Rexel SA 2.63% 15/06/2024 | €400,000 | 351 | 0.06 |
| Rexel SA 2.13% 15/06/2025 | €400,000 | 336 | 0.06 |
| Societe Generale SA, FRN 8.00% Perpetual | $1,230,000 | 973 | 0.17 |
| SPIE SA 3.13% 22/03/2024 | €500,000 | 439 | 0.08 |
| TOTAL SA, FRN 2.25% Perpetual | €400,000 | 356 | 0.06 |
| TOTAL SA, FRN 2.71% Perpetual | €300,000 | 271 | 0.05 |
| Valeo SA 1.63% 18/03/2026 | €200,000 | 169 | 0.03 |
| Vallourec SA 6.63% 15/10/2022 | €100,000 | 54 | 0.01 |
| Vallourec SA 2.25% 30/09/2024 | €300,000 | 136 | 0.02 |
| | | **10,332** | **1.79** |
| **Germany 1.33% (1.16%)** | | | |
| Allianz SE, FRN 4.75% Perpetual | €500,000 | 490 | 0.08 |
| Blitz F18-674 GmbH 6.00% 30/07/2026 | €250,000 | 218 | 0.04 |
| CBR Fashion Finance BV 5.13% 01/10/2022 | €125,000 | 93 | 0.02 |
| CeramTec BondCo GmbH 5.25% 15/12/2025 | €650,000 | 549 | 0.09 |
| Commerzbank AG 4.00% 23/03/2026 | €273,000 | 251 | 0.04 |
| Daimler Finance North America LLC, FRN 3.25% 05/11/2021 | $1,855,000 | 1,408 | 0.24 |
| IHO Verwaltungs GmbH 3.25% 15/09/2023 | €500,000 | 429 | 0.07 |
| IHO Verwaltungs GmbH 3.75% 15/09/2026 | €250,000 | 206 | 0.04 |
| Nidda BondCo GmbH 5.00% 30/09/2025 | €400,000 | 322 | 0.06 |
| Nidda Healthcare Holding GmbH 3.50% 30/09/2024 | €450,000 | 384 | 0.07 |
| ProGroup AG 3.00% 31/03/2026 | €650,000 | 565 | 0.10 |
| RWE AG, FRN 3.50% 21/04/2075 | €325,000 | 282 | 0.05 |
| Tele Columbus AG 3.88% 02/05/2025 | €300,000 | 239 | 0.04 |
| thyssenkrupp AG 1.38% 03/03/2022 | €400,000 | 347 | 0.06 |
| thyssenkrupp AG 2.50% 25/02/2025 | €200,000 | 176 | 0.03 |
| Unitymedia GmbH 3.75% 15/01/2027 | €100,000 | 91 | 0.02 |
| Unitymedia Hessen GmbH & Co. KG 3.50% 15/01/2027 | €400,000 | 363 | 0.06 |
| Volkswagen Group of America Finance LLC, FRN 3.39% 13/11/2020 | $1,435,000 | 1,092 | 0.19 |
| WEPA Hygieneprodukte GmbH 3.75% 15/05/2024 | €200,000 | 174 | 0.03 |
| | | **7,679** | **1.33** |
| **Greece 0.07% (0.04%)** | | | |
| Crystal Almond SARL 10.00% 01/11/2021 | €438,000 | 407 | 0.07 |
| | | **407** | **0.07** |
| **Indonesia 0.10% (0.00%)** | | | |
| Indonesia Asahan Aluminium Persero PT 5.71% 15/11/2023 | $710,000 | 566 | 0.10 |
| | | **566** | **0.10** |
| **Ireland 0.71% (0.49%)** | | | |
| AerCap Ireland Capital DAC 3.65% 21/07/2027 | $2,030,000 | 1,380 | 0.24 |
| Ardagh Packaging Finance plc 6.75% 15/05/2024 | €875,000 | 808 | 0.14 |
| Ardagh Packaging Finance plc 7.25% 15/05/2024 | $780,000 | 611 | 0.11 |
| Ardagh Packaging Finance plc 6.00% 15/02/2025 | $700,000 | 515 | 0.09 |
| Avolon Holdings Funding Ltd. 5.50% 15/01/2023 | $43,000 | 33 | – |
| Avolon Holdings Funding Ltd. 5.13% 01/10/2023 | $15,000 | 12 | – |
| James Hardie International Finance DAC 4.75% 15/01/2025 | $480,000 | 348 | 0.06 |
| Park Aerospace Holdings Ltd. 4.50% 15/03/2023 | $2,000 | 2 | – |
| Park Aerospace Holdings Ltd. 5.50% 15/02/2024 | $70,000 | 54 | 0.01 |
| Smurfit Kappa Acquisitions ULC 2.38% 01/02/2024 | €400,000 | 362 | 0.06 |
| | | **4,125** | **0.71** |
| **Israel 0.23% (0.16%)** | | | |
| Teva Pharmaceutical Finance Netherlands III BV 3.15% 01/10/2026 | $2,153,000 | 1,356 | 0.23 |
| | | **1,356** | **0.23** |
| **Italy 1.00% (1.29%)** | | | |
| Enel Finance International NV 5.63% 14/08/2024 | £160,000 | 182 | 0.03 |
| Enel Finance International NV 3.50% 06/04/2028 | $1,025,000 | 684 | 0.12 |
| EVOCA SpA 7.00% 15/10/2023 | €400,000 | 369 | 0.06 |
| Intesa Sanpaolo SpA 5.71% 15/01/2026 | $475,000 | 335 | 0.06 |
| Intesa Sec Srl, FRN, Series 3 'B' 0.00% 30/10/2033 | €745,388 | 649 | 0.11 |
| Leonardo SpA 4.88% 24/03/2025 | €350,000 | 343 | 0.06 |
| Rossini Sarl 6.75% 30/10/2025 | €329,000 | 294 | 0.05 |
| Saipem Finance International BV 3.75% 08/09/2023 | €317,000 | 290 | 0.05 |
| Telecom Italia Capital SA 6.38% 15/11/2033 | $75,000 | 51 | 0.01 |
| Telecom Italia Capital SA 6.00% 30/09/2034 | $47,000 | 31 | 0.01 |
| Telecom Italia Capital SA 7.20% 18/07/2036 | $41,000 | 30 | 0.01 |
| Telecom Italia Capital SA 7.72% 04/06/2038 | $21,000 | 16 | – |
| Telecom Italia SpA 3.25% 16/01/2023 | €450,000 | 395 | 0.07 |
| Telecom Italia SpA 3.00% 30/09/2025 | €850,000 | 698 | 0.12 |
| Telecom Italia SpA 3.63% 25/05/2026 | €425,000 | 357 | 0.06 |
| Wind Tre SpA 2.63% 20/01/2023 | €309,000 | 244 | 0.04 |
| Wind Tre SpA 3.13% 20/01/2025 | €475,000 | 367 | 0.06 |
| Wind Tre SpA 5.00% 20/01/2026 | $750,000 | 469 | 0.08 |
| | | **5,804** | **1.00** |
| **Japan 0.25% (0.09%)** | | | |
| Mitsubishi UFJ Financial Group, Inc., FRN 3.62% 26/07/2023 | $1,925,000 | 1,462 | 0.25 |
| | | **1,462** | **0.25** |
| **Kazakhstan 0.10% (0.00%)** | | | |
| KazMunayGas National Co. JSC 5.38% 24/04/2030 | $710,000 | 557 | 0.10 |
| | | **557** | **0.10** |
| **Luxembourg 1.07% (1.22%)** | | | |
| Altice Financing SA 6.63% 15/02/2023 | $515,000 | 391 | 0.07 |
| Altice Financing SA 7.50% 15/05/2026 | $200,000 | 143 | 0.02 |
| Altice Finco SA 4.75% 15/01/2028 | €375,000 | 270 | 0.05 |
| Altice Luxembourg SA 7.25% 15/05/2022 | €750,000 | 644 | 0.11 |
| Altice Luxembourg SA 7.75% 15/05/2022 | $645,000 | 472 | 0.08 |
| Altice Luxembourg SA 6.25% 15/02/2025 | €500,000 | 377 | 0.06 |
| FAGE International SA 5.63% 15/08/2026 | $650,000 | 418 | 0.07 |
| Galapagos SA 5.38% 15/06/2021 | €386,000 | 238 | 0.04 |
| INEOS Group Holdings SA 5.63% 01/08/2024 | $722,000 | 524 | 0.09 |
| Intelsat Connect Finance SA 9.50% 15/02/2023 | $138,000 | 97 | 0.02 |
| Intelsat Jackson Holdings SA 5.50% 01/08/2023 | $49,000 | 33 | 0.01 |
| Intelsat Jackson Holdings SA 8.00% 15/02/2024 | $1,111,000 | 880 | 0.15 |
| Intelsat Jackson Holdings SA 8.50% 15/10/2024 | $160,000 | 122 | 0.02 |
| Intelsat Luxembourg SA 7.75% 01/06/2021 | $16,000 | 12 | – |
| Intelsat Luxembourg SA 8.13% 01/06/2023 | $69,000 | 43 | 0.01 |
| Matterhorn Telecom Holding SA 4.88% 01/05/2023 | €600,000 | 496 | 0.09 |
| Monitchem HoldCo 2 SA 6.88% 15/06/2022 | €150,000 | 112 | 0.02 |
| SES SA, FRN 4.62% Perpetual | €550,000 | 493 | 0.09 |
| Telenet Finance VI Luxembourg SCA 4.88% 15/07/2027 | €414,000 | 389 | 0.07 |
| | | **6,154** | **1.07** |
| **Mexico 0.06% (0.04%)** | | | |
| Cemex SAB de CV 6.13% 05/05/2025 | $200,000 | 155 | 0.03 |
| Cemex SAB de CV 7.75% 16/04/2026 | $200,000 | 164 | 0.03 |
| | | **319** | **0.06** |
| **Netherlands 1.06% (1.11%)** | | | |
| Hema Bondco I BV, FRN 6.25% 15/07/2022 | €600,000 | 446 | 0.08 |
| ING Groep NV, FRN 3.00% 11/04/2028 | €600,000 | 549 | 0.09 |
| ING Groep NV, FRN 6.87% Perpetual | $418,000 | 325 | 0.06 |
| NXP BV 4.63% 15/06/2022 | $200,000 | 154 | 0.03 |
| Permanent Master Issuer plc, FRN, Series 2018-1X '1A1' 3.17% 15/07/2058 | $3,115,000 | 2,364 | 0.41 |
| Sunshine Mid BV 6.50% 15/05/2026 | €250,000 | 213 | 0.04 |
| UPCB Finance IV Ltd. 5.38% 15/01/2025 | $810,000 | 592 | 0.10 |
| UPCB Finance IV Ltd. 4.00% 15/01/2027 | €346,500 | 312 | 0.05 |
| Ziggo Bond Co. BV 4.63% 15/01/2025 | €600,000 | 530 | 0.09 |
| Ziggo BV 3.75% 15/01/2025 | €625,000 | 557 | 0.10 |
| Ziggo BV 4.25% 15/01/2027 | €100,000 | 88 | 0.01 |
| | | **6,130** | **1.06** |
| **Portugal 0.50% (0.46%)** | | | |
| EDP – Energias de Portugal SA, FRN 5.38% 16/09/2075 | €200,000 | 186 | 0.03 |
| EDP Finance BV 5.25% 14/01/2021 | $1,687,000 | 1,313 | 0.23 |
| EDP Finance BV 2.38% 23/03/2023 | €366,000 | 340 | 0.06 |
| EDP Finance BV 3.63% 15/07/2024 | $1,460,000 | 1,056 | 0.18 |
| | | **2,895** | **0.50** |
| **Spain 1.13% (0.97%)** | | | |
| CaixaBank SA, FRN 3.50% 15/02/2027 | €600,000 | 547 | 0.09 |
| CaixaBank SA, FRN 6.75% Perpetual | €1,000,000 | 914 | 0.16 |
| Cellnex Telecom SA 2.38% 16/01/2024 | €200,000 | 174 | 0.03 |
| Cirsa Finance International Sarl 6.25% 20/12/2023 | €223,000 | 203 | 0.03 |
| Grifols SA 3.20% 01/05/2025 | €330,000 | 288 | 0.05 |
| Naturgy Finance BV, FRN 3.38% Perpetual | €400,000 | 343 | 0.06 |
| Naturgy Finance BV, FRN 4.13% Perpetual | €100,000 | 91 | 0.02 |
| Repsol International Finance BV, FRN 4.50% 25/03/2075 | €1,048,000 | 968 | 0.17 |
| TDA CAM FTA, FRN, Series 4 'A' 0.00% 26/06/2039 | €697,413 | 604 | 0.10 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Telefonica Emisiones SA 4.67% 06/03/2038 | $310,000 | 218 | 0.04 |
| Telefonica Europe BV, FRN 2.66% Perpetual | €800,000 | 656 | 0.11 |
| Telefonica Europe BV, FRN 3.00% Perpetual | €700,000 | 582 | 0.10 |
| Telefonica Europe BV, FRN 5.88% Perpetual | €1,000,000 | 955 | 0.17 |
| | | **6,543** | **1.13** |
| **Sweden 1.84% (1.13%)** | | | |
| Nordea Hypotek AB 1.00% 08/04/2022 | SEK 30,000,000 | 2,586 | 0.45 |
| Stadshypotek AB 4.50% 21/09/2022 | SEK 40,000,000 | 3,871 | 0.67 |
| Swedbank Hypotek AB 1.00% 15/06/2022 | SEK 40,000,000 | 3,448 | 0.59 |
| Telefonaktiebolaget LM Ericsson 1.88% 01/03/2024 | €250,000 | 218 | 0.04 |
| Verisure Midholding AB 5.75% 01/12/2023 | €600,000 | 523 | 0.09 |
| | | **10,646** | **1.84** |
| **Switzerland 0.92% (1.16%)** | | | |
| Credit Suisse AG, FRN 5.75% 18/09/2025 | €350,000 | 329 | 0.06 |
| Credit Suisse Group AG 4.28% 09/01/2028 | $1,485,000 | 1,113 | 0.19 |
| Credit Suisse Group AG, FRN 7.50% Perpetual | $2,080,000 | 1,675 | 0.29 |
| Dufry One BV 2.50% 15/10/2024 | €300,000 | 262 | 0.05 |
| UBS Group Funding Switzerland AG, FRN 5.75% Perpetual | €1,770,000 | 1,676 | 0.29 |
| UBS Group Funding Switzerland AG, FRN 7.00% Perpetual | $300,000 | 242 | 0.04 |
| | | **5,297** | **0.92** |
| **United Arab Emirates 0.03% (0.02%)** | | | |
| DAE Funding LLC 4.50% 01/08/2022 | $23,000 | 17 | – |
| DAE Funding LLC 5.00% 01/08/2024 | $54,000 | 40 | 0.01 |
| Shelf Drilling Holdings Ltd. 8.25% 15/02/2025 | $134,000 | 91 | 0.02 |
| | | **148** | **0.03** |
| **United Kingdom 2.07% (2.64%)** | | | |
| Arqiva Broadcast Finance plc 6.75% 30/09/2023 | £100,000 | 104 | 0.02 |
| BAT Capital Corp. 4.39% 15/08/2037 | $1,845,000 | 1,183 | 0.20 |
| EC Finance plc 2.38% 15/11/2022 | €275,000 | 238 | 0.04 |
| Fiat Chrysler Automobiles NV 3.75% 29/03/2024 | €700,000 | 652 | 0.11 |
| HSBC Holdings plc, FRN 3.64% 18/05/2024 | $1,140,000 | 861 | 0.15 |
| HSBC Holdings plc, FRN 6.00% Perpetual | €450,000 | 436 | 0.08 |
| HSBC Holdings plc, FRN 6.37% Perpetual | $1,090,000 | 830 | 0.14 |
| Iceland Bondco plc 4.63% 15/03/2025 | £350,000 | 311 | 0.05 |
| Lanark Master Issuer plc, FRN, Series 2018-1A '1A' 2.73% 22/12/2069 | $997,120 | 757 | 0.13 |
| Merlin Entertainments plc 2.75% 15/03/2022 | €200,000 | 180 | 0.03 |
| Nomad Foods Bondco plc 3.25% 15/05/2024 | €500,000 | 442 | 0.08 |
| RMAC NO 2 plc, FRN, Series 2018-2 'A' 1.83% 12/06/2046 | £1,028,000 | 1,018 | 0.18 |
| Royal Bank of Scotland Group plc 6.13% 15/12/2022 | $390,000 | 311 | 0.05 |
| Royal Bank of Scotland Group plc 6.00% 19/12/2023 | $85,000 | 68 | 0.01 |
| Royal Bank of Scotland Group plc, FRN 3.50% 15/05/2023 | $1,362,000 | 1,011 | 0.17 |
| Royal Bank of Scotland Group plc, FRN 8.62% Perpetual | $400,000 | 323 | 0.06 |
| Standard Chartered plc, FRN 7.75% Perpetual | $550,000 | 434 | 0.08 |
| Synlab Bondco plc 6.25% 01/07/2022 | €500,000 | 452 | 0.08 |
| Tesco Corporate Treasury Services plc 2.50% 01/07/2024 | €1,100,000 | 995 | 0.17 |
| Virgin Media Finance plc 4.50% 15/01/2025 | €250,000 | 224 | 0.04 |
| Virgin Media Secured Finance plc 5.25% 15/01/2026 | $200,000 | 149 | 0.03 |
| Virgin Media Secured Finance plc 5.50% 15/08/2026 | $680,000 | 509 | 0.09 |
| Worldpay Finance plc 3.75% 15/11/2022 | €500,000 | 468 | 0.08 |
| | | **11,956** | **2.07** |
| **United States of America 62.37% (57.33%)** | | | |
| 5AIF Juniper 2 LLC, Series 2018-1 'A' 5.45% 15/08/2022 | $3,530,000 | 2,688 | 0.47 |
| A10 REVOLVING ASSET FING, FRN 0.00% 09/01/2020 | $3,750,000 | 2,856 | 0.49 |
| Acadia Healthcare Co., Inc. 6.50% 01/03/2024 | $100,000 | 75 | 0.01 |
| ACCO Brands Corp. 5.25% 15/12/2024 | $605,000 | 449 | 0.08 |
| ACE Cash Express, Inc. 12.00% 15/12/2022 | $66,000 | 44 | 0.01 |
| ACE Securities Corp. Home Equity Loan Trust, FRN, Series 2004-FM1 'M1' 3.41% 25/09/2033 | $906,036 | 685 | 0.12 |
| Adient Global Holdings Ltd. 3.50% 15/08/2024 | €150,000 | 99 | 0.02 |
| Adient Global Holdings Ltd. 4.88% 15/08/2026 | $500,000 | 283 | 0.05 |
| ADT Security Corp. (The) 4.13% 15/06/2023 | $122,000 | 89 | 0.02 |
| AES Corp. 5.50% 15/04/2025 | $45,000 | 35 | 0.01 |
| Ahern Rentals, Inc. 7.38% 15/05/2023 | $59,000 | 38 | 0.01 |
| AIMCO CLO, FRN, Series 2014-AA 'AR' 3.86% 20/07/2026 | $871,798 | 664 | 0.12 |
| AIMCO CLO, FRN, Series 2017-AA 'A' 3.73% 20/07/2029 | $495,000 | 377 | 0.07 |
| Air Medical Group Holdings, Inc. 6.38% 15/05/2023 | $800,000 | 530 | 0.09 |
| AK Steel Corp. 6.38% 15/10/2025 | $65,000 | 40 | 0.01 |
| AK Steel Corp. 7.00% 15/03/2027 | $87,000 | 53 | 0.01 |
| Albertsons Cos. LLC 6.63% 15/06/2024 | $213,000 | 159 | 0.03 |
| Albertsons Cos. LLC 5.75% 15/03/2025 | $90,000 | 64 | 0.01 |
| Albertsons Cos. LLC 7.50% 15/03/2026 | $55,000 | 42 | 0.01 |
| Alcoa Nederland Holding BV 6.75% 30/09/2024 | $225,000 | 178 | 0.03 |
| Alliance Data Systems Corp. 5.88% 01/11/2021 | $74,000 | 57 | 0.01 |
| Alliance Data Systems Corp. 5.38% 01/08/2022 | $76,000 | 58 | 0.01 |
| Allison Transmission, Inc. 4.75% 01/10/2027 | $210,000 | 149 | 0.03 |
| Ally Financial, Inc. 4.63% 19/05/2022 | $94,000 | 72 | 0.01 |
| Ally Financial, Inc. 4.62% 30/03/2025 | $225,000 | 172 | 0.03 |
| Ally Financial, Inc. 8.00% 01/11/2031 | $190,000 | 172 | 0.03 |
| Alternative Loan Trust, Series 2004-24CB '1A1' 6.00% 25/11/2034 | $319,059 | 244 | 0.04 |
| Alternative Loan Trust, Series 2004-25CB 'A1' 6.00% 25/12/2034 | $1,431,757 | 1,082 | 0.19 |
| Alternative Loan Trust, Series 2004-28CB '2A4' 5.75% 25/01/2035 | $417,859 | 309 | 0.05 |
| Alternative Loan Trust, Series 2004-28CB '3A1' 6.00% 25/01/2035 | $790,364 | 592 | 0.10 |
| Alternative Loan Trust, Series 2005-21CB 'A17' 6.00% 25/06/2035 | $448,173 | 323 | 0.06 |
| Alternative Loan Trust, Series 2005-80CB '5A1' 6.00% 25/02/2036 | $1,309,518 | 993 | 0.17 |
| Altria Group, Inc. 4.25% 09/08/2042 | $500,000 | 309 | 0.05 |
| Altria Group, Inc. 3.88% 16/09/2046 | $155,000 | 90 | 0.02 |
| AMC Entertainment Holdings, Inc. 5.75% 15/06/2025 | $385,000 | 270 | 0.05 |
| AMC Entertainment Holdings, Inc. 6.13% 15/05/2027 | $19,000 | 13 | – |
| AMC Networks, Inc. 5.00% 01/04/2024 | $64,000 | 48 | 0.01 |
| AMC Networks, Inc. 4.75% 01/08/2025 | $41,000 | 30 | 0.01 |
| American Airlines Pass-Through Trust, Series 2013-1 'A' 4.00% 15/01/2027 | $962,601 | 730 | 0.13 |
| American Axle & Manufacturing, Inc. 6.63% 15/10/2022 | $528,000 | 408 | 0.07 |
| American Axle & Manufacturing, Inc. 6.25% 01/04/2025 | $579,000 | 424 | 0.07 |
| American Axle & Manufacturing, Inc. 6.25% 15/03/2026 | $40,000 | 29 | 0.01 |
| American Axle & Manufacturing, Inc. 6.50% 01/04/2027 | $409,000 | 297 | 0.05 |
| American Credit Acceptance Receivables Trust, Series 2016-4 'D' 4.11% 12/04/2023 | $739,000 | 568 | 0.10 |
| American Credit Acceptance Receivables Trust, Series 2017-2 'D' 3.69% 12/06/2023 | $2,030,000 | 1,544 | 0.27 |
| American Credit Acceptance Receivables Trust, Series 2017-2 'E' 5.52% 12/03/2024 | $990,000 | 763 | 0.13 |
| American Credit Acceptance Receivables Trust, Series 2018-2 'A' 2.94% 10/01/2022 | $558,468 | 425 | 0.07 |
| American Credit Acceptance Receivables Trust, Series 2018-2 'D' 4.07% 10/07/2024 | $3,117,000 | 2,380 | 0.41 |
| American Credit Acceptance Receivables Trust, Series 2018-2 'E' 5.16% 10/09/2024 | $4,040,000 | 3,077 | 0.53 |
| American Credit Acceptance Receivables Trust, Series 2018-2 'F' 6.29% 10/07/2025 | $2,017,000 | 1,540 | 0.27 |
| American Express Co., FRN 3.20% 05/11/2021 | $1,360,000 | 1,036 | 0.18 |
| American International Group, Inc. 3.90% 01/04/2026 | $1,360,000 | 1,022 | 0.18 |
| American Tower Corp., REIT 3.60% 15/01/2028 | $1,260,000 | 918 | 0.16 |
| American Woodmark Corp. 4.88% 15/03/2026 | $560,000 | 393 | 0.07 |
| AmeriGas Partners LP 5.88% 20/08/2026 | $215,000 | 161 | 0.03 |
| AmeriGas Partners LP 5.75% 20/05/2027 | $110,000 | 80 | 0.01 |
| Amkor Technology, Inc. 6.38% 01/10/2022 | $249,000 | 191 | 0.03 |
| Angel Oak Mortgage Trust I LLC, Series 2018-PB1 'A' 4.00% 25/08/2021 | $310,000 | 238 | 0.04 |
| Antero Midstream Partners LP 5.38% 15/09/2024 | $475,000 | 354 | 0.06 |
| Antero Resources Corp. 5.13% 01/12/2022 | $200,000 | 152 | 0.03 |
| Aramark International Finance Sarl 3.13% 01/04/2025 | €300,000 | 268 | 0.05 |
| Aramark Services, Inc. 5.00% 01/02/2028 | $46,000 | 34 | 0.01 |
| Archrock Partners LP, Series WI 6.00% 01/10/2022 | $32,000 | 24 | – |
| Arconic, Inc. 5.40% 15/04/2021 | $14,000 | 11 | – |
| Arconic, Inc. 11.80% 01/02/2027 | $255,000 | 194 | 0.03 |
| Asset-Backed Securities Corp. Home Equity Loan Trust, FRN, Series 2004-HE7 'M2' 4.08% 25/10/2034 | $62,838 | 48 | 0.01 |
| AT&T, Inc. 3.40% 15/05/2025 | $1,240,000 | 921 | 0.16 |
| AT&T, Inc. 5.25% 01/03/2037 | $45,000 | 34 | 0.01 |
| AT&T, Inc. 4.80% 15/06/2044 | $295,000 | 208 | 0.04 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Avantor, Inc. 6.00% 01/10/2024 | $400,000 | 311 | 0.05 |
| Avaya, Inc. 7.00% 01/04/2019^ | $213,000 | – | – |
| Avis Budget Car Rental LLC 6.38% 01/04/2024 | $925,000 | 697 | 0.12 |
| Avis Budget Car Rental LLC 5.25% 15/03/2025 | $52,000 | 35 | 0.01 |
| Avis Budget Finance plc 4.13% 15/11/2024 | €400,000 | 351 | 0.06 |
| Axalta Coating Systems LLC 4.25% 15/08/2024 | €350,000 | 313 | 0.05 |
| Ball Corp. 4.38% 15/12/2023 | €410,000 | 404 | 0.07 |
| Ball Corp. 5.25% 01/07/2025 | $45,000 | 36 | 0.01 |
| Ball Corp. 4.88% 15/03/2026 | $17,000 | 13 | – |
| Banc of America Alternative Loan Trust, Series 2004-12 '2CB1' 6.00% 25/01/2035 | $62,987 | 47 | 0.01 |
| Banc of America Commercial Mortgage Trust, FRN, Series 2006-1 'E' 6.01% 10/09/2045 | $127,734 | 100 | 0.02 |
| Banc of America Commercial Mortgage Trust, FRN, Series 2007-1 'AMFX' 5.48% 15/01/2049 | $329,428 | 252 | 0.04 |
| Banc of America Mortgage Trust, FRN, Series 2004-A '2A2' 3.92% 25/02/2034 | $258,734 | 197 | 0.03 |
| Banff Merger Sub, Inc. 9.75% 01/09/2026 | $79,000 | 57 | 0.01 |
| BANK, Series 2017-BNK6 'D' 3.10% 15/07/2060 | $1,075,000 | 660 | 0.11 |
| BANK, Series 2017-BNK9 'D' 2.80% 15/11/2054 | $840,000 | 497 | 0.09 |
| Bank of America Corp., FRN 3.00% 20/12/2023 | $3,915,000 | 2,931 | 0.51 |
| Bank of America Corp., FRN 5.87% Perpetual | $1,584,000 | 1,169 | 0.20 |
| Bank of America Corp., FRN 6.25% Perpetual | $941,000 | 748 | 0.13 |
| Bausch Health Cos., Inc. 6.50% 15/03/2022 | $430,000 | 338 | 0.06 |
| Bausch Health Cos., Inc. 4.50% 15/05/2023 | €675,000 | 580 | 0.10 |
| Bausch Health Cos., Inc. 5.88% 15/05/2023 | $2,128,000 | 1,576 | 0.27 |
| Bausch Health Cos., Inc. 7.00% 15/03/2024 | $1,346,000 | 1,073 | 0.19 |
| Bausch Health Cos., Inc. 5.50% 01/11/2025 | $30,000 | 23 | – |
| Bausch Health Cos., Inc. 9.00% 15/12/2025 | $100,000 | 80 | 0.01 |
| Bear Stearns Commercial Mortgage Securities Trust, FRN, Series 2006-PW13 'B' 5.66% 11/09/2041[0] | $38,188 | 29 | 0.01 |
| Becton Dickinson and Co. 1.40% 24/05/2023 | €300,000 | 265 | 0.05 |
| Belden, Inc. 3.38% 15/07/2027 | €500,000 | 420 | 0.07 |
| Berry Global, Inc. 5.13% 15/07/2023 | $100,000 | 77 | 0.01 |
| BHMS, FRN, Series 2018-ATLS 'A' 3.71% 15/07/2035 | $1,555,000 | 1,180 | 0.20 |
| Blue Racer Midstream LLC 6.13% 15/11/2022 | $475,000 | 364 | 0.06 |
| Booz Allen Hamilton, Inc. 5.13% 01/05/2025 | $25,000 | 19 | – |
| Boyd Gaming Corp. 6.88% 15/05/2023 | $512,000 | 403 | 0.07 |
| Boyd Gaming Corp. 6.38% 01/04/2026 | $80,000 | 62 | 0.01 |
| Boyne USA, Inc. 7.25% 01/05/2025 | $59,000 | 47 | 0.01 |
| Braemar Hotels & Resorts Trust, FRN, Series 2018-PRME 'C' 3.71% 15/06/2035 | $700,000 | 526 | 0.09 |
| Brink's Co. (The) 4.63% 15/10/2027 | $50,000 | 36 | 0.01 |
| Buckeye Partners LP 3.95% 01/12/2026 | $1,220,000 | 831 | 0.14 |
| Buckeye Partners LP, FRN 6.37% 22/01/2078 | $92,000 | 61 | 0.01 |
| Business Jet Securities LLC, Series 2018-1 'A' 4.34% 15/02/2033 | $568,681 | 435 | 0.08 |
| Business Jet Securities LLC, Series 2018-1 'B' 6.05% 15/02/2033 | $1,159,570 | 912 | 0.16 |
| BX Commercial Mortgage Trust, FRN, Series 2018-IND 'A' 3.21% 15/11/2035 | $1,732,415 | 1,312 | 0.23 |
| BXMT Ltd., FRN, Series 2017-FL1 'C' 4.41% 15/06/2035 | $1,460,000 | 1,101 | 0.19 |
| Cablevision Systems Corp. 8.00% 15/04/2020 | $110,000 | 87 | 0.02 |
| California Resources Corp. 8.00% 15/12/2022 | $37,000 | 23 | – |
| Callon Petroleum Co. 6.13% 01/10/2024 | $70,000 | 53 | 0.01 |
| Calpine Corp. 5.38% 15/01/2023 | $43,000 | 32 | 0.01 |
| Calpine Corp. 5.75% 15/01/2025 | $22,000 | 16 | – |
| Calpine Corp. 5.25% 01/06/2026 | $95,000 | 68 | 0.01 |
| Camelot Finance SA 7.88% 15/10/2024 | $98,000 | 77 | 0.01 |
| Capital One Financial Corp. 3.75% 28/07/2026 | $555,000 | 401 | 0.07 |
| Capital One Financial Corp. 3.75% 09/03/2027 | $485,000 | 355 | 0.06 |
| Capital One Multi-Asset Execution Trust, FRN, Series 2017-A5 'A5' 3.09% 15/07/2027 | $6,640,000 | 5,065 | 0.88 |
| Carlyle Investment Management LLC, FRN 3.26% 15/10/2021 | $61,066 | 46 | 0.01 |
| CarMax Auto Owner Trust, Series 2018-1 'D' 3.37% 15/07/2024 | $420,000 | 315 | 0.05 |
| CarMax Auto Owner Trust, FRN, Series 2017-3 'A2B' 2.64% 15/09/2020 | $110,867 | 84 | 0.01 |
| Carrizo Oil & Gas, Inc. 6.25% 15/04/2023 | $39,000 | 29 | 0.01 |
| Catalent Pharma Solutions, Inc. 4.88% 15/01/2026 | $16,000 | 12 | – |
| CBS Radio, Inc. 7.25% 01/11/2024 | $75,000 | 54 | 0.01 |
| CCO Holdings LLC 5.88% 01/04/2024 | $198,000 | 154 | 0.03 |
| CCO Holdings LLC 5.38% 01/05/2025 | $2,300,000 | 1,752 | 0.30 |
| CCO Holdings LLC 5.75% 15/02/2026 | $1,593,000 | 1,221 | 0.21 |
| CCO Holdings LLC 5.50% 01/05/2026 | $90,000 | 68 | 0.01 |
| CCO Holdings LLC 5.13% 01/05/2027 | $1,930,000 | 1,407 | 0.24 |
| CCO Holdings LLC 5.00% 01/02/2028 | $58,000 | 41 | 0.01 |
| CD Mortgage Trust, Series 2006-CD3 'AJ' 5.69% 15/10/2048 | $488,459 | 188 | 0.03 |
| CD Mortgage Trust, Series 2017-CD5 'D' 3.35% 15/08/2050 | $1,717,000 | 1,076 | 0.19 |
| CDW LLC 5.00% 01/09/2023 | $15,000 | 11 | – |
| CDW LLC 5.50% 01/12/2024 | $23,000 | 18 | – |
| CDW LLC 5.00% 01/09/2025 | $444,000 | 335 | 0.06 |
| Centene Corp. 4.75% 15/01/2025 | $80,000 | 61 | 0.01 |
| Central Garden & Pet Co. 5.13% 01/02/2028 | $490,000 | 347 | 0.06 |
| CenturyLink, Inc. 6.45% 15/06/2021 | $25,000 | 19 | – |
| CenturyLink, Inc. 6.75% 01/12/2023 | $650,000 | 495 | 0.09 |
| CenturyLink, Inc. 7.50% 01/04/2024 | $20,000 | 15 | – |
| CF Industries, Inc. 3.45% 01/06/2023 | $45,000 | 33 | 0.01 |
| CFX Escrow Corp. 6.00% 15/02/2024 | $11,000 | 8 | – |
| CFX Escrow Corp. 6.38% 15/02/2026 | $5,000 | 4 | – |
| CGDBB Commercial Mortgage Trust, FRN, Series 2017-BIOC 'C' 3.51% 15/07/2032 | $790,000 | 595 | 0.10 |
| Charter Communications Operating LLC 4.91% 23/07/2025 | $530,000 | 413 | 0.07 |
| Charter Communications Operating LLC 5.38% 01/05/2047 | $264,000 | 186 | 0.03 |
| Chemours Co. (The) 6.63% 15/05/2023 | $415,000 | 326 | 0.06 |
| Chemours Co. (The) 7.00% 15/05/2025 | $37,000 | 29 | 0.01 |
| Chemours Co. (The) 5.38% 15/05/2027 | $20,000 | 14 | – |
| Cheniere Corpus Christi Holdings LLC 5.87% 31/03/2025 | $155,000 | 124 | 0.02 |
| Cheniere Energy Partners LP 5.63% 01/10/2026 | $50,000 | 38 | 0.01 |
| Chesapeake Energy Corp. 4.88% 15/04/2022 | $67,000 | 48 | 0.01 |
| Chesapeake Energy Corp. 7.00% 01/10/2024 | $120,000 | 88 | 0.02 |
| Chesapeake Energy Corp. 8.00% 15/01/2025 | $478,000 | 362 | 0.06 |
| Chesapeake Energy Corp. 8.00% 15/06/2027 | $73,000 | 53 | 0.01 |
| CHL GMSR Issuer Trust, FRN, Series 2018-GT1 'A' 5.26% 25/05/2023 | $1,030,000 | 785 | 0.14 |
| CHL Mortgage Pass-Through Trust, Series 2007-16 'A1' 6.50% 25/10/2037 | $592,248 | 363 | 0.06 |
| CHL Mortgage Pass-Through Trust, FRN, Series 2005-31 '3A1' 3.89% 25/01/2036 | $510,500 | 380 | 0.07 |
| CHL Mortgage Pass-Through Trust, FRN, Series 2006-HYB1 '2A2C' 3.66% 20/03/2036 | $1,418,469 | 985 | 0.17 |
| CIFC Funding Ltd., FRN, Series 2017-1A 'A' 4.12% 23/04/2029 | $904,000 | 689 | 0.12 |
| CIFC Funding Ltd., FRN, Series 2017-1A 'D' 6.26% 23/04/2029 | $480,000 | 366 | 0.06 |
| CIG AUTO RECEIVABLES TRUST, Series 2017-1A 'A' 2.71% 15/05/2023 | $237,130 | 180 | 0.03 |
| CIG AUTO RECEIVABLES TRUST, Series 2017-1A 'B' 3.81% 15/05/2023 | $320,000 | 241 | 0.04 |
| Cincinnati Bell, Inc. 7.00% 15/07/2024 | $103,000 | 67 | 0.01 |
| Cincinnati Bell, Inc. 8.00% 15/10/2025 | $40,000 | 26 | – |
| Cinemark USA, Inc. 4.88% 01/06/2023 | $35,000 | 26 | – |
| CIT Group, Inc. 5.25% 07/03/2025 | $9,000 | 7 | – |
| CITGO Petroleum Corp. 6.25% 15/08/2022 | $84,000 | 63 | 0.01 |
| Citi Held For Asset Issuance, Series 2015-PM2 'C' 5.96% 15/03/2022 | $226,919 | 173 | 0.03 |
| Citibank Credit Card Issuance Trust, FRN, Series 2016-A3 'A3' 2.87% 07/12/2023 | $1,500,000 | 1,148 | 0.20 |
| Citigroup Commercial Mortgage Trust, Series 2015-P1 'D' 3.23% 15/09/2048 | $485,000 | 315 | 0.05 |
| Citigroup Commercial Mortgage Trust, Series 2017-P8 'B' 4.19% 15/09/2050 | $1,110,000 | 845 | 0.15 |
| Citigroup Mortgage Loan Trust, FRN, Series 2006-AR5 '1A5A' 4.07% 25/07/2036 | $847,615 | 614 | 0.11 |
| Citigroup Mortgage Loan Trust, Inc., Series 2005-9 '2A2' 5.50% 25/11/2035 | $23,497 | 18 | – |
| Citigroup, Inc. 3.20% 21/10/2026 | $485,000 | 352 | 0.06 |
| Citigroup, Inc., FRN 0.19% 21/03/2023 | €748,000 | 643 | 0.11 |
| Citigroup, Inc., Series P, FRN 5.95% Perpetual | $1,870,000 | 1,406 | 0.24 |
| Citigroup, Inc., Series Q, FRN 5.95% Perpetual | $635,000 | 485 | 0.08 |
| Civic Mortgage LLC, STEP, Series 2018-1 'A1' 3.89% 25/06/2022 | $375,895 | 286 | 0.05 |
| Clear Channel Worldwide Holdings, Inc. 7.63% 15/03/2020 | $685,000 | 523 | 0.09 |
| Clear Channel Worldwide Holdings, Inc. 6.50% 15/11/2022 | $2,225,000 | 1,734 | 0.30 |
| Clearwater Paper Corp. 4.50% 01/02/2023 | $43,000 | 30 | 0.01 |
| Clearwater Paper Corp. 5.38% 01/02/2025 | $46,000 | 33 | 0.01 |
| Clearway Energy Operating LLC 5.75% 15/10/2025 | $25,000 | 18 | – |
| Clearway Energy Operating LLC 5.00% 15/09/2026 | $54,000 | 36 | 0.01 |
| Cleveland-Cliffs, Inc. 4.88% 15/01/2024 | $40,000 | 29 | 0.01 |
| Cleveland-Cliffs, Inc. 5.75% 01/03/2025 | $40,000 | 29 | 0.01 |
| CLUB Credit Trust, Series 2017-NP1 'C' 5.13% 17/04/2023 | $957,043 | 733 | 0.13 |
| CLUB Credit Trust, Series 2017-P1 'A' 2.42% 15/09/2023 | $85,105 | 65 | 0.01 |
| CLUB Credit Trust, Series 2017-P1 'B' 3.56% 15/09/2023 | $1,280,000 | 973 | 0.17 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| CLUB Credit Trust, Series 2017-P2 'A' 2.61% 15/01/2024 | $223,769 | 170 | 0.03 |
| CLUB Credit Trust, Series 2017-P2 'B' 3.56% 15/01/2024 | $400,000 | 303 | 0.05 |
| CLUB Credit Trust, Series 2018-NP1 'B' 3.67% 15/05/2024 | $670,000 | 510 | 0.09 |
| CNO Financial Group, Inc. 5.25% 30/05/2025 | $29,000 | 22 | – |
| CNX Midstream Partners LP 6.50% 15/03/2026 | $20,000 | 15 | – |
| CNX Resources Corp. 5.88% 15/04/2022 | $10,000 | 8 | – |
| Cold Storage Trust, FRN, Series 2017-ICE3 'A' 3.46% 15/04/2036 | $4,023,000 | 3,050 | 0.53 |
| Cold Storage Trust, FRN, Series 2017-ICE3 'B' 3.71% 15/04/2036 | $1,850,000 | 1,404 | 0.24 |
| Comcast Corp. 3.95% 15/10/2025 | $1,490,000 | 1,167 | 0.20 |
| Comcast Corp. 4.60% 15/08/2045 | $330,000 | 255 | 0.04 |
| Comcast Corp. 4.70% 15/10/2048 | $735,000 | 574 | 0.10 |
| COMM Mortgage Trust, FRN, Series 2015-CR23 'B' 4.18% 10/05/2048 | $530,000 | 408 | 0.07 |
| Commercial Metals Co. 4.88% 15/05/2023 | $30,000 | 22 | – |
| Commercial Mortgage Trust, FRN, Series 2004-GG1 'H' 6.39% 10/06/2036 | $850,000 | 649 | 0.11 |
| Commonbond Student Loan Trust, Series 2018-AGS 'B' 3.58% 25/02/2044 | $600,000 | 454 | 0.08 |
| Commonbond Student Loan Trust, Series 2018-AGS 'C' 3.82% 25/02/2044 | $385,000 | 292 | 0.05 |
| CommScope Technologies LLC 6.00% 15/06/2025 | $1,052,000 | 745 | 0.13 |
| CommScope Technologies LLC 5.00% 15/03/2027 | $25,000 | 16 | – |
| CommScope, Inc. 5.50% 15/06/2024 | $100,000 | 71 | 0.01 |
| Community Health Systems, Inc. 5.13% 01/08/2021 | $111,000 | 81 | 0.01 |
| Community Health Systems, Inc. 6.88% 01/02/2022 | $61,000 | 26 | – |
| Community Health Systems, Inc. 6.25% 31/03/2023 | $83,000 | 60 | 0.01 |
| Community Health Systems, Inc. 8.13% 30/06/2024 | $144,000 | 87 | 0.02 |
| Constellation Merger Sub, Inc. 8.50% 15/09/2025 | $49,000 | 36 | 0.01 |
| Constellium NV 4.25% 15/02/2026 | €500,000 | 423 | 0.07 |
| Consumer Loan Underlying Bond Credit Trust, Series 2017-NP2 'B' 3.50% 16/01/2024 | $256,905 | 195 | 0.03 |
| Continental Airlines Pass-Through Trust, Series 2012-2 'A' 4.00% 29/04/2026 | $1,358,430 | 1,029 | 0.18 |
| Cooper-Standard Automotive, Inc. 5.63% 15/11/2026 | $684,000 | 467 | 0.08 |
| Coty, Inc. 4.00% 15/04/2023 | €100,000 | 81 | 0.01 |
| Coty, Inc. 6.50% 15/04/2026 | $590,000 | 402 | 0.07 |
| Covanta Holding Corp. 5.88% 01/03/2024 | $43,000 | 32 | 0.01 |
| CPS Auto Receivables Trust, Series 2018-A 'B' 2.77% 18/04/2022 | $910,000 | 688 | 0.12 |
| CPS Auto Trust, Series 2018-C 'C' 3.68% 17/06/2024 | $1,390,000 | 1,065 | 0.18 |
| CPS Auto Trust, Series 2018-C 'D' 4.40% 17/06/2024 | $470,000 | 360 | 0.06 |
| Credit Acceptance Auto Loan Trust, Series 2018-1A 'C' 3.77% 15/06/2027 | $1,270,000 | 967 | 0.17 |
| Credit Acceptance Auto Loan Trust, Series 2018-2A 'C' 4.16% 15/09/2027 | $1,630,000 | 1,256 | 0.22 |
| Credit Suisse Commercial Mortgage Trust, Series 2007-C1 'AM' 5.42% 15/02/2040 | $33,947 | 26 | – |
| Crestwood Midstream Partners LP 6.18% 01/04/2023 | $545,000 | 416 | 0.07 |
| Crestwood Midstream Partners LP 5.75% 01/04/2025 | $40,000 | 30 | 0.01 |
| Crown Americas LLC 4.75% 01/02/2026 | $37,000 | 28 | 0.01 |
| Crown Americas LLC 4.25% 30/09/2026 | $4,000 | 3 | – |
| Crown European Holdings SA 4.00% 15/07/2022 | €400,000 | 380 | 0.07 |
| Crown European Holdings SA 2.63% 30/09/2024 | €625,000 | 555 | 0.10 |
| CSC Holdings LLC 6.75% 15/11/2021 | $67,000 | 53 | 0.01 |
| CSC Holdings LLC 10.13% 15/01/2023 | $265,000 | 218 | 0.04 |
| CSC Holdings LLC 5.38% 15/07/2023 | $200,000 | 153 | 0.03 |
| CSC Holdings LLC 5.25% 01/06/2024 | $100,000 | 73 | 0.01 |
| CSC Holdings LLC 6.63% 15/10/2025 | $685,000 | 544 | 0.09 |
| CSC Holdings LLC 10.88% 15/10/2025 | $200,000 | 175 | 0.03 |
| CSI Compressco LP 7.50% 01/04/2025 | $25,000 | 18 | – |
| CSMC Mortgage-Backed Trust, Series 2007-2 '3A13' 5.50% 25/03/2037 | $329,453 | 207 | 0.04 |
| Curo Group Holdings Corp. 8.25% 01/09/2025 | $54,000 | 35 | 0.01 |
| CVR Partners LP 9.25% 15/06/2023 | $230,000 | 184 | 0.03 |
| CVS Health Corp. 4.78% 25/03/2038 | $390,000 | 293 | 0.05 |
| CVS Health Corp., FRN 3.49% 09/03/2021 | $940,000 | 717 | 0.12 |
| CWABS, Inc., FRN, Series 2004-1 'M2' 3.33% 25/03/2034 | $235,153 | 177 | 0.03 |
| CWABS, Inc. Trust, FRN, Series 2004-5 'M2' 3.51% 25/07/2034 | $256,109 | 194 | 0.03 |
| CyrusOne LP, REIT 5.00% 15/03/2024 | $27,000 | 21 | – |
| Dana Financing Luxembourg Sarl 6.50% 01/06/2026 | $965,000 | 732 | 0.13 |
| Darling Global Finance BV 3.63% 15/05/2026 | €381,000 | 342 | 0.06 |
| DaVita, Inc. 5.13% 15/07/2024 | $65,000 | 48 | 0.01 |
| DaVita, Inc. 5.00% 01/05/2025 | $70,000 | 51 | 0.01 |
| DCP Midstream Operating LP 3.88% 15/03/2023 | $109,000 | 81 | 0.01 |
| DCP Midstream Operating LP 5.60% 01/04/2044 | $85,000 | 58 | 0.01 |
| Dell International LLC 7.13% 15/06/2024 | $100,000 | 80 | 0.01 |
| Dell International LLC 6.02% 15/06/2026 | $1,130,000 | 893 | 0.15 |
| Delphi Technologies plc 5.00% 01/10/2025 | $730,000 | 468 | 0.08 |
| Delta Air Lines Pass-Through Trust, Series 2009-1 'A' 7.75% 17/06/2021 | $57,492 | 45 | 0.01 |
| Diamond Offshore Drilling, Inc. 7.88% 15/08/2025 | $40,000 | 29 | 0.01 |
| Diamond Resorts Owner Trust, Series 2018-1 'C' 4.53% 21/01/2031 | $1,989,341 | 1,518 | 0.26 |
| Diamondback Energy, Inc. 4.75% 01/11/2024 | $97,000 | 73 | 0.01 |
| Diebold Nixdorf, Inc. 8.50% 15/04/2024 | $97,000 | 47 | 0.01 |
| DISH DBS Corp. 6.75% 01/06/2021 | $192,000 | 148 | 0.03 |
| DISH DBS Corp. 5.88% 15/07/2022 | $5,000 | 4 | – |
| DISH DBS Corp. 5.00% 15/03/2023 | $352,000 | 231 | 0.04 |
| DISH DBS Corp. 5.88% 15/11/2024 | $1,842,000 | 1,149 | 0.20 |
| DISH DBS Corp. 7.75% 01/07/2026 | $1,685,000 | 1,094 | 0.19 |
| DJO Finance LLC 8.13% 15/06/2021 | $605,000 | 479 | 0.08 |
| Dole Food Co., Inc. 7.25% 15/06/2025 | $48,000 | 33 | 0.01 |
| Downstream Development Authority of the Quapaw Tribe of Oklahoma 10.50% 15/02/2023 | $126,000 | 95 | 0.02 |
| Drive Auto Receivables Trust, Series 2018-3 'D' 4.30% 16/09/2024 | $1,576,000 | 1,216 | 0.21 |
| Drive Auto Receivables Trust, Series 2018-4 'D' 4.09% 15/01/2026 | $3,320,000 | 2,551 | 0.44 |
| DT Auto Owner Trust, Series 2017-3A 'E' 5.60% 15/08/2024 | $430,000 | 333 | 0.06 |
| DT Auto Owner Trust, Series 2017-4A 'D' 3.47% 17/07/2023 | $489,000 | 371 | 0.06 |
| DT Auto Owner Trust, Series 2018-1A 'C' 3.47% 15/12/2023 | $2,230,000 | 1,699 | 0.29 |
| DT Auto Owner Trust, Series 2018-2 'D' 4.15% 15/03/2024 | $2,220,000 | 1,697 | 0.29 |
| DT Auto Owner Trust, Series 2018-2 'E' 5.54% 16/06/2025 | $530,000 | 409 | 0.07 |
| Eldorado Resorts, Inc. 6.00% 01/04/2025 | $77,000 | 58 | 0.01 |
| Eldorado Resorts, Inc. 6.00% 15/09/2026 | $35,000 | 26 | – |
| Embarq Corp. 8.00% 01/06/2036 | $276,000 | 197 | 0.03 |
| Endo Finance LLC 5.75% 15/01/2022 | $200,000 | 138 | 0.02 |
| Energizer Holdings, Inc. 5.50% 15/06/2025 | $765,000 | 551 | 0.10 |
| Energy Transfer LP 5.88% 15/01/2024 | $75,000 | 60 | 0.01 |
| EnLink Midstream Partners LP 4.85% 15/07/2026 | $24,000 | 17 | – |
| EnLink Midstream Partners LP, FRN 6.00% Perpetual | $34,000 | 21 | – |
| Ensco plc 5.20% 15/03/2025 | $83,000 | 47 | 0.01 |
| Ensco plc 7.75% 01/02/2026 | $28,000 | 17 | – |
| Ensco plc 5.75% 01/10/2044 | $11,000 | 5 | – |
| Entegris, Inc. 4.63% 10/02/2026 | $761,000 | 562 | 0.10 |
| Enterprise Development Authority (The) 12.00% 15/07/2024 | $124,000 | 89 | 0.02 |
| Enterprise Products Operating LLC, FRN 5.38% 15/02/2078 | $76,000 | 50 | 0.01 |
| Envision Healthcare Corp. 8.75% 15/10/2026 | $103,000 | 71 | 0.01 |
| EP Energy LLC 9.38% 01/05/2024 | $770,000 | 305 | 0.05 |
| EP Energy LLC 8.00% 29/11/2024 | $660,000 | 398 | 0.07 |
| EP Energy LLC 8.00% 15/02/2025 | $33,000 | 12 | – |
| EP Energy LLC 7.75% 15/05/2026 | $69,000 | 48 | 0.01 |
| Equinix, Inc., REIT 5.38% 01/04/2023 | $17,000 | 13 | – |
| Equinix, Inc., REIT 5.75% 01/01/2025 | $431,000 | 338 | 0.06 |
| Equinix, Inc., REIT 2.88% 01/10/2025 | €800,000 | 695 | 0.12 |
| Equinix, Inc., REIT 5.88% 15/01/2026 | $305,000 | 238 | 0.04 |
| Equinix, Inc., REIT 5.38% 15/05/2027 | $85,000 | 65 | 0.01 |
| ESH Hospitality, Inc., REIT 5.25% 01/05/2025 | $762,000 | 567 | 0.10 |
| Exela Intermediate LLC 10.00% 15/07/2023 | $140,000 | 106 | 0.02 |
| Exeter Automobile Receivables Trust, Series 2018-1A 'D' 3.53% 15/11/2023 | $1,260,000 | 953 | 0.17 |
| Exeter Automobile Receivables Trust, Series 2018-2A 'D' 4.04% 15/03/2024 | $1,240,000 | 949 | 0.16 |
| Exeter Automobile Receivables Trust, Series 2018-3A 'C' 3.71% 15/06/2023 | $585,000 | 449 | 0.08 |
| Exeter Automobile Receivables Trust, Series 2018-3A 'D' 4.35% 17/06/2024 | $1,300,000 | 1,001 | 0.17 |
| Exeter Automobile Receivables Trust, Series 2018-3A 'E' 5.43% 15/08/2024 | $320,000 | 247 | 0.04 |
| FHLMC, IO, FRN, Series K018 'X1' 1.35% 25/01/2022 | $16,400,458 | 395 | 0.07 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| FHLMC, IO, FRN, Series K033 'X1' 0.30% 25/07/2023 | $25,794,254 | 245 | 0.04 |
| FHLMC, IO, FRN, Series K036 'X3' 2.11% 25/12/2041 | $4,000,000 | 275 | 0.05 |
| FHLMC, IO, FRN, Series K038 'X3' 2.49% 25/06/2042 | $4,900,000 | 420 | 0.07 |
| FHLMC, IO, FRN, Series K041 'X3' 1.64% 25/11/2042 | $6,025,000 | 378 | 0.07 |
| FHLMC, IO, FRN, Series K042 'X3' 1.60% 25/01/2043 | $8,675,000 | 533 | 0.09 |
| FHLMC, IO, FRN, Series K045 'X3' 1.50% 25/04/2043 | $15,700,757 | 928 | 0.16 |
| FHLMC, IO, FRN, Series K047 'X3' 1.49% 25/06/2043 | $8,100,000 | 495 | 0.09 |
| FHLMC, IO, FRN, Series K050 'X3' 1.55% 25/08/2025 | $8,445,000 | 555 | 0.10 |
| FHLMC, IO, FRN, Series K065 'X3' 2.18% 25/07/2045 | $6,300,000 | 702 | 0.12 |
| FHLMC, IO, FRN, Series K067 'X3' 2.11% 25/09/2027 | $7,610,000 | 847 | 0.15 |
| FHLMC, IO, FRN, Series K070 'X3' 2.04% 25/12/2027 | $8,270,000 | 891 | 0.15 |
| FHLMC, IO, FRN, Series K084 'X3' 2.24% 25/11/2028 | $3,630,000 | 465 | 0.08 |
| FHLMC, IO, FRN, Series K721 'X3' 1.30% 25/09/2022 | $22,553,617 | 738 | 0.13 |
| FHLMC, IO, FRN, Series K729 'X1' 0.37% 25/10/2024 | $10,955,789 | 149 | 0.03 |
| FHLMC REMIC, IO, Series 3716 'PI' 4.50% 15/04/2038 | $1,281,907 | 80 | 0.01 |
| FHLMC REMIC, IO, Series 4018 'HI' 4.50% 15/03/2041 | $3,081,693 | 387 | 0.07 |
| FHLMC REMIC, IO, Series 4056 'BI' 3.00% 15/05/2027 | $800,075 | 48 | 0.01 |
| FHLMC REMIC, IO, Series 4119 'LI' 3.50% 15/06/2039 | $4,450,215 | 331 | 0.06 |
| FHLMC REMIC, IO, Series 4136 'IN' 3.00% 15/11/2027 | $731,933 | 48 | 0.01 |
| FHLMC REMIC, IO, FRN, Series 2936 'AS' 3.59% 15/02/2035 | $351,223 | 30 | 0.01 |
| FHLMC REMIC, IO, FRN, Series 3174 'SA' 5.19% 15/04/2036 | $134,768 | 17 | – |
| FHLMC REMIC, IO, FRN, Series 4654 'SK' 3.49% 15/02/2047 | $5,369,915 | 702 | 0.12 |
| FHLMC REMIC, IO, FRN, Series 4681 'SD' 3.64% 15/05/2047 | $8,165,801 | 1,093 | 0.19 |
| FHLMC REMIC, IO, FRN, Series 4687 'SG' 3.64% 15/01/2047 | $3,533,580 | 539 | 0.09 |
| FHLMC REMIC, IO, FRN, Series 4707 'SA' 3.64% 15/08/2047 | $4,554,523 | 682 | 0.12 |
| FHLMC REMIC, Series 4073 'AJ' 3.00% 15/08/2038 | $5,128,433 | 3,905 | 0.68 |
| FHLMC REMIC, Series 4213 'MH' 2.35% 15/10/2039 | $1,293,871 | 978 | 0.17 |
| FHLMC REMIC, Series 4323 'CA' 4.00% 15/03/2040 | $3,050,667 | 2,366 | 0.41 |
| FHLMC REMIC, Series 4358 'DA' 3.00% 15/06/2040 | $4,314,957 | 3,290 | 0.57 |
| FHLMC REMIC, Series 4661 'HA' 3.00% 15/05/2043 | $9,202,118 | 7,029 | 1.22 |
| FHLMC REMIC, Series 4675 'LU' 3.00% 15/12/2044 | $5,348,632 | 4,061 | 0.70 |
| FHLMC REMIC, Series 4741 'GA' 3.00% 15/03/2045 | $9,328,185 | 7,075 | 1.22 |
| FHLMC STRIP, IO, Series 304 'C24' 4.00% 15/12/2042 | $3,536,726 | 563 | 0.10 |
| FHLMC STRIP, FRN, Series 317 'F3' 3.03% 15/11/2043 | $2,355,618 | 1,803 | 0.31 |
| FHLMC STRIP, FRN, Series 326 'F2' 3.06% 15/03/2044 | $2,379,020 | 1,818 | 0.31 |
| FHLMC Structured Agency Credit Risk Debt Notes, FRN, Series 2018-HQA1 'M2' 4.81% 25/09/2030 | $1,330,000 | 1,005 | 0.17 |
| Fidelity & Guaranty Life Holdings, Inc. 5.50% 01/05/2025 | $89,000 | 65 | 0.01 |
| First Data Corp. 5.00% 15/01/2024 | $20,000 | 16 | – |
| First Data Corp. 5.75% 15/01/2024 | $2,174,000 | 1,706 | 0.30 |
| First Horizon Alternative Mortgage Securities Trust, Series 2005-FA1 '1A4' 5.50% 25/03/2035 | $163,983 | 119 | 0.02 |
| FirstEnergy Corp. 3.90% 15/07/2027 | $1,945,000 | 1,439 | 0.25 |
| Flagship Credit Auto Trust, Series 2017-4 'D' 3.58% 15/01/2024 | $860,000 | 649 | 0.11 |
| FNMA, IO, FRN, Series 2005-69 'AS' 4.19% 25/08/2035 | $72,272 | 6 | – |
| FNMA, FRN, Series 2018-C05 '1M2' 4.86% 25/01/2031 | $1,665,000 | 1,270 | 0.22 |
| FNMA ACES, IO, FRN, Series 2014-M3 'X2' 0.06% 25/01/2024 | $19,270,012 | 45 | 0.01 |
| FNMA ACES, IO, FRN, Series 2016-M4 'X2' 2.63% 25/01/2039 | $6,520,825 | 440 | 0.08 |
| FNMA REMIC, IO, Series 2010-102 'IP' 5.00% 25/12/2039 | $709,531 | 32 | 0.01 |
| FNMA REMIC, IO, Series 2012-107 'GI' 3.50% 25/09/2027 | $1,999,214 | 124 | 0.02 |
| FNMA REMIC, IO, Series 2012-118 'DI' 3.50% 25/01/2040 | $2,178,326 | 167 | 0.03 |
| FNMA REMIC, IO, Series 2012-145 'EI' 3.00% 25/01/2028 | $3,506,389 | 221 | 0.04 |
| FNMA REMIC, IO, Series 2012-148 'JI' 3.50% 25/12/2039 | $965,733 | 88 | 0.02 |
| FNMA REMIC, IO, Series 2012-25 'AI' 3.50% 25/03/2027 | $1,402,872 | 100 | 0.02 |
| FNMA REMIC, IO, Series 2013-31 'YI' 3.50% 25/04/2028 | $5,078,979 | 326 | 0.06 |
| FNMA REMIC, IO, Series 2013-5 'BI' 3.50% 25/03/2040 | $1,612,660 | 129 | 0.02 |
| FNMA REMIC, IO, Series 2013-9 'YI' 3.50% 25/02/2028 | $1,428,448 | 96 | 0.02 |
| FNMA REMIC, IO, FRN, Series 2003-130 'NS' 4.49% 25/01/2034 | $701,012 | 94 | 0.02 |
| FNMA REMIC, IO, FRN, Series 2005-67 'SI' 4.19% 25/08/2035 | $364,272 | 31 | 0.01 |
| FNMA REMIC, IO, FRN, Series 2006-24 'QS' 4.69% 25/04/2036 | $493,186 | 61 | 0.01 |
| FNMA REMIC, IO, FRN, Series 2007-85 'SI' 3.95% 25/09/2037 | $774,629 | 79 | 0.01 |
| FNMA REMIC, IO, FRN, Series 2009-93 'SD' 3.69% 25/11/2039 | $398,053 | 37 | 0.01 |
| FNMA REMIC, IO, FRN, Series 2010-68 'SJ' 4.04% 25/07/2040 | $484,336 | 58 | 0.01 |
| FNMA REMIC, IO, FRN, Series 2016-30 'SA' 3.49% 25/05/2046 | $3,920,779 | 567 | 0.10 |
| FNMA REMIC, IO, FRN, Series 2016-95 'ES' 3.49% 25/12/2046 | $7,023,966 | 1,041 | 0.18 |
| FNMA REMIC, IO, FRN, Series 2017-47 'ST' 3.59% 25/06/2047 | $4,084,907 | 630 | 0.11 |
| FNMA REMIC, IO, FRN, Series 2017-6 'SB' 3.54% 25/02/2047 | $1,910,393 | 251 | 0.04 |
| FNMA REMIC, Series 2015-44 'GA' 2.75% 25/11/2040 | $996,992 | 752 | 0.13 |
| FNMA REMIC, Series 2015-66 'HA' 3.00% 25/01/2045 | $2,244,201 | 1,714 | 0.30 |
| FNMA REMIC, Series 2017-49 'JA' 4.00% 25/07/2053 | $5,698,052 | 4,450 | 0.77 |
| FNMA REMIC, Series 2017-89 'CP' 3.00% 25/07/2046 | $2,671,288 | 2,030 | 0.35 |
| FNMA REMIC, FRN, Series 2010-67 'FC' 3.21% 25/06/2040 | $561,231 | 431 | 0.07 |
| FNMA REMIC, FRN, Series 2013-101 'CF' 3.11% 25/10/2043 | $5,182,051 | 3,966 | 0.69 |
| FNMA REMIC, FRN, Series 2013-101 'FE' 3.11% 25/10/2043 | $3,611,370 | 2,790 | 0.48 |
| FNMA REMICS, IO, Series 2012-149 'MI' 3.00% 25/01/2028 | $826,952 | 55 | 0.01 |
| FNMA STRIP, IO, Series 409 'C19' 4.00% 25/04/2042 | $1,444,150 | 219 | 0.04 |
| FNMA STRIP, IO, Series 409 'C25' 4.50% 25/04/2042 | $1,770,145 | 300 | 0.05 |
| Fox Corp. 4.03% 25/01/2024 | $376,000 | 290 | 0.05 |
| Fox Corp. 4.71% 25/01/2029 | $180,000 | 142 | 0.02 |
| FREED ABS TRUST, Series 2018-1 'B' 4.56% 18/07/2024 | $1,330,000 | 1,019 | 0.18 |
| Freeport-McMoRan, Inc. 3.10% 15/03/2020 | $100,000 | 75 | 0.01 |
| Freeport-McMoRan, Inc. 3.55% 01/03/2022 | $125,000 | 92 | 0.02 |
| Freeport-McMoRan, Inc. 3.88% 15/03/2023 | $740,000 | 535 | 0.09 |
| FREMF, FRN, Series 2018-KF46 'B' 4.45% 25/03/2028 | $939,959 | 710 | 0.12 |
| FREMF Mortgage Trust, FRN, Series 2010-K8 'B' 5.28% 25/09/2043 | $570,000 | 445 | 0.08 |
| FREMF Mortgage Trust, FRN, Series 2013-K712 'B' 3.36% 25/05/2045 | $1,155,000 | 880 | 0.15 |
| FREMF Mortgage Trust, FRN, Series 2014-K716 'B' 3.95% 25/08/2047 | $1,150,000 | 890 | 0.15 |
| FREMF Mortgage Trust, FRN, Series 2017-K67 'B' 3.94% 25/09/2049 | $950,000 | 704 | 0.12 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| FREMF Mortgage Trust, FRN, Series 2017-K70 'B' 3.80% 25/12/2049 | $2,685,000 | 1,954 | 0.34 |
| FREMF Mortgage Trust, FRN, Series 2017-K729 'B' 3.67% 25/11/2049 | $420,000 | 315 | 0.05 |
| FREMF Mortgage Trust, FRN, Series 2017-KF29 'B' 6.05% 25/02/2024 | $240,848 | 190 | 0.03 |
| FREMF Mortgage Trust, FRN, Series 2017-KF31 'B' 5.40% 25/04/2024 | $272,493 | 208 | 0.04 |
| FREMF Mortgage Trust, FRN, Series 2017-KF35 'B' 5.25% 25/08/2024 | $1,026,299 | 785 | 0.14 |
| FREMF Mortgage Trust, FRN, Series 2017-KF36 'B' 5.15% 25/08/2024 | $678,889 | 521 | 0.09 |
| FREMF Mortgage Trust, FRN, Series 2017-KF39 'B' 5.00% 25/11/2024 | $1,031,076 | 794 | 0.14 |
| FREMF Mortgage Trust, FRN, Series 2018-KF45 'B' 4.45% 25/03/2025 | $361,216 | 271 | 0.05 |
| FREMF Mortgage Trust, FRN, Series 2018-KF48 'B' 4.55% 25/06/2028 | $958,941 | 729 | 0.13 |
| Frontier Communications Corp. 10.50% 15/09/2022 | $43,000 | 23 | – |
| Frontier Communications Corp. 11.00% 15/09/2025 | $96,000 | 47 | 0.01 |
| Frontier Communications Corp. 8.50% 01/04/2026 | $435,000 | 298 | 0.05 |
| FXI Holdings, Inc. 7.88% 01/11/2024 | $81,000 | 58 | 0.01 |
| GCI LLC 6.75% 01/06/2021 | $380,000 | 290 | 0.05 |
| GCP Applied Technologies, Inc. 5.50% 15/04/2026 | $350,000 | 266 | 0.05 |
| GE Capital International Funding Co. Unlimited Co. 4.42% 15/11/2035 | $640,000 | 423 | 0.07 |
| General Electric Co. 4.50% 11/03/2044 | $1,595,000 | 1,022 | 0.18 |
| General Motors Co. 4.00% 01/04/2025 | $10,000 | 7 | – |
| General Motors Financial Co., Inc. 4.00% 06/10/2026 | $1,540,000 | 1,074 | 0.19 |
| Genesis Energy LP 5.63% 15/06/2024 | $143,000 | 100 | 0.02 |
| Genesys Telecommunications Laboratories, Inc. 10.00% 30/11/2024 | $103,000 | 84 | 0.01 |
| GEO Group, Inc. (The), REIT 5.13% 01/04/2023 | $595,000 | 414 | 0.07 |
| GEO Group, Inc. (The), REIT 5.88% 15/10/2024 | $470,000 | 324 | 0.06 |
| GLS Auto Receivables Trust, Series 2016-1A 'C' 6.90% 15/10/2021 | $1,800,000 | 1,412 | 0.24 |
| GLS Auto Receivables Trust, Series 2018-2A 'A' 3.25% 18/04/2022 | $1,639,546 | 1,248 | 0.22 |
| GLS Auto Receivables Trust, Series 2018-2A 'D' 5.46% 17/03/2025 | $830,000 | 637 | 0.11 |
| GMAT Trust, FRN, Series 2013-1A 'M' 5.00% 25/11/2043 | $5,100,000 | 2,686 | 0.46 |
| GNMA, IO, FRN, Series 2017-9 0.77% 16/01/2057 | $7,824,544 | 387 | 0.07 |
| GNMA, IO, FRN, Series 2015-115 0.56% 16/07/2057 | $7,152,669 | 239 | 0.04 |
| GNMA, IO, FRN, Series 2017-23 0.73% 16/05/2059 | $5,365,632 | 247 | 0.04 |
| GNMA MA5529 4.50% 20/10/2048 | $6,950,903 | 5,490 | 0.95 |
| GNMA, Series 2014-36 'WY' 2.00% 16/03/2044 | $365,000 | 236 | 0.04 |
| GNMA, FRN, Series 2017-H14 'FG' 3.53% 20/06/2067 | $736,250 | 576 | 0.10 |
| Golden Nugget, Inc. 6.75% 15/10/2024 | $63,000 | 48 | 0.01 |
| Goldman Sachs Group, Inc. (The) 4.25% 29/01/2026 | £1,100,000 | 1,193 | 0.21 |
| Goldman Sachs Group, Inc. (The) 3.50% 16/11/2026 | $1,000,000 | 731 | 0.13 |
| Goldman Sachs Group, Inc. (The), FRN 4.31% 29/11/2023 | $2,420,000 | 1,874 | 0.32 |
| Goldman Sachs Group, Inc. (The), FRN 3.79% 15/05/2026 | $1,383,000 | 1,029 | 0.18 |
| Goldman Sachs Group, Inc. (The), FRN 3.81% 23/04/2029 | $1,604,000 | 1,183 | 0.20 |
| Goldman Sachs Group, Inc. (The), FRN 10.00% Perpetual | $1,199,000 | 828 | 0.14 |
| Goodman Networks, Inc. 8.00% 11/05/2022 | $50,973 | 18 | – |
| Goodyear Tire & Rubber Co. (The) 4.88% 15/03/2027 | $226,000 | 153 | 0.03 |
| Graham Holdings Co. 5.75% 01/06/2026 | $27,000 | 21 | – |
| Gray Television, Inc. 5.88% 15/07/2026 | $35,000 | 26 | – |
| Gray Television, Inc. 7.00% 15/05/2027 | $12,000 | 9 | – |
| GS Mortgage Securities Trust, FRN, Series 2017-GS5 'D' 3.51% 10/03/2050 | $800,000 | 511 | 0.09 |
| GSR Mortgage Loan Trust, Series 2004-15F '1A2' 5.50% 25/12/2034 | $629,852 | 501 | 0.09 |
| Gulfport Energy Corp. 6.00% 15/10/2024 | $60,000 | 43 | 0.01 |
| H&E Equipment Services, Inc. 5.63% 01/09/2025 | $74,000 | 55 | 0.01 |
| Halcon Resources Corp. 6.75% 15/02/2025 | $392,000 | 225 | 0.04 |
| Harris Corp. 4.85% 27/04/2035 | $1,930,000 | 1,495 | 0.26 |
| HCA, Inc. 6.50% 15/02/2020 | $100,000 | 78 | 0.01 |
| HCA, Inc. 5.88% 01/05/2023 | $235,000 | 188 | 0.03 |
| HCA, Inc. 5.38% 01/02/2025 | $860,000 | 674 | 0.12 |
| HCA, Inc. 5.88% 15/02/2026 | $3,338,000 | 2,657 | 0.46 |
| HCA, Inc. 11.00% 15/06/2047 | $40,000 | 31 | 0.01 |
| Hecla Mining Co. 6.88% 01/05/2021 | $45,000 | 34 | 0.01 |
| Herc Rentals, Inc. 7.75% 01/06/2024 | $518,000 | 422 | 0.07 |
| Hertz Corp. (The) 7.63% 01/06/2022 | $1,070,000 | 807 | 0.14 |
| Hertz Holdings Netherlands BV 5.50% 30/03/2023 | €200,000 | 172 | 0.03 |
| Hilcorp Energy I LP 5.00% 01/12/2024 | $174,000 | 125 | 0.02 |
| Hill-Rom Holdings, Inc. 5.75% 01/09/2023 | $550,000 | 430 | 0.07 |
| Hilton Domestic Operating Co., Inc. 5.13% 01/05/2026 | $25,000 | 19 | – |
| Hilton Grand Vacations Borrower LLC 6.13% 01/12/2024 | $33,000 | 25 | – |
| Hilton Worldwide Finance LLC 4.63% 01/04/2025 | $22,000 | 16 | – |
| Hilton Worldwide Finance LLC 4.88% 01/04/2027 | $312,000 | 233 | 0.04 |
| Holly Energy Partners LP 6.00% 01/08/2024 | $35,000 | 27 | – |
| Hologic, Inc. 4.38% 15/10/2025 | $32,000 | 24 | – |
| Honda Auto Receivables Owner Trust, Series 2016-2 'A3' 1.39% 15/04/2020 | $107,685 | 82 | 0.01 |
| Hughes Satellite Systems Corp. 5.25% 01/08/2026 | $95,000 | 69 | 0.01 |
| Hughes Satellite Systems Corp. 6.63% 01/08/2026 | $43,000 | 32 | 0.01 |
| Huntsman International LLC 4.25% 01/04/2025 | €300,000 | 288 | 0.05 |
| Icahn Enterprises LP 5.88% 01/02/2022 | $120,000 | 92 | 0.02 |
| Icahn Enterprises LP 6.38% 15/12/2025 | $105,000 | 81 | 0.01 |
| iHeartCommunications, Inc. 9.00% 15/12/2019[§] | $585,000 | 299 | 0.05 |
| IHS Markit Ltd. 4.00% 01/03/2026 | $5,000 | 4 | – |
| ILFC E-Capital Trust I, FRN 4.55% 21/12/2065 | $100,000 | 58 | 0.01 |
| ILFC E-Capital Trust II, FRN 4.80% 21/12/2065 | $100,000 | 58 | 0.01 |
| Impac CMB Trust, FRN, Series 2005-1 '1A2' 3.13% 25/04/2035 | $375,782 | 276 | 0.05 |
| Infor Software Parent LLC 7.13% 01/05/2021 | $16,000 | 12 | – |
| Infor US, Inc. 6.50% 15/05/2022 | $1,281,000 | 993 | 0.17 |
| Ingevity Corp. 4.50% 01/02/2026 | $31,000 | 21 | – |
| International Game Technology plc 4.75% 15/02/2023 | €700,000 | 653 | 0.11 |
| IQVIA, Inc. 3.50% 15/10/2024 | €450,000 | 404 | 0.07 |
| IQVIA, Inc. 3.25% 15/03/2025 | €600,000 | 530 | 0.09 |
| IQVIA, Inc. 5.00% 15/10/2026 | $670,000 | 511 | 0.09 |
| IRB Holding Corp. 6.75% 15/02/2026 | $25,000 | 18 | – |
| Iron Mountain, Inc., REIT 5.75% 15/08/2024 | $100,000 | 75 | 0.01 |
| Iron Mountain, Inc., REIT 3.00% 15/01/2025 | €350,000 | 301 | 0.05 |
| Iron Mountain, Inc., REIT 4.88% 15/09/2027 | $26,000 | 18 | – |
| Iron Mountain, Inc., REIT 5.25% 15/03/2028 | $41,000 | 29 | 0.01 |
| ITC Holdings Corp. 3.25% 30/06/2026 | $1,295,000 | 943 | 0.16 |
| J.P. Morgan Alternative Loan Trust, FRN, Series 2006-A2 '1A1' 2.69% 25/05/2036[Ø] | $1,253,518 | 913 | 0.16 |
| J.P. Morgan Chase Commercial Mortgage Securities Trust, FRN, Series 2004-CBX 'C' 5.07% 12/01/2037[Ø] | $815,000 | 622 | 0.11 |
| J.P. Morgan Mortgage Trust, FRN, Series 2005-A8 '4A1' 4.27% 25/11/2035[Ø] | $1,867,935 | 1,430 | 0.25 |
| Jack Ohio Finance LLC 6.75% 15/11/2021 | $96,000 | 75 | 0.01 |
| JB Poindexter & Co., Inc. 7.13% 15/04/2026 | $5,000 | 4 | – |
| JBS USA LUX SA 7.25% 01/06/2021 | $67,000 | 51 | 0.01 |
| JBS USA LUX SA 5.88% 15/07/2024 | $188,000 | 145 | 0.03 |
| JBS USA LUX SA 5.75% 15/06/2025 | $43,000 | 33 | 0.01 |
| JBS USA LUX SA 6.75% 15/02/2028 | $91,000 | 70 | 0.01 |
| JELD-WEN, Inc. 4.63% 15/12/2025 | $490,000 | 336 | 0.06 |
| Kennedy-Wilson, Inc. 5.88% 01/04/2024 | $36,000 | 26 | – |
| Kinetic Concepts, Inc. 7.88% 15/02/2021 | $530,000 | 413 | 0.07 |
| Kraft Heinz Foods Co. 4.38% 01/06/2046 | $570,000 | 370 | 0.06 |
| Kraton Polymers LLC 5.25% 15/05/2026 | €200,000 | 161 | 0.03 |
| L Brands, Inc. 6.88% 01/11/2035 | $134,000 | 87 | 0.02 |
| Ladder Capital Finance Holdings LLLP 5.25% 15/03/2022 | $50,000 | 38 | 0.01 |
| Ladder Capital Finance Holdings LLLP 5.25% 01/10/2025 | $16,000 | 11 | – |
| Lamb Weston Holdings, Inc. 4.88% 01/11/2026 | $16,000 | 12 | – |
| LB Commercial Mortgage Trust, FRN, Series 2007-C3 'AJ' 6.09% 15/07/2044 | $530,676 | 405 | 0.07 |
| LB-UBS Commercial Mortgage Trust, FRN, Series 2006-C6 'AJ' 5.45% 15/09/2039 | $1,293,238 | 680 | 0.12 |
| Lehman Mortgage Trust, Series 2005-2 '2A5' 5.50% 25/12/2035 | $184,058 | 130 | 0.02 |
| LendingClub Issuance Trust, Series 2016-NP2 'B' 6.00% 17/01/2023 | $307,840 | 235 | 0.04 |
| Lendmark Funding Trust, Series 2017-1A 'C' 5.41% 22/12/2025 | $360,000 | 280 | 0.05 |
| Lennar Corp. 4.75% 30/05/2025 | $145,000 | 108 | 0.02 |
| Level 3 Financing, Inc. 5.38% 15/01/2024 | $85,000 | 64 | 0.01 |
| Level 3 Financing, Inc. 5.38% 01/05/2025 | $338,000 | 254 | 0.04 |
| Level 3 Financing, Inc. 5.25% 15/03/2026 | $96,000 | 70 | 0.01 |
| Live Nation Entertainment, Inc. 4.88% 01/11/2024 | $100,000 | 76 | 0.01 |
| Live Nation Entertainment, Inc. 5.63% 15/03/2026 | $15,000 | 12 | – |
| LKQ European Holdings BV 3.63% 01/04/2026 | €224,000 | 192 | 0.03 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| LMREC, Inc., FRN, Series 2016-CRE2 'A' 4.20% 24/11/2031 | $550,483 | 419 | 0.07 |
| Long Beach Mortgage Loan Trust, FRN, Series 2004-1 'M1' 3.26% 25/02/2034 | $824,827 | 621 | 0.11 |
| LPL Holdings, Inc. 5.75% 15/09/2025 | $47,000 | 35 | 0.01 |
| LTF Merger Sub, Inc. 8.50% 15/06/2023 | $510,000 | 396 | 0.07 |
| LV Tower 52 Issuer, Series 2013-1 'M' 7.75% 15/07/2019 | $1,816,143 | 1,383 | 0.24 |
| Mallinckrodt International Finance SA 5.75% 01/08/2022 | $47,000 | 32 | 0.01 |
| Mallinckrodt International Finance SA 5.63% 15/10/2023 | $50,000 | 32 | 0.01 |
| Mallinckrodt International Finance SA 5.50% 15/04/2025 | $475,000 | 278 | 0.05 |
| Marlette Funding Trust, Series 2017-3A 'C' 4.01% 15/12/2024 | $340,000 | 258 | 0.04 |
| Marlette Funding Trust, Series 2018-1A 'B' 3.19% 15/03/2028 | $400,000 | 302 | 0.05 |
| Marlette Funding Trust, Series 2018-1A 'C' 3.69% 15/03/2028 | $681,000 | 514 | 0.09 |
| Marlette Funding Trust, Series 2018-2A 'B' 7.22% 17/07/2028 | $1,180,000 | 899 | 0.16 |
| Marlette Funding Trust, Series 2018-2A 'C' 4.37% 17/07/2028 | $970,000 | 742 | 0.13 |
| Martin Marietta Materials, Inc. 3.50% 15/12/2027 | $1,030,000 | 718 | 0.12 |
| Martin Marietta Materials, Inc. 4.25% 15/12/2047 | $429,000 | 261 | 0.05 |
| Martin Midstream Partners LP 7.25% 15/02/2021 | $73,000 | 53 | 0.01 |
| Masonite International Corp. 5.75% 15/09/2026 | $22,000 | 16 | - |
| MasTec, Inc. 4.88% 15/03/2023 | $65,000 | 50 | 0.01 |
| MASTR Alternative Loan Trust, Series 2004-12 '3A1' 6.00% 25/12/2034 | $1,354,623 | 1,077 | 0.19 |
| MASTR Alternative Loan Trust, Series 2005-3 '1A1' 5.50% 25/04/2035 | $118,387 | 91 | 0.02 |
| MASTR Alternative Loan Trust, Series 2005-5 '3A1' 5.75% 25/08/2035 | $116,438 | 72 | 0.01 |
| Match Group, Inc. 5.00% 15/12/2027 | $7,000 | 5 | - |
| Mattel, Inc. 3.15% 15/03/2023 | $46,000 | 30 | 0.01 |
| Mattel, Inc. 6.75% 31/12/2025 | $1,061,000 | 760 | 0.13 |
| Merrill Lynch Mortgage Trust, FRN, Series 2007-C1 'AM' 5.79% 12/06/2050 | $3,717 | 3 | - |
| MetLife, Inc. 6.40% 15/12/2066 | $1,010,000 | 805 | 0.14 |
| MFA LLC, STEP, Series 2018-NPL2 'A1' 4.16% 25/07/2048 | $1,057,552 | 806 | 0.14 |
| MGM Resorts International 8.63% 01/02/2019 | $30,000 | 23 | - |
| MGM Resorts International 5.25% 31/03/2020 | $20,000 | 15 | - |
| MGM Resorts International 6.75% 01/10/2020 | $2,000 | 2 | - |
| MGM Resorts International 4.63% 01/09/2026 | $2,355,000 | 1,671 | 0.29 |
| Mid-State Capital Corp. Trust, Series 2006-1 'M2' 6.74% 15/10/2040 | $1,804,756 | 1,521 | 0.26 |
| Molina Healthcare, Inc. 4.88% 15/06/2025 | $27,000 | 20 | - |
| Morgan Stanley 3.13% 27/07/2026 | $2,050,000 | 1,486 | 0.26 |
| Morgan Stanley, FRN 3.77% 24/01/2029 | $290,000 | 216 | 0.04 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-HE8 'M2' 3.53% 25/09/2034 | $123,643 | 94 | 0.02 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-NC7 'M3' 3.48% 25/07/2034 | $52,002 | 39 | 0.01 |
| Morgan Stanley ABS Capital I, Inc. Trust, FRN, Series 2004-NC8 'B1' 5.13% 25/09/2034 | $315,919 | 240 | 0.04 |
| Morgan Stanley Bank of America Merrill Lynch Trust, Series 2014-C16 'AS' 4.09% 15/06/2047 | $660,000 | 513 | 0.09 |
| Morgan Stanley Capital Barclays Bank Trust, Series 2016-MART 'D' 3.31% 13/09/2031 | $1,555,000 | 1,162 | 0.20 |
| Morgan Stanley Capital I Trust, FRN, Series 2006-HQ8 'D' 5.60% 12/03/2044 | $69,563 | 52 | 0.01 |
| Morgan Stanley Mortgage Loan Trust, FRN, Series 2004-4 '2A' 6.36% 25/09/2034 | $226,342 | 189 | 0.03 |
| Morgan Stanley Mortgage Loan Trust, FRN, Series 2004-9 '1A' 5.37% 25/11/2034 | $252,024 | 201 | 0.03 |
| MPH Acquisition Holdings LLC 7.13% 01/06/2024 | $65,000 | 49 | 0.01 |
| MPLX LP 4.50% 15/04/2038 | $940,000 | 653 | 0.11 |
| MPLX LP 5.20% 01/03/2047 | $205,000 | 149 | 0.03 |
| MSCI, Inc. 5.38% 15/05/2027 | $27,000 | 21 | - |
| Nabors Industries, Inc. 5.50% 15/01/2023 | $38,000 | 26 | - |
| Nationstar Mortgage Holdings, Inc. 8.13% 15/07/2023 | $9,000 | 7 | - |
| Nationstar Mortgage Holdings, Inc. 9.13% 15/07/2026 | $14,000 | 11 | - |
| Nationstar Mortgage LLC 6.50% 01/07/2021 | $13,000 | 10 | - |
| Neiman Marcus Group Ltd. LLC 8.00% 15/10/2021 | $127,000 | 42 | 0.01 |
| Neiman Marcus Group Ltd. LLC 8.65% 15/10/2021 | $493,765 | 165 | 0.03 |
| Netflix, Inc. 5.75% 01/03/2024 | $75,000 | 59 | 0.01 |
| Netflix, Inc. 4.38% 15/11/2026 | $4,000 | 3 | - |
| Netflix, Inc. 4.88% 15/04/2028 | $315,000 | 226 | 0.04 |
| New Albertsons LP 8.70% 01/05/2030 | $40,000 | 28 | 0.01 |
| New Albertsons LP 8.00% 01/05/2031 | $207,000 | 140 | 0.02 |
| New Century Home Equity Loan Trust, FRN, Series 2004-2 'M2' 3.44% 25/08/2034 | $48,153 | 36 | 0.01 |
| New Century Home Equity Loan Trust, FRN, Series 2004-4 'M2' 3.30% 25/02/2035 | $204,949 | 154 | 0.03 |
| New Home Co., Inc. (The) 7.25% 01/04/2022 | $58,000 | 41 | 0.01 |
| Newfield Exploration Co. 5.75% 30/01/2022 | $20,000 | 16 | - |
| Nexstar Broadcasting, Inc. 5.63% 01/08/2024 | $4,000 | 3 | - |
| NextEra Energy Operating Partners LP 4.25% 15/09/2024 | $33,000 | 24 | - |
| NextEra Energy Operating Partners LP 4.50% 15/09/2027 | $23,000 | 16 | - |
| NGPL PipeCo LLC 4.88% 15/08/2027 | $53,000 | 40 | 0.01 |
| Nielsen Co. Luxembourg SARL (The) 5.50% 01/10/2021 | $15,000 | 11 | - |
| Nielsen Co. Luxembourg SARL (The) 5.00% 01/02/2025 | $94,000 | 70 | 0.01 |
| Nielsen Finance LLC 5.00% 15/04/2022 | $310,000 | 234 | 0.04 |
| Nissan Auto Lease Trust, FRN, Series 2017-A 'A2B' 2.66% 16/09/2019 | $44,372 | 34 | 0.01 |
| Nissan Auto Receivables Owner Trust, Series 2016-B 'A3' 1.32% 15/01/2021 | $62,230 | 47 | 0.01 |
| Noble Energy, Inc. 3.85% 15/01/2028 | $780,000 | 557 | 0.10 |
| Noble Energy, Inc. 5.25% 15/11/2043 | $555,000 | 395 | 0.07 |
| Noble Holding International Ltd. 7.88% 01/02/2026 | $56,000 | 39 | 0.01 |
| Noble Holding International Ltd. 5.25% 15/03/2042 | $42,000 | 19 | - |
| Northern Oil and Gas, Inc. 9.50% 15/05/2023 | $22,884 | 18 | - |
| Novelis Corp. 5.88% 30/09/2026 | $154,000 | 113 | 0.02 |
| NRG Energy, Inc. 6.25% 01/05/2024 | $4,000 | 3 | - |
| NRG Energy, Inc. 6.63% 15/01/2027 | $110,000 | 88 | 0.02 |
| Nuance Communications, Inc. 5.63% 15/12/2026 | $80,000 | 60 | 0.01 |
| NuStar Logistics LP 5.63% 28/04/2027 | $80,000 | 59 | 0.01 |
| NVA Holdings, Inc. 6.88% 01/04/2026 | $33,000 | 24 | - |
| Oak Hill Advisors Residential Loan Trust, STEP, Series 2017-NPL2 'A1' 3.00% 25/07/2057 | $1,391,863 | 1,037 | 0.18 |
| Oasis Petroleum, Inc. 6.88% 15/03/2022 | $19,000 | 14 | - |
| Oasis Petroleum, Inc. 6.88% 15/01/2023 | $435,000 | 326 | 0.06 |
| OBX Trust, FRN, Series 2018-EXP1 '2A1' 3.36% 25/04/2048 | $956,302 | 725 | 0.13 |
| OI European Group BV 4.00% 15/03/2023 | $23,000 | 17 | - |
| OneMain Direct Auto Receivables Trust, Series 2018-1A 'B' 3.71% 14/04/2025 | $535,000 | 411 | 0.07 |
| OneMain Direct Auto Receivables Trust, Series 2018-1A 'D' 4.40% 14/01/2028 | $1,010,000 | 779 | 0.14 |
| OneMain Financial Issuance Trust, Series 2015-1A 'C' 5.12% 18/03/2026 | $742,000 | 572 | 0.10 |
| Onemain Financial Issuance Trust, Series 2018-1A 'D' 4.08% 14/03/2029 | $480,000 | 363 | 0.06 |
| OneMain Financial Issuance Trust, Series 2018-2A 'A' 3.57% 14/03/2033 | $1,717,000 | 1,306 | 0.23 |
| Oportun Funding VI LLC, FRN, Series 2017-A 'B' 3.97% 08/06/2023 | $1,053,000 | 796 | 0.14 |
| Option One Mortgage Loan Trust, FRN, Series 2004-3 'M3' 3.48% 25/11/2034 | $64,746 | 49 | 0.01 |
| Outfront Media Capital LLC 5.88% 15/03/2025 | $56,000 | 43 | 0.01 |
| Outfront Media Capital LLC, Series WI 5.25% 15/02/2022 | $10,000 | 8 | - |
| Outfront Media Capital LLC, Series WI 5.63% 15/02/2024 | $10,000 | 8 | - |
| Owens Corning 4.30% 15/07/2047 | $1,195,000 | 679 | 0.12 |
| Parsley Energy LLC 6.25% 01/06/2024 | $195,000 | 151 | 0.03 |
| Parsley Energy LLC 5.25% 15/08/2025 | $230,000 | 170 | 0.03 |
| Peabody Energy Corp. 6.00% 31/03/2022 | $55,000 | 42 | 0.01 |
| Penske Automotive Group, Inc. 5.50% 15/05/2026 | $28,000 | 21 | - |
| PetSmart, Inc. 7.13% 15/03/2023 | $497,000 | 235 | 0.04 |
| PetSmart, Inc. 5.88% 01/06/2025 | $1,458,000 | 861 | 0.15 |
| PetSmart, Inc. 8.88% 01/06/2025 | $27,000 | 13 | - |
| PGT Escrow Issuer, Inc. 6.75% 01/08/2026 | $32,000 | 25 | - |
| Pilgrim's Pride Corp. 5.75% 15/03/2025 | $42,000 | 31 | 0.01 |
| Pilgrim's Pride Corp. 5.88% 30/09/2027 | $24,000 | 18 | - |
| Plantronics, Inc. 5.50% 31/05/2023 | $37,000 | 27 | - |
| PNMAC FMSR ISSUER TRUST, FRN, Series 2018-FT1 'A' 4.86% 25/04/2023 | $740,000 | 563 | 0.10 |
| Polaris Intermediate Corp. 8.41% 01/12/2022 | $77,000 | 56 | 0.01 |
| Popular ABS Mortgage Pass-Through Trust, STEP, Series 2005-3 'M1' 5.11% 25/07/2035 | $304,034 | 227 | 0.04 |
| Post Holdings, Inc. 5.50% 01/03/2025 | $645,000 | 486 | 0.08 |
| Post Holdings, Inc. 5.00% 15/08/2026 | $88,000 | 63 | 0.01 |
| Prestige Brands, Inc. 5.38% 15/12/2021 | $25,000 | 19 | - |
| Prestige Brands, Inc. 6.38% 01/03/2024 | $10,000 | 8 | - |
| Pretium Mortgage Credit Partners I LLC, FRN, Series 2017-NPL5 'A1' 3.33% 30/12/2032 | $1,889,513 | 1,418 | 0.25 |
| Pretium Mortgage Credit Partners I LLC, STEP, Series 2018-NPL1 'A1' 3.38% 27/01/2033 | $930,838 | 703 | 0.12 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| Prime Security Services Borrower LLC 9.25% 15/05/2023 | $209,000 | 168 | 0.03 |
| Progress Residential Trust, Series 2015-SFR2 'D' 3.68% 12/06/2032 | $920,000 | 695 | 0.12 |
| Progress Residential Trust, Series 2015-SFR3 'D' 4.67% 12/11/2032 | $123,000 | 94 | 0.02 |
| Progress Residential Trust, Series 2015-SFR3 'E' 5.66% 12/11/2032 | $747,000 | 580 | 0.10 |
| Progress Residential Trust, Series 2018-SFR3 'E' 4.87% 17/10/2035 | $1,521,000 | 1,172 | 0.20 |
| Prosper Marketplace Issuance Trust, Series 2018-1A 'B' 3.90% 17/06/2024 | $425,000 | 323 | 0.06 |
| Prudential Financial, Inc., FRN 5.87% 15/09/2042 | $896,000 | 710 | 0.12 |
| Prudential Financial, Inc., FRN 5.63% 15/06/2043 | $164,000 | 128 | 0.02 |
| PVH Corp. 3.63% 15/07/2024 | €250,000 | 234 | 0.04 |
| PVH Corp. 3.13% 15/12/2027 | €450,000 | 381 | 0.07 |
| QEP Resources, Inc. 6.88% 01/03/2021 | $6,000 | 5 | – |
| QEP Resources, Inc. 5.38% 01/10/2022 | $92,000 | 68 | 0.01 |
| QEP Resources, Inc. 5.63% 01/03/2026 | $13,000 | 9 | – |
| Quad/Graphics, Inc. 7.00% 01/05/2022 | $5,000 | 4 | – |
| Quicken Loans, Inc. 5.75% 01/05/2025 | $156,000 | 113 | 0.02 |
| Quicken Loans, Inc. 5.25% 15/01/2028 | $7,000 | 5 | – |
| Qwest Corp. 7.13% 15/11/2043 | $75,000 | 53 | 0.01 |
| Race Point VIII CLO Ltd., FRN, Series 2013-8A 'AR' 3.66% 20/02/2030 | $1,414,034 | 1,074 | 0.19 |
| Rackspace Hosting, Inc. 8.63% 15/11/2024 | $97,000 | 61 | 0.01 |
| Radian Group, Inc. 4.50% 01/10/2024 | $100,000 | 73 | 0.01 |
| Rain CII Carbon LLC 7.25% 01/04/2025 | $620,000 | 413 | 0.07 |
| Range Resources Corp. 5.00% 15/03/2023 | $22,000 | 16 | – |
| RASC Trust, FRN, Series 2005-EMX1 'M1' 3.15% 25/03/2035 | $797,266 | 605 | 0.10 |
| Refinitiv US Holdings, Inc. 6.25% 15/05/2026 | $34,000 | 25 | – |
| Refinitiv US Holdings, Inc. 8.25% 15/11/2026 | $34,000 | 24 | – |
| Renaissance Home Equity Loan Trust, FRN, Series 2005-2 'AV3' 2.88% 25/08/2035 | $1,021,358 | 741 | 0.13 |
| Renaissance Home Equity Loan Trust, STEP, Series 2003-4 'M2F' 6.24% 25/03/2034 | $187,609 | 134 | 0.02 |
| Renaissance Home Equity Loan Trust, STEP, Series 2005-2 'M1' 5.05% 25/08/2035 | $295,000 | 228 | 0.04 |
| Residential Asset Securitization Trust, Series 2004-A6 'A1' 5.00% 25/08/2019 | $18,825 | 14 | – |
| Residential Asset Securitization Trust, Series 2005-A3 'A2' 16.50% 25/04/2035 | $1,755,818 | 1,139 | 0.20 |
| Reynolds Group Issuer, Inc. 5.75% 15/10/2020 | $774,317 | 591 | 0.10 |
| RFMSI Trust, Series 2006-S12 '2A2' 6.00% 25/12/2036 | $25,811 | 19 | – |
| Rite Aid Corp. 6.13% 01/04/2023 | $500,000 | 319 | 0.06 |
| Rockwell Collins, Inc. 3.50% 15/03/2027 | $1,130,000 | 825 | 0.14 |
| Roper Technologies, Inc. 3.80% 15/12/2026 | $1,390,000 | 1,037 | 0.18 |
| Rowan Cos., Inc. 4.88% 01/06/2022 | $78,000 | 53 | 0.01 |
| Rowan Cos., Inc. 7.38% 15/06/2025 | $8,000 | 5 | – |
| Sabre GLBL, Inc. 5.38% 15/04/2023 | $8,000 | 6 | – |
| Sally Holdings LLC 5.63% 01/12/2025 | $16,000 | 12 | – |
| Santander Drive Auto Receivables Trust, Series 2015-5 'E' 4.67% 15/02/2023 | $1,560,000 | 1,199 | 0.21 |
| Santander Drive Auto Receivables Trust, Series 2016-2 'E' 4.38% 15/09/2023 | $1,690,000 | 1,299 | 0.22 |
| Santander Prime Auto Issuance Notes Trust, Series 2018-A 'F' 6.80% 15/09/2025 | $465,262 | 358 | 0.06 |
| Saxon Asset Securities Trust, FRN, Series 2006-2 'A3C' 2.66% 25/09/2036 | $76,200 | 58 | 0.01 |
| Scientific Games International, Inc. 10.00% 01/12/2022 | $105,000 | 84 | 0.01 |
| Scientific Games International, Inc. 5.00% 15/10/2025 | $90,000 | 64 | 0.01 |
| Scotts Miracle-Gro Co. (The) 5.25% 15/12/2026 | $225,000 | 162 | 0.03 |
| Sealed Air Corp. 5.13% 01/12/2024 | $100,000 | 77 | 0.01 |
| Seasoned Credit Risk Transfer Trust, IO, FRN, Series 2017-3 'AIO' 0.18% 25/07/2056 | $197,751,531 | 497 | 0.09 |
| SemGroup Corp. 5.63% 15/11/2023 | $163,000 | 115 | 0.02 |
| Seminole Hard Rock Entertainment, Inc. 5.88% 15/05/2021 | $119,000 | 92 | 0.02 |
| Sempra Energy 3.80% 01/02/2038 | $1,210,000 | 799 | 0.14 |
| Sensata Technologies UK Financing Co. plc 6.25% 15/02/2026 | $1,067,000 | 841 | 0.15 |
| Sequoia Mortgage Trust, FRN, Series 2003-8 'A1' 3.11% 20/01/2034 | $326,713 | 244 | 0.04 |
| Service Corp. International 7.50% 01/04/2027 | $185,000 | 153 | 0.03 |
| SESI LLC 7.13% 15/12/2021 | $4,000 | 3 | – |
| Shire Acquisitions Investments Ireland DAC 2.40% 23/09/2021 | $1,315,000 | 973 | 0.17 |
| Silgan Holdings, Inc. 3.25% 15/03/2025 | €600,000 | 539 | 0.09 |
| Sinclair Television Group, Inc. 5.63% 01/08/2024 | $564,000 | 414 | 0.07 |
| Sirius XM Radio, Inc. 6.00% 15/07/2024 | $1,297,000 | 1,024 | 0.18 |
| Sirius XM Radio, Inc. 5.38% 15/04/2025 | $61,000 | 47 | 0.01 |
| Sirius XM Radio, Inc. 5.00% 01/08/2027 | $100,000 | 73 | 0.01 |
| Six Flags Entertainment Corp. 4.88% 31/07/2024 | $45,000 | 33 | 0.01 |
| SM Energy Co. 5.00% 15/01/2024 | $18,000 | 13 | – |
| Sofi Consumer Loan Program Trust, Series 2018-2 'B' 3.79% 26/04/2027 | $910,000 | 694 | 0.12 |
| Solera LLC 10.50% 01/03/2024 | $45,000 | 37 | 0.01 |
| Sonic Automotive, Inc. 6.13% 15/03/2027 | $12,000 | 8 | – |
| Sotheby's 4.88% 15/12/2025 | $60,000 | 43 | 0.01 |
| Southwestern Energy Co. 6.20% 23/01/2025 | $522,000 | 384 | 0.07 |
| Southwestern Energy Co. 7.75% 01/10/2027 | $230,000 | 179 | 0.03 |
| Spectrum Brands, Inc. 6.13% 15/12/2024 | $14,000 | 11 | – |
| Springleaf Finance Corp. 5.63% 15/03/2023 | $95,000 | 71 | 0.01 |
| Springleaf Finance Corp. 6.88% 15/03/2025 | $41,000 | 30 | 0.01 |
| Springleaf Finance Corp. 7.13% 15/03/2026 | $49,000 | 35 | 0.01 |
| Springleaf Funding Trust, Series 2016-AA 'B' 3.80% 15/11/2029 | $300,000 | 228 | 0.04 |
| Springleaf Funding Trust, Series 2017-AA 'C' 3.86% 15/07/2030 | $1,000,000 | 760 | 0.13 |
| Sprint Capital Corp. 8.75% 15/03/2032 | $1,194,000 | 993 | 0.17 |
| Sprint Communications, Inc. 7.00% 01/03/2020 | $101,000 | 79 | 0.01 |
| Sprint Communications, Inc. 7.00% 15/08/2020 | $20,000 | 16 | – |
| Sprint Communications, Inc. 6.00% 15/11/2022 | $247,000 | 190 | 0.03 |
| Sprint Corp. 7.25% 15/09/2021 | $75,000 | 60 | 0.01 |
| Sprint Corp. 7.88% 15/09/2023 | $94,000 | 76 | 0.01 |
| Sprint Corp. 7.63% 15/02/2025 | $3,210,000 | 2,521 | 0.44 |
| Sprint Corp. 7.63% 01/03/2026 | $136,000 | 107 | 0.02 |
| Sprint Corp., Series WI 7.13% 15/06/2024 | $81,000 | 63 | 0.01 |
| SPX FLOW, Inc. 5.88% 15/08/2026 | $500,000 | 373 | 0.06 |
| STACR Trust, FRN, Series 2018-HRP2 'M3' 4.91% 25/02/2047 | $600,000 | 459 | 0.08 |
| Standard Industries, Inc. 4.75% 15/01/2028 | $567,000 | 390 | 0.07 |
| Stanwich Mortgage Loan Trust, STEP, Series 2018-NPB1 'A1' 4.02% 16/05/2023 | $1,377,861 | 1,044 | 0.18 |
| Stanwich Mortgage Loan Trust, STEP, Series 2018-NPB2 'A1' 4.50% 18/10/2023 | $728,496 | 556 | 0.10 |
| Staples, Inc. 8.50% 15/09/2025 | $888,000 | 644 | 0.11 |
| Station Casinos LLC 5.00% 01/10/2025 | $27,000 | 20 | – |
| Steel Dynamics, Inc. 4.13% 15/09/2025 | $63,000 | 45 | 0.01 |
| Structured Asset Investment Loan Trust, FRN, Series 2004-7 'M1' 3.56% 25/08/2034 | $237,875 | 180 | 0.03 |
| Structured Asset Investment Loan Trust, FRN, Series 2004-8 'M2' 3.44% 25/09/2034 | $112,373 | 84 | 0.01 |
| Structured Asset Securities Corp. Mortgage Loan Trust, FRN, Series 2005-WF2 'M2' 3.14% 25/05/2035 | $39,699 | 30 | 0.01 |
| Summit Materials LLC 6.13% 15/07/2023 | $83,000 | 63 | 0.01 |
| Summit Materials LLC 5.13% 01/06/2025 | $34,000 | 24 | – |
| Summit Midstream Holdings LLC 5.50% 15/08/2022 | $85,000 | 62 | 0.01 |
| Sunoco Logistics Partners Operations LP 5.35% 15/05/2045 | $915,000 | 643 | 0.11 |
| Sunoco Logistics Partners Operations LP 5.40% 01/10/2047 | $10,000 | 7 | – |
| Sunoco LP 4.88% 15/01/2023 | $22,000 | 17 | – |
| Sunoco LP 5.50% 15/02/2026 | $23,000 | 17 | – |
| Sunoco LP 5.88% 15/03/2028 | $10,000 | 7 | – |
| SunTrust Bank, FRN 3.26% 26/10/2021 | $2,300,000 | 1,741 | 0.30 |
| Symantec Corp. 5.00% 15/04/2025 | $15,000 | 11 | – |
| Synchrony Bank 3.00% 15/06/2022 | $368,000 | 267 | 0.05 |
| Synchrony Financial 3.95% 01/12/2027 | $422,000 | 292 | 0.05 |
| Syneos Health, Inc. 7.50% 01/10/2024 | $558,000 | 447 | 0.08 |
| Talen Energy Supply LLC 6.50% 01/06/2025 | $14,000 | 8 | – |
| Tallgrass Energy Partners LP 5.50% 15/09/2024 | $81,000 | 62 | 0.01 |
| Targa Resources Partners LP 4.25% 15/11/2023 | $91,000 | 67 | 0.01 |
| Targa Resources Partners LP 5.00% 15/01/2028 | $56,000 | 40 | 0.01 |
| Team Health Holdings, Inc. 6.38% 01/02/2025 | $170,000 | 104 | 0.02 |
| TEGNA, Inc. 6.38% 15/10/2023 | $12,000 | 9 | – |
| Teleflex, Inc. 4.88% 01/06/2026 | $6,000 | 5 | – |
| Tempur Sealy International, Inc. 5.50% 15/06/2026 | $690,000 | 499 | 0.09 |
| Tenet Healthcare Corp. 6.00% 01/10/2020 | $60,000 | 47 | 0.01 |
| Tenet Healthcare Corp. 4.50% 01/04/2021 | $17,000 | 13 | – |
| Tenet Healthcare Corp. 4.38% 01/10/2021 | $55,000 | 42 | 0.01 |
| Tenet Healthcare Corp. 7.50% 01/01/2022 | $10,000 | 8 | – |
| Tenet Healthcare Corp. 8.13% 01/04/2022 | $2,155,000 | 1,707 | 0.30 |
| Tenet Healthcare Corp. 13.50% 15/06/2023 | $43,000 | 32 | 0.01 |
| Tenet Healthcare Corp. 4.63% 15/07/2024 | $73,000 | 54 | 0.01 |
| Tenet Healthcare Corp. 5.13% 01/05/2025 | $157,000 | 117 | 0.02 |
| Tenet Healthcare Corp. 21.00% 01/08/2025 | $15,000 | 11 | – |
| Tennant Co. 5.63% 01/05/2025 | $50,000 | 37 | 0.01 |
| Terraform Global Operating LLC 6.13% 01/03/2026 | $39,000 | 28 | 0.01 |
| TerraForm Power Operating LLC 4.25% 31/01/2023 | $43,000 | 32 | 0.01 |
| TerraForm Power Operating LLC 5.00% 31/01/2028 | $55,000 | 39 | 0.01 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| TerraForm Power Operating LLC, STEP 6.63% 15/06/2025 | $26,000 | 21 | – |
| T-Mobile USA, Inc. 6.38% 01/03/2025 | $380,000 | 300 | 0.05 |
| T-Mobile USA, Inc. 5.13% 15/04/2025 | $220,000 | 167 | 0.03 |
| T-Mobile USA, Inc. 6.50% 15/01/2026 | $1,271,000 | 1,024 | 0.18 |
| T-Mobile USA, Inc. 4.50% 01/02/2026 | $31,000 | 23 | – |
| T-Mobile USA, Inc. 4.75% 01/02/2028 | $31,000 | 22 | – |
| Toll Brothers Finance Corp. 5.63% 15/01/2024 | $20,000 | 16 | – |
| Toll Brothers Finance Corp. 4.35% 15/02/2028 | $22,000 | 15 | – |
| TransDigm, Inc. 6.50% 15/07/2024 | $117,000 | 88 | 0.02 |
| TransDigm, Inc. 12.50% 15/03/2026 | $216,000 | 167 | 0.03 |
| Transocean Pontus Ltd. 6.13% 01/08/2025 | $47,000 | 36 | 0.01 |
| Transocean Poseidon Ltd. 6.88% 01/02/2027 | $16,000 | 12 | – |
| Transocean Proteus Ltd. 6.25% 01/12/2024 | $21,600 | 16 | – |
| Transocean, Inc. 9.00% 15/07/2023 | $72,000 | 57 | 0.01 |
| Transocean, Inc. 7.25% 01/11/2025 | $75,000 | 53 | 0.01 |
| Transocean, Inc. 7.50% 15/01/2026 | $110,000 | 79 | 0.01 |
| Transocean, Inc. 7.50% 15/04/2031 | $47,000 | 29 | 0.01 |
| Transocean, Inc. 9.35% 15/12/2041 | $50,000 | 35 | 0.01 |
| Travelport Corporate Finance plc 6.00% 15/03/2026 | $30,000 | 23 | – |
| TreeHouse Foods, Inc. 6.00% 15/02/2024 | $570,000 | 445 | 0.08 |
| Trinseo Materials Operating SCA 5.38% 01/09/2025 | $454,000 | 308 | 0.05 |
| Triumph Group, Inc. 4.88% 01/04/2021 | $500,000 | 354 | 0.06 |
| Triumph Group, Inc. 7.75% 15/08/2025 | $350,000 | 227 | 0.04 |
| Tronox Finance plc 5.75% 01/10/2025 | $32,000 | 21 | – |
| Tronox, Inc. 6.50% 15/04/2026 | $48,000 | 32 | 0.01 |
| Tutor Perini Corp. 6.88% 01/05/2025 | $136,000 | 100 | 0.02 |
| UGI International LLC 3.25% 01/11/2025 | €100,000 | 90 | 0.02 |
| Ultra Resources, Inc. 22.00% 12/07/2024 | $257,000 | 135 | 0.02 |
| United Auto Credit Securitization Trust, Series 2018-1 'D' 3.52% 10/11/2022 | $480,000 | 365 | 0.06 |
| United Continental Holdings, Inc. 4.25% 01/10/2022 | $40,000 | 30 | 0.01 |
| United Continental Holdings, Inc. 5.00% 01/02/2024 | $18,000 | 14 | – |
| United Rentals North America, Inc. 5.50% 15/07/2025 | $40,000 | 31 | 0.01 |
| United Rentals North America, Inc. 5.88% 15/09/2026 | $1,175,000 | 904 | 0.16 |
| United Rentals North America, Inc. 6.50% 15/12/2026 | $90,000 | 71 | 0.01 |
| United Rentals North America, Inc. 5.50% 15/05/2027 | $430,000 | 321 | 0.06 |
| United States Cellular Corp. 6.70% 15/12/2033 | $465,000 | 365 | 0.06 |
| United States Steel Corp. 6.88% 15/08/2025 | $24,000 | 17 | – |
| United States Steel Corp. 6.25% 15/03/2026 | $77,000 | 54 | 0.01 |
| United Technologies Corp. 4.13% 16/11/2028 | $885,000 | 686 | 0.12 |
| Uniti Group LP, REIT 6.00% 15/04/2023 | $232,000 | 168 | 0.03 |
| Uniti Group LP, REIT 8.25% 15/10/2023 | $340,000 | 240 | 0.04 |
| Univar USA, Inc. 6.75% 15/07/2023 | $35,000 | 27 | – |
| Univision Communications, Inc. 5.13% 15/05/2023 | $45,000 | 32 | 0.01 |
| Univision Communications, Inc. 5.13% 15/02/2025 | $156,000 | 108 | 0.02 |
| US Airways Pass-Through Trust, Series 2013-1 'A' 3.95% 15/05/2027 | $1,670,159 | 1,255 | 0.22 |
| USA Compression Partners LP 6.88% 01/04/2026 | $23,000 | 18 | – |
| USIS Merger Sub, Inc. 6.88% 01/05/2025 | $19,000 | 14 | – |
| Vantiv LLC 3.88% 15/11/2025 | £300,000 | 289 | 0.05 |
| Venator Finance Sarl 11.50% 15/07/2025 | $12,000 | 8 | – |
| Verscend Escrow Corp. 9.75% 15/08/2026 | $18,000 | 13 | – |
| Vertiv Group Corp. 9.25% 15/10/2024 | $245,000 | 173 | 0.03 |
| Verus Securitization Trust, FRN, Series 2018-2 'A1' 3.68% 01/06/2058 | $1,232,683 | 937 | 0.16 |
| Viacom, Inc., FRN 5.87% 28/02/2057 | $43,000 | 32 | 0.01 |
| Viacom, Inc., FRN 6.25% 28/02/2057 | $22,000 | 16 | – |
| ViaSat, Inc. 5.63% 15/09/2025 | $5,000 | 4 | – |
| VICI Properties 1 LLC, REIT 8.00% 15/10/2023 | $767,566 | 631 | 0.11 |
| Vista Outdoor, Inc. 5.88% 01/10/2023 | $460,000 | 326 | 0.06 |
| Vistra Energy Corp. 5.88% 01/06/2023 | $182,000 | 142 | 0.02 |
| Vistra Operations Co. LLC 5.50% 01/09/2026 | $139,000 | 107 | 0.02 |
| VOC Escrow Ltd. 5.00% 15/02/2028 | $62,000 | 45 | 0.01 |
| VOLT LXII LLC, STEP, Series 2017-NPL9 'A1' 3.13% 25/09/2047 | $431,571 | 326 | 0.06 |
| VOLT LXIV LLC, STEP, Series 2017-NP11 'A1' 3.38% 25/10/2047 | $508,611 | 386 | 0.07 |
| VOLT LXIX LLC, STEP, Series 2018-NPL5 'A1B' 4.70% 25/08/2048 | $695,000 | 530 | 0.09 |
| VOLT LXVIII LLC, STEP, Series 2018-NPL4 'A1B' 4.83% 27/07/2048 | $828,000 | 632 | 0.11 |
| VOLT LXX LLC, STEP, Series 2018-NPL6 'A1B' 4.56% 25/09/2048 | $1,798,000 | 1,378 | 0.24 |
| VOLT LXXIII LLC, STEP, Series 2018-NPL9 'A1A' 4.46% 25/10/2048 | $2,500,000 | 1,899 | 0.33 |
| W&T Offshore, Inc. 9.75% 01/11/2023 | $49,000 | 36 | 0.01 |
| Wachovia Bank Commercial Mortgage Trust, FRN, Series 2005-C21 'D' 5.23% 15/10/2044 | $722,689 | 549 | 0.10 |
| Wachovia Bank Commercial Mortgage Trust, FRN, Series 2007-C33 'AJ' 5.77% 15/02/2051 | $1,010,400 | 669 | 0.12 |
| Wachovia Bank Commercial Mortgage Trust, FRN, Series 2007-C33 'B' 5.77% 15/02/2051 | $560,000 | 316 | 0.05 |
| Wachovia Bank Commercial Mortgage Trust, FRN, Series 2007-C33 'C' 5.77% 15/02/2051 | $1,595,000 | 121 | 0.02 |
| Weatherford International Ltd. 4.50% 15/04/2022 | $53,000 | 25 | – |
| Weatherford International Ltd. 9.88% 15/02/2024 | $47,000 | 23 | – |
| Weatherford International Ltd. 6.50% 01/08/2036 | $50,000 | 22 | – |
| Weatherford International Ltd. 7.00% 15/03/2038 | $50,000 | 22 | – |
| Weatherford International Ltd. 6.75% 15/09/2040 | $2,000 | 1 | – |
| Weatherford International Ltd. 5.95% 15/04/2042 | $91,000 | 39 | 0.01 |
| Welbilt, Inc. 9.50% 15/02/2024 | $760,000 | 621 | 0.11 |
| WellCare Health Plans, Inc. 5.25% 01/04/2025 | $125,000 | 97 | 0.02 |
| Wells Fargo Commercial Mortgage Trust, Series 2016-BNK1 'D' 3.00% 15/08/2049 | $784,000 | 492 | 0.09 |
| Wells Fargo Commercial Mortgage Trust, FRN, Series 2010-C1 'C' 5.60% 15/11/2043 | $605,000 | 471 | 0.08 |
| Wells Fargo Commercial Mortgage Trust, FRN, Series 2015-NXS2 'A5' 3.77% 15/07/2058 | $775,000 | 599 | 0.10 |
| Wells Fargo Mortgage Backed Securities Trust, Series 2005-2 '2A1' 4.75% 25/04/2020 | $2,018 | 2 | – |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2004-M 'A1' 4.60% 25/08/2034 | $581,976 | 457 | 0.08 |
| Wells Fargo Mortgage Backed Securities Trust, FRN, Series 2004-N 'A7' 4.60% 25/08/2034 | $990,355 | 764 | 0.13 |
| WESCO Distribution, Inc. 5.38% 15/06/2024 | $41,000 | 31 | 0.01 |
| West Street Merger Sub, Inc. 6.38% 01/09/2025 | $9,000 | 6 | – |
| Western Digital Corp. 4.75% 15/02/2026 | $92,000 | 65 | 0.01 |
| Western Gas Partners LP 5.38% 01/06/2021 | $15,000 | 12 | – |
| Western Gas Partners LP 4.65% 01/07/2026 | $20,000 | 15 | – |
| Western Gas Partners LP 5.45% 01/04/2044 | $365,000 | 251 | 0.04 |
| Westlake Automobile Receivables Trust, Series 2018-1A 'D' 3.41% 15/05/2023 | $530,000 | 402 | 0.07 |
| Westlake Automobile Receivables Trust, Series 2018-1A 'F' 5.60% 15/07/2024 | $1,000,000 | 762 | 0.13 |
| Westlake Automobile Receivables Trust, Series 2018-2A 'E' 4.86% 16/01/2024 | $230,000 | 176 | 0.03 |
| Westlake Automobile Receivables Trust, Series 2018-2A 'F' 6.04% 15/01/2025 | $900,000 | 692 | 0.12 |
| WFRBS Commercial Mortgage Trust, FRN, Series 2013-C11 'B' 3.71% 15/03/2045 | $150,000 | 114 | 0.02 |
| Whiting Petroleum Corp. 6.63% 15/01/2026 | $37,000 | 27 | – |
| Windstream Services LLC 9.00% 30/06/2025 | $704,000 | 399 | 0.07 |
| WMG Acquisition Corp. 5.00% 01/08/2023 | $100,000 | 76 | 0.01 |
| WMG Acquisition Corp. 4.88% 01/11/2024 | $182,000 | 136 | 0.02 |
| WMG Acquisition Corp. 5.50% 15/04/2026 | $42,000 | 31 | 0.01 |
| WPX Energy, Inc. 6.00% 15/01/2022 | $6,000 | 5 | – |
| WPX Energy, Inc. 8.25% 01/08/2023 | $435,000 | 366 | 0.06 |
| WPX Energy, Inc. 5.75% 01/06/2026 | $31,000 | 23 | – |
| Wyndham Destinations, Inc. 4.25% 01/03/2022 | $2,000 | 1 | – |
| Wyndham Hotels & Resorts, Inc. 5.38% 15/04/2026 | $10,000 | 8 | – |
| Wyndham Worldwide Corp. 6.28% 01/10/2025 | $15,000 | 11 | – |
| Wynn Las Vegas LLC 5.50% 01/03/2025 | $1,080,000 | 793 | 0.14 |
| XPO Logistics, Inc. 6.50% 15/06/2022 | $382,000 | 296 | 0.05 |
| Zayo Group LLC 6.00% 01/04/2023 | $56,000 | 43 | 0.01 |
| Zayo Group LLC 6.38% 15/05/2025 | $389,000 | 289 | 0.05 |
| Zayo Group LLC 5.75% 15/01/2027 | $81,000 | 59 | 0.01 |
| | | **360,444** | **62.37** |
| **Corporate Bonds total** | | **477,810** | **82.68** |

## Government Bonds 6.32% (14.09%)

### Angola 0.15% (0.00%)

| | | | |
|---|---|---|---|
| Angola Government Bond 19.00% 12/11/2025 | $1,000,000 | 848 | 0.15 |
| | | **848** | **0.15** |

### Belarus 0.10% (0.00%)

| | | | |
|---|---|---|---|
| Belarus Government Bond 6.20% 28/02/2030 | $817,000 | 590 | 0.10 |
| | | **590** | **0.10** |

### Brazil 0.00% (1.47%)

### Chile 0.05% (0.00%)

| | | | |
|---|---|---|---|
| Chile Government Bond 3.86% 21/06/2047 | $401,000 | 293 | 0.05 |
| | | **293** | **0.05** |

### Colombia 0.08% (0.00%)

| | | | |
|---|---|---|---|
| Colombia Government Bond 5.20% 15/05/2049 | $620,000 | 480 | 0.08 |
| | | **480** | **0.08** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **El Salvador 0.12% (0.00%)** | | | |
| El Salvador Government Bond 7.75% 24/01/2023 | $516,000 | 410 | 0.07 |
| El Salvador Government Bond 7.63% 01/02/2041 | $370,000 | 278 | 0.05 |
| | | **688** | **0.12** |
| **Ethiopia 0.10% (0.00%)** | | | |
| Ethiopia Government Bond 6.63% 11/12/2024 | $760,000 | 583 | 0.10 |
| | | **583** | **0.10** |
| **Gabon 0.15% (0.00%)** | | | |
| Gabon Government Bond 6.38% 12/12/2024 | $1,200,000 | 868 | 0.15 |
| | | **868** | **0.15** |
| **Indonesia 0.47% (2.36%)** | | | |
| Indonesia Treasury 6.63% 15/05/2033 | IDR 17,992,000,000 | 831 | 0.14 |
| Indonesia Treasury 8.38% 15/03/2034 | IDR 35,116,000,000 | 1,893 | 0.33 |
| | | **2,724** | **0.47** |
| **Ivory Coast 0.07% (0.00%)** | | | |
| Ivory Coast Government Bond 6.13% 15/06/2033 | $623,000 | 421 | 0.07 |
| | | **421** | **0.07** |
| **Japan 0.00% (5.04%)** | | | |
| **Jordan 0.13% (0.00%)** | | | |
| Jordan Government Bond 7.38% 10/10/2047 | $1,030,000 | 737 | 0.13 |
| | | **737** | **0.13** |
| **Kenya 0.10% (0.00%)** | | | |
| Kenya Government Bond 8.25% 28/02/2048 | $803,000 | 582 | 0.10 |
| | | **582** | **0.10** |
| **Lebanon 0.14% (0.00%)** | | | |
| Lebanon Government Bond 6.00% 20/05/2019 | $92,000 | 69 | 0.01 |
| Lebanon Government Bond 5.45% 28/11/2019 | $1,000,000 | 743 | 0.13 |
| | | **812** | **0.14** |
| **Macedonia, Former Yugoslav Republic of 0.10% (0.00%)** | | | |
| Republic of Macedonia 2.75% 18/01/2025 | €630,000 | 556 | 0.10 |
| | | **556** | **0.10** |
| **Oman 0.20% (0.00%)** | | | |
| Oman Government Bond 5.38% 08/03/2027 | $236,000 | 161 | 0.03 |
| Oman Government Bond 5.63% 17/01/2028 | $964,000 | 663 | 0.11 |
| Oman Government Bond 6.75% 17/01/2048 | $500,000 | 320 | 0.06 |
| | | **1,144** | **0.20** |
| **Paraguay 0.10% (0.00%)** | | | |
| Paraguay Government Bond 5.00% 15/04/2026 | $720,000 | 565 | 0.10 |
| | | **565** | **0.10** |
| **Peru 0.29% (0.00%)** | | | |
| Peru Government Bond 5.94% 12/02/2029 | PEN 580,000 | 135 | 0.03 |
| Peru Government Bond 5.94% 12/02/2029 (Non-Callable) | PEN 6,520,000 | 1,513 | 0.26 |
| | | **1,648** | **0.29** |
| **Qatar 0.10% (0.00%)** | | | |
| Qatar Government Bond 3.88% 23/04/2023 | $710,000 | 550 | 0.10 |
| | | **550** | **0.10** |
| **Russia 0.00% (2.91%)** | | | |
| **Saudi Arabia 0.20% (0.00%)** | | | |
| Saudi Government Bond 4.38% 16/04/2029 | $470,000 | 364 | 0.06 |
| Saudi Government Bond 4.63% 04/10/2047 | $550,000 | 394 | 0.07 |
| Saudi Government Bond 5.00% 17/04/2049 | $541,000 | 407 | 0.07 |
| | | **1,165** | **0.20** |
| **Serbia 0.29% (0.00%)** | | | |
| Serbia Government Bond 4.88% 25/02/2020 | $2,200,000 | 1,695 | 0.29 |
| | | **1,695** | **0.29** |
| **South Africa 0.38% (0.00%)** | | | |
| South Africa Government Bond 4.88% 14/04/2026 | $1,000,000 | 745 | 0.13 |
| South Africa Government Bond 6.50% 28/02/2041 | ZAR 35,330,000 | 1,455 | 0.25 |
| | | **2,200** | **0.38** |
| **Turkey 0.14% (0.00%)** | | | |
| Turkey Government Bond 4.88% 09/10/2026 | $400,000 | 273 | 0.04 |
| Turkey Government Bond 6.88% 17/03/2036 | $770,000 | 564 | 0.10 |
| | | **837** | **0.14** |
| **Ukraine 0.15% (0.00%)** | | | |
| Ukraine Government Bond 15.50% 01/09/2020 | $401,000 | 302 | 0.05 |
| Ukraine Government Bond 8.99% 01/02/2024 | $290,000 | 216 | 0.04 |
| Ukraine Government Bond 7.38% 25/09/2032 | $550,000 | 354 | 0.06 |
| | | **872** | **0.15** |
| **United States of America 2.66% (2.31%)** | | | |
| US Treasury Inflation Indexed 1.00% 15/02/2046 | $16,515,000 | 12,919 | 2.23 |
| US Treasury Inflation Indexed 1.00% 15/02/2048 | $3,300,000 | 2,479 | 0.43 |
| | | **15,398** | **2.66** |
| **Zambia 0.05% (0.00%)** | | | |
| Zambia Government Bond 8.97% 30/07/2027 | $450,000 | 281 | 0.05 |
| | | **281** | **0.05** |
| **Government Bonds total** | | **36,537** | **6.32** |
| **Convertible Bonds 3.67% (2.56%)** | | | |
| **China 0.44% (0.14%)** | | | |
| Ctrip.com International Ltd. 1.00% 01/07/2020 | $1,795,000 | 1,314 | 0.23 |
| Huazhu Group Ltd. 0.38% 01/11/2022 | $1,585,000 | 1,208 | 0.21 |
| | | **2,522** | **0.44** |
| **Netherlands 0.15% (0.13%)** | | | |
| NXP Semiconductors NV 1.00% 01/12/2019 | $1,100,000 | 863 | 0.15 |
| | | **863** | **0.15** |
| **South Korea 0.07% (0.05%)** | | | |
| MagnaChip Semiconductor SA 5.00% 01/03/2021 | $525,000 | 400 | 0.07 |
| | | **400** | **0.07** |
| **United States of America 3.01% (2.24%)** | | | |
| Cree, Inc. 0.88% 01/09/2023 | $510,000 | 411 | 0.07 |
| Cypress Semiconductor Corp. 4.50% 15/01/2022 | $1,035,000 | 976 | 0.17 |
| Cypress Semiconductor Corp. 2.00% 01/02/2023 | $445,000 | 334 | 0.06 |
| DISH Network Corp. 3.38% 15/08/2026 | $400,000 | 256 | 0.04 |
| DocuSign, Inc. 0.50% 15/09/2023 | $690,000 | 526 | 0.09 |
| Envestnet, Inc. 1.75% 15/12/2019 | $915,000 | 720 | 0.12 |
| Etsy, Inc. 0.00% 01/03/2023 | $500,000 | 614 | 0.11 |
| Finisar Corp. 0.50% 15/12/2036 | $1,340,000 | 979 | 0.17 |
| FireEye, Inc. 0.88% 01/06/2024 | $720,000 | 570 | 0.10 |
| II-VI, Inc. 0.25% 01/09/2022 | $1,415,000 | 1,069 | 0.19 |
| Knowles Corp. 3.25% 01/11/2021 | $1,370,000 | 1,139 | 0.20 |
| Liberty Expedia Holdings, Inc. 1.00% 30/06/2047 | $1,345,000 | 989 | 0.17 |
| Live Nation Entertainment, Inc. 2.50% 15/03/2023 | $1,430,000 | 1,161 | 0.20 |
| Nabors Industries, Inc. 0.75% 15/01/2024 | $610,000 | 311 | 0.05 |
| Nuance Communications, Inc. 1.50% 01/11/2035 | $1,355,000 | 1,008 | 0.17 |
| Nutanix, Inc. 0.00% 15/01/2023 | $905,000 | 851 | 0.15 |
| Oasis Petroleum, Inc. 2.63% 15/09/2023 | $1,230,000 | 898 | 0.16 |
| ON Semiconductor Corp. 1.00% 01/12/2020 | $1,235,000 | 1,156 | 0.20 |
| Redfin Corp. 1.75% 15/07/2023 | $645,000 | 423 | 0.07 |
| SM Energy Co. 1.50% 01/07/2021 | $1,045,000 | 763 | 0.13 |
| Teradyne, Inc. 1.25% 15/12/2023 | $1,090,000 | 1,093 | 0.19 |
| Vocera Communications, Inc. 1.50% 15/05/2023 | $245,000 | 253 | 0.04 |
| Zillow Group, Inc. 2.00% 01/12/2021 | $1,220,000 | 926 | 0.16 |
| | | **17,426** | **3.01** |
| **Convertible Bonds total** | | **21,211** | **3.67** |
| **Collective Investment Schemes 1.20% (0.80%)** | | | |
| JPM Global Absolute Return Bond Fund X (dist) – USD[Ø] | 90,801 | 6,945 | 1.20 |
| **Collective Investment Schemes total** | | **6,945** | **1.20** |
| **Swaps (0.84)% (0.09%)** | | | |
| Interest Rate Swap Citigroup Pay fixed 3.07% Receive floating 3 Month LIBOR 31/12/2020 | (221,850,000) | (1,207) | (0.21) |
| Interest Rate Swap Citigroup Pay fixed 3.11% Receive floating 3 Month LIBOR 15/08/2028 | (58,150,000) | (1,508) | (0.26) |
| Interest Rate Swap Citigroup Pay fixed 3.20% Receive floating 3 Month LIBOR 15/02/2036 | (11,300,000) | (429) | (0.07) |
| Interest Rate Swap Citigroup Pay fixed 3.20% Receive floating 3 Month LIBOR 15/05/2044 | (35,250,000) | (1,714) | (0.30) |
| **Swaps total** | | **(4,858)** | **(0.84)** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Forward Currency Contracts 3.55% (3.46%)** | | | |
| Buy BRL 7,423,567 sell USD 1,954,188 dated 06/03/2019 | | 56 | 0.01 |
| Buy CLP 1,248,614,736 sell USD 1,845,807 dated 05/02/2019 | | 34 | – |
| Buy CLP 1,248,614,736 sell USD 1,866,719 dated 05/03/2019 | | 18 | – |
| Buy COP 5,541,582,981 sell USD 1,771,974 dated 05/02/2019 | | (15) | – |
| Buy COP 5,541,582,981 sell USD 1,743,294 dated 05/03/2019 | | 5 | – |
| Buy EUR 2,365,901 sell GBP 2,055,119 dated 05/02/2019 | | 15 | – |
| Buy EUR 6,088,426 sell GBP 5,513,844 dated 05/02/2019 | | (187) | (0.03) |
| Buy EUR 695,483 sell GBP 604,330 dated 05/03/2019 | | 5 | – |
| Buy GBP 58,247,889 sell EUR 64,520,849 dated 05/02/2019 | | 1,797 | 0.31 |
| Buy GBP 1,848,129 sell EUR 2,128,206 dated 05/03/2019 | | (16) | – |
| Buy GBP 10,224,701 sell SEK 116,366,411 dated 05/02/2019 | | 403 | 0.07 |
| Buy GBP 9,777,244 sell SEK 116,366,411 dated 05/03/2019 | | (52) | (0.01) |
| Buy GBP 1,398,419 sell TRY 9,705,858 dated 05/02/2019 | | (23) | – |
| Buy GBP 539,785,419 sell USD 683,774,452 dated 05/02/2019 | | 19,039 | 3.29 |
| Buy GBP 2,745,491 sell USD 3,611,886 dated 05/02/2019 | | (5) | – |
| Buy GBP 251,372,285 sell USD 328,410,159 dated 05/03/2019 | | 1,595 | 0.28 |
| Buy GBP 38,853,443 sell USD 51,274,126 dated 05/03/2019 | | (144) | (0.03) |
| Buy SEK 116,366,411 sell GBP 9,769,725 dated 05/02/2019 | | 52 | 0.01 |
| Buy TRY 9,705,858 sell GBP 1,374,671 dated 05/03/2019 | | 24 | – |
| Buy TRY 9,705,858 sell USD 1,799,314 dated 05/02/2019 | | 51 | 0.01 |
| Buy USD 995,041 sell BRL 3,712,000 dated 06/03/2019 | | (14) | – |
| Buy USD 1,866,505 sell CLP 1,248,614,736 dated 05/02/2019 | | (18) | – |
| Buy USD 1,745,380 sell COP 5,541,582,981 dated 05/02/2019 | | (5) | – |
| Buy USD 47,807,446 sell GBP 36,274,647 dated 05/02/2019 | | 134 | 0.02 |
| Buy USD 355,883,410 sell GBP 273,250,683 dated 05/02/2019 | | (2,218) | (0.38) |
| Buy USD 7,919,713 sell GBP 6,011,753 dated 05/03/2019 | | 12 | – |
| Buy USD 2,256,132 sell GBP 1,725,341 dated 05/03/2019 | | (9) | – |
| **Forward Currency Contracts total** | | **20,534** | **3.55** |
| **Futures (0.02)% (0.24%)** | | | |
| 3 Month Eurodollar 16/09/2019 | (1,009) | (447) | (0.08) |
| Euro-Bobl 07/03/2019 | (112) | (65) | (0.01) |
| Euro-Bund 07/03/2019 | (72) | (191) | (0.03) |
| Euro-Buxl 07/03/2019 | 5 | 35 | 0.01 |
| Euro-Schatz 07/03/2019 | 3 | – | – |
| Long Gilt 27/03/2019 | (13) | (15) | – |
| US 2 Year Note 29/03/2019 | 1014 | 1,023 | 0.18 |
| US 5 Year Note 29/03/2019 | (581) | (504) | (0.09) |
| US 10 Year Note 20/03/2019 | 8 | 3 | – |
| US 10 Year Ultra Bond 20/03/2019 | 8 | 27 | – |
| US Long Bond 20/03/2019 | (4) | (22) | – |
| US Ultra Bond 20/03/2019 | 5 | 3 | – |
| **Futures total** | | **(153)** | **(0.02)** |
| **Liquidity Funds 0.00% (1.39%)** | | | |
| Investment assets (including investment liabilities) | | 560,179 | 96.93 |
| Net other assets | | 17,765 | 3.07 |
| **Net assets** | | **577,944** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

ø A related party to the Fund.

^ Unlisted, suspended or delisted security.

§ Security is currently in default.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (42,953) | | 2,130 |
| Revenue (Note 3) | 31,635 | | 20,863 | |
| Expenses (Note 4) | (2,844) | | (2,814) | |
| Net revenue before taxation | 28,791 | | 18,049 | |
| Taxation (Note 5) | – | | – | |
| Net revenue after taxation | | 28,791 | | 18,049 |
| **Total return before distributions** | | **(14,162)** | | **20,179** |
| Distributions (Note 6) | | (28,808) | | (17,958) |
| **Change in net assets attributable to shareholders from investment activities** | | **(42,970)** | | **2,221** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **774,792** | | **536,283** |
| Amounts receivable on issue of shares | 141,951 | | 311,258 | |
| Amounts payable on cancellation of shares | (304,857) | | (80,110) | |
| | | (162,906) | | 231,148 |
| Dilution adjustment | | 489 | | 278 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (42,970) | | 2,221 |
| Retained distributions on accumulation shares | | 8,539 | | 4,862 |
| **Closing net assets attributable to shareholders** | | **577,944** | | **774,792** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 568,987 | 766,933 |
| **Current assets:** | | |
| Debtors (Note 8) | 7,818 | 8,386 |
| Cash and bank balances (Note 9) | 18,870 | 19,259 |
| **Total assets** | **595,675** | **794,578** |
| **Liabilities:** | | |
| Investment liabilities | (8,808) | (2,490) |
| **Creditors:** | | |
| Distribution payable | (3,145) | (3,905) |
| Other creditors (Note 10) | (5,778) | (13,391) |
| **Total liabilities** | **(17,731)** | **(19,786)** |
| **Net assets attributable to shareholders** | **577,944** | **774,792** |

The notes to these financial statements are shown on pages 402 to 405.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM Unconstrained Bond Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency losses | (7,340) | (3,005) |
| Derivative contracts | (979) | 4,246 |
| Forward currency contracts | (56,857) | 67,663 |
| Non-derivative securities | 22,223 | (66,774) |
| Net capital (losses)/gains | (42,953) | 2,130 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Distributions from overseas investments | 151 | 1 |
| Income from Liquidity Funds | 82 | 121 |
| Income from overseas equity investments | 24 | - |
| Interest on bank and term deposits | 158 | 24 |
| Interest on derivatives | (1,354) | (4,665) |
| Interest on fixed-interest securities | 32,552 | 25,375 |
| Management fee rebates | 8 | 7 |
| Stock lending income | 14 | - |
| Total revenue | 31,635 | 20,863 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 2,641 | 2,510 |
| Operating expenses | 172 | 300 |
| Stock lending fees | 2 | - |
| | 2,815 | 2,810 |
| Interest payable | 29 | 4 |
| Total expenses | 2,844 | 2,814 |

The fees paid to the auditor for the year ended 31 January 2019 are £7,135 (31.01.18: £7,135), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|

**a) Analysis of charge in the year**

There is no corporation tax charge in the current year or prior year.

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is nil. This is different than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 28,791 | 18,049 |
| Corporation tax at 20% | 5,758 | 3,610 |
| Effects of: | | |
| Dividends not subject to corporation tax | (1) | - |
| Interest distributions deductible for tax purposes | (5,757) | (3,610) |
| | (5,758) | (3,610) |
| Current year tax charge (Note 5a) | - | - |

No deferred tax asset has been recognised in the financial statements.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First monthly interest distribution | 150 | - |
| Second monthly interest distribution | 166 | - |
| Third monthly interest distribution | 189 | - |
| Fourth monthly interest distribution | 189 | 51 |
| Fifth monthly interest distribution | 160 | 48 |
| Sixth monthly interest distribution | 171 | 83 |
| Seventh monthly interest distribution | 172 | 81 |
| Eighth monthly interest distribution | 166 | 57 |
| Ninth monthly interest distribution | 205 | 80 |
| Tenth monthly interest distribution | 154 | 48 |
| Eleventh monthly interest distribution | 200 | 59 |
| Final monthly interest distribution | 170 | 88 |
| First quarterly interest distribution | 7,246 | 3,152 |
| Second quarterly interest distribution | 7,148 | 4,093 |
| Third quarterly interest distribution | 6,659 | 5,325 |
| Final quarterly interest distribution | 5,179 | 5,434 |
| Add: Amounts payable on cancellation of shares | 967 | 258 |
| Deduct: Amounts receivable on issue of shares | (483) | (899) |
| Distributions for the year | 28,808 | 17,958 |

Details of the distribution per share are set out on pages 406 to 412.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 28,791 | 18,049 |
| Add: RDR transfer equalisation (capital) | 1 | (78) |
| Add: Undistributed revenue brought forward | 43 | 30 |
| Deduct: Undistributed revenue carried forward | (27) | (43) |
| | 28,808 | 17,958 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 4,576 | 6,870 |
| Due from the ACD for shares issued | 135 | 733 |
| Sales awaiting settlement | 3,107 | 783 |
| Total debtors | 7,818 | 8,386 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | 1,878 | 293 |
| Cash and bank balances | 16,992 | 18,966 |
| Total cash and bank balances | 18,870 | 19,259 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 190 | 264 |
| Due to the ACD for shares cancelled | 1,587 | 276 |
| Purchases awaiting settlement | 4,001 | 12,851 |
| Total other creditors | 5,778 | 13,391 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due from the ACD and their associates at the year end date in respect of related party transactions was £1,642,490 (31.01.18: £193,830 balance due from the ACD). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on pages 389 to 396 and the revenue from these investments was £408,166 (31.01.18: £514,153).

The following parties held a material interest in the Fund at the year end date:
- Warwickshire County Council, Pension Fund 22.02% (31.01.18: 16.12%)
- Minster Nominees Limited 14.40% (31.01.18: 12.39%)
- Mobius Life Ltd 10.54% (31.01.18: 5.62%)

## 13. Stock lending

The Fund entered into stock lending arrangements with a various counterparties in the current year. At the balance sheet date there were no securities on loan (31.01.18: £nil) and consequently no collateral was held (31.01.18: £nil).

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 14 | - |
| Fees paid to the lending agent[Ø] | (2) | - |
| Net stock lending income | 12 | - |

[Ø] A related party to the Fund.

## 14. Financial instruments

### Value at risk

The Fund enters into derivative transactions in the form of forward currency contracts and futures for investment purposes and/or efficient portfolio management. The Historical VaR methodology approach has been used to calculate the global exposure.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using historical simulation methodology. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days of history.

The VaR calculated for the year ended 31 January 2019 was as follows:

| As at | 2019 | 2018 |
|---|---|---|
| As at 31 January, the Fund's value at risk is | 1.11% | 1.00% |
| During the financial year, the highest utilisation of value at risk was | 8.98% | 11.00% |
| During the financial year, the average utilisation of value at risk was | 5.91% | 7.00% |
| During the financial year, the lowest utilisation of value at risk was | 4.61% | 4.00% |

Further information on the derivative risks can be found in the accounting policies on page 13.

### Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value. As at 31 January 2019 the average leverage was 517.04% (31.01.18: 327.00%).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Debt security credit analysis

| | Market value £'000 | Total net assets % |
|---|---|---|
| **31.01.19** | | |
| Investment grade | 202,951 | 35.10 |
| Below investment grade | 195,515 | 33.77 |
| Unrated | 137,092 | 23.80 |
| | 535,558 | 92.67 |
| **31.01.18** | | |
| Investment grade | 269,464 | 34.81 |
| Below investment grade | 333,049 | 42.91 |
| Unrated | 113,444 | 14.68 |
| | 715,957 | 92.40 |

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

## 16. Share classes

The Fund currently has five share classes; Class A Shares, Class B Shares, Class C Shares, Class I Shares and Class X Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.00% | 0.15% |
| Class B Shares: | 0.65% | 0.15% |
| Class C Shares: | 0.50% | 0.15% |
| Class I Shares: | 0.40% | 0.00% |
| Class X Shares: | 0.00% | 0.06% |

The X share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 386 to 388. All classes have the same rights on winding up.

## 17. Counterparty exposure

Financial derivative exposure

| Counterparty | Forward currency contracts £'000 | Futures contracts £'000 | Swaps £'000 | Total £'000 |
|---|---|---|---|---|
| **31.01.19** | | | | |
| Barclays | 18,454 | - | - | 18,454 |
| BNP Paribas | 35 | - | - | 35 |
| Citibank | (72) | 1,110 | - | 1,038 |
| Deutsche Bank | (56) | - | - | (56) |
| Goldman Sachs | 73 | - | - | 73 |
| HSBC | 1,699 | - | - | 1,699 |
| Merrill Lynch | 13 | - | - | 13 |
| Morgan Stanley | (65) | - | - | (65) |
| National Australia Bank | (2) | - | - | (2) |
| Royal Bank of Canada | 44 | - | - | 44 |
| Societe Generale | (50) | - | - | (50) |
| Standard Chartered | 46 | - | - | 46 |
| State Street | 172 | - | - | 172 |
| Toronto Dominion Bank | 242 | - | - | 242 |
| UBS | 1 | - | - | 1 |
| | 20,534 | 1,110 | - | 21,644 |
| **31.01.18** | | | | |
| ANZ Banking Group | 123 | - | - | 123 |
| Barclays | 10,564 | - | - | 10,564 |
| BNP Paribas | 131 | - | - | 131 |
| Citibank | 403 | - | - | 403 |
| Credit Suisse | 161 | - | - | 161 |
| Deutsche Bank | 160 | - | - | 160 |
| Goldman Sachs | - | 35 | - | 35 |
| HSBC | (120) | - | - | (120) |
| JP Morgan | - | 2,281 | - | 2,281 |
| Merrill Lynch | 14,887 | - | - | 14,887 |
| Morgan Stanley | (67) | - | - | (67) |
| Royal Bank of Canada | 239 | - | - | 239 |
| Standard Chartered | 58 | - | - | 58 |
| State Street | 251 | - | - | 251 |
| UBS | (2) | - | 1,924 | 1,922 |
| | 26,788 | 2,316 | 1,924 | 31,028 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts, options contracts and swaps it is only the positive mark to market values that are reported.

## 18. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 2,317 | (1,244) | 4,194 | (486) |
| Level 2: Observable market data | 559,656 | (7,564) | 762,459 | (2,004) |
| Level 3: Unobservable data | 7,014 | - | 280 | - |
| Total | 568,987 | (8,808) | 766,933 | (2,490) |

## 19. Direct transaction costs

No portfolio transactions costs were incurred during the current or prior year.

There is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

**Dealing spread**

As at the balance sheet date, the average portfolio dealing spread was 0.47% (31.01.18: 0.47%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 20. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Gross Accumulation Shares | 12,073,736 | 1,052,538 | (4,694,233) | (446,189) | 7,985,852 |
| A-Class Gross Income Shares | 6,385,416 | 96,652 | (607,717) | (32,986) | 5,841,365 |
| B-Class Gross Accumulation Shares | 3,437 | - | - | - | 3,437 |
| B-Class Gross Income Shares | 55,148 | - | (5,949) | - | 49,199 |
| C-Class Gross Accumulation Shares | 58,549,996 | 23,845,059 | (10,893,769) | 239,722 | 71,741,008 |
| C-Class Gross Income Shares | 47,046,656 | 7,609,145 | (21,790,424) | (67,216) | 32,798,161 |
| I-Class Gross Accumulation Shares | 128,325,493 | 25,325,345 | (17,946,110) | (14,254,827) | 121,449,901 |
| I-Class Gross Income Shares | 343,916,398 | 30,462,997 | (231,963,427) | (583,951) | 141,832,017 |
| I-Class Monthly Gross Income Shares | 26,816,800 | 12,495,562 | (2,349,240) | 17,825,278 | 54,788,400 |
| X-Class Gross Accumulation Shares | 2,511,855 | - | (6,879) | - | 2,504,976 |
| X-Class Gross Income Shares | 129,852,540 | 36,405,242 | (26,685,962) | - | 139,571,820 |

# Distribution tables

## Final quarterly interest distribution in pence per share

Group 1 - Shares purchased prior to 1 November 2018
Group 2 - Shares purchased 1 November 2018 to 31 January 2019

| | Gross revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.550000 | - | 0.550000 | 0.390000 |
| Group 2 | 0.279332 | 0.270668 | 0.550000 | 0.390000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.430000 | - | 0.430000 | 0.310000 |
| Group 2 | 0.387083 | 0.042917 | 0.430000 | 0.310000 |
| **B-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.630000 | - | 0.630000 | 0.450000 |
| Group 2 | 0.630000 | 0.000000 | 0.630000 | 0.450000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 0.820000 | - | 0.820000 | 0.610000 |
| Group 2 | 0.820000 | 0.000000 | 0.820000 | 0.610000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.020000 | - | 1.020000 | 0.730000 |
| Group 2 | 0.646145 | 0.373855 | 1.020000 | 0.730000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 0.930000 | - | 0.930000 | 0.700000 |
| Group 2 | 0.491182 | 0.438818 | 0.930000 | 0.700000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.150000 | - | 1.150000 | 0.870000 |
| Group 2 | 0.674498 | 0.475502 | 1.150000 | 0.870000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 0.910000 | - | 0.910000 | 0.710000 |
| Group 2 | 0.317042 | 0.592958 | 0.910000 | 0.710000 |
| **X-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.280000 | - | 1.280000 | 1.000000 |
| Group 2 | 1.280000 | 0.000000 | 1.280000 | 1.000000 |
| **X-Class Gross Income Shares** | | | | |
| Group 1 | 0.970000 | - | 0.970000 | 0.790000 |
| Group 2 | 0.970000 | 0.000000 | 0.970000 | 0.790000 |

# Distribution tables – continued

## Third quarterly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 October 2018

| | Gross revenue | Equalisation | Distribution paid 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.570000 | – | 0.570000 | 0.440000 |
| Group 2 | 0.263958 | 0.306042 | 0.570000 | 0.440000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.440000 | – | 0.440000 | 0.350000 |
| Group 2 | 0.171118 | 0.268882 | 0.440000 | 0.350000 |
| **B-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.640000 | – | 0.640000 | 0.520000 |
| Group 2 | 0.640000 | 0.000000 | 0.640000 | 0.520000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 0.860000 | – | 0.860000 | 0.700000 |
| Group 2 | 0.860000 | 0.000000 | 0.860000 | 0.700000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.030000 | – | 1.030000 | 0.820000 |
| Group 2 | 0.603716 | 0.426284 | 1.030000 | 0.820000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 0.950000 | – | 0.950000 | 0.780000 |
| Group 2 | 0.495962 | 0.454038 | 0.950000 | 0.780000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.160000 | – | 1.160000 | 0.960000 |
| Group 2 | 0.647126 | 0.512874 | 1.160000 | 0.960000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 0.930000 | – | 0.930000 | 0.800000 |
| Group 2 | 0.545027 | 0.384973 | 0.930000 | 0.800000 |
| **X-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.310000 | – | 1.310000 | 1.100000 |
| Group 2 | 1.310000 | 0.000000 | 1.310000 | 1.100000 |
| **X-Class Gross Income Shares** | | | | |
| Group 1 | 0.990000 | – | 0.990000 | 0.860000 |
| Group 2 | 0.990000 | 0.000000 | 0.990000 | 0.860000 |

# Distribution tables – continued

## Second quarterly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 July 2018

| | Gross revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.520000 | – | 0.520000 | 0.340000 |
| Group 2 | 0.191057 | 0.328943 | 0.520000 | 0.340000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.420000 | – | 0.420000 | 0.270000 |
| Group 2 | 0.190558 | 0.229442 | 0.420000 | 0.270000 |
| **B-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.610000 | – | 0.610000 | 0.420000 |
| Group 2 | 0.610000 | 0.000000 | 0.610000 | 0.420000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 0.800000 | – | 0.800000 | 0.550000 |
| Group 2 | 0.800000 | 0.000000 | 0.800000 | 0.550000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.960000 | – | 0.960000 | 0.650000 |
| Group 2 | 0.477547 | 0.482453 | 0.960000 | 0.650000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 0.910000 | – | 0.910000 | 0.640000 |
| Group 2 | 0.501541 | 0.408459 | 0.910000 | 0.640000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.100000 | – | 1.100000 | 0.790000 |
| Group 2 | 0.689948 | 0.410052 | 1.100000 | 0.790000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 0.890000 | – | 0.890000 | 0.630000 |
| Group 2 | 0.517995 | 0.372005 | 0.890000 | 0.630000 |
| **X-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.240000 | – | 1.240000 | 0.920000 |
| Group 2 | 1.240000 | 0.000000 | 1.240000 | 0.920000 |
| **X-Class Gross Income Shares** | | | | |
| Group 1 | 0.960000 | – | 0.960000 | 0.730000 |
| Group 2 | 0.960000 | 0.000000 | 0.960000 | 0.730000 |

# Distribution tables – continued

## First quarterly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 30 April 2018

| | Gross revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.540000 | – | 0.540000 | 0.230000 |
| Group 2 | 0.282910 | 0.257090 | 0.540000 | 0.230000 |
| **A-Class Gross Income Shares** | | | | |
| Group 1 | 0.420000 | – | 0.420000 | 0.200000 |
| Group 2 | 0.127038 | 0.292962 | 0.420000 | 0.200000 |
| **B-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.590000 | – | 0.590000 | 0.320000 |
| Group 2 | 0.590000 | 0.000000 | 0.590000 | 0.320000 |
| **B-Class Gross Income Shares** | | | | |
| Group 1 | 0.810000 | – | 0.810000 | 0.420000 |
| Group 2 | 0.810000 | 0.000000 | 0.810000 | 0.420000 |
| **C-Class Gross Accumulation Shares** | | | | |
| Group 1 | 0.980000 | – | 0.980000 | 0.500000 |
| Group 2 | 0.496987 | 0.483013 | 0.980000 | 0.500000 |
| **C-Class Gross Accumulation Shares*** | | | | |
| Group 1 | – | – | – | 0.510000 |
| Group 2 | – | – | – | 0.510000 |
| **C-Class Gross Income Shares** | | | | |
| Group 1 | 0.920000 | – | 0.920000 | 0.490000 |
| Group 2 | 0.627028 | 0.292972 | 0.920000 | 0.490000 |
| **C-Class Gross Income Shares*** | | | | |
| Group 1 | – | – | – | 0.450000 |
| Group 2 | – | – | – | 0.450000 |
| **I-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.110000 | – | 1.110000 | 0.610000 |
| Group 2 | 0.188068 | 0.921932 | 1.110000 | 0.610000 |
| **I-Class Gross Accumulation Shares*** | | | | |
| Group 1 | – | – | – | 0.650000 |
| Group 2 | – | – | – | 0.650000 |
| **I-Class Gross Income Shares** | | | | |
| Group 1 | 0.900000 | – | 0.900000 | 0.510000 |
| Group 2 | 0.398473 | 0.501527 | 0.900000 | 0.510000 |
| **I-Class Gross Income Shares*** | | | | |
| Group 1 | – | – | – | 0.530000 |
| Group 2 | – | – | – | 0.530000 |
| **X-Class Gross Accumulation Shares** | | | | |
| Group 1 | 1.240000 | – | 1.240000 | 0.740000 |
| Group 2 | 1.240000 | 0.000000 | 1.240000 | 0.740000 |
| **X-Class Gross Accumulation Shares*** | | | | |
| Group 1 | – | – | – | 0.730000 |
| Group 2 | – | – | – | 0.730000 |
| **X-Class Gross Income Shares** | | | | |
| Group 1 | 0.960000 | – | 0.960000 | 0.590000 |
| Group 2 | 0.890325 | 0.069675 | 0.960000 | 0.590000 |

* Net share classes were renamed Gross at close of business 2 June 2017, subsequently, C-Class Gross Accumulation Shares, C-Class Gross Income Shares, I-Class Gross Accumulation Shares, I-Class Gross Income Shares and X-Class Gross Accumulation Shares closed on 2 June 2017.

# Distribution tables – continued

## Final monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 January 2019
Group 2 – Shares purchased 1 January 2019 to 31 January 2019

| | Gross revenue | Equalisation | Distribution payabale 28.02.19 | Distribution paid 28.02.18 |
|---|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.310000 | – | 0.310000 | 0.330000 |
| Group 2 | 0.310000 | 0.000000 | 0.310000 | 0.330000 |

## Eleventh monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 December 2018
Group 2 – Shares purchased 1 December 2018 to 31 December 2018

| | Gross revenue | Equalisation | Distribution paid 31.01.18 | Distribution paid 31.01.17 |
|---|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.350000 | – | 0.350000 | 0.220000 |
| Group 2 | 0.350000 | 0.000000 | 0.350000 | 0.220000 |

## Tenth monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2018
Group 2 – Shares purchased 1 November 2018 to 30 November 2018

| | Gross revenue | Equalisation | Distribution paid 31.12.18 | Distribution paid 31.12.17 |
|---|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.270000 | – | 0.270000 | 0.180000 |
| Group 2 | 0.270000 | 0.000000 | 0.270000 | 0.180000 |

## Ninth monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 October 2018
Group 2 – Shares purchased 1 October 2018 to 31 October 2018

| | Gross revenue | Equalisation | Distribution paid 30.11.18 | Distribution paid 30.11.17 |
|---|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.360000 | – | 0.360000 | 0.300000 |
| Group 2 | 0.360000 | 0.000000 | 0.360000 | 0.300000 |

## Eighth monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 September 2018
Group 2 – Shares purchased 1 September 2018 to 30 September 2018

| | Gross revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.290000 | – | 0.290000 | 0.210000 |
| Group 2 | 0.290000 | 0.000000 | 0.290000 | 0.210000 |

# Distribution tables – continued

## Seventh monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 August 2018

| | Gross revenue | Equalisation | Distribution paid 30.09.18 | Distribution paid 30.09.17 |
|---|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.300000 | – | 0.300000 | 0.300000 |
| Group 2 | 0.300000 | 0.000000 | 0.300000 | 0.300000 |

## Sixth monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 July 2018
Group 2 – Shares purchased 1 July 2018 to 31 July 2018

| | Gross revenue | Equalisation | Distribution paid 31.08.18 | Distribution paid 31.08.17 |
|---|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.300000 | – | 0.300000 | 0.310000 |
| Group 2 | 0.300000 | 0.000000 | 0.300000 | 0.310000 |

## Fifth monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 June 2018
Group 2 – Shares purchased 1 June 2018 to 30 June 2018

| | Gross revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.280000 | – | 0.280000 | 0.180000 |
| Group 2 | 0.280000 | 0.000000 | 0.280000 | 0.180000 |

## Fourth monthly interest distribution in pence per share

Group 1 – Not applicable
Group 2 – Shares purchased on 31 May 2018

| | Gross revenue | Equalisation | Distribution paid 30.06.18 | Distribution paid 14.07.17 |
|---|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | | |
| Group 1 | 0.330000 | – | 0.330000 | 0.190000 |
| Group 2 | 0.073140 | 0.256860 | 0.330000 | 0.190000 |

## Third monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 April 2018
Group 2 – Shares purchased 1 April 2018 to 30 April 2018

| | Gross revenue | Equalisation | Distribution paid 31.05.18 |
|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | |
| Group 1 | 0.330000 | – | 0.330000 |
| Group 2 | 0.330000 | 0.000000 | 0.330000 |

# Distribution tables – continued

## Second monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 March 2018
Group 2 – Shares purchased 1 March 2018 to 31 March 2018

| | Gross revenue | Equalisation | Distribution paid 30.04.18 |
|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | |
| Group 1 | 0.290000 | – | 0.290000 |
| Group 2 | 0.254972 | 0.035028 | 0.290000 |

## First monthly interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 28 February 2018

| | Gross revenue | Equalisation | Distribution paid 31.03.18 |
|---|---|---|---|
| **I-Class Monthly Gross Income Shares** | | | |
| Group 1 | 0.300000 | – | 0.300000 |
| Group 2 | 0.026788 | 0.273212 | 0.300000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent of the Fund, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM US Fund

## Important information

The merger of JPM US Fund into the JPM US Select Fund was approved at Extraordinary General Meeting held on 13 April 2018 and its effective date was 28 April 2018.

## Investment objective and policy

The Fund sought to provide capital growth over the long term by investing primarily through a portfolio invested in the shares of US companies.

US companies are companies that are incorporated under the laws of, and have their registered office in, the US, or that derive the predominant part of their economic activity from the US, even if listed elsewhere.

Financial Derivative Instruments may have been used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

Other instruments that were permitted are the stated investment and borrowing powers of the Company which included, but were not limited to, fixed interest securities, cash and cash equivalents may have been held on an ancillary basis, as appropriate.

The Fund invested predominantly in assets denominated in US Dollar. However, assets may have been denominated in other currencies and non-sterling currency exposure would not normally have been hedged back to sterling.

## Risk profile

Investment risks have been removed as this Fund closed on 27 April 2018 as part of a merger effective on 28 April 2018.

## Fund update

US equity markets posted a positive return during the period under review, even though they experienced a significant increase in volatility after an unusually mild 2017. Additionally, US equity markets outperformed other developed markets as well as emerging markets. The overall economic environment was positive, while the Federal Reserve (Fed) continued on its path of interest rate normalisation.

The Fund was merged into the JPM US Select Fund in April 2018.

## 12 month performance^ to 31 January

| | 2019 to closure | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM US Fund** A-Class Acc | **-0.4%** | **10.9%** | **36.8%** | **-3.9%** | **25.8%** |
| **JPM US Fund** B-Class Acc | **-0.2%** | **11.5%** | **37.5%** | **-3.4%** | **26.5%** |
| **JPM US Fund** C-Class Acc | **-0.1%** | **11.7%** | **37.9%** | **-3.1%** | **26.8%** |
| **JPM US Fund** I-Class Acc | **-0.1%** | **12.1%** | **38.3%** | **-2.9%** | **27.3%** |
| Benchmark Index | -2.0% | 11.5% | 34.9% | 4.8% | 24.6% |

## Fund statistics

| | |
|---|---|
| Fund size | **£0.0m** |
| Benchmark Index | **S&P 500 Index (Net of 15% withholding tax)** |

## Comparative tables

| **A-Class Accumulation Shares** | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 1,040.82 | 938.27 | 709.52 |
| Return before operating charges* | (1,037.09) | 119.03 | 242.50 |
| Operating charges | (3.73) | (16.48) | (13.75) |
| Return after operating charges* | (1,040.82) | 102.55 | 228.75 |
| Distributions | (0.32) | - | - |
| Retained distributions on accumulation shares | 0.32 | - | - |
| Closing net asset value per share | - | 1,040.82 | 938.27 |
| * after direct transaction costs of | - | (0.39) | (0.57) |
| **Performance** | | | |
| % Return after operating charges^^ | - | 10.93% | 32.24% |
| **Other information** | | | |
| Closing net asset value (£'000) | - | 213,238 | 234,977 |
| Closing number of shares | - | 20,487,467 | 25,043,656 |
| % Operating charges | - | 1.68% | 1.68% |
| % Direct transaction costs | - | 0.04% | 0.07% |
| **Prices** | | | |
| Highest share price | 1,063 | 1,074 | 969.6 |
| Lowest share price | 967.8 | 921.2 | 648.1 |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

## Comparative tables – continued

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 144.05 | 129.85 | 98.20 |
| Return before operating charges* | (143.49) | 16.48 | 33.54 |
| Operating charges | (0.55) | (2.28) | (1.89) |
| Return after operating charges* | (144.04) | 14.20 | 31.65 |
| Distributions | (0.01) | – | – |
| Closing net asset value per share | – | 144.05 | 129.85 |
| * after direct transaction costs of | – | (0.05) | (0.08) |
| **Performance** | | | |
| % Return after operating charges^^ | – | 10.94% | 32.23% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | 1,627 | 2,002 |
| Closing number of shares | – | 1,129,611 | 1,541,746 |
| % Operating charges | – | 1.68% | 1.68% |
| % Direct transaction costs | – | 0.04% | 0.07% |
| **Prices** | | | |
| Highest share price | 147.1 | 148.7 | 134.2 |
| Lowest share price | 133.9 | 127.5 | 89.70 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 1,068.63 | 958.56 | 721.12 |
| Return before operating charges* | (1,065.80) | 121.89 | 247.33 |
| Operating charges | (2.83) | (11.82) | (9.89) |
| Return after operating charges* | (1,068.63) | 110.07 | 237.44 |
| Distributions | (1.29) | (2.11) | (3.83) |
| Retained distributions on accumulation shares | 1.29 | 2.11 | 3.83 |
| Closing net asset value per share | – | 1,068.63 | 958.56 |
| * after direct transaction costs of | – | (0.40) | (0.58) |
| **Performance** | | | |
| % Return after operating charges^^ | – | 11.48% | 32.93% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | 1,509 | 2,061 |
| Closing number of shares | – | 141,156 | 214,996 |
| % Operating charges | – | 1.18% | 1.18% |
| % Direct transaction costs | – | 0.04% | 0.07% |
| **Prices** | | | |
| Highest share price | 1,092 | 1,103 | 990.3 |
| Lowest share price | 994.4 | 942.5 | 658.9 |

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 232.30 | 207.84 | 155.96 |
| Return before operating charges* | (231.86) | 26.49 | 53.56 |
| Operating charges | (0.44) | (2.03) | (1.68) |
| Return after operating charges* | (232.30) | 24.46 | 51.88 |
| Distributions | (0.46) | (1.01) | (1.28) |
| Retained distributions on accumulation shares | 0.46 | 1.01 | 1.28 |
| Closing net asset value per share | – | 232.30 | 207.84 |
| * after direct transaction costs of | – | (0.09) | (0.13) |
| **Performance** | | | |
| % Return after operating charges^^ | – | 11.77% | 33.26% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | 213,000 | 270,805 |
| Closing number of shares | – | 91,692,755 | 130,291,629 |
| % Operating charges | – | 0.93% | 0.93% |
| % Direct transaction costs | – | 0.04% | 0.07% |
| **Prices** | | | |
| Highest share price | 237.4 | 239.8 | 214.7 |
| Lowest share price | 216.2 | 204.5 | 142.5 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 223.78 | 201.12 | 151.88 |
| Return before operating charges* | (222.92) | 25.60 | 52.13 |
| Operating charges | (0.46) | (1.96) | (1.65) |
| Return after operating charges* | (223.38) | 23.64 | 50.48 |
| Distributions | (0.40) | (0.98) | (1.24) |
| Closing net asset value per share | – | 223.78 | 201.12 |
| * after direct transaction costs of | – | (0.08) | (0.12) |
| **Performance** | | | |
| % Return after operating charges^^ | – | 11.75% | 33.24% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | 8,266 | 8,647 |
| Closing number of shares | – | 3,693,922 | 4,299,249 |
| % Operating charges | – | 0.93% | 0.93% |
| % Direct transaction costs | – | 0.04% | 0.07% |
| **Prices** | | | |
| Highest share price | 228.7 | 232.0 | 209.0 |
| Lowest share price | 208.3 | 197.9 | 138.8 |

## Comparative tables – continued

| I-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 330.48 | 294.72 | 220.39 |
| Return before operating charges* | (330.02) | 37.63 | 75.88 |
| Operating charges | (0.46) | (1.87) | (1.55) |
| Return after operating charges* | (330.48) | 35.76 | 74.33 |
| Distributions | (0.82) | (2.46) | (2.66) |
| Retained distributions on accumulation shares | 0.82 | 2.46 | 2.66 |
| Closing net asset value per share | – | 330.48 | 294.72 |
| * after direct transaction costs of | – | (0.12) | (0.18) |
| **Performance** | | | |
| % Return after operating charges^^ | – | 12.13% | 33.73% |
| **Other information** | | | |
| Closing net asset value (£'000) | – | 27,648 | 20,307 |
| Closing number of shares | – | 8,366,132 | 6,890,468 |
| % Operating charges | – | 0.60% | 0.60% |
| % Direct transaction costs | – | 0.04% | 0.07% |
| **Prices** | | | |
| Highest share price | 337.9 | 341.1 | 304.4 |
| Lowest share price | 307.8 | 290.3 | 201.5 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 420 and 421, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 27 April 2018.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Portfolio statement

As the Fund closed on 27 April 2018 there were no investments as at 31 January 2019.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital (losses)/gains (Note 2) | | (5,682) | | 51,100 |
| Revenue (Note 3) | 1,992 | | 8,304 | |
| Expenses (Note 4) | (1,151) | | (6,217) | |
| Net revenue before taxation | 841 | | 2,087 | |
| Taxation (Note 5) | (247) | | (1,373) | |
| Net revenue after taxation | | 594 | | 714 |
| **Total return before distributions** | | **(5,088)** | | **51,814** |
| Distributions (Note 6) | | (552) | | (1,349) |
| **Change in net assets attributable to shareholders from investment activities** | | **(5,640)** | | **50,465** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **465,288** | | **538,799** |
| Amounts transferred to PM US Select Fund | | (363,257) | | - |
| Amounts receivable on issue of shares | 12,185 | | 44,307 | |
| Amounts payable on cancellation of shares | (109,120) | | (169,439) | |
| | | (96,935) | | (125,132) |
| Dilution adjustment | | 71 | | 21 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (5,640) | | 50,465 |
| Retained distributions on accumulation shares | | 475 | | 1,135 |
| Loss accumulated following Fund closure | | (2) | | - |
| **Closing net assets attributable to shareholders** | | **-** | | **465,288** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| **Current assets:** | | |
| Investments | - | 454,402 |
| Debtors (Note 8) | 2 | 3,427 |
| Cash and bank balances (Note 9) | - | 15,773 |
| **Total assets** | **2** | **473,602** |
| **Liabilities:** | | |
| Investment liabilities | - | (25) |
| **Creditors:** | | |
| Distribution payable | - | (36) |
| Other creditors (Note 10) | (2) | (8,253) |
| **Total liabilities** | **(2)** | **(8,314)** |
| **Net assets attributable to shareholders** | **-** | **465,288** |

The notes to these financial statements are shown on pages 418 to 421.

* Adjustments have been made to reclassify fixed assets as current assets as detailed in note 1 (a) on page 12.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM US Fund are disclosed on pages 12 and 13.

## 2. Net capital (losses)/gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains/(losses) | 588 | (1,335) |
| Derivative contracts | (923) | 1,575 |
| Forward currency contracts | (30) | - |
| Non-derivative securities | (5,317) | 50,860 |
| Net capital (losses)/gains | (5,682) | 51,100 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Franked income from UK equity investments | - | 87 |
| Income from overseas equity investments | 1,987 | 8,205 |
| Interest on bank and term deposits | 5 | 12 |
| Total revenue | 1,992 | 8,304 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 1,095 | 5,363 |
| Operating expenses | 55 | 849 |
| | 1,150 | 6,212 |
| Interest payable | 1 | 5 |
| Total expenses | 1,151 | 6,217 |

The fees paid to the auditor for the year ended 31 January 2019 are £5,979 (31.01.18: £5,979), with additional fees of £633 (31.01.18:£594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 247 | 1,373 |
| Current year tax charge (Note 5b) | 247 | 1,373 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is greater than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 841 | 2,087 |
| Corporation tax at 20% | 168 | 417 |
| Effects of: | | |
| Dividends not subject to corporation tax | (390) | (1,556) |
| Excess expenses for which no relief taken | 223 | 1,154 |
| Overseas tax expensed | (1) | (15) |
| Overseas tax suffered | 247 | 1,373 |
| | 79 | 956 |
| Current year tax charge (Note 5a) | 247 | 1,373 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £7,732,500 (31.01.18: £7,509,099) in relation to £38,662,502 (31.01.18: £37,545,493) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 490 | 1,171 |
| Add: Amounts payable on cancellation of shares | 70 | 197 |
| Deduct: Amounts receivable on issue of shares | (8) | (19) |
| Distributions for the year | 552 | 1,349 |

Details of the distribution per share are set out on page 422.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 594 | 714 |
| Add: Deficit taken to capital | - | 596 |
| Add: RDR transfer equalisation (capital) | - | 38 |
| Add: Undistributed revenue brought forward | 8 | 9 |
| Deduct: Undistributed revenue carried forward | (50) | (8) |
| | 552 | 1,349 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | - | 218 |
| Due from the ACD for shares issued | - | 100 |
| Property income tax recoverable | 2 | 2 |
| Sales awaiting settlement | - | 3,107 |
| Total debtors | 2 | 3,427 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Amounts held at futures clearing houses and brokers | - | 562 |
| Cash and bank balances | - | 15,211 |
| Total cash and bank balances | - | 15,773 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 2 | 506 |
| Due to the ACD for shares cancelled | - | 3,377 |
| Purchases awaiting settlement | - | 4,370 |
| Total other creditors | 2 | 8,253 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

# Notes to the financial statements – continued

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £nil (31.01.18: £3,782,889). Details of related party transactions are given under the note on page 13.

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current year or prior year.

## 14. Financial instruments

### Currency exposures

As at the Fund closed on 27 April 2018 there were no investments as at 31 January 2019.

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | Net foreign currency assets | | |
|---|---|---|---|
| Currency | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.18** | | | |
| US Dollar | 467,340 | 12,963 | 454,377 |
| Euro | 5 | 5 | – |

### Interest rate risk

The Fund closed on 27 April 2018, as at year end date nil% (31.01.18: 3.39%) of the Fund's net assets by value were interest bearing.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently had four share classes; Class A Shares, Class B Shares, Class C Shares and Class I Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge were as below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |
| Class I Shares: | 0.60% | 0.00% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 414 and 416. All classes have the same rights on winding up.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | – | – | 454,402 | (25) |
| Total | – | – | 454,402 | (25) |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (361,298) | (50) | – | (361,348) | 0.01 | 0.00 |
| | (361,298) | (50) | – | (361,348) | | |
| **Sales*** | | | | | | |
| Sales of Equity stocks | 455,267 | (73) | (11) | 455,183 | 0.02 | 0.00 |
| **In-specie sales** | | | | | | |
| Sales of Equity stocks | 355,308 | – | (1) | 355,307 | 0.00 | 0.00 |
| | 810,575 | (73) | (12) | 810,490 | | |
| Total | | (123) | (12) | | | |
| Percentage of Fund average net assets | | 0.03% | 0.00% | | | |

* Excluding in specie and corporate action activity

## 18. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (323,389) | (76) | - | (323,465) | 0.02 | 0.00 |
| | (323,389) | (76) | - | (323,465) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 444,572 | (116) | (10) | 444,446 | 0.03 | 0.00 |
| | 444,572 | (116) | (10) | 444,446 | | |
| Total | | (192) | (10) | | | |
| Percentage of Fund average net assets | | 0.04% | 0.00% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was nil% (31.01.18: 0.02%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 20,487,467 | 779,882 | (21,250,983) | (16,366) | - |
| A-Class Income Shares | 1,129,611 | 69,310 | (1,204,216) | 5,295 | - |
| B-Class Accumulation Shares | 141,156 | 230 | (141,386) | - | - |
| C-Class Accumulation Shares | 91,692,755 | 1,740,831 | (93,451,006) | 17,420 | - |
| C-Class Income Shares | 3,693,922 | 193,834 | (3,942,253) | 54,497 | - |
| I-Class Accumulation Shares | 8,366,132 | 8,515 | (8,374,647) | - | - |

# Distribution table

## Final distribution in pence per share

Group 1 - Shares purchased prior to 1 February 2018
Group 2 - Shares purchased 1 February 2018 to 27 April 2018

| | Net revenue | Equalisation | Distribution payable 27.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.315333 | - | 0.315333 | 0.000000 |
| Group 2 | 0.000000 | 0.315333 | 0.315333 | 0.000000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.007215 | - | 0.007215 | 0.000000 |
| Group 2 | 0.000000 | 0.007215 | 0.007215 | 0.000000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.285654 | - | 1.285654 | 2.110000 |
| Group 2 | 0.065543 | 1.220111 | 1.285654 | 2.110000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 0.459472 | - | 0.459472 | 1.010000 |
| Group 2 | 0.162433 | 0.297039 | 0.459472 | 1.010000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 0.404301 | - | 0.404301 | 0.980000 |
| Group 2 | 0.122927 | 0.281374 | 0.404301 | 0.980000 |
| **I-Class Accumulation Shares** | | | | |
| Group 1 | 0.821710 | - | 0.821710 | 2.460000 |
| Group 2 | 0.378895 | 0.442815 | 0.821710 | 2.460000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# JPM US Equity Income Fund

## Investment objective and policy

To provide a portfolio designed to achieve income by investing primarily in US Equities in any economic sector whilst participating in long term capital growth.

US Equities are securities issued by companies that are incorporated under the laws of, and have their registered office in, the US, or that derive the predominant part of their economic activity from the US, even if listed elsewhere.

**Financial Derivative Instruments (derivatives) may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives in the Prospectus). Subject to at least 60 days notice to shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.**

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 invest predominantly in assets denominated in US Dollar. However, assets may be denominated in other currencies and non-sterling currency exposure will not normally be hedged 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.

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

The single market in which the Fund primarily invests, in this case the US, may be subject to particular political and economic risks and, as a result, the Fund 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 the investor from participating in an increase in the value of that currency. Please refer to 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

The Standard & Poor's 500 Index (S&P 500®) ended the period in negative territory after a fourth quarter drawdown that saw a more prolonged increase in market volatility. 2018 started off with a short-lived uptick in volatility, partially driven by concerns over interest rate movements, trade policy and the long-term implications of the Tax Cuts and Jobs Act. The second half of the year started off strongly as earnings growth was driven by record margins, with 80% of companies exceeding earnings estimates and 62% beating revenue estimates for the second quarter. Robust corporate profits partially tempered the effects of a flattening yield curve and trade uncertainty over the course of the third quarter. The last three months of the calendar year, however, witnessed a significant drawdown characterised by heightened volatility.

The Fund posted a negative return and underperformed its benchmark for the 12-month period. Performance during the period was a tale of two halves: during the first nine months, growth stocks considerably outperformed value stocks and non-dividend payers outperformed dividend payers. However, as volatility picked up in the fourth quarter, investors shifted towards more defensive stocks, and ultimately value and dividend stocks provided better downside protection. Overall, stock selection was positive, whilst the main driver of the underperformance was sector allocation. In particular, our overweight allocation in the financials sector and an underweight allocation in the technology sector detracted from performance.

## Fund outlook

We continue to focus on the fundamentals of the economy and of company earnings. Our core analysts' estimate currently projects 4% growth for 2019 S&P 500® earnings. Whilst subject to revision, this forecast reflects our expectations for continued, albeit modest, growth in the underlying economy and includes our best analysis of earnings expectations during the year. The implications of trade and Federal Reserve policy will be integral to investor sentiment and will likely contribute to volatility.

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM US Equity Income Fund** A-Class Acc | **3.1%** | **6.4%** | **39.6%** | **-2.9%** | **24.6%** |
| **JPM US Equity Income Fund** B-Class Acc | **3.4%** | **7.0%** | **40.4%** | **-2.5%** | **25.2%** |
| **JPM US Equity Income Fund** C-Class Acc | **3.8%** | **7.2%** | **40.7%** | **-2.2%** | **25.5%** |
| **JPM US Equity Income Fund** X-Class Acc | **4.6%** | **8.2%** | **42.1%** | **-1.4%** | **26.5%** |
| **JPM US Equity Income Fund** K-Class Acc | **4.0%** | **3.7%** | **–** | **–** | **–** |
| Benchmark Index | 5.3% | 11.5% | 34.9% | 4.8% | 24.6% |
| **JPM US Equity Income Fund** A-Class Inc (GBP Hedged) | **-6.4%** | **19.6%** | **20.1%** | **-7.8%** | **14.3%** |
| **JPM US Equity Income Fund** C-Class Inc (GBP Hedged) | **-5.7%** | **20.5%** | **22.3%** | **-7.0%** | **15.0%** |
| **JPM US Equity Income Fund** K-Class Inc (GBP Hedged) | **-5.5%** | **10.1%** | **–** | **–** | **–** |
| Hedged Benchmark Index | -4.6% | 24.1% | 18.7% | -1.6% | 14.0% |

## Fund statistics

| | | | | | |
|---|---|---|---|---|---|
| Risk and Reward Profile | | | | | **5† (5 at 31 July 2018)** |
| Fund size | | | | | **£3,294.7m** |
| Benchmark Index | | | | | **S&P 500 Index (Net of 15% withholding tax)** |
| Hedged Benchmark Index | | | | | **S&P 500 Index (Net of 15% withholding tax) Hedged to GBP** |
| Fund charges and expenses | A-Class | B-Class | C-Class | K-Class | X-Class |
| Initial charge (max.) | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| Exit charge | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| Fund expenses (comprises) | | | | | |
| Annual management fee | **1.50%** | **1.00%** | **0.75%** | **0.60%** | **–A** |
| Operating expenses (max.) | **0.15%** | **0.15%** | **0.15%** | **0.15%** | **0.06%** |

## Comparative tables

| **A-Class Accumulation Shares** | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 176.77 | 166.11 | 122.83 |
| Return before operating charges* | 8.18 | 13.52 | 45.70 |
| Operating charges | (2.82) | (2.86) | (2.42) |
| Return after operating charges* | 5.36 | 10.66 | 43.28 |
| Distributions | (3.97) | (3.50) | (3.15) |
| Retained distributions on accumulation shares | 3.97 | 3.50 | 3.15 |
| Closing net asset value per share | 182.13 | 176.77 | 166.11 |
| * after direct transaction costs of | (0.02) | (0.02) | (0.01) |
| **Performance** | | | |
| % Return after operating charges^^ | 3.03% | 6.42% | 35.24% |
| **Other information** | | | |
| Closing net asset value (£'000) | 60,557 | 66,325 | 85,687 |
| Closing number of shares | 33,248,515 | 37,521,136 | 51,584,448 |
| % Operating charges | 1.56% | 1.68% | 1.68% |
| % Direct transaction costs | 0.01% | 0.01% | 0.01% |
| **Prices** | | | |
| Highest share price | 198.3 | 181.6 | 171.7 |
| Lowest share price | 160.1 | 160.8 | 114.2 |

† 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

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

A The Ongoing charge will vary in accordance to the annual management fee agreed between the ACD and the relevant JPMorgan Chase & Co. entity.
Source: J.P. Morgan.

## Comparative tables – continued

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 142.96 | 137.13 | 103.60 |
| Return before operating charges* | 6.58 | 11.03 | 38.19 |
| Operating charges | (2.31) | (2.33) | (2.03) |
| Return after operating charges* | 4.27 | 8.70 | 36.16 |
| Distributions | (3.13) | (2.87) | (2.63) |
| Closing net asset value per share | 144.10 | 142.96 | 137.13 |
| * after direct transaction costs of | (0.01) | (0.01) | (0.01) |
| **Performance** | | | |
| % Return after operating charges^^ | 2.99% | 6.34% | 34.90% |
| **Other information** | | | |
| Closing net asset value (£'000) | 18,662 | 18,781 | 141,795 |
| Closing number of shares | 12,951,386 | 13,137,585 | 103,400,569 |
| % Operating charges | 1.59% | 1.68% | 1.68% |
| % Direct transaction costs | 0.01% | 0.01% | 0.01% |
| **Prices** | | | |
| Highest share price | 157.8 | 147.6 | 142.4 |
| Lowest share price | 129.4 | 132.0 | 96.30 |

| A-Class Income GBP Hedged Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 125.68 | 107.22 | 94.23 |
| Return before operating charges* | (6.04) | 22.67 | 16.94 |
| Operating charges | (1.96) | (1.89) | (1.71) |
| Return after operating charges* | (8.00) | 20.78 | 15.23 |
| Distributions | (2.48) | (2.32) | (2.24) |
| Closing net asset value per share | 115.20 | 125.68 | 107.22 |
| * after direct transaction costs of | (0.01) | (0.01) | (0.01) |
| **Performance** | | | |
| % Return after operating charges^^ | (6.37)% | 19.38% | 16.16% |
| **Other information** | | | |
| Closing net asset value (£'000) | 583 | 740 | 1,567 |
| Closing number of shares | 505,792 | 588,372 | 1,461,634 |
| % Operating charges | 1.65% | 1.68% | 1.68% |
| % Direct transaction costs | 0.01% | 0.01% | 0.01% |
| **Prices** | | | |
| Highest share price | 125.8 | 128.5 | 108.9 |
| Lowest share price | 106.9 | 106.9 | 88.09 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 255.11 | 238.55 | 175.46 |
| Return before operating charges* | 11.81 | 19.46 | 65.52 |
| Operating charges | (3.01) | (2.90) | (2.43) |
| Return after operating charges* | 8.80 | 16.56 | 63.09 |
| Distributions | (5.48) | (5.05) | (4.50) |
| Retained distributions on accumulation shares | 5.48 | 5.05 | 4.50 |
| Closing net asset value per share | 263.91 | 255.11 | 238.55 |
| * after direct transaction costs of | (0.03) | (0.02) | (0.02) |
| **Performance** | | | |
| % Return after operating charges^^ | 3.45% | 6.94% | 35.96% |
| **Other information** | | | |
| Closing net asset value (£'000) | 2,055 | 2,324 | 3,395 |
| Closing number of shares | 778,741 | 910,982 | 1,423,017 |
| % Operating charges | 1.15% | 1.18% | 1.18% |
| % Direct transaction costs | 0.01% | 0.01% | 0.01% |
| **Prices** | | | |
| Highest share price | 287.1 | 262.0 | 246.4 |
| Lowest share price | 231.2 | 231.2 | 163.2 |

| B-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 289.78 | 276.66 | 207.90 |
| Return before operating charges* | 13.36 | 22.26 | 76.88 |
| Operating charges | (3.34) | (3.34) | (2.82) |
| Return after operating charges* | 10.02 | 18.92 | 74.06 |
| Distributions | (6.22) | (5.80) | (5.30) |
| Closing net asset value per share | 293.58 | 289.78 | 276.66 |
| * after direct transaction costs of | (0.03) | (0.03) | (0.02) |
| **Performance** | | | |
| % Return after operating charges^^ | 3.46% | 6.84% | 35.62% |
| **Other information** | | | |
| Closing net asset value (£'000) | 6,134 | 8,704 | 18,625 |
| Closing number of shares | 2,089,486 | 3,003,688 | 6,731,948 |
| % Operating charges | 1.13% | 1.18% | 1.18% |
| % Direct transaction costs | 0.01% | 0.01% | 0.01% |
| **Prices** | | | |
| Highest share price | 321.3 | 299.1 | 287.3 |
| Lowest share price | 262.6 | 266.7 | 193.3 |

## Comparative tables – continued

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 252.52 | 235.53 | 172.78 |
| Return before operating charges* | 11.74 | 19.24 | 64.66 |
| Operating charges | (2.06) | (2.25) | (1.91) |
| Return after operating charges* | 9.68 | 16.99 | 62.75 |
| Distributions | (5.72) | (4.99) | (4.44) |
| Retained distributions on accumulation shares | 5.72 | 4.99 | 4.44 |
| Closing net asset value per share | 262.20 | 252.52 | 235.53 |
| * after direct transaction costs of | (0.03) | (0.02) | (0.02) |
| **Performance** | | | |
| % Return after operating charges^^ | 3.83% | 7.21% | 36.32% |
| **Other information** | | | |
| Closing net asset value (£'000) | 568,400 | 600,857 | 695,550 |
| Closing number of shares | 216,782,574 | 237,943,051 | 295,317,379 |
| % Operating charges | 0.79% | 0.93% | 0.93% |
| % Direct transaction costs | 0.01% | 0.01% | 0.01% |
| **Prices** | | | |
| Highest share price | 285.1 | 259.3 | 243.3 |
| Lowest share price | 228.9 | 228.5 | 160.7 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 298.42 | 284.19 | 212.97 |
| Return before operating charges* | 13.80 | 22.90 | 78.98 |
| Operating charges | (2.38) | (2.70) | (2.33) |
| Return after operating charges* | 11.42 | 20.20 | 76.65 |
| Distributions | (6.74) | (5.97) | (5.43) |
| Closing net asset value per share | 303.10 | 298.42 | 284.19 |
| * after direct transaction costs of | (0.03) | (0.03) | (0.02) |
| **Performance** | | | |
| % Return after operating charges^^ | 3.83% | 7.11% | 35.99% |
| **Other information** | | | |
| Closing net asset value (£'000) | 1,665,487 | 2,038,460 | 2,752,869 |
| Closing number of shares | 549,487,221 | 683,085,852 | 968,676,207 |
| % Operating charges | 0.78% | 0.93% | 0.93% |
| % Direct transaction costs | 0.01% | 0.01% | 0.01% |
| **Prices** | | | |
| Highest share price | 331.6 | 308.0 | 295.1 |
| Lowest share price | 270.5 | 274.0 | 198.0 |

| C-Class Income GBP Hedged Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 178.24 | 150.91 | 130.18 |
| Return before operating charges* | (8.65) | 32.10 | 25.19 |
| Operating charges | (1.39) | (1.49) | (1.33) |
| Return after operating charges* | (10.04) | 30.61 | 23.86 |
| Distributions | (3.66) | (3.28) | (3.13) |
| Closing net asset value per share | 164.54 | 178.24 | 150.91 |
| * after direct transaction costs of | (0.02) | (0.02) | (0.01) |
| **Performance** | | | |
| % Return after operating charges^^ | (5.63)% | 20.28% | 18.33% |
| **Other information** | | | |
| Closing net asset value (£'000) | 150,315 | 106,812 | 114,967 |
| Closing number of shares | 91,354,847 | 59,924,488 | 76,179,957 |
| % Operating charges | 0.82% | 0.93% | 0.93% |
| % Direct transaction costs | 0.01% | 0.01% | 0.01% |
| **Prices** | | | |
| Highest share price | 179.4 | 182.2 | 153.2 |
| Lowest share price | 152.5 | 150.5 | 122.1 |

| K-Class Accumulation Shares | 2019‡ pps | 2018‡‡ pps |
|---|---|---|
| **Change in net asset value per share** | | |
| Opening net asset value per share | 103.65 | 100.00 |
| Return before operating charges* | 4.81 | 3.86 |
| Operating charges | (0.72) | (0.21) |
| Return after operating charges* | 4.09 | 3.65 |
| Distributions | (2.32) | (0.60) |
| Retained distributions on accumulation shares | 2.32 | 0.60 |
| Closing net asset value per share | 107.74 | 103.65 |
| * after direct transaction costs of | (0.01) | (0.01) |
| **Performance** | | |
| % Return after operating charges^^ | 3.95% | 3.65% |
| **Other information** | | |
| Closing net asset value (£'000) | 24,733 | 21,454 |
| Closing number of shares | 22,956,231 | 20,699,031 |
| % Operating charges | 0.67% | 0.78% |
| % Direct transaction costs | 0.01% | 0.01% |
| **Prices** | | |
| Highest share price | 117.1 | 106.4 |
| Lowest share price | 93.97 | 100.0 |

## Comparative tables – continued

| K-Class Income Shares | 2019‡ pps | 2018‡‡ pps |
|---|---|---|
| **Change in net asset value per share** | | |
| Opening net asset value per share | 103.08 | 100.00 |
| Return before operating charges* | 4.76 | 3.90 |
| Operating charges | (0.67) | (0.21) |
| Return after operating charges* | 4.09 | 3.69 |
| Distributions | (2.33) | (0.61) |
| Closing net asset value per share | 104.84 | 103.08 |
| * after direct transaction costs of | (0.01) | (0.01) |
| **Performance** | | |
| % Return after operating charges^^ | 3.97% | 3.69% |
| **Other information** | | |
| Closing net asset value (£'000) | 708,573 | 708,525 |
| Closing number of shares | 675,829,568 | 687,387,961 |
| % Operating charges | 0.63% | 0.78% |
| % Direct transaction costs | 0.01% | 0.01% |
| **Prices** | | |
| Highest share price | 114.7 | 106.4 |
| Lowest share price | 93.45 | 100.0 |

| K-Class Income GBP Hedged Shares | 2019‡ pps | 2018‡‡ pps |
|---|---|---|
| **Change in net asset value per share** | | |
| Opening net asset value per share | 109.51 | 100.00 |
| Return before operating charges* | (5.31) | 10.29 |
| Operating charges | (0.67) | (0.22) |
| Return after operating charges* | (5.98) | 10.07 |
| Distributions | (2.27) | (0.56) |
| Closing net asset value per share | 101.26 | 109.51 |
| * after direct transaction costs of | (0.01) | (0.01) |
| **Performance** | | |
| % Return after operating charges^^ | (5.46)% | 10.07% |
| **Other information** | | |
| Closing net asset value (£'000) | 45,059 | 50,197 |
| Closing number of shares | 44,497,407 | 45,838,708 |
| % Operating charges | 0.65% | 0.78% |
| % Direct transaction costs | 0.01% | 0.01% |
| **Prices** | | |
| Highest share price | 110.3 | 111.9 |
| Lowest share price | 93.84 | 100.0 |

| X-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 197.27 | 182.40 | 132.59 |
| Return before operating charges* | 9.19 | 14.98 | 49.90 |
| Operating charges | (0.07) | (0.11) | (0.09) |
| Return after operating charges* | 9.12 | 14.87 | 49.81 |
| Distributions | (4.50) | (4.10) | (3.63) |
| Retained distributions on accumulation shares | 4.50 | 4.10 | 3.63 |
| Closing net asset value per share | 206.39 | 197.27 | 182.40 |
| * after direct transaction costs of | (0.02) | (0.02) | (0.02) |
| **Performance** | | | |
| % Return after operating charges^^ | 4.62% | 8.15% | 37.57% |
| **Other information** | | | |
| Closing net asset value (£'000) | 44,138 | 36,060 | 34,587 |
| Closing number of shares | 21,386,019 | 18,279,439 | 18,961,799 |
| % Operating charges | 0.04% | 0.06% | 0.06% |
| % Direct transaction costs | 0.01% | 0.01% | 0.01% |
| **Prices** | | | |
| Highest share price | 224.1 | 202.4 | 188.4 |
| Lowest share price | 179.0 | 177.4 | 123.4 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 434 and 435, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 31 January 2019.
‡‡ K-Class Accumulation and K-Class Income shares were launched on 16 October 2017.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Sector breakdown

| | % |
|---|---|
| Financials | 26.20 |
| Health Care | 13.72 |
| Information Technology | 9.54 |
| Industrials | 8.88 |
| Consumer Discretionary | 8.26 |
| Energy | 7.92 |
| Consumer Staples | 7.08 |
| Utilities | 5.06 |
| Materials | 4.81 |
| Communication Services | 3.52 |
| Real Estate | 3.20 |
| Liquidity Funds | 2.04 |
| Forward Currency Contracts^ | 0.10 |
| Net other liabilities | (0.33) |

^ The forward currency contracts are only entered into by the A-Class Income GBP Hedged shares, C-Class Income GBP Hedged shares and K-Class Income GBP Hedged shares.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 98.19% (98.57%)** | | | |
| **Communication Services 3.52% (2.94%)** | | | |
| **Diversified Telecommunication Services 1.66% (1.47%)** | | | |
| Verizon Communications, Inc. | 1,332,280 | 54,783 | 1.66 |
| | | **54,783** | **1.66** |
| **Media 1.86% (1.47%)** | | | |
| Comcast Corp. 'A' | 2,263,990 | 61,074 | 1.86 |
| | | **61,074** | **1.86** |
| **Communication Services total** | | **115,857** | **3.52** |
| **Consumer Discretionary 8.26% (5.32%)** | | | |
| **Distributors 0.58% (1.23%)** | | | |
| Genuine Parts Co. | 251,180 | 19,019 | 0.58 |
| | | **19,019** | **0.58** |
| **Hotels, Restaurants & Leisure 3.36% (1.59%)** | | | |
| Las Vegas Sands Corp. | 428,430 | 19,261 | 0.59 |
| McDonald's Corp. | 411,230 | 56,921 | 1.73 |
| Starbucks Corp. | 415,460 | 21,558 | 0.65 |
| Wyndham Hotels & Resorts, Inc. | 343,430 | 12,911 | 0.39 |
| | | **110,651** | **3.36** |
| **Leisure Products 0.76% (0.00%)** | | | |
| Hasbro, Inc. | 362,570 | 25,137 | 0.76 |
| | | **25,137** | **0.76** |
| **Multiline Retail 0.76% (0.00%)** | | | |
| Target Corp. | 452,970 | 24,956 | 0.76 |
| | | **24,956** | **0.76** |
| **Specialty Retail 2.30% (2.16%)** | | | |
| Home Depot, Inc. (The) | 402,620 | 55,867 | 1.69 |
| Tiffany & Co. | 298,420 | 19,996 | 0.61 |
| | | **75,863** | **2.30** |
| **Textiles, Apparel & Luxury Goods 0.50% (0.34%)** | | | |
| VF Corp. | 254,620 | 16,408 | 0.50 |
| | | **16,408** | **0.50** |
| **Consumer Discretionary total** | | **272,034** | **8.26** |
| **Consumer Staples 7.08% (8.64%)** | | | |
| **Beverages 1.76% (2.94%)** | | | |
| Coca-Cola Co. (The) | 940,220 | 34,265 | 1.04 |
| PepsiCo, Inc. | 282,730 | 23,859 | 0.72 |
| | | **58,124** | **1.76** |
| **Food & Staples Retailing 0.50% (1.41%)** | | | |
| Walmart, Inc. | 228,690 | 16,510 | 0.50 |
| | | **16,510** | **0.50** |
| **Food Products 1.47% (1.52%)** | | | |
| Kraft Heinz Co. (The) | 214,400 | 7,631 | 0.23 |
| Mondelez International, Inc. 'A' | 1,227,890 | 40,951 | 1.24 |
| | | **48,582** | **1.47** |
| **Household Products 0.93% (0.34%)** | | | |
| Procter & Gamble Co. (The) | 423,440 | 30,479 | 0.93 |
| | | **30,479** | **0.93** |
| **Tobacco 2.42% (2.43%)** | | | |
| Altria Group, Inc. | 1,160,420 | 42,245 | 1.28 |
| Philip Morris International, Inc. | 660,460 | 37,465 | 1.14 |
| | | **79,710** | **2.42** |
| **Consumer Staples total** | | **233,405** | **7.08** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Energy 7.92% (9.76%)** | | | |
| **Energy Equipment & Services 0.00% (0.69%)** | | | |
| **Oil, Gas & Consumable Fuels 7.92% (9.07%)** | | | |
| Chevron Corp. | 1,176,420 | 101,272 | 3.07 |
| ConocoPhillips | 1,388,520 | 69,542 | 2.11 |
| Exxon Mobil Corp. | 286,240 | 15,762 | 0.48 |
| Occidental Petroleum Corp. | 1,084,080 | 55,294 | 1.68 |
| Valero Energy Corp. | 298,720 | 18,927 | 0.58 |
| | | **260,797** | **7.92** |
| **Energy total** | | **260,797** | **7.92** |
| **Financials 26.20% (30.89%)** | | | |
| **Banks 9.97% (12.51%)** | | | |
| Bank of America Corp. | 4,762,330 | 105,439 | 3.20 |
| BB&T Corp. | 931,370 | 34,744 | 1.05 |
| Cullen/Frost Bankers, Inc. | 281,120 | 21,244 | 0.65 |
| M&T Bank Corp. | 141,250 | 17,875 | 0.54 |
| PNC Financial Services Group, Inc. (The) | 702,120 | 66,121 | 2.01 |
| US Bancorp | 952,590 | 37,030 | 1.12 |
| Wells Fargo & Co. | 1,209,260 | 46,132 | 1.40 |
| | | **328,585** | **9.97** |
| **Capital Markets 6.33% (8.14%)** | | | |
| BlackRock, Inc. | 201,850 | 62,773 | 1.91 |
| CME Group, Inc. | 627,934 | 86,237 | 2.62 |
| Northern Trust Corp. | 369,400 | 25,160 | 0.76 |
| T Rowe Price Group, Inc. | 506,080 | 34,397 | 1.04 |
| | | **208,567** | **6.33** |
| **Consumer Finance 1.58% (1.92%)** | | | |
| Capital One Financial Corp. | 428,540 | 26,404 | 0.80 |
| Discover Financial Services | 495,650 | 25,560 | 0.78 |
| | | **51,964** | **1.58** |
| **Insurance 8.32% (8.32%)** | | | |
| Arthur J Gallagher & Co. | 454,160 | 25,205 | 0.77 |
| Chubb Ltd. | 313,980 | 31,754 | 0.96 |
| Cincinnati Financial Corp. | 132,639 | 8,101 | 0.25 |
| Hartford Financial Services Group, Inc. (The) | 1,355,659 | 48,145 | 1.46 |
| Marsh & McLennan Cos., Inc. | 110,280 | 7,035 | 0.21 |
| MetLife, Inc. | 1,163,950 | 40,096 | 1.22 |
| Progressive Corp. (The) | 339,480 | 17,258 | 0.52 |
| Prudential Financial, Inc. | 561,510 | 39,049 | 1.19 |
| Travelers Cos., Inc. (The) | 599,650 | 57,481 | 1.74 |
| | | **274,124** | **8.32** |
| **Financials total** | | **863,240** | **26.20** |
| **Health Care 13.72% (11.07%)** | | | |
| **Biotechnology 0.81% (0.93%)** | | | |
| Gilead Sciences, Inc. | 505,190 | 26,871 | 0.81 |
| | | **26,871** | **0.81** |
| **Health Care Equipment & Supplies 2.95% (2.11%)** | | | |
| Abbott Laboratories | 297,950 | 16,264 | 0.49 |
| Becton Dickinson and Co. | 223,240 | 41,737 | 1.27 |
| Medtronic plc | 587,410 | 39,284 | 1.19 |
| | | **97,285** | **2.95** |
| **Health Care Providers & Services 0.62% (0.00%)** | | | |
| CVS Health Corp. | 405,480 | 20,373 | 0.62 |
| | | **20,373** | **0.62** |
| **Pharmaceuticals 9.34% (8.03%)** | | | |
| Bristol-Myers Squibb Co. | 1,005,730 | 37,426 | 1.14 |
| Eli Lilly & Co. | 664,750 | 59,225 | 1.80 |
| Johnson & Johnson | 542,590 | 54,387 | 1.65 |
| Merck & Co., Inc. | 1,703,350 | 95,183 | 2.89 |
| Pfizer, Inc. | 1,939,453 | 61,433 | 1.86 |
| | | **307,654** | **9.34** |
| **Health Care total** | | **452,183** | **13.72** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Industrials 8.88% (8.87%)** | | | |
| **Commercial Services & Supplies 0.76% (1.31%)** | | | |
| Republic Services, Inc. | 430,890 | 25,119 | 0.76 |
| | | **25,119** | **0.76** |
| **Industrial Conglomerates 1.68% (1.38%)** | | | |
| 3M Co. | 169,790 | 25,758 | 0.78 |
| Honeywell International, Inc. | 272,040 | 29,680 | 0.90 |
| | | **55,438** | **1.68** |
| **Machinery 5.22% (4.19%)** | | | |
| Deere & Co. | 72,490 | 8,995 | 0.27 |
| Dover Corp. | 774,350 | 52,400 | 1.59 |
| Illinois Tool Works, Inc. | 433,250 | 44,750 | 1.36 |
| Parker-Hannifin Corp. | 227,850 | 28,631 | 0.87 |
| Stanley Black & Decker, Inc. | 392,190 | 37,182 | 1.13 |
| | | **171,958** | **5.22** |
| **Road & Rail 1.22% (1.99%)** | | | |
| Norfolk Southern Corp. | 313,600 | 40,221 | 1.22 |
| | | **40,221** | **1.22** |
| **Industrials total** | | **292,736** | **8.88** |
| **Information Technology 9.54% (11.53%)** | | | |
| **IT Services 2.44% (2.02%)** | | | |
| Accenture plc 'A' | 204,060 | 23,946 | 0.73 |
| Automatic Data Processing, Inc. | 234,120 | 24,849 | 0.75 |
| Fidelity National Information Services, Inc. | 394,530 | 31,710 | 0.96 |
| | | **80,505** | **2.44** |
| **Semiconductors & Semiconductor Equipment 3.62% (4.74%)** | | | |
| Analog Devices, Inc. | 773,940 | 58,355 | 1.77 |
| Texas Instruments, Inc. | 782,450 | 60,844 | 1.85 |
| | | **119,199** | **3.62** |
| **Software 2.31% (2.58%)** | | | |
| Microsoft Corp. | 939,500 | 76,061 | 2.31 |
| | | **76,061** | **2.31** |
| **Technology Hardware, Storage & Peripherals 1.17% (2.19%)** | | | |
| Apple, Inc. | 305,180 | 38,407 | 1.17 |
| | | **38,407** | **1.17** |
| **Information Technology total** | | **314,172** | **9.54** |
| **Materials 4.81% (3.74%)** | | | |
| **Chemicals 4.81% (3.74%)** | | | |
| Air Products & Chemicals, Inc. | 446,550 | 55,766 | 1.69 |
| DowDuPont, Inc. | 1,100,760 | 49,740 | 1.51 |
| PPG Industries, Inc. | 517,780 | 41,426 | 1.26 |
| RPM International, Inc. | 267,420 | 11,446 | 0.35 |
| | | **158,378** | **4.81** |
| **Materials total** | | **158,378** | **4.81** |

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Real Estate 3.20% (2.58%)** | | | |
| **Equity Real Estate Investment Trusts (REITs) 3.20% (2.58%)** | | | |
| Alexandria Real Estate Equities, Inc. | 108,120 | 10,649 | 0.32 |
| AvalonBay Communities, Inc. | 223,570 | 32,553 | 0.99 |
| Boston Properties, Inc. | 168,780 | 16,769 | 0.51 |
| Simon Property Group, Inc. | 181,450 | 25,053 | 0.76 |
| Vornado Realty Trust | 389,710 | 20,406 | 0.62 |
| | | **105,430** | **3.20** |
| **Real Estate total** | | **105,430** | **3.20** |
| **Utilities 5.06% (3.23%)** | | | |
| **Electric Utilities 2.51% (1.91%)** | | | |
| NextEra Energy, Inc. | 352,880 | 46,654 | 1.42 |
| Xcel Energy, Inc. | 926,750 | 35,919 | 1.09 |
| | | **82,573** | **2.51** |
| **Multi-Utilities 2.55% (1.32%)** | | | |
| CMS Energy Corp. | 781,950 | 30,611 | 0.93 |
| DTE Energy Co. | 73,460 | 6,451 | 0.20 |
| NiSource, Inc. | 1,267,200 | 25,807 | 0.78 |
| Public Service Enterprise Group, Inc. | 523,150 | 21,221 | 0.64 |
| | | **84,090** | **2.55** |
| **Utilities total** | | **166,663** | **5.06** |
| **Equities total** | | **3,234,895** | **98.19** |
| **Forward Currency Contracts 0.10% (0.18%)** | | | |
| **GBP Hedged Share Class 0.10% (0.18%)^** | | | |
| Buy GBP 196,272,625 sell USD 253,101,696 dated 19/02/2019 | | 3,645 | 0.10 |
| Buy GBP 4,052,881 sell USD 5,341,666 dated 19/02/2019 | | (12) | - |
| Buy USD 1,224,611 sell GBP 930,348 dated 19/02/2019 | | 2 | - |
| Buy USD 7,295,462 sell GBP 5,638,792 dated 19/02/2019 | | (86) | - |
| **GBP Hedged Share Class total** | | **3,549** | **0.10** |
| **Forward Currency Contracts total** | | **3,549** | **0.10** |
| **Liquidity Funds 2.04% (0.00%)** | | | |
| JPM USD Liquidity LVNAV Fund X (dist.)[ø] | 88,348,633 | 67,288 | 2.04 |
| **Liquidity Funds total** | | **67,288** | **2.04** |
| Investment assets (including investment liabilities) | | 3,305,732 | 100.33 |
| Net other liabilities | | (11,036) | (0.33) |
| **Net assets** | | **3,294,696** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.

^ The forward currency contracts are only entered into by the A-Class Income GBP Hedged Shares, the C-Class Income GBP Hedged Shares and the K-Class Income GBP Hedged Shares.

ø A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital gains (Note 2) | | 68,843 | | 226,995 |
| Revenue (Note 3) | 91,456 | | 98,409 | |
| Expenses (Note 4) | (26,346) | | (36,055) | |
| Net revenue before taxation | 65,110 | | 62,354 | |
| Taxation (Note 5) | (13,991) | | (13,596) | |
| Net revenue after taxation | | 51,119 | | 48,758 |
| **Total return before distributions** | | **119,962** | | **275,753** |
| Distributions (Note 6) | | (76,195) | | (78,481) |
| **Change in net assets attributable to shareholders from investment activities** | | **43,767** | | **197,272** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **3,659,239** | | **3,849,042** |
| Amounts receivable on issue of shares | 264,660 | | 268,515 | |
| Amounts payable on cancellation of shares | (688,983) | | (671,354) | |
| | | (424,323) | | (402,839) |
| Dilution adjustment | | 61 | | - |
| Change in net assets attributable to shareholders from investment activities (see above) | | 43,767 | | 197,272 |
| Retained distributions on accumulation shares | | 15,952 | | 15,764 |
| **Closing net assets attributable to shareholders** | | **3,294,696** | | **3,659,239** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 3,305,830 | 3,614,653 |
| **Current assets:** | | |
| Debtors (Note 8) | 17,690 | 25,470 |
| Cash and bank balances (Note 9) | 4,782 | 67,941 |
| **Total assets** | **3,328,302** | **3,708,064** |
| **Liabilities:** | | |
| Investment liabilities | (98) | (1,049) |
| **Creditors:** | | |
| Bank overdraft | (3,386) | - |
| Distribution payable | (16,164) | (15,420) |
| Other creditors (Note 10) | (13,958) | (32,356) |
| **Total liabilities** | **(33,606)** | **(48,825)** |
| **Net assets attributable to shareholders** | **3,294,696** | **3,659,239** |

The notes to these financial statements are shown on pages 431 to 435.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM US Equity Income Fund are disclosed on pages 12 and 13.

## 2. Net capital gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains/(losses) | 8,674 | (10,420) |
| Forward currency contracts | (18,273) | 20,974 |
| Non-derivative securities | 78,442 | 216,441 |
| Net capital gains | 68,843 | 226,995 |

The forward currency contracts are only entered into by the A-Class Income GBP Hedged Shares, the C-Class Income GBP Hedged Shares and the K-Class Income GBP Hedged Shares.

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Income from Liquidity Funds | 292 | - |
| Income from overseas equity investments | 90,959 | 98,304 |
| Interest on bank and term deposits | 194 | 105 |
| Stock lending income | 11 | - |
| Total revenue | 91,456 | 98,409 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 25,040 | 29,271 |
| Operating expenses | 1,301 | 6,756 |
| Stock lending fees | 2 | - |
| | 26,343 | 36,027 |
| Interest payable | 3 | 28 |
| Total expenses | 26,346 | 36,055 |

The fees paid to the auditor for the year ending 31 January 2019 are £6,001 (31.01.18: £6,001), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 13,991 | 13,596 |
| Current year tax charge (Note 5b) | 13,991 | 13,596 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is greater than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 65,110 | 62,354 |
| Corporation tax at 20% | 13,022 | 12,471 |
| Effects of: | | |
| Dividends not subject to corporation tax | (17,528) | (19,025) |
| Excess expenses for which no relief taken | 4,638 | 6,649 |
| Overseas tax expensed | (93) | (95) |
| Overseas tax suffered | 13,991 | 13,596 |
| Revenue taxable in different periods | (39) | - |
| | 969 | 1,125 |
| Current year tax charge (Note 5a) | 13,991 | 13,596 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £34,695,923 (31.01.18: £30,057,455) in relation to £173,479,614 (31.01.18: £150,287,276) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| First interim dividend distribution | 17,854 | 20,715 |
| Second interim dividend distribution | 14,692 | 19,274 |
| Third interim dividend distribution | 22,076 | 17,851 |
| Final dividend distribution | 20,484 | 19,153 |
| Add: Amounts payable on cancellation of shares | 2,016 | 2,414 |
| Deduct: Amounts receivable on issue of shares | (927) | (926) |
| Distributions for the year | 76,195 | 78,481 |

Details of the distribution per share are set out on pages 436 to 439.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 51,119 | 48,758 |
| Add: ACD fee paid from capital | 25,040 | 29,271 |
| Add: RDR transfer equalisation (capital) | - | 437 |
| Add: Undistributed revenue brought forward | 91 | 106 |
| Deduct: Undistributed revenue carried forward | (55) | (91) |
| | 76,195 | 78,481 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 2,573 | 1,934 |
| Due from the ACD for shares issued | 4,585 | 2,804 |
| Sales awaiting settlement | 10,532 | 20,732 |
| Total debtors | 17,690 | 25,470 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 4,782 | 67,941 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 2,429 | 2,963 |
| Due to the ACD for shares cancelled | 7,182 | 16,069 |
| Purchases awaiting settlement | 4,347 | 13,324 |
| Total other creditors | 13,958 | 32,356 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £5,023,937 (31.01.18: £16,228,870). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on page 429 and the revenue from these investments was £292,197 (31.01.18: £nil).

The following parties held a material interest in the Fund at the year end date:
- Clearstream Banking S.A. 23.59% (31.01.18: 21.66%)
- Rathbone Nominees Limited 11.59% (31.01.18: 10.71%)

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current year or prior year.

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 11 | – |
| Fees paid to the lending agent[Ø] | (2) | – |
| Net stock lending income | 9 | – |

[Ø] A related party to the Fund.

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 441.

## 14. Financial instruments

**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | Net foreign currency assets | | | |
|---|---|---|---|---|
| Currency | Total £'000 | Forward currency contracts £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | | |
| US Dollar | 3,117,123 | (190,207) | 5,147 | 3,302,183 |
| **31.01.18** | | | | |
| US Dollar | 3,516,787 | (153,607) | 63,543 | 3,606,851 |

The forward currency contracts are only entered into by A-Class Income GBP Hedged Shares, K-Class Income GBP Hedged Shares and C-Class Income GBP Hedged Shares.

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £311,712,000 (31.01.18: £351,679,000).

**Interest rate risk**

At the year end date, 2.08% (31.01.18: 1.86%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £330,573,000 (31.01.18: £361,360,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has five share classes; Class A Shares, Class B Shares, Class C Shares, Class K Shares and Class X Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |
| Class K Shares: | 0.60% | 0.15% |
| Class X Shares: | 0.00% | 0.06% |

The X share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 424 to 427. All classes have the same rights on winding up.

## 16. Counterparty exposure

| Counterparty | Forward currency contracts £'000 | Total £'000 |
|---|---|---|
| **31.01.19** | | |
| Barclays | (28) | (28) |
| Citibank | 3,347 | 3,347 |
| Deutsche Bank | 20 | 20 |
| Goldman Sachs | (4) | (4) |
| HSBC | (10) | (10) |
| Merrill Lynch | 235 | 235 |
| State Street | (2) | (2) |
| Toronto Dominion Bank | (9) | (9) |
| | 3,549 | 3,549 |
| **31.01.18** | | |
| ANZ Banking Group | 3 | 3 |
| Barclays | 95 | 95 |
| BNP Paribas | 1 | 1 |
| Citibank | 3 | 3 |
| Goldman Sachs | 24 | 24 |
| HSBC | (3) | (3) |
| Merrill Lynch | 44 | 44 |
| Morgan Stanley | 8 | 8 |
| Royal Bank of Canada | 6,485 | 6,485 |
| Standard Chartered | 1 | 1 |
| State Street | 14 | 14 |
| Toronto Dominion Bank | 78 | 78 |
| | 6,753 | 6,753 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 3,234,895 | – | 3,606,851 | – |
| Level 2: Observable market data | 70,935 | (98) | 7,802 | (1,049) |
| Total | 3,305,830 | (98) | 3,614,653 | (1,049) |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (657,161) | (114) | – | (657,275) | 0.02 | 0.00 |
| Purchases of Funds | (166,783) | – | – | (166,783) | 0.00 | 0.00 |
| | (823,944) | (114) | – | (824,058) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 1,110,296 | (167) | (17) | 1,110,112 | 0.02 | 0.00 |
| Sales of Funds | 97,056 | – | – | 97,056 | 0.00 | 0.00 |
| | 1,207,352 | (167) | (17) | 1,207,168 | | |
| Total | | (281) | (17) | | | |
| Percentage of Fund average net assets | | 0.01% | 0.00% | | | |

## 18. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (427,393) | (91) | - | (427,484) | 0.02 | 0.00 |
| | (427,393) | (91) | - | (427,484) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 867,438 | (195) | (20) | 867,223 | 0.02 | 0.00 |
| | 867,438 | (195) | (20) | 867,223 | | |
| Total | | (286) | (20) | | | |
| Percentage of Fund average net assets | | 0.01% | 0.00% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.02% (31.01.18: 0.02%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 37,521,136 | 2,559,304 | (6,752,442) | (79,483) | 33,248,515 |
| A-Class Income Shares | 13,137,585 | 3,075,547 | (2,523,136) | (738,610) | 12,951,386 |
| A-Class Income GBP Hedged Shares | 588,372 | 37,046 | (119,626) | - | 505,792 |
| B-Class Accumulation Shares | 910,982 | 54,907 | (162,483) | (24,665) | 778,741 |
| B-Class Income Shares | 3,003,688 | 274,226 | (1,188,428) | - | 2,089,486 |
| C-Class Accumulation Shares | 237,943,051 | 36,658,367 | (57,890,157) | 71,313 | 216,782,574 |
| C-Class Income Shares | 683,085,852 | 15,167,635 | (149,058,203) | 291,937 | 549,487,221 |
| C-Class Income GBP Hedged Shares | 59,924,488 | 44,587,474 | (13,157,115) | - | 91,354,847 |
| K-Class Accumulation Shares | 20,699,031 | 4,164,669 | (1,933,203) | 25,734 | 22,956,231 |
| K-Class Income Shares | 687,387,961 | 17,134,361 | (28,870,540) | 177,786 | 675,829,568 |
| K-Class Income GBP Hedged Shares | 45,838,708 | 3,380,674 | (4,721,975) | - | 44,497,407 |
| X-Class Accumulation Shares | 18,279,439 | 11,084,835 | (7,978,255) | - | 21,386,019 |

# Distribution tables

## Final distribution in pence per share

Group 1 - Shares purchased prior to 1 November 2018
Group 2 - Shares purchased 1 November 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 1.120000 | - | 1.120000 | 0.900000 |
| Group 2 | 0.411686 | 0.708314 | 1.120000 | 0.900000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.870000 | - | 0.870000 | 0.730000 |
| Group 2 | 0.317122 | 0.552878 | 0.870000 | 0.730000 |
| **A-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.670000 | - | 0.670000 | 0.610000 |
| Group 2 | 0.082260 | 0.587740 | 0.670000 | 0.610000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.550000 | - | 1.550000 | 1.300000 |
| Group 2 | 0.937924 | 0.612076 | 1.550000 | 1.300000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 1.710000 | - | 1.710000 | 1.490000 |
| Group 2 | 0.256336 | 1.453664 | 1.710000 | 1.490000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.620000 | - | 1.620000 | 1.290000 |
| Group 2 | 0.684491 | 0.935509 | 1.620000 | 1.290000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.890000 | - | 1.890000 | 1.530000 |
| Group 2 | 0.794858 | 1.095142 | 1.890000 | 1.530000 |
| **C-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.980000 | - | 0.980000 | 0.870000 |
| Group 2 | 0.500916 | 0.479084 | 0.980000 | 0.870000 |
| **K-Class Accumulation Shares** | | | | |
| Group 1 | 0.660000 | - | 0.660000 | 0.580000 |
| Group 2 | 0.311673 | 0.348327 | 0.660000 | 0.580000 |
| **K-Class Income Shares** | | | | |
| Group 1 | 0.660000 | - | 0.660000 | 0.590000 |
| Group 2 | 0.260397 | 0.399603 | 0.660000 | 0.590000 |
| **K-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 0.610000 | - | 0.610000 | 0.540000 |
| Group 2 | 0.073504 | 0.536496 | 0.610000 | 0.540000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 1.270000 | - | 1.270000 | 1.060000 |
| Group 2 | 1.270000 | 0.000000 | 1.270000 | 1.060000 |

# Distribution tables – continued

## Third interim distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2018
Group 2 – Shares purchased 1 August 2018 to 31 October 2018

| | Net revenue | Equalisation | Distribution paid 31.01.19 | Distribution paid 31.01.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 1.190000 | – | 1.190000 | 0.830000 |
| Group 2 | 0.431863 | 0.758137 | 1.190000 | 0.830000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.940000 | – | 0.940000 | 0.680000 |
| Group 2 | 0.221195 | 0.718805 | 0.940000 | 0.680000 |
| **A-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.730000 | – | 0.730000 | 0.560000 |
| Group 2 | 0.284648 | 0.445352 | 0.730000 | 0.560000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.650000 | – | 1.650000 | 1.210000 |
| Group 2 | 0.622265 | 1.027735 | 1.650000 | 1.210000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 1.860000 | – | 1.860000 | 1.380000 |
| Group 2 | 1.498383 | 0.361617 | 1.860000 | 1.380000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.720000 | – | 1.720000 | 1.190000 |
| Group 2 | 0.896963 | 0.823037 | 1.720000 | 1.190000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 2.020000 | – | 2.020000 | 1.420000 |
| Group 2 | 0.815289 | 1.204711 | 2.020000 | 1.420000 |
| **C-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 1.080000 | – | 1.080000 | 0.780000 |
| Group 2 | 0.352232 | 0.727768 | 1.080000 | 0.780000 |
| **K-Class Accumulation Shares** | | | | |
| Group 1 | 0.690000 | – | 0.690000 | 0.020000 |
| Group 2 | 0.313008 | 0.376992 | 0.690000 | 0.020000 |
| **K-Class Income Shares** | | | | |
| Group 1 | 0.700000 | – | 0.700000 | 0.020000 |
| Group 2 | 0.312722 | 0.387278 | 0.700000 | 0.020000 |
| **K-Class Accumulation GBP Hedged Shares** | | | | |
| Group 1 | 0.670000 | – | 0.670000 | 0.020000 |
| Group 2 | 0.354898 | 0.315102 | 0.670000 | 0.020000 |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 1.350000 | – | 1.350000 | 0.990000 |
| Group 2 | 0.290025 | 1.059975 | 1.350000 | 0.990000 |

# Distribution tables – continued

## Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2018
Group 2 – Shares purchased 1 May 2018 to 31 July 2018

| | Net revenue | Equalisation | Distribution paid 31.10.18 | Distribution paid 31.10.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.770000 | - | 0.770000 | 0.870000 |
| Group 2 | 0.250719 | 0.519281 | 0.770000 | 0.870000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.610000 | - | 0.610000 | 0.710000 |
| Group 2 | 0.049528 | 0.560472 | 0.610000 | 0.710000 |
| **A-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.480000 | - | 0.480000 | 0.570000 |
| Group 2 | 0.000000 | 0.480000 | 0.480000 | 0.570000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.050000 | - | 1.050000 | 1.240000 |
| Group 2 | 0.000000 | 1.050000 | 1.050000 | 1.240000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 1.220000 | - | 1.220000 | 1.430000 |
| Group 2 | 0.406363 | 0.813637 | 1.220000 | 1.430000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.120000 | - | 1.120000 | 1.230000 |
| Group 2 | 0.299342 | 0.820658 | 1.120000 | 1.230000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.330000 | - | 1.330000 | 1.470000 |
| Group 2 | 0.536667 | 0.793333 | 1.330000 | 1.470000 |
| **C-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.730000 | - | 0.730000 | 0.810000 |
| Group 2 | 0.219308 | 0.510692 | 0.730000 | 0.810000 |
| **K-Class Accumulation Shares** | | | | |
| Group 1 | 0.450000 | - | 0.450000 | - |
| Group 2 | 0.201332 | 0.248668 | 0.450000 | - |
| **K-Class Income Shares** | | | | |
| Group 1 | 0.450000 | - | 0.450000 | - |
| Group 2 | 0.164101 | 0.285899 | 0.450000 | - |
| **K-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.450000 | - | 0.450000 | - |
| Group 2 | 0.154657 | 0.295343 | 0.450000 | - |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 0.870000 | - | 0.870000 | 1.010000 |
| Group 2 | 0.000000 | 0.870000 | 0.870000 | 1.010000 |

# Distribution tables – continued

## First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 30 April 2018

| | Net revenue | Equalisation | Distribution paid 31.07.18 | Distribution paid 31.07.17 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.890000 | – | 0.890000 | 0.900000 |
| Group 2 | 0.268361 | 0.621639 | 0.890000 | 0.900000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.710000 | – | 0.710000 | 0.750000 |
| Group 2 | 0.517398 | 0.192602 | 0.710000 | 0.750000 |
| **A-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.600000 | – | 0.600000 | 0.580000 |
| Group 2 | 0.216197 | 0.383803 | 0.600000 | 0.580000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.230000 | – | 1.230000 | 1.300000 |
| Group 2 | 0.756945 | 0.473055 | 1.230000 | 1.300000 |
| **B-Class Income Shares** | | | | |
| Group 1 | 1.430000 | – | 1.430000 | 1.500000 |
| Group 2 | 0.866660 | 0.563340 | 1.430000 | 1.500000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 1.260000 | – | 1.260000 | 1.280000 |
| Group 2 | 0.229586 | 1.030414 | 1.260000 | 1.280000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.500000 | – | 1.500000 | 1.550000 |
| Group 2 | 0.688305 | 0.811695 | 1.500000 | 1.550000 |
| **C-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.870000 | – | 0.870000 | 0.820000 |
| Group 2 | 0.396307 | 0.473693 | 0.870000 | 0.820000 |
| **K-Class Accumulation Shares** | | | | |
| Group 1 | 0.520000 | – | 0.520000 | – |
| Group 2 | 0.173565 | 0.346435 | 0.520000 | – |
| **K-Class Income Shares** | | | | |
| Group 1 | 0.520000 | – | 0.520000 | – |
| Group 2 | 0.177039 | 0.342961 | 0.520000 | – |
| **K-Class Income GBP Hedged Shares** | | | | |
| Group 1 | 0.540000 | – | 0.540000 | – |
| Group 2 | 0.163125 | 0.376875 | 0.540000 | – |
| **X-Class Accumulation Shares** | | | | |
| Group 1 | 1.010000 | – | 1.010000 | 1.040000 |
| Group 2 | 1.010000 | 0.000000 | 1.010000 | 1.040000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 1.37%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 45,095 | 1.37% |

## Concentration Data

### Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date:

| Issuer | Collateral Value £'000 |
|---|---|
| United States of America Treasury | 27,986 |
| United Kingdom Treasury | 20,043 |
| Kingdom of Netherlands Government | 49 |
| Federal Republic of Germany Government | 2 |
| French Republic Government | 1 |
| Total | 48,081 |

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

## Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| UBS | 45,095 |
| Total | 45,095 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Value £'000 |
|---|---|---|---|
| Bonds | Investment Grade | USD | 27,986 |
| Bonds | Investment Grade | GBP | 20,043 |
| Bonds | Investment Grade | EUR | 52 |
| Total | | | 48,081 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| 1 to 3 months | 2,823 |
| 3 to 12 months | 2,689 |
| more than 1 year | 42,569 |
| Total | 48,081 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| UBS | Switzerland |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

## Safekeeping of collateral

All collateral received (31.01.19: £48,081,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

# JPM US Select Fund

## Important information

The merger of JPM US Fund into the JPM US Select Fund was approved at Extraordinary General Meeting held on 13 April 2018 and its effective date was 28 April 2018.

## Investment objective and policy

To invest in a portfolio of North American securities. The current policy is to invest for capital growth without any distribution target.

North American securities are securities issued by companies that are incorporated under the laws of, and have their registered office in, North America, or that derive the predominant part of their economic activity from North America, even if listed elsewhere.

The Fund will invest predominantly in assets denominated in US Dollar. However, assets may be denominated in other currencies and non-sterling currency exposure will not normally be hedged back to sterling.

Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.16 of the Prospectus for Risk Warnings on derivatives).

The Fund seeks to assess the impact of environmental, social and governance factors (including accounting and tax policies, disclosure and investor communication, shareholder rights and remuneration policies) on the cash flows of many companies in which it may invest to identify issuers that the Investment Manager believes will be negatively impacted by such factors relative to other issuers. These determinations may not be conclusive and securities of such issuers may be purchased and retained by the Fund.

## 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.

The single market in which the Fund primarily invests, in this case the US, may be subject to particular political and economic risks and, 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.

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 Standard & Poor's 500 Index (S&P 500®) ended the period in negative territory after a fourth quarter drawdown that saw a more prolonged increase in market volatility. 2018 started off with a short-lived uptick in volatility, partially driven by concerns over interest rate movements, trade policy and the long-term implications of the Tax Cuts and Jobs Act. The second half of the year started off strongly as earnings growth was driven by record margins, with 80% of companies exceeding earnings estimates and 62% beating revenue estimates for the second quarter. Robust corporate profits partially tempered the effects of a flattening yield curve and trade uncertainty over the course of the third quarter. The last three months of the calendar year, however, witnessed a significant drawdown characterised by heightened volatility.

The Fund underperformed its benchmark for the 12-month period, as our stock selection process was challenged. The period presented a challenging environment overall for our core platform and Dividend Discount Rate (DDR) investment process. DDR spreads between the least expensive and most expensive stocks, as determined by our core research analysts, widened to high levels during the period. Widening spreads are typically coincident with headwinds for our platform, although wide spreads can also indicate greater opportunity for future outperformance. In particular, our stock selection in the insurance, semi & hardware and big banks & brokers sectors was a headwind for relative performance. In contrast, our stock selection in the pharma/medtech, auto & transportation and consumer staples sectors worked well.

## Fund outlook

We continue to focus on the fundamentals of the economy and of company earnings. Our core analysts' estimate currently projects 23% growth for 2018 and 4% for 2019 S&P 500® earnings. Whilst subject to revision, this forecast reflects our expectations for moderate economic growth in the underlying economy and includes our best analysis of earnings expectations. The implications of tariffs and Federal Reserve policy will be integral to investor sentiment and will likely continue to contribute to the uncertainty.

## 12 month performance^ to 31 January

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **JPM US Select Fund** A-Class Acc | **2.9%** | **9.2%** | **41.9%** | **-3.5%** | **24.6%** |
| **JPM US Select Fund** B-Class Acc | **3.1%** | **9.7%** | **42.7%** | **-3.0%** | **25.1%** |
| **JPM US Select Fund** C-Class Acc | **3.4%** | **10.0%** | **43.0%** | **-2.8%** | **25.5%** |
| **JPM US Select Fund** I-Class Acc | **3.4%** | **10.4%** | **43.5%** | **-2.5%** | **25.9%** |
| Benchmark Index | 5.3% | 11.5% | 34.9% | 4.8% | 24.6% |

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 any Fund specific changes that took place during the year please see the ACD report from page 6.

^ Performance returns are calculated using the dealing prices of the accumulation shares (income shares are used if no accumulation share class exists) which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the Fund performance that are due to timing differences. Performance returns are in sterling. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.
Source: J.P. Morgan.

## Fund statistics

| | | | | |
|---|---|---|---|---|
| Risk and Reward Profile | | | | 5† (6 at 31 July 2018) |
| Fund size | | | | £527.4m |
| Benchmark Index | | | | S&P 500 Index (Net of 15% witholding tax) |
| Fund charges and expenses | A-Class | B-Class | C-Class | I-Class |
| Initial charge (max.) | Nil | Nil | Nil | Nil |
| Exit charge | Nil | Nil | Nil | Nil |
| Fund expenses (comprises) | | | | |
| Annual management fee | 1.00% | 0.65% | 0.50% | 0.60% |
| Operating expenses (max.) | 0.15% | 0.15% | 0.15% | - |

## Comparative tables

| A-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 165.80 | 151.80 | 110.87 |
| Return before operating charges* | 6.68 | 16.59 | 43.04 |
| Operating charges | (1.85) | (2.59) | (2.11) |
| Return after operating charges* | 4.83 | 14.00 | 40.93 |
| Distributions | (0.61) | - | - |
| Retained distributions on accumulation shares | 0.61 | - | - |
| Closing net asset value per share | 170.63 | 165.80 | 151.80 |
| * after direct transaction costs of | (0.05) | (0.08) | (0.09) |
| **Performance** | | | |
| % Return after operating charges^^ | 2.91% | 9.22% | 36.92% |
| **Other information** | | | |
| Closing net asset value (£'000) | 140,716 | 28,680 | 36,493 |
| Closing number of shares | 82,466,269 | 17,298,182 | 24,040,793 |
| % Operating charges | 1.06% | 1.68% | 1.68% |
| % Direct transaction costs | 0.03% | 0.05% | 0.07% |
| **Prices** | | | |
| Highest share price | 189.9 | 169.9 | 156.6 |
| Lowest share price | 150.8 | 149.3 | 100.3 |

| A-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 163.66 | 149.87 | 109.49 |
| Return before operating charges* | 6.60 | 16.37 | 42.55 |
| Operating charges | (1.97) | (2.58) | (2.17) |
| Return after operating charges* | 4.63 | 13.79 | 40.38 |
| Distributions | (0.46) | - | - |
| Closing net asset value per share | 167.83 | 163.66 | 149.87 |
| * after direct transaction costs of | (0.05) | (0.08) | (0.09) |
| **Performance** | | | |
| % Return after operating charges^^ | 2.83% | 9.20% | 36.88% |
| **Other information** | | | |
| Closing net asset value (£'000) | 2,021 | 668 | 635 |
| Closing number of shares | 1,203,950 | 408,202 | 423,485 |
| % Operating charges | 1.15% | 1.68% | 1.68% |
| % Direct transaction costs | 0.03% | 0.05% | 0.07% |
| **Prices** | | | |
| Highest share price | 187.3 | 167.7 | 154.6 |
| Lowest share price | 148.8 | 147.4 | 99.05 |

| B-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 170.16 | 155.04 | 112.65 |
| Return before operating charges* | 6.86 | 16.98 | 43.95 |
| Operating charges | (1.43) | (1.86) | (1.56) |
| Return after operating charges* | 5.43 | 15.12 | 42.39 |
| Distributions | (1.10) | (0.46) | (0.47) |
| Retained distributions on accumulation shares | 1.10 | 0.46 | 0.47 |
| Closing net asset value per share | 175.59 | 170.16 | 155.04 |
| * after direct transaction costs of | (0.05) | (0.08) | (0.09) |
| **Performance** | | | |
| % Return after operating charges^^ | 3.19% | 9.75% | 37.63% |
| **Other information** | | | |
| Closing net asset value (£'000) | 2,039 | 533 | 588 |
| Closing number of shares | 1,161,192 | 313,158 | 378,933 |
| % Operating charges | 0.80% | 1.18% | 1.18% |
| % Direct transaction costs | 0.03% | 0.05% | 0.07% |
| **Prices** | | | |
| Highest share price | 195.2 | 174.3 | 159.9 |
| Lowest share price | 154.8 | 152.5 | 102.0 |

† 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

## Comparative tables – continued

| C-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 421.68 | 383.26 | 277.75 |
| Return before operating charges* | 16.96 | 42.06 | 108.54 |
| Operating charges | (2.47) | (3.64) | (3.03) |
| Return after operating charges* | 14.49 | 38.42 | 105.51 |
| Distributions | (3.76) | (2.10) | (1.99) |
| Retained distributions on accumulation shares | 3.76 | 2.10 | 1.99 |
| Closing net asset value per share | 436.17 | 421.68 | 383.26 |
| * after direct transaction costs of | (0.13) | (0.20) | (0.23) |
| **Performance** | | | |
| % Return after operating charges^^ | 3.44% | 10.02% | 37.99% |
| **Other information** | | | |
| Closing net asset value (£'000) | 312,450 | 142,407 | 141,101 |
| Closing number of shares | 71,635,292 | 33,771,333 | 36,816,090 |
| % Operating charges | 0.56% | 0.93% | 0.93% |
| % Direct transaction costs | 0.03% | 0.05% | 0.07% |
| **Prices** | | | |
| Highest share price | 484.6 | 432.0 | 395.2 |
| Lowest share price | 383.8 | 377.0 | 251.5 |

| C-Class Income Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 238.07 | 217.49 | 158.46 |
| Return before operating charges* | 9.57 | 23.84 | 61.91 |
| Operating charges | (1.60) | (2.06) | (1.74) |
| Return after operating charges* | 7.97 | 21.78 | 60.17 |
| Distributions | (1.92) | (1.20) | (1.14) |
| Closing net asset value per share | 244.12 | 238.07 | 217.49 |
| * after direct transaction costs of | (0.07) | (0.11) | (0.13) |
| **Performance** | | | |
| % Return after operating charges^^ | 3.35% | 10.01% | 37.97% |
| **Other information** | | | |
| Closing net asset value (£'000) | 33,308 | 14,676 | 13,300 |
| Closing number of shares | 13,643,731 | 6,164,492 | 6,115,502 |
| % Operating charges | 0.64% | 0.93% | 0.93% |
| % Direct transaction costs | 0.03% | 0.05% | 0.07% |
| **Prices** | | | |
| Highest share price | 273.4 | 245.1 | 225.5 |
| Lowest share price | 216.7 | 213.9 | 143.5 |

| I-Class Accumulation Shares | 2019‡ pps | 2018 pps | 2017 pps |
|---|---|---|---|
| **Change in net asset value per share** | | | |
| Opening net asset value per share | 794.43 | 719.81 | 519.90 |
| Return before operating charges* | 31.99 | 79.13 | 203.39 |
| Operating charges | (5.00) | (4.51) | (3.48) |
| Return after operating charges* | 26.99 | 74.62 | 199.91 |
| Distributions | (6.78) | (6.28) | (5.73) |
| Retained distributions on accumulation shares | 6.78 | 6.28 | 5.73 |
| Closing net asset value per share | 821.42 | 794.43 | 719.81 |
| * after direct transaction costs of | (0.25) | (0.38) | (0.40) |
| **Performance** | | | |
| % Return after operating charges^^ | 3.40% | 10.37% | 38.45% |
| **Other information** | | | |
| Closing net asset value (£'000) | 36,889 | 17,308 | 17,757 |
| Closing number of shares | 4,490,951 | 2,178,635 | 2,466,883 |
| % Operating charges | 0.60% | 0.60% | 0.60% |
| % Direct transaction costs | 0.03% | 0.05% | 0.07% |
| **Prices** | | | |
| Highest share price | 912.8 | 813.9 | 742.2 |
| Lowest share price | 723.1 | 708.0 | 470.8 |

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:
(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.
(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year.
Please refer to the Direct transaction costs note on pages 451 and 452, for more detail regarding the nature of transaction costs and how they arise for different types of investments.
‡ To 31 January 2019.
^^ Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Sector breakdown

| | % |
|---|---|
| Information Technology | 20.01 |
| Health Care | 16.54 |
| Communication Services | 11.39 |
| Consumer Discretionary | 11.35 |
| Financials | 10.62 |
| Industrials | 9.57 |
| Energy | 6.01 |
| Consumer Staples | 4.69 |
| Utilities | 3.70 |
| Materials | 2.54 |
| Real Estate | 2.07 |
| Liquidity Funds | 1.21 |
| Futures | 0.02 |
| Net other assets | 0.28 |

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Equities 98.49% (97.87%)** | | | |
| **Communication Services 11.39% (10.86%)** | | | |
| **Diversified Telecommunication Services 2.43% (0.20%)** | | | |
| AT&T, Inc. | 274,853 | 6,146 | 1.17 |
| Verizon Communications, Inc. | 161,766 | 6,652 | 1.26 |
| | | 12,798 | 2.43 |
| **Entertainment 1.85% (0.00%)** | | | |
| Electronic Arts, Inc. | 31,012 | 2,107 | 0.40 |
| Netflix, Inc. | 29,588 | 7,674 | 1.45 |
| | | 9,781 | 1.85 |
| **Interactive Media & Services 4.39% (5.86%)** | | | |
| Alphabet, Inc. 'A' | 22,671 | 18,952 | 3.60 |
| Alphabet, Inc. 'C' | 4,519 | 3,749 | 0.71 |
| Facebook, Inc. 'A' | 3,797 | 435 | 0.08 |
| | | 23,136 | 4.39 |
| **Media 2.48% (4.29%)** | | | |
| Altice USA, Inc. 'A' | 12,174 | 173 | 0.03 |
| Charter Communications, Inc. 'A' | 29,546 | 6,523 | 1.24 |
| Comcast Corp. 'A' | 84,515 | 2,280 | 0.43 |
| Discovery, Inc. 'A' | 26,671 | 543 | 0.10 |
| Discovery, Inc. 'C' | 141,579 | 2,712 | 0.52 |
| DISH Network Corp. 'A' | 36,384 | 823 | 0.16 |
| | | 13,054 | 2.48 |
| **Wireless Telecommunication Services 0.24% (0.51%)** | | | |
| T-Mobile US, Inc. | 24,734 | 1,287 | 0.24 |
| | | 1,287 | 0.24 |
| **Communication Services total** | | 60,056 | 11.39 |
| **Consumer Discretionary 11.35% (10.05%)** | | | |
| **Auto Components 0.20% (0.41%)** | | | |
| Aptiv plc | 8,600 | 484 | 0.09 |
| BorgWarner, Inc. | 18,853 | 581 | 0.11 |
| | | 1,065 | 0.20 |
| **Automobiles 0.00% (0.12%)** | | | |
| **Hotels, Restaurants & Leisure 1.34% (0.17%)** | | | |
| Royal Caribbean Cruises Ltd. | 65,228 | 6,010 | 1.14 |
| Yum! Brands, Inc. | 15,169 | 1,080 | 0.20 |
| | | 7,090 | 1.34 |
| **Household Durables 0.50% (0.80%)** | | | |
| Lennar Corp. 'A' | 75,272 | 2,659 | 0.50 |
| | | 2,659 | 0.50 |
| **Internet & Direct Marketing Retail 3.87% (2.85%)** | | | |
| Amazon.com, Inc. | 16,017 | 20,384 | 3.87 |
| | | 20,384 | 3.87 |
| **Multiline Retail 0.25% (0.29%)** | | | |
| Dollar Tree, Inc. | 18,009 | 1,317 | 0.25 |
| | | 1,317 | 0.25 |
| **Specialty Retail 4.34% (3.95%)** | | | |
| AutoZone, Inc. | 11,821 | 7,591 | 1.44 |
| Best Buy Co., Inc. | 7,577 | 340 | 0.06 |
| Home Depot, Inc. (The) | 26,105 | 3,622 | 0.69 |
| Lowe's Cos., Inc. | 5,673 | 414 | 0.08 |
| O'Reilly Automotive, Inc. | 17,644 | 4,644 | 0.88 |
| Ross Stores, Inc. | 88,996 | 6,256 | 1.19 |
| | | 22,867 | 4.34 |
| **Textiles, Apparel & Luxury Goods 0.85% (1.46%)** | | | |
| PVH Corp. | 53,657 | 4,508 | 0.85 |
| | | 4,508 | 0.85 |
| **Consumer Discretionary total** | | 59,890 | 11.35 |
| **Consumer Staples 4.69% (7.05%)** | | | |
| **Beverages 2.80% (3.13%)** | | | |
| Coca-Cola Co. (The) | 287,565 | 10,480 | 1.99 |
| Constellation Brands, Inc. 'A' | 23,012 | 2,989 | 0.57 |
| Molson Coors Brewing Co. 'B' | 10,913 | 543 | 0.10 |
| PepsiCo, Inc. | 9,109 | 769 | 0.14 |
| | | 14,781 | 2.80 |
| **Food & Staples Retailing 0.00% (1.58%)** | | | |
| **Food Products 1.34% (1.21%)** | | | |
| Kraft Heinz Co. (The) | 17,045 | 607 | 0.11 |
| Mondelez International, Inc. 'A' | 194,070 | 6,472 | 1.23 |
| | | 7,079 | 1.34 |
| **Household Products 0.15% (0.00%)** | | | |
| Procter & Gamble Co. (The) | 10,942 | 787 | 0.15 |
| | | 787 | 0.15 |
| **Tobacco 0.40% (1.13%)** | | | |
| Philip Morris International, Inc. | 36,490 | 2,070 | 0.40 |
| | | 2,070 | 0.40 |
| **Consumer Staples total** | | 24,717 | 4.69 |
| **Energy 6.01% (5.87%)** | | | |
| **Oil, Gas & Consumable Fuels 6.01% (5.87%)** | | | |
| Chevron Corp. | 9,971 | 858 | 0.16 |
| Concho Resources, Inc. | 29,274 | 2,698 | 0.51 |
| Diamondback Energy, Inc. | 54,591 | 4,252 | 0.81 |
| EOG Resources, Inc. | 78,573 | 5,951 | 1.13 |
| Marathon Petroleum Corp. | 107,058 | 5,328 | 1.01 |
| Occidental Petroleum Corp. | 57,182 | 2,916 | 0.55 |
| Parsley Energy, Inc. 'A' | 178,602 | 2,559 | 0.49 |
| Pioneer Natural Resources Co. | 66,240 | 7,139 | 1.35 |
| | | 31,701 | 6.01 |
| **Energy total** | | 31,701 | 6.01 |
| **Financials 10.62% (14.85%)** | | | |
| **Banks 6.37% (7.32%)** | | | |
| Bank of America Corp. | 410,989 | 9,099 | 1.73 |
| Citigroup, Inc. | 58,547 | 2,863 | 0.54 |
| First Republic Bank | 4,738 | 350 | 0.07 |
| Huntington Bancshares, Inc. | 317,793 | 3,265 | 0.62 |
| KeyCorp | 414,656 | 5,255 | 1.00 |
| SunTrust Banks, Inc. | 121,442 | 5,607 | 1.06 |
| SVB Financial Group | 23,202 | 4,241 | 0.80 |
| Wells Fargo & Co. | 76,709 | 2,927 | 0.55 |
| | | 33,607 | 6.37 |
| **Capital Markets 2.71% (2.84%)** | | | |
| Ameriprise Financial, Inc. | 36,082 | 3,303 | 0.63 |
| Bank of New York Mellon Corp. (The) | 23,699 | 948 | 0.18 |
| Charles Schwab Corp. (The) | 26,086 | 931 | 0.18 |
| Intercontinental Exchange, Inc. | 4,858 | 282 | 0.05 |
| Morgan Stanley | 270,380 | 8,813 | 1.67 |
| | | 14,277 | 2.71 |
| **Consumer Finance 0.07% (0.90%)** | | | |
| American Express Co. | 4,590 | 359 | 0.07 |
| | | 359 | 0.07 |
| **Diversified Financial Services 0.19% (0.47%)** | | | |
| Berkshire Hathaway, Inc. 'B' | 6,575 | 1,031 | 0.19 |
| | | 1,031 | 0.19 |
| **Insurance 1.28% (3.32%)** | | | |
| Allstate Corp. (The) | 20,798 | 1,383 | 0.26 |
| American International Group, Inc. | 17,417 | 568 | 0.11 |
| Arthur J Gallagher & Co. | 29,287 | 1,626 | 0.31 |
| Hartford Financial Services Group, Inc. (The) | 46,296 | 1,644 | 0.31 |
| Lincoln National Corp. | 27,082 | 1,194 | 0.23 |
| Travelers Cos., Inc. (The) | 3,534 | 339 | 0.06 |
| | | 6,754 | 1.28 |
| **Financials total** | | 56,028 | 10.62 |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Health Care 16.54% (13.81%)** | | | |
| **Biotechnology 2.40% (2.12%)** | | | |
| Alexion Pharmaceuticals, Inc. | 23,418 | 2,164 | 0.41 |
| Biogen, Inc. | 14,885 | 3,715 | 0.71 |
| Celgene Corp. | 6,780 | 454 | 0.09 |
| Gilead Sciences, Inc. | 1,367 | 73 | 0.01 |
| Regeneron Pharmaceuticals, Inc. | 6,486 | 2,076 | 0.39 |
| Vertex Pharmaceuticals, Inc. | 29,289 | 4,172 | 0.79 |
| | | **12,654** | **2.40** |
| **Health Care Equipment & Supplies 3.19% (1.65%)** | | | |
| Becton Dickinson and Co. | 4,396 | 822 | 0.16 |
| Boston Scientific Corp. | 278,338 | 7,933 | 1.50 |
| Danaher Corp. | 3,412 | 283 | 0.05 |
| Intuitive Surgical, Inc. | 8,482 | 3,285 | 0.62 |
| Medtronic plc | 29,596 | 1,979 | 0.38 |
| Zimmer Biomet Holdings, Inc. | 30,449 | 2,515 | 0.48 |
| | | **16,817** | **3.19** |
| **Health Care Providers & Services 4.75% (3.12%)** | | | |
| Anthem, Inc. | 2,889 | 655 | 0.12 |
| Cigna Corp. | 57,811 | 8,797 | 1.67 |
| CVS Health Corp. | 56,667 | 2,847 | 0.54 |
| UnitedHealth Group, Inc. | 57,965 | 11,936 | 2.26 |
| Universal Health Services, Inc. 'B' | 8,109 | 822 | 0.16 |
| | | **25,057** | **4.75** |
| **Life Sciences Tools & Services 0.00% (0.74%)** | | | |
| **Pharmaceuticals 6.20% (6.18%)** | | | |
| Allergan plc | 5,456 | 598 | 0.11 |
| Eli Lilly & Co. | 18,892 | 1,683 | 0.32 |
| Johnson & Johnson | 71,699 | 7,187 | 1.36 |
| Merck & Co., Inc. | 144,201 | 8,058 | 1.53 |
| Nektar Therapeutics | 23,016 | 756 | 0.14 |
| Pfizer, Inc. | 455,129 | 14,416 | 2.74 |
| | | **32,698** | **6.20** |
| **Health Care total** | | **87,226** | **16.54** |
| **Industrials 9.57% (11.48%)** | | | |
| **Aerospace & Defense 1.71% (3.41%)** | | | |
| Boeing Co. (The) | 2,646 | 782 | 0.15 |
| Harris Corp. | 7,827 | 923 | 0.17 |
| L3 Technologies, Inc. | 2,441 | 370 | 0.07 |
| Raytheon Co. | 41,013 | 5,358 | 1.02 |
| United Technologies Corp. | 17,453 | 1,584 | 0.30 |
| | | **9,017** | **1.71** |
| **Air Freight & Logistics 0.10% (0.00%)** | | | |
| United Parcel Service, Inc. 'B' | 7,207 | 556 | 0.10 |
| | | **556** | **0.10** |
| **Airlines 0.22% (0.32%)** | | | |
| Delta Air Lines, Inc. | 29,754 | 1,139 | 0.22 |
| | | **1,139** | **0.22** |
| **Building Products 0.05% (0.44%)** | | | |
| Allegion plc | 4,057 | 265 | 0.05 |
| | | **265** | **0.05** |
| **Commercial Services & Supplies 0.11% (0.03%)** | | | |
| Waste Management, Inc. | 8,218 | 594 | 0.11 |
| | | **594** | **0.11** |
| **Electrical Equipment 0.74% (1.33%)** | | | |
| Eaton Corp. plc | 69,900 | 3,880 | 0.74 |
| | | **3,880** | **0.74** |
| **Industrial Conglomerates 1.87% (0.34%)** | | | |
| Honeywell International, Inc. | 90,194 | 9,840 | 1.87 |
| | | **9,840** | **1.87** |
| **Machinery 2.11% (2.58%)** | | | |
| Caterpillar, Inc. | 53,831 | 5,333 | 1.01 |
| Deere & Co. | 4,916 | 610 | 0.12 |
| Ingersoll-Rand plc | 11,370 | 871 | 0.16 |
| Parker-Hannifin Corp. | 3,464 | 435 | 0.08 |
| Stanley Black & Decker, Inc. | 41,116 | 3,898 | 0.74 |
| | | **11,147** | **2.11** |
| **Road & Rail 2.55% (2.63%)** | | | |
| Norfolk Southern Corp. | 86,195 | 11,055 | 2.10 |
| Union Pacific Corp. | 19,473 | 2,385 | 0.45 |
| | | **13,440** | **2.55** |
| **Trading Companies & Distributors 0.11% (0.40%)** | | | |
| HD Supply Holdings, Inc. | 18,444 | 585 | 0.11 |
| | | **585** | **0.11** |
| **Industrials total** | | **50,463** | **9.57** |
| **Information Technology 20.01% (19.05%)** | | | |
| **Electronic Equipment, Instruments & Components 0.00% (0.02%)** | | | |
| **IT Services 5.51% (5.02%)** | | | |
| Accenture plc 'A' | 40,071 | 4,702 | 0.89 |
| Alliance Data Systems Corp. | 5,015 | 686 | 0.13 |
| Automatic Data Processing, Inc. | 19,531 | 2,073 | 0.39 |
| Fidelity National Information Services, Inc. | 5,935 | 477 | 0.09 |
| First Data Corp. 'A' | 38,660 | 739 | 0.14 |
| Fiserv, Inc. | 11,848 | 764 | 0.15 |
| Mastercard, Inc. 'A' | 55,145 | 8,569 | 1.62 |
| PayPal Holdings, Inc. | 36,603 | 2,578 | 0.49 |
| Visa, Inc. 'A' | 78,351 | 8,212 | 1.56 |
| WEX, Inc. | 2,225 | 270 | 0.05 |
| | | **29,070** | **5.51** |
| **Semiconductors & Semiconductor Equipment 5.44% (5.66%)** | | | |
| Advanced Micro Devices, Inc. | 100,405 | 1,767 | 0.34 |
| Analog Devices, Inc. | 72,105 | 5,437 | 1.03 |
| Broadcom, Inc. | 8,210 | 1,693 | 0.32 |
| NVIDIA Corp. | 59,649 | 6,243 | 1.18 |
| NXP Semiconductors NV | 10,828 | 723 | 0.14 |
| Taiwan Semiconductor Manufacturing Co. Ltd., ADR | 170,681 | 4,860 | 0.92 |
| Texas Instruments, Inc. | 93,773 | 7,292 | 1.38 |
| Universal Display Corp. | 8,556 | 671 | 0.13 |
| | | **28,686** | **5.44** |
| **Software 6.72% (5.21%)** | | | |
| Microsoft Corp. | 294,956 | 23,879 | 4.53 |
| Oracle Corp. | 36,728 | 1,409 | 0.27 |
| salesforce.com, Inc. | 89,401 | 10,156 | 1.92 |
| | | **35,444** | **6.72** |
| **Technology Hardware, Storage & Peripherals 2.34% (3.14%)** | | | |
| Apple, Inc. | 97,909 | 12,322 | 2.34 |
| | | **12,322** | **2.34** |
| **Information Technology total** | | **105,522** | **20.01** |
| **Materials 2.54% (2.35%)** | | | |
| **Chemicals 1.81% (0.76%)** | | | |
| DowDuPont, Inc. | 65,873 | 2,977 | 0.56 |
| Eastman Chemical Co. | 75,454 | 4,733 | 0.90 |
| Linde plc | 12,478 | 1,549 | 0.29 |
| PPG Industries, Inc. | 3,689 | 295 | 0.06 |
| | | **9,554** | **1.81** |
| **Construction Materials 0.00% (0.57%)** | | | |
| **Containers & Packaging 0.73% (0.94%)** | | | |
| Crown Holdings, Inc. | 102,281 | 3,858 | 0.73 |
| | | **3,858** | **0.73** |
| **Metals & Mining 0.00% (0.08%)** | | | |
| **Materials total** | | **13,412** | **2.54** |

# Portfolio statement – continued

As at 31 January 2019

| Investment | Holding | Market value £'000 | Total net assets % |
|---|---|---|---|
| **Real Estate 2.07% (0.23%)** | | | |
| **Equity Real Estate Investment Trusts (REITs) 2.07% (0.23%)** | | | |
| AvalonBay Communities, Inc. | 4,159 | 605 | 0.11 |
| Brixmor Property Group, Inc. | 21,973 | 285 | 0.05 |
| Prologis, Inc. | 148,403 | 7,729 | 1.47 |
| Ventas, Inc. | 15,471 | 753 | 0.14 |
| Vornado Realty Trust | 30,036 | 1,573 | 0.30 |
| | | **10,945** | **2.07** |
| **Real Estate total** | | **10,945** | **2.07** |
| **Utilities 3.70% (2.27%)** | | | |
| **Electric Utilities 3.54% (1.85%)** | | | |
| Evergy, Inc. | 8,881 | 384 | 0.07 |
| NextEra Energy, Inc. | 85,307 | 11,278 | 2.14 |
| Xcel Energy, Inc. | 180,172 | 6,983 | 1.33 |
| | | **18,645** | **3.54** |
| **Multi-Utilities 0.16% (0.42%)** | | | |
| Public Service Enterprise Group, Inc. | 5,282 | 214 | 0.04 |
| Sempra Energy | 7,276 | 637 | 0.12 |
| | | **851** | **0.16** |
| **Utilities total** | | **19,496** | **3.70** |
| **Equities total** | | **519,456** | **98.49** |
| **Futures 0.02% (0.00%)** | | | |
| S&P 500 Emini Index 15/03/2019 | 33 | 78 | 0.02 |
| **Futures total** | | **78** | **0.02** |
| **Liquidity Funds 1.21% (0.00%)** | | | |
| JPM USD Liquidity LVNAV Fund X (dist.)[ø] | 8,390,348 | 6,390 | 1.21 |
| **Liquidity Funds total** | | **6,390** | **1.21** |
| Investment assets | | 525,924 | 99.72 |
| Net other assets | | 1,499 | 0.28 |
| **Net assets** | | **527,423** | **100.00** |

The comparative percentage figures in brackets are as at 31 January 2018.
Comparatives have been restated to align to the latest sector information.
[ø] A related party to the Fund.

# Financial statements

## Statement of total return

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| Income | | | | |
| Net capital gains (Note 2) | | 30,494 | | 18,318 |
| Revenue (Note 3) | 7,981 | | 3,360 | |
| Expenses (Note 4) | (3,368) | | (2,043) | |
| Net revenue before taxation | 4,613 | | 1,317 | |
| Taxation (Note 5) | (1,096) | | (454) | |
| Net revenue after taxation | | 3,517 | | 863 |
| **Total return before distributions** | | **34,011** | | **19,181** |
| Distributions (Note 6) | | (3,506) | | (942) |
| **Change in net assets attributable to shareholders from investment activities** | | **30,505** | | **18,239** |

## Statement of change in net assets attributable to shareholders

For the year ending 31 January

| | £'000 | 2019 £'000 | £'000 | 2018 £'000 |
|---|---|---|---|---|
| **Opening net assets attributable to shareholders** | | **204,272** | | **209,874** |
| Amounts transferred from JPM US Fund | | 363,257 | | - |
| Amounts receivable on issue of shares | 84,474 | | 26,382 | |
| Amounts payable on cancellation of shares | (158,635) | | (51,070) | |
| | | (74,161) | | (24,688) |
| Dilution adjustment | | 36 | | - |
| Change in net assets attributable to shareholders from investment activities (see above) | | 30,505 | | 18,239 |
| Retained distributions on accumulation shares | | 3,514 | | 847 |
| **Closing net assets attributable to shareholders** | | **527,423** | | **204,272** |

## Balance sheet

As at 31 January

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Assets:** | | |
| Investments | 525,924 | 199,919 |
| **Current assets:** | | |
| Debtors (Note 8) | 5,834 | 2,549 |
| Cash and bank balances (Note 9) | 438 | 4,052 |
| **Total assets** | **532,196** | **206,520** |
| **Liabilities:** | | |
| **Creditors:** | | |
| Bank overdraft | (74) | (4) |
| Distribution payable | (267) | (74) |
| Other creditors (Note 10) | (4,432) | (2,170) |
| **Total liabilities** | **(4,773)** | **(2,248)** |
| **Net assets attributable to shareholders** | **527,423** | **204,272** |

The notes to these financial statements are shown on pages 449 to 452.

# Notes to the financial statements for the year ending 31 January 2019

## 1. Accounting policies

The applicable accounting policies adopted by JPM US Select Fund are disclosed on pages 12 and 13.

## 2. Net capital gains

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Currency gains/(losses) | 508 | (242) |
| Derivative contracts | (435) | 151 |
| Non-derivative securities | 30,421 | 18,409 |
| Net capital gains | 30,494 | 18,318 |

## 3. Revenue

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Income from Liquidity Funds | 47 | - |
| Income from overseas equity investments | 7,911 | 3,356 |
| Interest on bank and term deposits | 16 | 4 |
| Interest on derivatives | (1) | - |
| Stock lending income | 8 | - |
| Total revenue | 7,981 | 3,360 |

## 4. Expenses

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **Payable to the ACD or associate of the ACD:** | | |
| ACD fee | 3,071 | 1,708 |
| Operating expenses | 294 | 335 |
| Stock lending fees | 1 | - |
| | 3,366 | 2,043 |
| Interest payable | 2 | - |
| Total expenses | 3,368 | 2,043 |

The fees paid to the auditor for the year ended 31 January 2019 are £6,098 (31.01.18: £6,098), with additional fees of £633 (31.01.18: £594) relating to other audit services.

## 5. Taxation

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| **a) Analysis of charge in the year** | | |
| Overseas tax suffered | 1,096 | 454 |
| Current year tax charge (Note 5b) | 1,096 | 454 |

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is greater than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

| | | |
|---|---|---|
| Net revenue before taxation | 4,613 | 1,317 |
| Corporation tax at 20% | 923 | 263 |
| Effects of: | | |
| Dividends not subject to corporation tax | (1,551) | (667) |
| Excess expenses for which no relief taken | 635 | 405 |
| Overseas tax expensed | (4) | (1) |
| Overseas tax suffered | 1,096 | 454 |
| Revenue taxable in different periods | (3) | - |
| | 173 | 191 |
| Current year tax charge (Note 5a) | 1,096 | 454 |

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £3,842,768 (31.01.18: £3,207,852) in relation to £19,213,838 (31.01.18: £16,039,259) of excess management expenses which would only be utilised to reduce the tax charge if the Fund had an excess of unfranked income over expenses in a future period. There is no excess of unfranked income expected in the future.

## 6. Distributions

The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Final dividend distribution | 3,781 | 921 |
| Add: Amounts payable on cancellation of shares | 557 | 79 |
| Deduct: Amounts receivable on issue of shares | (832) | (58) |
| Distributions for the year | 3,506 | 942 |

Details of the distribution per share are set out on page 453.

## 7. Movement between net revenue after taxation and distributions

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Net revenue after taxation | 3,517 | 863 |
| Add: Deficit taken to capital | - | 66 |
| Add: RDR transfer equalisation (capital) | 1 | 13 |
| Add: Undistributed revenue brought forward | 2 | 2 |
| Deduct: Undistributed revenue carried forward | (14) | (2) |
| | 3,506 | 942 |

## 8. Debtors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued income | 365 | 82 |
| Due from the ACD for shares issued | 249 | 530 |
| Overseas tax recoverable | 29 | - |
| Sales awaiting settlement | 5,191 | 1,937 |
| Total debtors | 5,834 | 2,549 |

## 9. Cash and bank balances

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Cash and bank balances | 438 | 4,052 |

## 10. Other creditors

| | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Accrued expenses | 346 | 133 |
| Due to the ACD for shares cancelled | 1,335 | 865 |
| Purchases awaiting settlement | 2,751 | 1,172 |
| Total other creditors | 4,432 | 2,170 |

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.01.18: £nil).

## 12. Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation, are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £1,432,377 (31.01.18: £468,065). Details of related party transactions are given under the note on page 13.

Investments considered to be related parties have been identified in the portfolio statement on page 447 and the revenue from these investments was £47,074 (31.01.18: £nil).

The following parties held a material interest in the Fund at the year end date:
- FNZ (UK) Nominees Ltd 12.15% (31.01.18: 14.32%)
- FIL Nominee (Shareholdings) Limited 10.14% (31.01.18: 15.87%)

## 13. Stock lending

The Fund entered into stock lending arrangements with various counterparties in the current year. At the balance sheet date there were £3,670,377 securities on loan (31.01.18: £nil) and consequently £3,913,699 collateral was held (31.01.18: £nil).

| As at | 2019 £'000 | 2018 £'000 |
|---|---|---|
| Analysis of stock lending income | | |
| Gross stock lending income (Note 3) | 8 | - |
| Fees paid to the lending agent[Ø] | (1) | - |
| Net stock lending income | 7 | - |

[Ø] A related party to the Fund.

An analysis of the securities on loan by counterparty is detailed in the Securities Financing Transactions (Unaudited) section on page 455

## 14. Financial instruments

**Currency exposures**

A substantial proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

| | | Net foreign currency assets | |
|---|---|---|---|
| Currency | Total £'000 | Monetary exposures £'000 | Non-monetary exposures £'000 |
| **31.01.19** | | | |
| US Dollar | 529,123 | 3,199 | 525,924 |
| **31.01.18** | | | |
| US Dollar | 204,471 | 4,552 | 199,919 |

At the year end date, if the value of sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £52,912,000 (31.01.18: £20,447,000).

**Interest rate risk**

At the year end date, 1.28% (31.01.18: 1.98%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

**Market price risk**

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £52,592,000 (31.01.18: £19,992,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on page 13.

## 15. Share classes

The Fund currently has four share classes; Class A Shares, Class B Shares, Class C Shares and Class I Shares. The Authorised Corporate Director's (ACD) fee and Operating expenses charge are shown below.

| | ACD Fee | Operating expenses (max.) |
|---|---|---|
| Class A Shares: | 1.50% | 0.15% |
| Class B Shares: | 1.00% | 0.15% |
| Class C Shares: | 0.75% | 0.15% |
| Class I Shares: | 0.60% | 0.00% |

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 443 and 444. All classes have the same rights on winding up.

## 16. Counterparty exposure

| Counterparty | Forward currency contracts £'000 | Total £'000 |
|---|---|---|
| **31.01.19** | | |
| Merrill Lynch | 78 | 78 |
| **31.01.18** | | |
| Merrill Lynch | 9 | 9 |

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values.

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

| | 2019 Assets £'000 | 2019 Liabilities £'000 | 2018 Assets £'000 | 2018 Liabilities £'000 |
|---|---|---|---|---|
| Level 1: Quoted prices | 519,534 | - | 199,919 | - |
| Level 2: Observable market data | 6,390 | - | - | - |
| Total | 525,924 | - | 199,919 | - |

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.19** | | | | | | |
| **Purchases*** | | | | | | |
| Purchases of Equity stocks | (482,375) | (72) | - | (482,447) | 0.01 | 0.00 |
| Purchases of Funds | (40,307) | - | - | (40,307) | 0.00 | 0.00 |
| **In-specie purchases** | | | | | | |
| Purchases of Equity stocks | (355,307) | - | - | (355,307) | 0.00 | 0.00 |
| | (877,989) | (72) | - | (878,061) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 548,886 | (79) | (8) | 548,799 | 0.01 | 0.00 |
| Sales of Funds | 33,668 | - | - | 33,668 | 0.00 | 0.00 |
| | 582,554 | (79) | (8) | 582,467 | | |
| Total | | (151) | (8) | | | |
| Percentage of Fund average net assets | | 0.03% | 0.00% | | | |

* Excluding in specie and corporate action activity

## 17. Direct transaction costs – continued

| | Principal before costs £'000 | Commission £'000 | Taxes £'000 | Total after costs £'000 | Commission as % of Principal | Taxes as % of Principal |
|---|---|---|---|---|---|---|
| **31.01.18** | | | | | | |
| **Purchases** | | | | | | |
| Purchases of Equity stocks | (183,066) | (40) | - | (183,106) | 0.02 | 0.00 |
| | (183,066) | (40) | - | (183,106) | | |
| **Sales** | | | | | | |
| Sales of Equity stocks | 210,899 | (47) | (5) | 210,847 | 0.02 | 0.00 |
| | 210,899 | (47) | (5) | 210,847 | | |
| Total | | (87) | (5) | | | |
| Percentage of Fund average net assets | | 0.05% | 0.00% | | | |

**Dealing spread**
As at the balance sheet date, the average portfolio dealing spread was 0.03% (31.01.18: 0.02%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 18. Shares in issue

| | Opening position | Creations | Cancellations | Conversions | Closing position |
|---|---|---|---|---|---|
| A-Class Accumulation Shares | 17,298,182 | 99,459,735 | (34,115,319) | (176,329) | 82,466,269 |
| A-Class Income Shares | 408,202 | 1,059,285 | (187,059) | (76,478) | 1,203,950 |
| B-Class Accumulation Shares | 313,158 | 906,011 | (6,216) | (51,761) | 1,161,192 |
| C-Class Accumulation Shares | 33,771,333 | 57,306,913 | (19,456,072) | 13,118 | 71,635,292 |
| C-Class Income Shares | 6,164,492 | 9,187,219 | (1,885,463) | 177,483 | 13,643,731 |
| I-Class Accumulation Shares | 2,178,635 | 3,425,846 | (1,116,937) | 3,407 | 4,490,951 |

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2018
Group 2 – Shares purchased 1 February 2018 to 31 January 2019

| | Net revenue | Equalisation | Distribution payable 30.04.19 | Distribution paid 30.04.18 |
|---|---|---|---|---|
| **A-Class Accumulation Shares** | | | | |
| Group 1 | 0.610000 | – | 0.610000 | 0.000000 |
| Group 2 | 0.468658 | 0.141342 | 0.610000 | 0.000000 |
| **A-Class Income Shares** | | | | |
| Group 1 | 0.460000 | – | 0.460000 | 0.000000 |
| Group 2 | 0.367739 | 0.092261 | 0.460000 | 0.000000 |
| **B-Class Accumulation Shares** | | | | |
| Group 1 | 1.100000 | – | 1.100000 | 0.460000 |
| Group 2 | 0.863726 | 0.236274 | 1.100000 | 0.460000 |
| **C-Class Accumulation Shares** | | | | |
| Group 1 | 3.760000 | – | 3.760000 | 2.100000 |
| Group 2 | 2.546130 | 1.213870 | 3.760000 | 2.100000 |
| **C-Class Income Shares** | | | | |
| Group 1 | 1.920000 | – | 1.920000 | 1.200000 |
| Group 2 | 1.227677 | 0.692323 | 1.920000 | 1.200000 |
| **I-Class Accumulation Shares** | | | | |
| Group 1 | 6.780000 | – | 6.780000 | 6.280000 |
| Group 2 | 5.158626 | 1.621374 | 6.780000 | 6.280000 |

Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Securities Financing Transactions (Unaudited)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 31 January 2019 are detailed below.

## Global Data

### Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0.70%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|---|---|---|
| Securities lending | 3,670 | 0.70% |

## Concentration Data

### Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date:

| Issuer | Collateral Value £'000 |
|---|---|
| United States of America Treasury | 3,055 |
| United Kingdom Treasury | 857 |
| Kingdom of Netherlands Government | 2 |
| Total | 3,914 |

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

## Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Counterparty | Value £'000 |
|---|---|
| UBS | 3,670 |
| Total | 3,670 |

## Aggregate transaction data

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Fund in respect of securities lending transactions as at the balance sheet date:

| Type | Quality | Currency | Value £'000 |
|---|---|---|---|
| Bonds | Investment Grade | USD | 3,055 |
| Bonds | Investment Grade | GBP | 857 |
| Bonds | Investment Grade | EUR | 2 |
| Total | | | 3,914 |

### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to securities lending transactions as at the balance sheet date:

| Maturity | Value £'000 |
|---|---|
| 1 to 3 months | 309 |
| 3 to 12 months | 283 |
| more than 1 year | 3,322 |
| Total | 3,914 |

### Maturity tenor of Security lending transactions

The Fund's securities lending transactions have open maturity.

### Country in which counterparties are established

| Counterparty | Country of Incorporation |
|---|---|
| UBS | Switzerland |

# Securities Financing Transactions (Unaudited) – continued

## Settlement and clearing

The Fund's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Re-use of collateral

**Share of collateral received that is reused and reinvestment return**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

## Safekeeping of collateral

All collateral received (31.01.19: £3,914,000) by the Fund in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

## Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

## Who to contact

**Intermediaries**
0800 727 770

**If you are an investor with us please call**
0800 20 40 20

Lines are open 9.00am to 5.30pm Monday to Friday.
Telephone lines are recorded to ensure compliance with our legal and regulatory obligations and internal policies.

www.jpmorganassetmanagement.co.uk

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